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Annual Financial Report 2021

Annual Financial Report 2021: An Overview

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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.

The Company

Key Data of Raiffeisen Centrobank AG

in € thousand / in per cent	2021	2020	Change
Key ratios			
Operating income	51,563	47,632	8.3%
Operating expenses	(39,958)	(36,232)	10.3%
Result on ordinary activities	11,660	11,396	2.3%
Net income for the year	9,615	8,597	11.8%
Balance sheet total	4,882,883	4,653,354	4.9%
Return-on-Equity before tax	9.3%	9.8%	(0.5) PP
Return-on-Equity after tax	7.7%	7.4%	0.3 PP
Overall Return-on-Assets	0.2%	0.2%	0.0 PP
Cost/income ratio	77.5%	76.1%	1.4 PP
Bank-specific figures			
Core capital	114,876	108,969	5.4%
Total Risk-Weighted assets	468,975	432,741	8.4%
Excess own funds	77,358	74,349	4.0%
Core capital ratio	24.5%	25.2%	(0.7) PP
Core capital ratio/credit risk	53.5%	76.7%	(23.1) PP
Own funds ratio	24.5%	25.2%	(0.7) PP
Liquidity coverage ratio (LCR)	134.6%	138.2%	(3.6) PP
Non-financial figures			
Employees at year-end	129	123	4.9%
Average number of employees	122	172	(29.0)%
Stock exchange memberships	10	10	0.0%
Number of newly issued warrants and certificates	4,883	5,369	(9.1)%

Preface by the Chairman of the Supervisory Board



Dear Sir or Madam,

During the 2021 financial year, the members of the Supervisory Board and its Committees were informed in a timely and comprehensive manner by the Management Board about the different business areas, risk assessments and relevant business developments in Raiffeisen Centrobank AG. Information was provided verbally as well as in written form and enabled the Supervisory Board to fulfil its duty to supervise and advise the Management Board.

The past year was again a year of personal and professional challenges which demanded a lot of flexibility both in our business and private environments.

In the 2021 financial year, Raiffeisen Centrobank AG continued its way of transformation. The full integration of the remaining business areas Structured Products and Trading & Treasury as well as of the related enabling units into Raiffeisen Bank International AG is currently being planned and will be implemented by the end of 2022. In order to get closer to each other at a very early stage, Raiffeisen Centrobank AG moved to the business premises of its parent Raiffeisen Bank International AG in the first quarter of 2021.

Following the strategic decision to build up digital retail business activities in Raiffeisen Centrobank AG, the Supervisory Board appointed Alexey Kapustin to the Management Board as of 1 June 2021. New opportunities will open up for Raiffeisen Centrobank AG and its new brand name Raiffeisen Digital Bank. In our vision to centralize the various digital retail activities in one entity, we are convinced that Raiffeisen Centrobank AG is the ideal host for Raiffeisen Digital Bank and the best foundation for our ambitious plans. Using the Raiffeisen Digital Bank brand, Raiffeisen Centrobank AG offers cash loan products to Polish citizens in Poland exclusively online using a modern and secure application procedure via mobile devices.

Against the backdrop of the ongoing turbulent market environment in the wake of the Covid-19 pandemic, Raiffeisen Centrobank AG achieved a very favorable result in the 2021 financial year. The Structured Products segment issued nearly 4,900 publicly offered investment and leverage products. New digital concepts were developed which achieved great attention and met with a very strong response on the part of the customers. Raiffeisen Centrobank AG actively assumes responsibility in shaping a sustainable future which is reflected both in the number of 820 certificates with sustainable underlyings and the share of the total open interest which recorded a rise of 53 per cent. Even though the market making turnover on the Vienna stock exchange was 19 per cent below the previous year's result following a change in business strategy, Raiffeisen Centrobank AG achieved a market share of 7.5 per cent in market making and remained the largest domestic liquidity provider.

I would like to thank all those who helped achieve the good results in the past year. I would also like to thank our clients and partners for their cooperation and the trust they continue to place in Raiffeisen Centrobank AG's services and products.

A handwritten signature in black ink, appearing to read 'L. Januszewski', with a long horizontal stroke extending to the right.

Lukasz Januszewski

Chairman of the Supervisory Board

CEO Editorial



Ladies and Gentlemen, dear Reader,

The year 2021 was again a year of change for Raiffeisen Centrobank AG. After the transfer of the Equity Value Chain from Raiffeisen Centrobank AG into Raiffeisen Bank International AG had been successfully completed in December 2020, the Annual General Assembly took the general decision in April 2021 to set up digital retail business activities within Raiffeisen Centrobank AG. With the appointment of Alexey Kapustin as Member of the Management Board of Raiffeisen Centrobank AG responsible for the Retail business area as of 1 June 2021, the Board of Management of Raiffeisen Centrobank AG was extended to three members.

Another milestone in the past financial year was the relocation of Raiffeisen Centrobank AG to the new office space at Stadtpark. By realizing the new way of work concept we are fostering collaboration both within Raiffeisen Centrobank AG and with Raiffeisen Bank International AG.

The Certificates and Trading business remained Raiffeisen Centrobank AG's main priority in 2021 which are both essential business segments for the Raiffeisen Bank International AG Group, the Austrian Raiffeisen sector as well as for institutional and private customers in Western Europe and Central and Eastern Europe (CEE). In the 2021 financial year, particular emphasis was laid on sustainable investments. Raiffeisen Centrobank AG joined the UN Global Compact Network supporting the UN principles labor, human rights, environment and anti-corruption and has specified a sustainability standard. On product level, new sustainability indices on underlyings for certificates have been developed in cooperation with MSCI.

In the past financial year, Raiffeisen Centrobank AG again received numerous national and international awards which honored the Bank's role as leading Austrian certificates provider and major product partner in the CEE markets and emphasized the outstanding level we achieve in our work and services. As a key market maker Raiffeisen Centrobank AG makes a substantial contribution when it comes to providing liquidity for the shares listed on the stock exchanges in Austria and the CEE region.

The transfer of the business segments Certificates and Trading in tandem with the respective enabling units is scheduled to be finalized at the end of 2022.

We addressed the impact and effects of the second year in the Covid-19 crisis by developing even more our customized product range and our outstanding commitment to our customers and achieved a record result in this segment.

I would like to express my thanks to our employees for their excellent work and commitment in the past year. Moreover, I would also like to thank our partners and customers for their good cooperation and trust.

Best regards,

A handwritten signature in black ink, appearing to be 'H. Kröger', written in a cursive style.

Harald Kröger

CEO Raiffeisen Centrobank AG

Corporate Bodies

Management Board

Harald Kröger
Heike Arbter
Alexey Kapustin

Chief Executive Officer
Member
Member (from 01.06.2021)

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 Höllner
Chief Financial Officer,
Raiffeisen Bank International AG (until 28/02/2022)

Member (until 28/02/2022)

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

Member

Christian Moucka
General Management,
Raiffeisenbank Region Baden

Member

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

Member

State Commissioners

Johannes Pasquali
Karl-Heinz Tscheppe

Vienna, 7 April 2022

The Management Board



Harald Kröger
Chief Executive Officer



Heike Arbter
Member of the Management Board



Alexey Kapustin
Member of the Management Board

Corporate Governance

Raiffeisen Centrobank AG's shares are not listed on a stock exchange. As a competence for certificates and equity trading in Austria and a strong regional focus on the CEE region, Raiffeisen Centrobank AG orients itself towards the rules and principles of good and responsible corporate governance as set forth in the Austrian Code of Corporate Governance to the extent that these rules and principles are applicable for Raiffeisen Centrobank AG. Raiffeisen Centrobank AG has not (yet) formally undertaken to comply with the Austrian Code of Corporate Governance.

Efficient collaboration between the various bodies of the Company based on a strong foundation of trust, protection of its shareholders' interests and open and transparent communication is a key element in Raiffeisen Centrobank AG's approach to good corporate governance. The following comments illustrate some aspects of Raiffeisen Centrobank AG's compliance with the Code in the reporting period (1 January to 31 December 2021).

Management Board

The Management Board is made up of three people and has sole responsibility to manage the Company based on concrete goals, concepts and guidelines. The Management Board pursues a future-oriented approach taking into account standards of good corporate management and the interests of the public well-being.

The bylaws for the Management Board as adopted by the Supervisory Board stipulate that meetings of the Management Board shall be held at regular intervals. The Chairman of the Management Board shall convene and chair the meeting. The meetings of the Management Board focus on a mutual exchange of information and decision-making in all matters subject to approval by the Management Board. The Management Board conducts the business of the Company in accordance with the law, the Company bylaws and the bylaws for the Management Board. The bylaws for the Management Board contain stipulations regarding the disclosure and reporting obligations of the Management Board and formulate in concrete terms a list of business transactions that are subject to approval by the Supervisory Board.

Rules for Proprietary Trading

The Management Board takes its decisions on the basis of the members' professional expertise and irrespective of any personal interests. Members of the Management Board disclose all material personal interests in transactions of Raiffeisen Centrobank AG to the Supervisory Board. Conflicts of interest have to be reported to Compliance and to the Supervisory Board. All transactions between Raiffeisen Centrobank AG and the members of the Management Board or parties related to them are conducted in accordance with generally accepted industry standards and are approved by the Supervisory Board in advance.

Members of the Management Board are not permitted to operate businesses or be officers in other business entities without the approval of the Supervisory Board unless these entities are in a group relationship with Raiffeisen Centrobank AG or unless Raiffeisen Centrobank AG holds an interest in these entities. Furthermore, members of the Management Board are not permitted to conduct business transactions on their own account or that of another party or to hold shares in another company as a personally liable partner in the areas in which Raiffeisen Centrobank AG is active without the approval of the Supervisory Board.

Supervisory Board

The Supervisory Board monitors and assists the Management Board in the management of Raiffeisen Centrobank AG, in particular with regard to decisions of fundamental importance. The Supervisory Board has set up an Audit Committee.

The bylaws for the Supervisory Board and the Audit Committee formulate in concrete terms a list of business transactions that are subject to the approval of the Supervisory Board or the Audit Committee.

Collaboration between the Supervisory Board and Management Board

A key principle of good corporate governance is the open discussion between the Management Board and the Supervisory Board or the Audit Committee and within these governing bodies.

The Management Board submits regular, timely and comprehensive reports to the Supervisory Board about all relevant aspects of the Bank's business development, including the risk situation and risk management measures at the Bank. The Management Board immediately reports all important events to the Chairman of the Supervisory Board and also all reports immediately on all circumstances that are of material relevance to the profitability or liquidity of the Company.

The Management Board coordinates the strategic orientation of the Company with the Supervisory Board and discusses the status of the implementation of the strategy at regular intervals with this Board.

The Supervisory Board meets at least four times per financial year.

Transparent Information Policy

Raiffeisen Centrobank AG attaches considerable importance to open and transparent communication with its shareholders and the interested public. Thus, Raiffeisen Centrobank AG provides on its website:

- Press releases, key data
- Shareholder structure
- Downloadable annual reports in PDF format
- Downloadable securities prospectuses in PDF format

Criteria for the Independence of the Supervisory Board Members for the Purposes of the Austrian Code of Corporate Governance

A Supervisory Board member is considered to be independent when he or she is not in any business or personal relationship with the Company or its Management Board that could cause a material conflict of interest and that could therefore influence the behavior of the Board member.

All members of the Supervisory Board of Raiffeisen Centrobank AG are independent according to the defined criteria for independence.

