

RAIFFEISEN BANK INTERNATIONAL

REGULATORY DISCLOSURE REPORT 2016

Disclosure of Raiffeisen Bank International Aktiengesellschaft
pursuant to EU 575/2013 Capital Requirement Regulation (CRR) Part 8



Raiffeisen Bank
International

Introduction

With this document, Raiffeisen Bank International Aktiengesellschaft (RBI AG) fulfils its disclosure requirements under Part 8 of the Capital Requirements Regulation (CRR, EU 575/2013).

Pursuant to Article 11 of the CRR, RBI AG is subject to the CRR provisions not only as an individual credit institution but also a subgroup. Before 2014, RBI AG – as part of the RZB CRR Group – did not constitute an independent credit institution group as defined by the Austrian Banking Act (BWG) and therefore was not subject to the regulatory provisions for banking groups.

This document is available on the RBI homepage (www.rbinternational.com). It is published at the time of the official release of RBI's Annual Report whereby certain information regarding Article 450 CRR is available only in July 2017 and will be reported at that time.

The information is based on the valid regulations on a consolidated basis for the RBI CRR Group at the time this document was published.

In this report, Raiffeisen Bank International (RBI) refers to the RBI Group, and RBI AG is used wherever statements refer solely to Raiffeisen Bank International AG. The same applies to RZB and RZB AG.

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**Regulatory Disclosure Report according Capital Requirements Regulation (CRR)
Version 1.7**

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Editor

RBI Group Financial Reporting (Editor) supported by Active Credit Management, ABF Financial Institutions, Credit Risk Control, Balance Sheet Risk Management, Market Risk Management, Collateral Management & Credit Control, Retail Risk Methodology & Validation, Risk Methods and Analytics, Group Capital Markets, Legal Services & Treasury, Integrated Risk Management, Integrated Risk Controlling, Sustainability Management

Supervisory Authorities:

As a credit institution, RBI AG is subject to supervision by the Austrian Federal Ministry of Finance, European Central Bank (ECB), Austrian National Bank (OeNB) and the Austrian Financial Market Authority (FMA) and must comply with pertinent legal regulations, in particular the EU regulations (CRR), Austrian Banking Act (Bankwesengesetz, BWG) and the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz, WAG).

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Article 435 CRR

Risk management objectives and policies

Active risk management is a core competency of the Group. In order to effectively identify, measure, and manage risks the Group continues to develop its comprehensive risk management system. Risk management is an integral part of overall bank management. In particular, in addition to legal and regulatory requirements, it takes into account the nature, scale, and complexity of the business activities and the resulting risks. The risk report describes the principles and organization of risk management and explains the current risk exposures in all material risk categories.

Risk management principles

The Group has a system of risk principles and procedures in place for measuring and monitoring risk, which is aimed at controlling and managing material risks at all banks and specialist companies in the Group. The risk policies and risk management principles are laid out by the Management Board. The principles include the following risk policies:

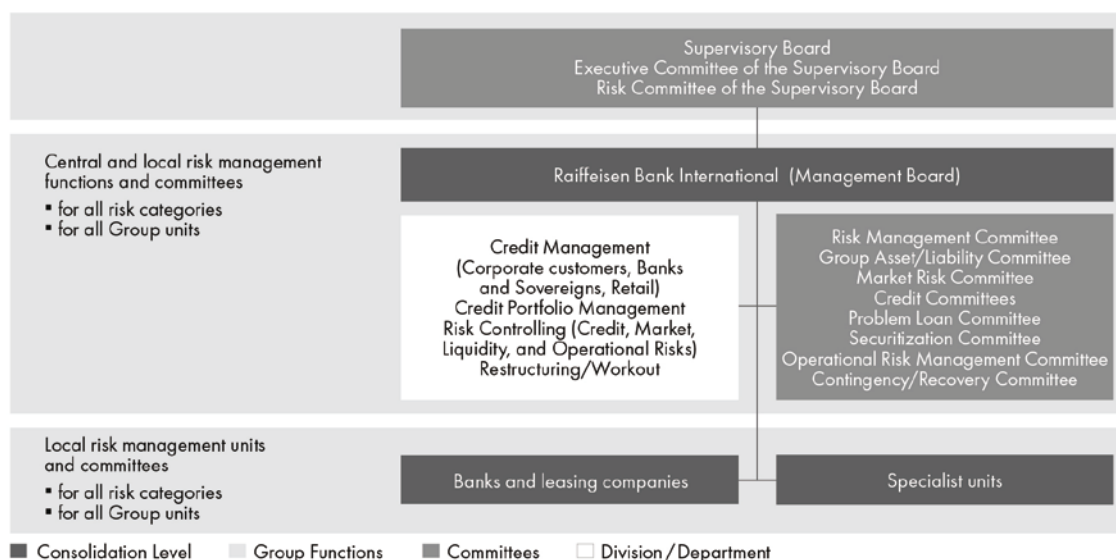
- Integrated risk management: Credit, country, market, liquidity, and operational risks are managed as key risks on a Group-wide basis. For this purpose, these risks are measured, limited, aggregated, and compared to available risk coverage capital.
- Standardized methodologies: Risk measurement and risk limitation methods are standardized Group-wide in order to ensure a consistent and coherent approach to risk management. This is efficient for the development of risk management methods and it forms the basis for consistent overall bank management across all countries and business lines in RBI.
- Continuous planning: Risk strategies and risk capital are reviewed and approved in the course of the annual budgeting and planning process, whereby special attention is also paid to preventing risk concentrations.
- Independent control: A clear personnel and organizational separation is maintained between business operations and any risk management or Risk Controlling activities.
- Ex ante and ex post control: Risks are consistently measured within the scope of product selling and in risk-adjusted performance measurement. Thereby it is ensured that business in general is conducted only under risk-return considerations and that there are no incentives for taking high risks.

Individual risk management units of the Group develop detailed risk strategies, which set more concrete risk targets and specific standards in compliance with these general principles. The overall Group risk strategy is derived from the Group's business strategy and the risk appetite and adds risk relevant aspects to the planned business structure and strategic development. These aspects include for example structural limits and capital ratio targets which have to be met in the budgeting process and in the scope of business decisions. More specific targets for individual risk categories are set in detailed risk strategies. The credit risk strategy of RBI, for instance, sets credit portfolio limits for individual countries and segments and defines the credit approval authority for limit applications.

Organization of risk management

The Management Board of the Group ensures the proper organization and ongoing development of risk management. It decides which procedures are to be employed for identifying, measuring, and monitoring risks, and makes steering decisions according to the risk reports and analyses. The Management Board is supported in