Moreover, two members of Raiffeisen Centrobank AG's Supervisory Board fulfil the criteria for the independence of Supervisory Board Members pursuant to § 28a para 5b of the Austrian Banking Act.

Compliance

The department Compliance & ICS (Internal Control System) assumes responsibility for monitoring the non-financial risks and governing the Internal Control System within Raiffeisen Centrobank AG. These areas of responsibility have been bundled into one organizational unit which provides for the overall assessment and integrated control of non-financial risks, the rapid reaction to newly emerging or changing risks, and the safeguarding of the efficiency and efficacy of internal controls.

The internal control systems and the management of compliance-related risks are based on three lines of defense. The first line of defense is formed by individual departments, where department heads are responsible for monitoring the processes and risks in their business areas. The second line of defense is provided by specialist areas focused on specific issues. These include in particular Compliance & ICS. Their primary aim is to define standards for monitoring, measuring and managing risk, and to support the individual departments when carrying out control steps. Internal Audit acts as the third line of defense in the monitoring process, overseeing the first and second line of defense.

On 1 December 2020 Compliance & ICS was transferred to Raiffeisen Bank International AG (RBI). Compliance & ICS is subordinate to the Chief Risk Officer within the Management Board but reports directly to the Management Board and the Supervisory Board of Raiffeisen Centrobank AG. These comprehensive measures provide for an effective implementation of the high standards required by statutory demands.

Raiffeisen Centrobank AG applies RBI's Group Compliance guidelines as the basis for its compliance guidelines, in addition to relevant legal and regulatory provisions. As a subsidiary of RBI, the provisions contained in RBI's Code of Conduct are binding for and shall be observed by all employees of Raiffeisen Centrobank AG. The provisions have been implemented within Raiffeisen Centrobank AG in a binding set of rules including e.g. the Compliance and Anti-Money-Laundering Manual and organizational instructions.

Core compliance-related issues in Raiffeisen Centrobank AG include procedures and measures to prevent insider trading and market manipulation, and periodic reviews of the adherence to the Execution Policy when executing customer orders. Moreover, major tasks include measures and procedures to prevent money laundering, terrorist financing, conflicts of interest, adherence to (financial) sanctions, implementation and monitoring of regulations for employee transactions and acceptance of gifts as well as training for employees. In addition, Compliance & ICS is responsible for handling the complaint management at Raiffeisen Centrobank AG.

With MiFID II/MiFIR (Markets in Financial Instruments Directive II/Markets in Financial Instruments Regulation) which are based on MiFID I, the rules for equity trading and investment advisory services (e.g. stricter rules for OTC transactions, comprehensive customer information requirements etc.) have been amended and tightened.

The PRIIP regulations (Packaged Retail and Insurance-based Investment Products) extend customer information obligations for PRIIP issuers, such as Raiffeisen Centrobank AG. Retail investors must be provided with standardized information (key information documents) on the basic features and risks associated with a product.

In the 2021 financial year, Compliance & ICS focused particularly on supporting the setting up of the retail business within Raiffeisen Centrobank AG from a regulatory perspective. Guidelines, processes and procedures were adjusted to the new business segment with special emphasis being laid on the prevention of money laundering and terrorist financing.

Management Report of Raiffeisen Centrobank AG for the 2021 Financial Year

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 2021 financial year, like the 2020 financial year, was shaped by the developments of the Covid-19 crisis and the associated restrictions to contain the pandemic as well as its impact on economic activity. However, despite persistent challenges the global economic performance developed positively. In 2021, the Eurozone's GDP gained 5.2 per cent on average compared to 2020. Nevertheless, the strong growth was subject to substantial fluctuations throughout the year. The strong dynamics at the beginning of the year gradually eased off and towards the end of 2021 the global economic growth rate started to show signs of slowing down.

Since the beginning of the Covid-19 pandemic, the European Central Bank (ECB) has taken comprehensive monetary policy measures to dampen negative economic impacts. Towards the end of the year inflationary tendencies intensified translating into a rise of consumer prices in the Eurozone of 5 per cent in December which was to the highest ever-recorded value. Central banks such as the US Fed have already tightened monetary policy measures and announced a change of the key rate path, the Central Bank of England in tandem with most central banks in Eastern Europe have increased interest rates, whereas the ECB anticipates price hikes to be only a temporary phenomenon and has not hinted at taking any interest rate steps in 2022.

Financial Markets

Despite the Covid-19 crisis and rising inflation rates, 2021 was a very successful year on the international stock exchanges. The rebound of the global economy and the resulting profit development of companies shored up the strong performance of the global stock markets. Companies again surpassed expectations when presenting their quarterly figures. The MSCI World gained more than 30 per cent and the StoxxEurope 600 rose by over 20 per cent. Despite higher volatility levels in the second half of the year, the US stock exchanges delivered an outstanding performance. Bolstered by tech heavy weights, the S&P 500, earned plus 27 per cent and the Dow Jones almost 19 per cent. With an increase of roughly 39 per cent, the leading index of the Vienna stock exchange ATX was one of the strongest performing indices. In addition to the above-average high weighting of the strongly rising energy and banking sectors, the outstanding performance of Austrian companies was a strong driver of the ATX. The ATX Total Return Index, which includes dividends, reached an all-time high in the course of the year. Threshold markets, in particular China, experienced a challenging year. In the wake of stronger governmental interference mainly in the technology sector, China's stock market ended up with a loss in the year 2021.

Despite persistent uncertainties caused by the pandemic and rising concerns about price developments gold did not maintain its nimbus as a safe haven and inflation protection. In the past year gold's performance fell short of the performance of other asset classes and recorded even a mild price drop from roughly USD 1,900 per troy ounce at the beginning of the year to roughly USD 1,815.

In the second half of the year, the US dollar appreciated versus the Euro from roughly 1.13 to 1.23 at the beginning of the year. This can be put down to expectations of interest hikes in the US taking place earlier than in the Eurozone.

Development of Business and Earnings in 2021

Demerger Equity Value Chain (EVC)

The demerger of the Equity Value Chain as of 1 December 2020, effective retroactively as of 30 June 2020, results 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.

Development of Earnings

With an operating income of € 51,563 thousand (2020: € 47,632 thousand) and operating expenses of € 39,958 thousand (2020: € 36,232 thousand) an operating result of € 11,604 thousand (2020: € 11,399 thousand) was generated in the 2021 financial year. Taking into consideration net valuations and net proceeds in the amount of € 55 thousand (2020: € minus 4 thousand) the result on ordinary activities came to € 11,660 thousand. The previous year's result on ordinary activities of € 11,396 thousand was surpassed by € 264 thousand or 2.3 per cent.

in € thousand	2021	2020	Change
Net interest result	(20,216)	(43,112)	(53.1)%
Income from securities and financial investments	12,822	5,230	>100.0%
Net fee and commission result	(6,292)	(4,981)	26.3%
Net profit on financial trading activities	55,791	86,861	(35.8)%
Other operating income	9,458	3,634	>100.0%
Operating income	51,563	47,632	8.3%
Staff expenses	(14,988)	(19,616)	(23.6)%
Other administrative expenses	(23,658)	(15,011)	57.6%
Depreciation	(1,142)	(1,246)	(8.3)%
Other operating expenses	(169)	(359)	(52.8)%
Operating expenses	(39,958)	(36,232)	10.3%
Operating result	11,604	11,399	1.8%
Net valuations and net proceeds	55	(4)	-
Result on ordinary activities	11,660	11,396	2.3%
Taxes	(2,044)	(2,799)	(27.0)%
Net income for the year	9,615	8,597	11.8%

Compared to the previous year's result, operating income increased by 8.3 per cent or € 3,931 thousand to € 51,563 thousand (2020: € 47,632 thousand).

The higher net interest result of € minus 20,216 thousand (2020: € minus 43,112 thousand) can be put down to lower net coupon expenses for securitized liabilities (structured products) which decreased by € 22,200 thousand. In detail, the improvement was due to higher coupon income from structured products in the amount of € 10,520 thousand and to lower coupon expenses for securitized liabilities which decreased by € 11,680 thousand.

Compared to 2020, interest income rose by € 11,303 thousand to € 20,605 thousand. Thereof an increase of € 10,520 thousand was due to higher coupon income from structured products.

Compared to the previous year, interest expenses went down by € 11,593 thousand to € 40,821 thousand. The decrease of € 11,680 thousand was attributable to lower coupon expenses for securitized liabilities.

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

The substantial rise of Income from securities of € 7,592 thousand to € 12,882 thousand was due to higher dividend income from domestic and foreign shares adding up to € 4,683 thousand and € 2,909 thousand, respectively.

Other operating income posted a rise of € 5,824 thousand to € 9,458 thousand caused by the effect of internal cost allocation to Raiffeisen Bank International AG in relation to the demerger of the Equity Value Chain.

Net fee and commission result was negative, both in 2021 and 2020. The decrease of € 1,311 thousand to € minus 6,292 thousand can be put down to higher expenses for distribution fees. In addition, an amount of € minus 584 thousand was attributable to the demerger of the Equity Value Chain.

Net profit on financial trading activities accounted for the main part of the operating income and went down by € 31,070 thousand to € 55,791 thousand in 2021 compared to € 86,861 thousand in the previous year. This decrease was partially due to coupon payments for structured products as set forth under net interest result. In 2020, these payments were hedged primarily by tradable money market deposits without current coupons held in the trading book. In 2021, these payments were hedged by interest income contained in the net interest result. Net coupon expenses contained in the net interest result (coupon expenses minus coupon income) decreased by € 22,200 thousand. Accordingly, the positive valuation effects from hedging transactions included in the net profit of financial trading activities recorded a decrease. The total result of tradable money market deposits including interest were contained in net profit on financial trading activities (trading profit).

Furthermore higher dividend payments translated into a rise of income from securities and financial investments and, thus, a lower valuation result in the net profit on financial trading activities compared to the previous year's result.

Operating expenses came to € 39,958 thousand and surpassed the previous year's result of € 36,232 thousand by 10.3 per cent or € 3,726 thousand.

Compared to the previous year's period, staff expenses dropped by € 4,628 thousand to € 14,988 thousand (2020: € 19,616 thousand). € 2,909 thousand thereof were primarily attributable to the demerger of the Equity Value Chain. In addition, the outsourcing of Compliance & ICS, Internal Audit, Security & BCM as well as Risk Controlling & Limit Management in December 2020 translated in a further drop of staff expenses. As a result, expenses for legal and consultancy services increased due to higher costs charged by Raiffeisen Bank International AG. The new business segment Digital Retail Bank Department of Raiffeisen Centrobank AG, which has been establishing and providing different retail activities since 1 July 2021, did not incur any staff expenses in 2021.

Other administrative expenses included mainly IT expenses in the amount of € 8,717 thousand (2020: € 3,166 thousand), expenses for information services coming to € 3,145 thousand (2020: € 3,717 thousand) and contributions to associations, domestic and foreign supervisory authorities and payments to the resolution fund adding up to € 2,980 thousand (2020: € 2,079 thousand). The item strongly increased by € 8,647 thousand to € 23,658 thousand. In addition to IT expenses which recorded a rise of € 5,550 thousand, expenses for legal and consultancy services went up by € 1,323 thousand, contributions to associations, domestic and foreign supervisory authorities including payments to the resolution fund rose by € 901 thousand and expenses for office space increased by € 870 thousand. The rise of IT expenses can primarily be put down to the new business segment Digital Retail Bank Department.

In 2021, other administrative expenses contained € 1,933 thousand relating to the demerger of the Equity Value Chain which were charged to Raiffeisen Bank International AG.

Depreciation came to € 1,142 thousand and dropped by € 104 thousand compared to the previous year's level (€ 1,246 thousand) due to special depreciation made in 2020. Depreciation in the Digital Retail Bank department amounted to € 370 thousand.

Other operating expenses came to € 169 thousand and, equal to the previous year, were at a low level (2020: € 359 thousand).

The cost/income ratio which had been at 76.1 per cent in 2020 came to 77.5 per cent.

In 2021, net valuations and net proceeds were positive and came to € 55 thousand. In the reporting year the item contained the current adjustment of general impairment allowances calculated pursuant to the methodology laid down in IFRS 9 as well as income from the partial repayment of cost coverage for a subsidiary in the amount of € 50 thousand. In the previous year net valuations and net proceeds were negative and added up to € 4 thousand.

In the reporting year, the result on ordinary activities came to € 11,660 thousand compared to € 11,396 thousand achieved in the previous year.

Current income taxes amounted to € 826 thousand (2020: € 1,728 thousand). The item contained income from group charges for the 2021 financial year adding up to € 16 thousand (2020: expenses of € 1,005 thousand) and income from previous years in the amount of € 219 thousand (2020: expenses coming to € 26 thousand). Moreover, the item included withholding taxes on foreign dividend income in the amount of € 883 thousand (2020: € 686 thousand) and a provision for current corporate income taxes for the Slovak branch adding up to € 62 thousand (2020: € 6 thousand).

In 2021, expenses for deferred taxes amounted to € 116 thousand (2020: € 6 thousand).

In the reporting year, other taxes including primarily statutory bank levies of Raiffeisen Centrobank AG adding up to € 1,027 thousand (2020: € 1,078 thousand, thereof € 203 thousand for the Slovak branch). In July 2020, the statutory bank levy was cancelled in Slovakia. In addition, the item included expenses for value-added taxes for previous years amounting to € 191 thousand (2020: income of € 7 thousand).

Net income for the 2021 financial year came to € 9,615 thousand (2020: € 8,597 thousand).

Balance Sheet Development

Compared to 31 December 2020, the balance sheet total increased by 4.9 per cent from € 4,653,354 thousand to € 4,882,883 thousand.

On the asset side, "Deposits with central banks" (16.0 per cent of the balance sheet total on 31 December 2021 and 10.7 per cent on 31 December 2020) rose by € 282,478 thousand to € 780,321 thousand mainly due to liquidity management measures to comply with regulatory requirements.

"Loans and advances to credit institutions" (72.0 per cent of the balance sheet total on 31 December 2021 and 81.1 per cent on 31 December 2020) posted a decrease of € 259,594 thousand to € 3,514,285 thousand which was attributable to the drop of inter-bank deposits in the amount of € 325,796 thousand to € 24,772 thousand. Moreover, the item included tradable money market deposits (€ 3,287,320 thousand), unlisted bonds (€ 147,397 thousand) and collateral for the option business (€ 30,435 thousand).

Compared to the year-end 2020, tradable money market deposits gained € 163,075 thousand, whereas unlisted bonds and collateral dropped by € 74,765 thousand and € 19,066, respectively.

"Loans and advances to customers" (0.1 per cent of the balance sheet total on 31 December 2021 and 0.2 per cent on 31 December 2020) decreased primarily further to lower collateral for the option business to other financial institutions by € 4,447 thousand to € 3,944 thousand.

"Shares and other variable-yield securities" (7.1 per cent of the balance sheet total on 31 December 2021 and 4.3 per cent on 31 December 2020) strongly increased by € 147,402 thousand to € 346,614 thousand. € 84,115 thousand and € 51,804 thousand of the rise related to foreign and domestic shares and was attributable the current adjustment of the hedging strategy to continuously changing market conditions and volatilities. In addition, funds, which are also included in the item, which went up by € 11,483 thousand.

"Equity participations" (0.1 per cent of the balance sheet total on 31 December 2021 and on 31 December 2020) dropped by € 0.9 thousand to € 5,139 thousand. The participation in Einlagensicherung AUSTRIA Ges.m.b.H. in the amount of € 1 thousand was transferred. A participation in the amount of € 100 in Österreichische Raiffeisen-Sicherungseinrichtung eGen was acquired.

"Intangible fixed assets" (0.1 per cent of the balance sheet total on 31 December 2021 and 0.0 per cent on 31 December 2020) recorded a rise of € 6,976 thousand to € 7,109 thousand further to the business activities of the new segment Digital Retail Bank Department which, since 1 July 2021, has been establishing and providing different retail activities.

"Other assets" (4.2 per cent of the balance sheet total on 31 December 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 € 196,219 thousand (31 December 2020: € 144,178 thousand) increased by € 57,298 thousand to € 202,955 thousand (31 December 2020: € 145,657 thousand).

On the equity and liabilities side, "Liabilities to credit institutions" (17.5 per cent of the balance sheet total on 31 December 2021 and 16.4 per cent on 31 December 2020) increased by € 94,164 thousand to € 856,532 thousand in particular due to a rise of collateral for the option business which went up by € 79,425 thousand.

"Securitized liabilities" (76.4 per cent of the balance sheet total on 31 December 2021 and 73.5 per cent on 31 December 2020) rose by € 306,646 thousand to € 3,728,933 thousand. This can be put down to a rise of issued bonds (capital protection certificates, reverse convertible bonds) in the amount of € 248,888 thousand as well as of other securitized liabilities (certificates with option character and warrants) adding up to € 57,758 thousand.

Tradable money market deposits, unlisted options and zero bonds 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 € 3,287,320 thousand (31 December 2020: € 3,124,510 thousand).

"Other liabilities" (3.1 per cent of the balance sheet total on 31 December 2021 and 7.0 per cent on 31 December 2020) fell by € 174,999 thousand to € 151,657 thousand primarily due to the decrease of short-sellings of trading assets and of negative fair values of derivative financial instruments (options and futures and forward exchange contracts) amounting to € 90,588 thousand and € 87,495 thousand, respectively.

"Provisions" (0.2 per cent of the balance sheet total on 31 December 2021 and on 31 December 2020) rose from € 9,470 thousand as at 31 December 2020 to € 10,861 thousand as at 31 December 2021. Provisions for severance payments recorded a slight decrease in the amount of € 42 thousand, whereas other provisions and provisions for tax provisions went up by € 1,376 thousand and € 56 thousand. The increase of other provisions was due to the new business segment Digital Retail Bank Department.

"Retained earnings" (0.7 per cent of the balance sheet total on 31 December 2021 and on 31 December 2020) came to € 35,324 thousand (31 December 2020: € 34,685 thousand). Based on the agreement to establish an institutional protection scheme (IPS) and a corresponding resolution by the Raiffeisen IPS Joint Risk Council an amount of € 639 thousand was allocated to the Raiffeisen IPS in the 2021 financial year. This reserve is not eligible for inclusion in the calculation of own funds pursuant to CRR.

The net profit (0.4 per cent of the balance sheet total on 31 December 2021 and 0.2 per cent on 31 December 2020) came to € 17,688 thousand and was comprised of the net income for the year in the amount of € 8,977 thousand and the profit carried forward adding up to € 8,711 thousand.

Financial Instruments

Please refer to the risk report and the notes.

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 completed the 2021 financial year on a successful note. The total sales volume (purchases and sales) came to € 2.0 billion and surpassed the previous year's level of € 1.8 billion by 6.3 per cent, thereby reaching an all-time high. As at 31 December 2021, the open interest of Raiffeisen Centrobank AG's certificates amounted to € 4.3 billion (2020: € 4.2 billion). In 2021, the issuance activity decreased by 9 per cent and came to 4,883 publicly offered investment and leverage products (2020: 5,369), thereof 323 being subscription products and tailor-made issues (2020: 262 which represented a rise of over 23 per cent).

In the Austrian Raiffeisen sector, the open interest of Raiffeisen Centrobank AG's certificates came to a record level (gaining 15 per cent compared to 2020) which was primarily due to the high share of purchases in the total sales volume. In accordance with prevailing Covid-19 regulations, the team held a very high number of education and training programs for distribution partners and advisors. Moreover, digital communication channels were developed further. The "Summer Academy", which was held in an online format, met with particularly high interest. As increased importance was attached to digitalization the monthly webinar series "Zertifikate im Blick", focusing mainly on advisors, was launched in autumn 2021.

Sustainable investments were a core topic in the 2021 financial year. Against the backdrop of regulatory requirements and rising customer demand Raiffeisen Centrobank AG achieved new milestones in terms of sustainability. In the 2021 financial year, Raiffeisen Centrobank AG joined the UN Global Compact Network supporting the UN principles labor, human rights, environment and anti-corruption and has specified a sustainability standard. On product level, new sustainability indices on underlyings for certificates have been developed in cooperation with MSCI. Raiffeisen Centrobank AG's sustainable acting is founded on three pillars: sustainable issuer – sustainable underlying – sustainable investment product. As per year-end 2021, the certificates' product range of Raiffeisen Centrobank AG included over 820 investment products relating to sustainability. With an open interest of € 1,022 million, which accounts for roughly 24 per cent of the total open interest Raiffeisen Centrobank AG's certificates, Raiffeisen Centrobank AG managed to increase the share by 53 per cent in the course of the year.

In the CEE region, Raiffeisen Centrobank AG is active in eight countries focusing on the distribution of certificates via the local Raiffeisen network banks. In 2021, more than 90 customized products for local customers were successfully placed in seven different currencies which emphasized Raiffeisen Centrobank AG's focus on top-level service quality and flexibility for different customer segments in the CEE region. The open interest in the Raiffeisen network banks remained constant compared to the previous year's period.

In 2021, Raiffeisen Centrobank AG's Slovak branch in Bratislava placed five customized products with a total issue volume of roughly € 30 million (2020: € roughly 19 million). The branch supports the Slovak market with issuing customized certificates and providing training.

In 2021, Raiffeisen Centrobank AG's Structured Products team won numerous awards. At the beginning of the year, Raiffeisen Centrobank AG received the Number One Award for Structured Products by Börse Social Network followed by the award "Best Structured Products Bank CEE 2021" by CFI.co (Capital Finance International, London). At the Certificates Award Austria held on 30 September 2021, Raiffeisen Centrobank AG was elected overall winner for the 15th consecutive year, winning top rankings in seven out of nine product categories and five number one ranks.

For the Structured Products segment (including the branch in Slovakia) operating income excluding other operating income came to € 33.8 million and exceeded the previous year's operating income adding up to € 23.7 million by 43 per cent. This result even surpassed the record result achieved in 2019 which had come to € 31.9 million. This achievement was fostered by the favorable tailwind from the capital markets in tandem with great interest on the part of investors and the team's continuous commitment to certificates as an investment product for over 20 years and its expertise when it comes to providing up-to-date investment products.

Trading & Treasury

After the year 2020 had been dominated by the Covid-19 pandemic and high volatilities, the global stock markets were still impacted by the pandemic but in an upbeat mood. The spot market of the Vienna Stock Exchange, Raiffeisen Centrobank AG's home market, recorded an increase of roughly 6 per cent to € 37,1 billion (2020: € 34.9 billion).

The leading European exchanges showed a more varied picture. The Euronext posted a rise of the sales volume of roughly 14 per cent to € 2,493 billion (2020: € 2,193 billion), whereas the German stock exchange dropped by 7 per cent to € 1,686 billion

(2020: € 1,812 billion). As regards the CEE markets, which are of particular importance to Raiffeisen Centrobank AG the sales volume on the exchange in Warsaw remained almost unchanged to the previous year and came to € 70.0 billion (2020: € 70.1 billion). The exchanges in Budapest and Bucharest posted a drop of sales volumes of 17 per cent to € 7.8 billion (2020: € 9.5 billion) and of 15 per cent to € 1.9 billion (2020: € 2.2 billion), whereas the exchange in Prague gained 16 per cent and came to € 5.5 billion (2020: € 4.7 billion).

Due to a change in the business strategy the market making sales volume of Raiffeisen Centrobank AG on the Vienna stock exchange in 2021 amounted to € 1.4 billion (double counting) and was by 19 per cent below the result achieved in 2020 (€ 1.7 billion). Nevertheless, Raiffeisen Centrobank AG achieved a market share of 7.5 per cent in market making and remained the largest domestic liquidity provider (2020: 9.5 per cent).

At the year-end 2021, market making mandates were held as follows:

- Vienna stock exchange: 39 market maker and 1 specialist mandate
- Stock exchange Warsaw: 67 market making mandates in equities, 45 mandates in listed derivatives
- Stock exchange Bucharest: 11 mandates
- Eurex: 26 mandates in listed derivatives
- German stock exchange: 21 mandates
- Stock exchange Prague: 31 mandates

In particular the first half of 2021 showed rather constant price gains on the stock markets and substantially lower volatilities compared to the previous year's period. This was reflected both in lower sales volumes and in the result of market making activities.

Operating income excluding other operating income for Trading & Treasury came to € 12.9 million and decreased compared to the previous year's result of € 16.7 million by 23 per cent.

Digital Retail Bank Department

As of 1 July 2021, the new business segment Digital Retail Bank Department was set up at the Vienna headquarters. The new business enables the Bank to address additional customer segments and new markets with innovative and digital banking products.

In the second half of the year, the first product was introduced. Under the brand name "Raiffeisen Digital Bank", a brand of Raiffeisen Centrobank AG, online loans for the Polish market were launched. In the 2021 financial year no operating income was generated with the product. The technical basis for further products and services to be offered by a digital bank was developed including current accounts, debit cards, or payment services focusing geographically on the CEE region.

Performance Indicators

Financial Performance Indicators

in per cent	31/12/2021	31/12/2020
Return-on-Equity before tax (Result on ordinary activities / Core capital before deductions)	9.3	9.8
Return-on-Equity after tax (Net income for the year / Core capital before deductions)	7.7	7.4
Cost/income ratio (operating expenses / operating income)	77.5	76.1
Own funds ratio (Own Funds / total Risk-Weighted assets)	24.5	25.2
Core capital ratio, total (Core capital / Total Risk-Weighted assets)	24.5	25.2
Overall Return-on-Assets (after tax) (Net income for the year / Total assets)	0.2	0.2
Liquidity Coverage Ratio (Liquid assets / Net outflows)	134.6	138.2

The result on ordinary activities posted a stronger gain than core capital which translated into a drop of the Return-on-Equity before tax from 9.8 per cent to 9.3 per cent. The Return-on-Equity after tax improved from 7.4 per cent to 7.7 per cent.

The cost/income ratio, which had been at 76.1 per cent in 2020, deteriorated slightly to 77.5 per cent due to the relatively stronger increase of operating expenses.

Non-Financial Performance Indicators

	31/12/2021	31/12/2020
Stock exchange memberships	10	10
Number of newly issued warrants and certificates	4,883	5,369

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

The number of newly issued warrants and certificates went down by 486 to 4,883. The drop was mainly attributable to a decrease of flow products. The number of subscription and tailor-made products, which are more relevant in terms of volumes, rose significantly from 262 to 323.

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 at an early stage to market opportunities and specific banking business risk. Active risk management resulted in a stable and little volatile trading result.

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

Risk Governance

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

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

- Risk Management (inter alia market, credit, liquidity risks, overall bank risk management)
- Operational risk & ICS (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 mitigation measures to be taken are analyzed.

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

Risk Management System at Raiffeisen Centrobank AG

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

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

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

For details on regulatory capital requirements please refer to the notes (page 46f).

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.

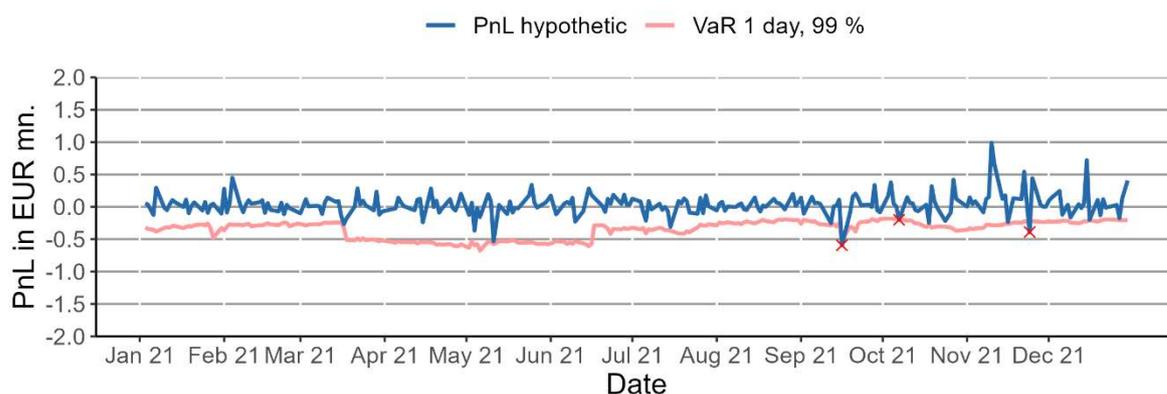
Major Risks

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 for an observation period of one year. As at 31 December 2021, the VaR for equity and product-specific positions came to € 205 thousand (31 December 2020: € 333 thousand).

Value at Risk backtesting



The above chart depicts the performance of the VaR and hypothetical P&L (profit and loss that would have occurred in a constant portfolio as well as actually recorded market movements) in the period between 1 January 2021 and 31 December 2021. In the period under review, backtesting revealed three VaR exceedances. The exceedances were in line with expectations at a confidence level of 99 per cent.

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.

In the business segment Digital Retail Bank Department credit risk comprises payment defaults on the part of the customers who fail to meet their payment obligations under an unsecured personal loan.

This credit risk as well as the risk of fraud in the course of the fully digitized loan application procedure are limited by online identification and customer review processes, income verification via account queries, inquiry of loan history at credit agencies as well as by credit risk assessments via rating the credit worthiness and debt repayment capacities. Potential outstanding claims from overdue loan obligations are collected via debt collection agencies which further reduces the loan default risk.

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 31 December 2021, the LCR came to 134.6 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 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 31 December 2021 compared to 31 December 2020 as well as the respective minimum, maximum and average values for the 2021 financial year.

	Key figure	Status	Limits	12/2021	12/2020	Change	Max ¹	Min ¹	Avg ¹
Pillar I	Total Capital Ratio	●	16% 18%	24,5%	25,2%	(0,7 PP)	25,7%	20,5%	23,4%
	CET1 Ratio	●	16% 18%	24,5%	25,2%	(0,7 PP)	25,7%	20,5%	23,4%
	LCR	●	110% 117,5%	134,6%	138,2%	(3,6 PP)	154,1%	126,5%	134,8%
	Leverage Ratio	●	5% 6%	8,1%	10,2%	(2,1 PP)	9,3%	7,7%	8,8%
Pillar II (Internal Capital)	Total Capital Ratio in Stress	●	13% 15%	24,4%	24,7%	(0,3 PP)	25,7%	20,5%	23,0%
	Economic Capital Utilization	●	45% 35%	19,7%	24,3%	(4,6 PP)	26,0%	17,3%	21,8%
	HQLA Buffer	●	60 mn 120 mn	290 mn	241 mn	+49 mn	295 mn	175 mn	231 mn
Risk-return figures	RORAC ²	●	■	35,2%	32,5%	+2,7 PP	59,5%	10,2%	39,9%
	RORWA ²	●	■	2,0%	1,7%	+0,3 PP	3,3%	0,6%	2,3%

¹ 2021

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

The above key figures are defined as follows:

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

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

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

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

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

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

The Total Capital Ratio in stress measures the Total Capital Ratio in the going concern scenario (1-year horizon, 95 per cent confidence interval). Eligible own funds and expected profit are stressed at the VaR and contrasted with the Risk-Weighted Assets. 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, 99.9 per cent confidence interval).

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

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

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

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, most key figures were stable and 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	31/12/2021	31/12/2020	Change
Credit risk	100,817	73,331	37.5%
Market risk	136,227	166,618	(18.2)%
Operational risk	118,193	123,821	(4.5)%
Participation risk	6,240	6,240	0.0%
CVA risk	91,543	50,534	81.1%
Rest ¹	15,954	12,196	30.8%
RWAs total	468,975	432,741	8.4%

¹incl. settlement risk and owned property risk

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

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

The Internal Control System as Relevant for the Accounting System

Raiffeisen Centrobank AG and its governing bodies are committed to ensuring balanced and complete financial reporting. A fundamental requirement for this is compliance with all relevant legal regulations. In connection with the accounting process, the Management Board is responsible for designing and installing an internal control and risk management system that meets the requirements of the Company. The object of this internal control system is to support the management by making certain that effective internal controls are applied to the accounting process and that these controls are improved on whenever appropriate. The control system is designed to assure compliance with guidelines and regulations, as well as to create optimal conditions for specific control measures. An internal control system has already existed at Raiffeisen Centrobank AG for years in the form of directives and instructions for strategically important subject areas.

The financial statements are prepared on the basis of the pertinent Austrian laws, above all the Austrian Banking Act (BWG) in connection with EU Regulation 575/2013 (Capital Requirements Regulation "CRR") and the Austrian Commercial Code (UGB) as amended by the RAG 2014.

The department "Finance" is responsible for the Bank's accounting system and is directly subordinated to the Chief Financial Officer. The department is responsible for dealing with all accounting issues and has the authority to provide for the safe-guarding of the application of uniform standards. Organizational instructions and guidelines, which are comprised in a manual, have been set up for support.

Accounting according to the Austrian Banking Act and Austrian Commercial Code is effected using PAGORO/400 and SAP (Digital Retail Bank Department). These systems are protected by the restricted assignment of access authorizations. The tables of accounts are tailored to individual requirements. Transactions are registered both automatically and manually. Accounting vouchers are then filed systematically and chronologically.

Monthly balance sheets are created and passed on to the Management Board and the senior management by means of a standardized financial reporting system. At least once per quarter the Supervisory Board is informed in the course of the Supervisory Board meetings of the current course of business including the Bank's operative planning and medium-term strategy.

The Management Board evaluates and monitors material risks in connection with the accounting process. In this, the focus is placed on the risks that are typically found to be material. The annual evaluation of the internal control measures applied by each of the responsible units is based on a risk-oriented approach. The risk of incorrect financial reporting is assessed on the basis of a number of different criteria. For example, complex accounting principles can increase the risk of errors. Different principles for the measurement of assets and complex or changing business conditions can also lead to substantial errors in the financial reporting.

Estimates must regularly be made during the preparation of the financial statements. In all of these cases, there is an inherent risk that actual developments may deviate from these estimates. This especially applies to the parameters in valuation models that are used to determine the fair values of financial instruments for which there is no current price quotation as well as to social capital, the outcome of legal disputes, the collectability of loans and advances, and the impairment of equity

participations. In some cases, external experts are involved, or publicly available information sources are used to minimize the risk of incorrect estimates.

In addition to the Management Board, the general control framework also includes senior management (the department heads). All control measures are applied to the daily business processes to ensure that potential errors or deviations in the financial reporting are prevented or discovered and corrected. The control measures that are applied at regular intervals range from the review of the periodic results by the management to the specific reconciliation and coordination of accounts and the analysis and further optimization of accounting processes. The Internal Audit department is also involved in the monitoring process. Its activities are based on the Austrian Financial Market Authority's minimum standards for internal auditing and international best practice. The Internal Audit department reports directly to the Management Board. As at 1 December 2020 the department was outsourced to Raiffeisen Bank International AG.

"Controlling" (part of the "Finance" department) is responsible for preparing the notes to the annual financial statements drafted according to the Austrian Banking Act and the Austrian Commercial Code. In addition, a management report is drawn up which explains the results in line with statutory requirements. The annual financial statements and the management report are forwarded to and reviewed by the Audit Committee of the Supervisory Board and are then presented to the Supervisory Board for its approval. The annual financial statements are published on the Company's website, in the Official Gazette of the Wiener Zeitung, and are also filed with the Austrian Company Register. Key employees and the Management Board review the annual financial statements prior to their distribution to the Supervisory Board. Moreover, analyses of the annual financial statements are prepared specially for the management.

Human Resources

As at 31 December 2020 Raiffeisen Centrobank AG had 129 employees which, compared to 31 December 2020, represented an increase of 6 employees. In 2021, Raiffeisen Centrobank AG had on average 122 employees which represents a fluctuation range of 10.27 per cent. The decrease can be put down to the demerger of the Equity Value Chain in 2020 as well as to the outsourcing of the departments Compliance & ICS, Internal Audit, Security & BCM as well as Risk Controlling & Limit Management from the Risk Management department to Raiffeisen Bank International AG.

New Way of Work

The new Home Office Act was integrated into the existing teleworking agreement. The broader teleworking framework was fully taken into account and maintained as it provides employees with more flexible Austria-wide working modes and opportunities.

In the wake of the ongoing Covid-19 pandemic, the year 2021 required hybrid working on a large scale. It has to be pointed out that Raiffeisen Centrobank AG's employees adapted again easily and smoothly to the respective requirements.

A major milestone was the relocation to the new office space at Stadtpark. The open space concept with shared desks and communal areas fosters the cooperation both within Raiffeisen Centrobank AG and, due to physical proximity, also with Raiffeisen Bank International AG. Pursuant to employee surveys, the employees' reaction to the new premises was very positive.

Employee Survey

The bi-annual groupwide employee survey was switched to an annual survey which was carried out in the first two weeks of December 2021. The survey contained two closed questions in the areas of enablement, engagement, health & work-life balance values and capabilities and was answered by 77 per cent of the employees. The results are dealt with in the first quarter of 2022. This will be done in team workshops as well as workshops on overall bank level.

Outlook for 2022

The general macroeconomic outlook focuses on the duration and impact of the military conflict in Ukraine and the further development of the Covid-19 crisis. The Omicron variant leads to hope for an end of the pandemic, however, as we have learned from the past two years, predictions are hard to make and there is still no sign of an end to the pandemic. The military conflict in Ukraine and the economic sanctions will of course impact growth and inflation rates. However, currently we do not anticipate a recession in Europe.

The military conflict in Ukraine and the imposed sanctions have translated into substantial trade restrictions with Russia. In particular, the development regarding essential import goods which cannot be replaced in the short-term is decisive. We expect in particular prices for energy and selected agricultural commodities to remain at elevated levels in the long run. Price-driving effects will burden disposable income, consumption and also investments. Against this backdrop, we expect an average inflation rate of over 5 per cent p.a. for 2022 and a GDP of roughly 3 per cent p.a. Moreover, the central banks' decision on the speed and time of monetary tightening will influence the capital markets.

In addition to implementing the full integration of the business segments Structured Products and Trading & Treasury into Raiffeisen Bank International AG by the end of 2022, Raiffeisen Centrobank AG focuses on further developing its business activities in particular with regard to digital distribution channels. Worthwhile emphasizing is Raiffeisen Centrobank AG's contribution to RBI's project EDI Easy Digital Investing, which achieved its MVP status in the Czech Republic in 2021.

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

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

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

Based on a sustained containment of Covid-19 infection rates and a de-escalation of the conflict between Russia and Ukraine we anticipate a favorable development of business for the segments Structured Products and Trading & Treasury comparable to that achieved in the previous year. Considering start-up costs for the new business segment Digital Retail Bank Department the net profit will be substantially below the level achieved in 2021.

Research and Development

Raiffeisen Centrobank AG with its core area of business focusing on equities and structured products does not engage in research and development.

Vienna, 7 April 2022

The Management Board



Harald Kröger
Chief Executive Officer



Heike Arbter
Member of the Management Board



Alexey Kapustin
Member of the Management Board

Statement of Legal Representatives pursuant to §124 Stock Exchange Act

We confirm to the best of our knowledge that the annual financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of Raiffeisen Centrobank AG as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties the Company faces.

Vienna, 7 April 2022

The Management Board



Harald Kröger
Chief Executive Officer



Heike Arbter
Member of the Management Board



Alexey Kapustin
Member of the Management Board

Financial Statements of Raiffeisen Centrobank AG as at 31 December 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 31 December 2021

Assets	31/12/2021 EUR	31/12/2021 EUR	31/12/2020 in € thousand	31/12/2020 in € thousand
1. Deposits with central banks		780,320,866.98		497,843
2. Debt instruments issued by public bodies		24,770.79		
3. Loans and advances to credit institutions				
a) repayable on demand	54,796,101.73		132,604	
b) other loans and advances	3,459,489,126.45	3,514,285,228.18	3,641,276	3,773,880
4. Loans and advances to customers		3,944,450.26		8,391
5. Bonds, notes and other fixed-interest securities				
a) issued by public bodies	2,871,234.76		2,881	
b) issued by other borrowers	7,698,000.00	10,569,234.76	7,699	10,580
6. Shares and other variable-yield securities		346,614,253.95		199,213
7. Equity participations		5,139,114.88		5,140
8. Shares in affiliated companies		1,100,000.00		1,100
9. Intangible fixed assets		7,108,535.15		133
10. Tangible fixed assets thereof land and buildings used by the credit institution for own purposes: € 0.00 previous year: € 8,774 thousand		9,431,154.95		9,954
11. Other assets		202,955,258.09		145,657
12. Accruals and deferred income		1,292,692.09		1,248
13. Deferred tax assets		97,730.00		214
Total assets		4,882,883,290.08		4,653,354
Off-balance sheet items				
1. Foreign assets		480,455,285.51		388,677

Equity and liabilities	31/12/2021 EUR	31/12/2021 EUR	31/12/2020 in € thousand	31/12/2020 in € thousand
1. Liabilities to credit institutions				
a) repayable on demand	80,543,858.04		8,316	
b) with agreed maturities or notice period	775,988,406.99	856,532,265.03	761,249	769,566
2. Securitised liabilities				
a) Issued bonds	1,937,339,489.09		1,688,452	
b) Other securitised liabilities	1,791,593,352.44	3,728,932,841.53	1,733,835	3,422,287
3. Other liabilities		151,657,342.42		326,657
4. Accruals and deferred items		99,653.55		189
5. Provisions				
a) Provisions for severance payments	3,415,701.00		3,458	
b) tax provisions	174,443.33		118	
c) other provisions	7,270,387.05	10,860,531.38	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	34,292,705.14	35,323,641.97	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		17,687,883.49		8,711
Total equity and liabilities		4,882,883,290.08		4,653,354
Off-balance sheet items				
1. Credit risks		10,746.37		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		114,876,068.78		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		468,974,538.67		432,741
hereof: capital requirements pursuant to Article 92 para 1 lit (a)		24.50%		25.18%
hereof: capital requirements pursuant to Article 92 para 1 lit (b)		24.50%		25.18%
hereof: capital requirements pursuant to Article 92 para 1 lit (c)		24.50%		25.18%
5. Foreign equity and liabilities		325,577,467.83		318,030

Income Statement for the 2021 Financial Year

	2021 EUR	2021 EUR	2020 in € thousand	2020 in € thousand
1. Interest and similar income		20,604,638.42		9,301
thereof from fixed-interest securities	67,945.98		123	
2. Interest and similar expenses		(40,820,654.18)		(52,414)
I. Net interest result		(20,216,015.76)		(43,112)
3. Income from securities and financial investments		12,821,718.90		5,230
4. Fee and commission income		3,945,347.36		5,473
5. Fee and commission expenses		(10,237,195.24)		(10,454)
6. Net profit on financial trading activities		55,790,921.71		86,861
7. Other operating income		9,457,754.21		3,634
II. OPERATING INCOME		51,562,531.18		47,632
8. General administrative expenses		(38,646,371.55)		(34,627)
a) staff expenses				
aa) salaries	(11,786,324.82)		(15,355)	
ab) expenses for statutory social security contributions and compulsory contributions related to wages and salaries	(2,564,656.07)		(3,322)	
ac) other social expenses	(144,527.39)		(208)	
ad) expenses for retirement benefits	(272,742.93)		(357)	
ae) provisions for severance payments and contributions to severance funds	(219,700.36)		(374)	
	(14,987,951.57)		(19,616)	
b) other administrative expenses	(23,658,419.98)		(15,011)	
9. Value adjustments on asset items 9 and 10		(1,142,490.62)		(1,246)
10. Other operating expenses		(169,211.13)		(359)
III. OPERATING EXPENSES		(39,958,073.30)		(36,232)
IV. OPERATING RESULT		11,604,457.88		11,399
11. Loan loss provisions		(111,931.75)		(66)
12. Income arising from the valuation of loans and advances		117,535.58		62
13. Income arising from the valuation and disposal of investments		49,611.54		0
V. RESULTS ON ORDINARY ACTIVITIES		11,659,673.25		11,396
1. Income taxes				
a) current income taxes				
thereof passed on from parent company for the year: € 16,307.00; previous year: € (1,005 thousand)		(709,639.88)	(1,722)	
b) deferred taxes	(116,107.00)	(825,746.88)	(6)	(1,728)
15. Other taxes unless included in item 14		(1,218,453.82)		(1,071)
VI. Net income for the year		9,615,472.55		8,597
16. Decrease in net assets due to demerger		0.00		(324)
17. Changes in Reserves		(638,795.00)		0
VII. Profit for the year		8,976,677.55		8,273
18. Profit carried forward		8,711,205.94		438
VIII. Net profit for the year		17,687,883.49		8,711

Financial Statements as at 31 December 2021

Notes

A. Accounting Policies

General principles

The financial statements of Raiffeisen Centrobank AG for the 2021 financial year 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 annual 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.

Compared to the financial statements as at 31 December 2020, no changes have been made in the accounting policies. The financial statements have been prepared in compliance with the consistency principle.

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 financial statements.

Demerger Equity Value Chain

The demerger of the Equity Value Chain in 2020 results 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.

In the 2020 financial year, the demerger of the Investment Services department which was effected retroactively as of 30 June 2019 and became legally effective on 1 April 2020 translated into a decrease of net assets in the amount of € 305 thousand (pre-tax result from July to December 2019). The demerger is neither contained in the comparative figures of the balance sheet as at 31 December 2020 nor in the income statement as at 31 December 2020.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are reported at the average rates of exchanges fixed by the ECB. During the year, amounts denominated in currencies, for which the ECB published no rates, are converted at the middle rates of exchange published by Raiffeisen Bank International AG on the balance sheet date. At year-end, foreign currency positions are converted at the rates published by the Vienna Stock Exchange on the last trading day. If no rate is available for a particular currency, rates published by the ECB, Raiffeisen Bank International AG or the respective market rates are used.

Forward foreign exchange contracts are capitalized at the forward exchange rates. Any differences in rates resulting from currency conversion are reported as profit or loss in the income statement.

Trading portfolio – valuation of securities, futures and options

In terms of securities held for trading purposes, the company's portfolio of shares in publicly listed companies as well as fixed-interest securities is reported at the share price prevailing at the balance sheet date. If no quotes or share prices are available, the value is determined by means of valuation models.

Bonds held by the company for trading purposes are valued at quotes provided by other credit institutions, brokers or at Reuters quotes, in case stock exchange quotes are not available or are not conclusive. If such quotes are not available, prices are calculated internally based on the net present value method. This method is based on an interest rate curve comprised of money market, futures and swap rates as well as spreads.

Derivatives are reported in the balance sheet at fair value, which equals the market price or a synthetic value. Adjustments in value are recognized through profit or loss in the income statement. The synthetic values are determined according to the Bank's own evaluation methods, which are examined and approved by risk management, and which are based on recognized option-theoretical models.

Options on securities of publicly listed companies and options on security indices (i.e. purchased and sold calls and puts, primarily EUREX options) as well as futures held for trading purposes are valued according to the market prices prevailing on the balance sheet date. Value adjustments were made to take temporal differences into account.

OTC options are primarily valued at tradable prices quoted by the counterparty. Options for which no tradable prices are available are valued by adequate models. In principle, for each instrument a respective pricing model is available in the trading book. The model calculates the theoretical price if no market price is available as well as the sensitivities (e.g. delta factor) applied to determine the capital requirements pursuant to the CRR. For plain vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options, whereas barrier options use the Heynen-Kat model. Additional pricing models are available if required. All pricing models used to calculate synthetic values have been approved by Risk Management. All pricing models have been approved by the Austrian Financial Market Supervision (FMA).

Banking book – valuation of derivatives

The derivatives volume in the banking book relates exclusively to foreign exchange forward transactions to hedge foreign currency risks. They are valued at fair value relying on observable market parameters.

Loans and advances to credit institutions and customers

Loans and advances to credit institutions and customers are shown at their nominal value. Individual loan loss provisions are made in the case of an identifiable recognizable risk of default on the part of borrowers. In addition, general impairment allowances have been made for expected credit losses (ECL), whereby Raiffeisen Centrobank AG has taken the opportunity to apply the regulations of IFRS 9 to calculate general impairment allowances under company law.

The general impairment allowances pursuant to IFRS 9 have been implemented based on a two-stage procedure. If the credit default risk for current assets does not increase significantly since initial recognition, the impairment loss for each asset is measured at the present value of an expected twelve-month loss as at the reporting date (ECL Stage 1). In the case of assets whose credit risk does not increase significantly since initial recognition and which are not classified as transactions with a low credit risk at the reporting date, the expected credit loss is calculated over the asset's entire remaining term (ECL Stage 2). The expected losses for both stages are calculated on an individual transaction basis applying statistical risk parameters such as Probability of Default (PD), Exposure at Default (EAD) as well as Loss Given Default (LGD).

The estimation of risk parameters includes not only historical default information but also the current economic environment (point-in-time orientation) and forward-looking information.

Equity participations and shares in affiliated companies

Equity participations and shares in affiliated companies are valued at cost unless permanent losses or decreased equity require a non-scheduled depreciation of the fair value (subjective or objectified company value). In case, reasons for impairment are no longer applicable, a write-up to the cost of acquisition is carried out.

Intangible and tangible fixed assets

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

Depreciation rates applied are 33.3 per cent and 14.3 per cent p.a. for intangible fixed assets, 2.5 per cent and 10.0 per cent p.a. for immovable fixed assets, and 10.0 per cent – 33.0 per cent for movable fixed assets. A full year's depreciation is taken in the case of additions made during the first half of the financial year, whereas half-year depreciation applies to additions in the second half of the financial year. Low value assets (cost of acquisition per item less than € 0.8 thousand) are fully depreciated in the year of acquisition.

Liabilities to credit institutions and customers

Liabilities to credit institutions and customers are reported at the amount of repayment, taking into consideration the principle of financial prudence.

Securitized liabilities

Securitized liabilities are measured at fair value which is determined by the present value method, or for the option component, by tradable prices quoted by the counterparty. If no tradable prices are available common option value methods are applied. Securitized liabilities include capital protected structured products, whose rate of interest depends on the equity price or equity index performance, reverse convertible bonds and certificates with option character (turbo, discount, open-end and bonus certificates) and warrants.

Provisions for severance payments

The provisions for severance payments are designed to fulfil legal demands, as well as those arising from individual or collective contractual agreements. Provisions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 1.08 per cent (31/12/2020: 0.86 per cent), as well as an unchanged annual salary increase amounting to 3.7 per cent (31/12/2020: 3.7 per cent). The AVÖ (Austrian actuaries' association) 2018-P-basis for calculating retirement pension insurances – Pagler & Pagler for salaried employees was taken as biometric basis for calculation.

The underlying presumption is a decreasing fluctuation rate in connection with the earliest possible retirement date, at the age of 60 for women and 65 for men, taking into account the changes to Austria's General Social Security Law in accordance with the Budgetary Amendment 2003. The premium reserve amounts to 85.8 per cent (31/12/2020: 91.2 per cent) of the statistical termination benefit obligations on the balance sheet date.

Other provisions

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined. Long-term provisions are discounted. The interest rate pursuant to IAS 19 amounts to 1.08 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 € 780,321 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

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

31/12/2020 in € thousand	repayable					Total
	on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	
Loans and advances to credit institutions	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

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

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
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 € 3,287,320 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

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

31/12/2020 in € thousand	unlisted	listed	Total	Valued at market price
Bonds, notes and other fixed-interest securities, A 5	0	10,580	10,580	10,580
Shares and other variable-yield securities, A 6	53,452	145,760	199,213	199,213
Equity participations, A 7	5,140	0	5,140	x
Shares in affiliated companies, A 8	1,100	0	1,100	x

As at 31/12/2021, balance sheet item A 5 included fixed-interest securities held for trading amounting to € 10,569 thousand (31/12/2020: € 10,580 thousand) of which € 300 thousand (31/12/2020: € 2,881 thousand) would fall due in the forthcoming year.

The fair value of securities of the trading book (excluding hedge positions) exceeded the acquisition costs by € 853 thousand as at 31/12/2021 (31/12/2020: € 363 thousand).

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 31/12/2021:

in € thousand			
Name	Ownership	Equity	Annual results
Domicile	interest in %	31/12/2021	2021¹
1 Centrotrade Holding GmbH, Vienna	100	2,472	1,395
2 Syrena Immobilien Holding AG, Spittal/Drau	21	26,638	(166)

¹ unaudited figures

Further to the sale of the commodity trading subsidiaries, Centrotrade Holding GmbH did not perform any operational activities.

in € thousand			
Name	Ownership	Equity	Annual results
Domicile	interest in %	31/12/2020	2020
1 Centrotrade Holding GmbH, Vienna	100	1,077	(43)
2 Syrena Immobilien Holding AG, Spittal/Drau	21	26,804	(516)

V. Fixed assets

The composition and development of the fixed assets can be seen from the fixed assets table.

Amounts in €	Cost of acquisition	Acquisition costs	Cost of acquisition	Cost of acquisition	Cost of acquisition	Accumulated depr.
	Balance as at	Adjustment as at	Cost of acquisition	Cost of acquisition	Balance as at	Balance as at
	1/1/2021	1/1/2021¹	Additions	Disposals	31/12/2021	1/1/2021
I. Intangible assets						
Software licenses	1,776,736.74	4,717.77	7,429,170.45	70,450.13	9,140,174.83	1,644,135.73
II. Tangible fixed assets						
1. Land and buildings used by the credit institution for own purposes						
thereof value of property: € 2,637,765.92;	12,670,595.71	23,771.40	0.00	0.00	12,694,367.11	3,896,963.79
previous year: € 2,638 thousand						
2. Office furniture and equipment	14,337,277.28	15,260.27	283,468.63	2,497,981.68	12,138,024.50	13,156,540.57
	27,007,872.99	39,031.67	283,468.63	2,497,981.68	24,832,391.61	17,053,504.36
III. Financial investments						
1. Shares in affiliated companies						
thereof in credit institutions: € 0.00	1,100,000.00	0.00	0.00	0.00	1,100,000.00	0.00
2. Equity participations						
thereof credit institutions: € 0.00	5,140,450.88	0.00	100.00	1,000.00	5,139,550.88	436.00
	6,240,450.88	0.00	100.00	1,000.00	6,239,550.88	436.00
Total	35,025,060.61	43,749.44	7,712,739.08	2,569,431.81	40,212,117.32	18,698,076.09

Accumulated depr. Adjustment as at 1/1/ 2021 ¹	Accumulated depr. / Depreciation	Accumulated depr. Write-up	Accumulated depr. Disposals	Accumulated depr. 31/12/2021	Carrying amount 31/12/2021	Carrying amount 31/12/2020
4,717.77	453,236.30	0.00	70,450.13	2,031,639.67	7,108,535.15	132,601.00
23,771.40	251,416.00	0.00	0.00	4,172,151.19	8,522,215.92	8,773,631.92
15,260.27	447,990.47	10,152.15	2,380,553.68	11,229,085.48	908,939.02	1,180,736.71
39,031.67	699,406.47	10,152.15	2,380,553.68	15,401,236.67	9,431,154.94	9,954,368.63
0.00	0.00	0.00	0.00	0.00	1,100,000.00	1,100,000.00
0.00	0.00	0.00	0.00	436.00	5,139,114.88	5,140,014.88
0.00	0.00	0.00	0.00	436.00	6,239,114.88	6,240,014.88
43,749.44	1,152,642.77	10,152.15	2,451,003.81	17,433,312.34	22,778,804.98	16,326,984.51

¹ Adjustments of figures due to the demerger of Equity Value Chain and Investment Services in the 2020 financial year

Balance sheet item "Intangible fixed assets" contained intangible assets with a carrying value of € 7,052 thousand (31/12/2021: € 0 thousand) which had been acquire from affiliated companies.

VI. Other assets

Balance sheet item A 11 "Other assets" totaling € 202,955 thousand (31/12/2020: € 145,657 thousand) referred primarily to purchase contracts from trading in derivative financial instruments reported at fair value as at 31/12/2021:

in € thousand	31/12/2021	31/12/2020
Positive fair values of derivative financial instruments		
from OTC options and forward exchange transactions	185,262	126,264
from trading in EUREX options and futures	6,252	4,626
from trading in other option and futures	4,705	13,289
	196,219	144,178

In addition, group charges (including capital gains tax charged to the group) in the amount of € 3,418 thousand (31/12/2020: € 0 thousand), loans and advances (special funds) from Österreichische Raiffeisen-Einlagensicherung eGen (ÖRE) pursuant to the Raiffeisen-IPS contribution adding up to € 639 thousand (31/12/2020: € 0 thousand) as well as loans and advances to foreign tax authorities in the amount of € 1,626 thousand (31/12/2020: € 1,157 thousand) were included.

VII. Deferred tax assets

"Deferred tax assets" amounted to € 98 thousand (31/12/2020: € 214 thousand) as at 31/12/2021.

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

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.

VIII. Liabilities

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

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

31/12/2020 in € thousand	repayable on demand/without maturity	0-3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities to banks 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

¹Adjustment of previous year's figures due to changes in presentation

VIII.2. Liabilities to affiliated companies and equity participations

31/12/2021 in € thousand	Liabilities to affiliated companies (direct/indirect >50%)	Liabilities to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (<50%)
Liabilities to banks	685,084	0
Other liabilities	2,604	2
	687,689	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 banks	684,985	0
Other liabilities	5,981	2
	690,967	2

VIII.3. Securitized liabilities

The balance sheet item P 2 "Securitized liabilities" included issued and other securitized liabilities totaling € 3,728,933 thousand (31/12/2020: € 3,422,287 thousand), held for trading and allocated to the following product categories:

in € thousand	31/12/2021	31/12/2020
Issued securitized liabilities	1,937,339	1,688,452
Capital Protection Certificates	1,813,466	1,598,037
Reverse Convertible Bonds	123,874	90,414
Other securitized liabilities	1,791,593	1,733,835
Certificates with option character	1,780,130	1,717,892
Warrants	11,463	15,944
	3,728,933	3,422,287

"Securitized liabilities" in the amount of € 571,291 thousand (31/12/2020: € 342,470 thousand) will fall due in the next year.

VIII.4. Other liabilities

The balance sheet item P 3 "Other liabilities" amounting to € 151,657 thousand (31/12/2020: € 326,657 thousand) referred primarily to liabilities reported at fair value as well as premiums received from trading in securities and derivative financial instruments.

in € thousand	31/12/2021	31/12/2020
Negative fair values of derivative financial instruments	139,698	227,192
from OTC options and forward exchange transactions	133,840	212,538
from trading in EUREX options and futures	2,262	9,622
from trading in other option and futures	3,595	5,032
Short-selling of trading assets	6,264	96,852
	145,962	324,044

"Other liabilities" as at 31/12/2021 included mainly foreign liabilities in relation to index fees adding up to € 2,320 thousand (31/12/2020: € 1,541 thousand), payroll obligations coming to € 403 thousand (31/12/2020: € 371 thousand), liabilities to domestic financial authorities in the amount of € 840 thousand (31/12/2020: € 173 thousand), as well as sundry liabilities with offsetting character amounting to € 137 thousand (31/12/2020: € 265 thousand) and group charges adding up to € 44 thousand (31/12/2020: € 44 thousand).

IX. Provisions

"Provisions" were as follows:

in € thousand	31/12/2021	31/12/2020
Provision for severance payments	3,416	3,458
Tax provisions	174	118
Other provisions	7,270	5,894
Provisions for bonus payments	2,130	2,130
Provisions for overdue vacation	996	914
Legal, advisory and consultancy expenses	308	276
Provisions for litigation risks	0	128
Provisions for outstanding invoices	1,650	251
Provisions for marketing costs	192	381
Provisions for charged Management Board expenses	1,464	1,160
Provisions for market data risks	285	374
Sundry	245	280
	10,861	9,470

The strong rise of provisions for outstanding invoices can be put down to the new business segment Digital Retail Bank Department.

X. Share capital and reserves

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

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

in € thousand	%	Number
RBI IB Beteiligungs GmbH, Vienna	100	654,999
Raiffeisen International Invest Holding GmbH, Vienna	0	1
	100	655,000

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

Capital reserves amounted to € 20,651 thousand as at 31/12/2021, remained unchanged to the previous year (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 € 34,293 thousand (31/12/2020: € 33,654 thousand). An amount of € 639 thousand (31/12/2020: € 0 thousand) of uncommitted reserves was allocated to the Raiffeisen-IPS.

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

XI. Obligations arising from the use of tangible fixed assets not recognized in the balance sheet

The rental and leasing expenses during the period under review amounted to € 754 thousand (2020: € 374 thousand), thereof € 436 thousand (2020: € 46 thousand) to affiliated companies. For the 2022 financial year, rental and leasing expenses are expected to total € 636 thousand and € 3,181 thousand for the 2022–2026 financial years, of which the rental and leasing expenses for affiliated companies will total € 592 thousand and € 2,958 thousand, respectively.

XII. Supplementary data

Assets and liabilities in foreign currencies

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

in € thousand	31/12/2021	31/12/2020
Assets	839,285	851,727
Equity and liabilities	703,641	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	31/12/2021	31/12/2020
Shares/mutual funds	362,320	178,450
Listed options	5,056	3,693
Futures	1,787	28,570 ¹
Warrants/certificates	(1,794,308)	(1,734,107)
OTC options	48,748	(87,195) ¹
Purchased bonds/tradable money market deposits	3,455,105	3,312,812
Issued Capital Protection Certificates and Reverse Convertible Bonds	(1,931,905)	(1,689,034)

¹Adjustment of previous year's figures

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	31/12/2021	31/12/2020
Securities	4,300,222	4,001,559
Other financial instruments	7,878,566	7,633,045
	12,178,788	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 31/12/2021 were as follows:

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

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
Currency options/gold contracts	0	0	0	0	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	2021	2020
from loans and advances to credit institutions	3,554	2,724 ¹
from loans and advances to customers	34	25 ¹
from fixed-interest securities	68	123
from structured products	16,948	6,429
	20,605	9,301

¹Adjustment of previous year's figures due to changes in presentation

II. Interest and similar expenses

In € thousand	2021	2020
for liabilities to credit institutions	(5,702)	(5,613) ¹
for liabilities to customers	0	(2) ¹
for securitized liabilities	(35,119)	(46,799)
	(40,821)	(52,414)

¹Adjustment of previous year's figures due to changes in presentation

"Net interest result" in the amount of € 20,216 thousand was negative both in 2021 and 2020 (€ 43,112 thousand).

"Net interest result" improved which was mainly due lower coupon payments for securitized liabilities (structured products) in the amount of € 22,200 thousand. In detail, the improvement can be put down to higher coupon income from structured products adding up to € 10,520 thousand and lower coupon expenses for securitized liabilities coming to € 11,680 thousand.

Compared to the previous year, interest income rose by € 11,303 thousand to € 20,605 thousand. € 10,520 can be put down to higher coupon payments from structured products.

Compared to the previous year, interest expenses decreased by € 11,593 thousand to € 40,821 thousand. An amount of € 11,680 was due to lower coupon expenses for securitized liabilities.

Depending on the hedge, coupon 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).

Further to the low interest rate environment in 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 € 3,931 thousand (2020: € 3,571 thousand). In contrast, the item included income derived from negative interest for liabilities in the amount of € 2,898 thousand (2020: € 1,654 thousand).

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

III. Income from securities and financial investments

In the 2021 financial year, "Income from securities and financial investments" included primarily income from domestic and foreign securities and increased from € 5,230 thousand in 2020 to € 12,822 thousand in 2021.

IV. Fee and commission income

in € thousand	2021	2020
from securities business	3,941	5,215
from ECM transactions	0	248
from payment transactions	4	10
	3,945	5,473

V. Fee and income expenses

in € thousand	2021	2020
from securities business	(10,150)	(10,368)
from credit business	0	0
from payment transactions	(87)	(86)
	(10,237)	(10,454)

"Net fee and commission result" in the amount of € minus 6,292 thousand (2020: € minus 4,981 thousand) was comprised of fee and commission income totaling € 3,945 thousand (2020: € 5,473 thousand) and fee and commission expenses in the amount of € 10,237 thousand (2020: € 10,454 thousand). In 2021, € 666 thousand of the decrease were attributable to expenses for distribution fees and € minus 584 thousand were due to the demerger of the Equity Value Chain.

VI. Net profit on financial trading activities

"Net profit on financial trading activities" accounted for the major part of the operating income and decreased from € 86,861 thousand in 2020 to € 55,791 thousand in 2021. This development resulted from positive net valuations and net proceeds of derivatives held for hedging purposes and money market deposits adding up to € 27,791 thousand as well as from the valuation and disposal of equities and funds in the amount of € 22,179. The valuation of spot and futures positions came to € 5,820 thousand.

In the comparative period, the trading profit was made up of positive net valuations and net proceeds of derivatives and money market deposits adding up to € 143,431 thousand. This was contrasted with a negative result from the valuation and disposal of certificates and equities amounting to € 49,648 thousand. The valuation of spot and futures positions came to € 6,922 thousand.

The decrease is related to the development of coupon payments for structured products as set forth under the net profit on financial trading activities in the development of business and earnings. In contrast to the previous year, where these payments were hedged by tradable money market deposits held in the trading book and without current coupons, these payments were hedged by interest income contained in the net interest result in the 2021 financial year. In total, net coupon expenses contained in the net interest result (coupon expenses minus coupon income) decreased by € 22,200 thousand. Accordingly, the positive valuation effects from hedging transactions included in the net profit of financial trading activities recorded a decrease. The total result of tradable money market deposits including interest were contained in net profit on financial trading activities (trading profit).

Furthermore higher dividend payments translated into a rise of income from securities and financial investments and, thus, a lower valuation result in the net profit on financial trading activities compared to the previous year's result.

VII. 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 € 8,770 thousand (2020: € 2,696 thousand). In addition, the item included income from the release of provisions amounting to € 496 thousand (2020: € 349 thousand).

VIII. Other administrative expenses

In € thousand	2021	2020
Office space expenses (maintenance, operation, administration, insurance)	(1,752)	(881)
Office supplies, printed matter, literature	(297)	(262)
IT expenses	(8,717)	(3,166)
Communication expenses	(1,092)	(942)
Information services	(3,145)	(3,717)
Car expenses and travelling expenses	(89)	(186)
Advertising and promotional expenses	(986)	(975)
Legal, advisory and consultancy expenses	(2,618)	(1,295)
Contributions to associations	(1,364)	(992)
Resolution fund	(1,616)	(1,087)
Sundry	(1,983)	(1,508)
	(23,658)	(15,011)

On the one hand, the rise of "Other administrative expenses" was due to higher IT expenses related to the new business segment Digital Retail Bank Department. On the other hand, legal, advisory and consultancy expenses posted an increase further to higher charges from Raiffeisen Bank International AG. Rental expenses also recorded a rise following the relocation to the new business premises.

IX. Other operating expenses

The amount of € 169 thousand contained in "Other operating expenses" (2020: € 359 thousand) was mainly attributable to de-recognition of written-off fixed assets against the backdrop of the relocation to the new business premises in April 2021. In the previous year, the item contained expenses charged by Raiffeisen Bank International AG in relation to the demerger of the Equity Value Chain adding up to € 227 thousand.

X. Net valuation and net proceeds

In the 2021 financial year, "Net valuations and net proceeds" amounted to € 55 thousand (2020: € minus 4 thousand) and contained the current adjustment of general impairment allowances calculated pursuant to the methodology laid down in IFRS 9 as well as income generated from the partial refund of costs for a subsidiary adding up to € 50 thousand.

XI. Income taxes and other taxes

Income taxes were as follows:

in € thousand	2021	2020
Group taxation	16	(1,005)
Corporate income tax/Slovak branch	(62)	(6)
Taxes for former periods (settlement of Group charge)	219	(26)
Not recognized as foreign withholding tax	(883)	(686)
Current income taxes	(710)	(1,722)
Deferred income taxes	(116)	(6)
	(826)	(1,728)

In the 2021 financial year, "Other taxes" came to € 1,218 thousand (2020: € 1,071 thousand). The rise of tax expenses was primarily attributable to higher VAT for previous periods coming to € 191 thousand (2020: income € 7 thousand).

XII. Deferred taxes

In 2021, expenses for deferred tax assets came to € 116 thousand (2020: € 6 thousand).

XIII. Expenses for auditing the financial statements

"Expenses for auditing the financial statements" were contained in legal, advisory and consultancy services. Thereof € 105 thousand were attributable to the auditor (2020: € 97 thousand). The item also included other consultancy services in the amount of € 25 thousand (2020: € 42 thousand).

D. Other Disclosures

Contingent liabilities

In accordance with Article 93 of the Austrian Banking Act, the Bank is legally obliged to provide for proportionate deposit insurance as part of its membership in a professional association. Raiffeisen Centrobank AG is a member of Österreichische Raiffeisen-Sicherungseinrichtung eGen. As at 31/12/2021 and as at 31/12/2020 there were no contingent liabilities.

Other contractual bank guarantee obligations

The following assets were pledged as security for obligations as at 31/12/2021:

Item A 3 Loans and advances to credit institutions

€ 415,046 thousand (31/12/2020: € 580,760 thousand)

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

Item A 4 Loans and advances to customers

€ 2,062 thousand (31/12/2020: € 7,871 thousand)

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

Item A 5 Fixed-interest securities

€ 2,805 thousand (31/12/2020: € 2,842 thousand)

Collateral deposited with banks for the securities and options business

Item A 11 Other assets

€ 639 thousand (31/12/2020: € 0 thousand)

IPS loans and advances (special funds)

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 31/12/2021 and 31/12/2020.

Own funds

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

in € thousand	31/12/2021	31/12/2020
Capital paid-in	47,599	47,599
Capital reserves	20,651	20,651
Retained earnings	34,685	34,685
Liability reserve pursuant to Article 57 para 5 Austrian Banking Act	13,539	13,539
Retained earnings (undistributed profit previous year)	8,711	0
Core capital (tier 1 capital) before deductions	125,185	116,474
Intangible fixed assets	(2,498)	(133)
Prudent valuation	(1,673)	(1,647)
Holdings in non-significant investments in financial sector entities	(6,139)	(5,726)
Common equity tier 1 (after deductions)	114,876	108,969
Supplementary own funds	0	0
Core capital	114,876	108,969
Supplementary capital	0	0
Supplementary own funds (after deductions)	0	0
Total own funds	114,876	108,969
Total Risk-Weighted assets	468,975	432,741
Core capital ratio/credit risk(Core capital / Risk-Weighted Assets credit risk)	53.5%	76.7%
Core capital ratio, total (Core capital / Total Risk-Weighted assets)	24.5%	25.2%
Own funds ratio (Own Funds / total Risk-Weighted assets)	24.5%	25.2%

Retained earnings do not include Raiffeisen IPS reserve because it is not eligible for the calculation of own funds pursuant to the CRR method.

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

in € thousand	31/12/2021	31/12/2020
Risk-Weighted assets (credit risk)	214,536	142,113
Standardized approach	122,993	91,579
CVA (credit value adjustment) risk	91,543	50,534
Risk-Weighted assets (position risk in bonds, equities, commodities and foreign currencies)	136,227	166,618
Risk-Weighted assets (settlement and delivery risks)	18	189
Risk-Weighted assets (operational risk)	118,193	123,821
Total Risk-Weighted assets	468,97	432,741

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

in € thousand	31/12/2021	31/12/2020
Risk-Weighted assets according to standardized approach	122,993	91,579
Governments and central banks	24	0
Institutions	93,076	69,585
Company	7,432	3,777
Retail	349	0
Equity participations	6,240	6,240
Other items	15,872	11,977
CVA risk	91,543	50,534
Total	214,536	142,113

Number of staff

	31/12/2021	Annual average	31/12/2020	Annual average
Salaried employees	129	122	123	172
of which part-time	37	32	28	36

Overall Return-on-Assets

in € thousand or in per cent	31/12/2021	31/12/2020
Net income for the year	9,615	8,597
Balance sheet total	4,882,883	4,653,354
Overall Return-on-Assets (after tax)	0.2%	0.2%

Advances and loans to members of the Management Board and Supervisory Board

At the balance sheet date, no advances and loans had been granted to members of the Management Board. No advances, loans or guarantees had been granted to members of the Supervisory Board.

Expenses for severance payments and retirement benefits

"Expenses for severance payments and retirement benefits" (including contributions to pension funds and staff retirement benefit plans, as well as provisions for severance payments) for the Management Board (included in "Other administrative expenses") and the staff amounted to € 492 thousand (2020: € 735 thousand). Payments to employee pension funds totaled € 135 thousand (2020: € 177 thousand).

In 2021, there were no expenses for severance payments and retirement benefits for members of the Management Board. In 2020 no break-down pursuant to Article 239 section 1 no 3 according to Article 242 section 4 of the Austrian Commercial Code was provided.

Remuneration for members of the Management Board and Supervisory Board

In 2021, remuneration for members of the Management Board came to € 1,083 thousand. No break-down pursuant to Article 239 section 1 no 4 according to Article 242 section 4 of the Austrian Commercial Code was provided in 2020.

Remunerations and expenses on severance payments and retirement benefits for members of the Management Board were borne by Raiffeisen Bank International AG (an affiliated company) and were charged to Raiffeisen Centrobank AG (included in "Other administrative expenses").

In 2021, attendance fees in the amount of € 105 thousand were paid to members of the Supervisory Board (2020: € 105 thousand).

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.

Since 17 December 2008, the company has been a member of the corporate group Raiffeisen Zentralbank Österreich Aktiengesellschaft (now Raiffeisen Bank International AG) pursuant to Article 9 Austrian Corporation Tax Act. The application

submitted by the company to become a group member of the corporate group RZB as of the business year 2008 pursuant to Article 9 Austrian Corporation Tax Act was notified to the financial authorities on 19 December 2008 and was approved by notice on 22 April 2009.

The taxable results of the members of the group are attributed to the parent company. Any tax adjustments between the parent company and the individual members of the corporate group are regulated in the form of a tax allocation agreement.

Statutory deposit guarantee and investor protection scheme – Österreichische Raiffeisen- Sicherungseinrichtung eGen

Until 28 November 2021 Raiffeisen Centrobank AG was part of the Einlagensicherung AUSTRIA Gesellschaft m.b.H. (ESA), as a general protection scheme in Austria. Since 29 November 2021 Raiffeisen Centrobank AG has been part of the Österreichische Raiffeisen-Sicherungseinrichtung eGen (ÖRS), as a statutory protection scheme. The new institutional protection Raiffeisen-IPS was recognized together with ÖRS by the Austrian Financial Market Authority (FMA) in May 2021 as a statutory deposit guarantee and investor protection scheme according to the Austrian Deposit Guarantee and Investor Protection Act (Einlagensicherungs- und Anlegerentschädigungsgesetz - ESAEG). The member institutions completed a switch from ESA to ÖRS following the expiration of the six-month statutory waiting period. Raiffeisen Bank International AG, its Austrian bank subsidiaries (including Raiffeisen Centrobank AG), the regional Raiffeisen banks and the local Raiffeisen banks, entered by agreement dated March 2021 into a new institutional protection scheme (Raiffeisen-IPS) according to Article 113 (7) CRR (Capital Requirements Regulation) of the European Union. This commits member institutions to ensure one another's security and in particular, join forces to guarantee liquidity and solvency when required. The new Raiffeisen-IPS was recognized by the relevant supervisory authorities ECB and FMA in May 2021 as an institutional protection scheme according to Article 113 (7) CRR and its related rights and obligations of the participating member institutions.

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

Management Board

Harald Kröger
Heike Arbter
Alexey Kapustin

Chief Executive Officer
Member
Member (as of 1 June 2021)

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 (until 28/02/2022)

Member (until 28/02/2022)

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

Member

Christian Moucka
General Management,
Raiffeisenbank Region Baden

Member

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

Member

State Commissioners

Johannes Pasquali
Karl-Heinz Tscheppe

Significant Events after the Balance Sheet Date

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

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

Vienna, 7 April 2022

The Management Board



Harald Kröger
Chief Executive Officer



Heike Arbter
Member of the Management Board



Alexey Kapustin
Member of the Management Board

Distribution of the Profit 2021

The 2021 financial year closed with a net profit of € 8,976,677.55. Including the profit carried forward in the amount of € 8,711,205.94, the net profit for the 2021 financial year comes to € 17,687,883.49.

The Management Board proposes to the Supervisory Board that no dividend be distributed from the net profit as at 31 December 2021 and to allocate the profit adding up to € 17,687,883.49 to other reserves.

Vienna, 7 April 20212

The Management Board



Harald Kröger
Chief Executive Officer



Heike Arbter
Member of the Management Board



Alexey Kapustin
Member of the Management Board

Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raiffeisen Centrobank AG, Wien, which comprise the statement of financial position as at 31st December 2021, the statement of comprehensive income for the financial year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at 31st December 2021, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the Austrian Banking Act.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of issued structured certificates

Description and issue

A significant part of the business activity of Raiffeisen Centrobank AG is the issuance of structured certificates and the hedging of the resulting risks (incl. ongoing adjustment to changes - "dynamic hedging"). As at 31st December 2021, structured certificates issued with a carrying amount of EUR 3.7 billion are included in the balance sheet item "Securitized liabilities". The structured certificates are dedicated to the trading portfolio and are accounted at fair value. The Management Board describes the valuation principles for these products in the section "Accounting policies" in the Notes.

There are no publicly available liquid market prices for these structured certificates. Therefore, the structured certificates are valued by the use of valuation models. In addition to publicly available market parameters, the valuation also takes into account price quotations from investment banks that are not observable on the market. There is considerable scope for judgment and estimation uncertainty in the selection of the valuation models, the valuation parameters and the quotations used. These factors have a significant influence on the valuation result. We have therefore identified the valuation of the structured certificates issued as a particularly important audit matter.

Our Response

- We reviewed the processes for the valuation and market conformity assessment of these financial products. In doing so, we reviewed key controls within these processes with regard to their design and implementation.
- We assessed whether the valuation models used and the underlying valuation parameters are appropriate. We used test cases to request evidence of the counterparties' quotes and reconciled it with the system data.
- We obtained evidence of the fair value measurements from our internal valuation specialists for test cases.
- Furthermore, we have assessed whether the disclosures in the notes regarding the presentation of the valuation methods are appropriate.

Other Matter – Audit of the Financial Statements of the Previous Year

The financial statements of the Company for the year ended 31st December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 7th April 2021.

Other Information

Management is responsible for the other information. The other information comprises the information in the annual financial report, but does not include the financial statements, the management report beyond the non-financial statement and the audit opinion.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. With respect to the information in the management report we refer to the section "Report on the Audit of the Management Report".

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles and the additional requirements under section 245a UGB and the Austrian Banking Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code and the Austrian Banking Act.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the financial statements.

Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on 30th April 2020 and commissioned by the supervisory board on 18.06.2020 to audit the financial statements for the financial year ending 31st December 2021. In addition, we were appointed as auditors for the following financial year by the annual general meeting on 26th April 2021 and commissioned by the supervisory board on 27th April 2021 to audit the financial statements. We have been auditing the Company uninterrupted since the financial year ending 31st December 2021.

We confirm that our opinion expressed in the section "Report on the Audit of the Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Company in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Mag. Wolfgang Wurm.

Vienna

April 11, 2022

Deloitte Audit Wirtschaftsprüfungs GmbH

(signed by:)

Mag. Wolfgang Wurm

Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

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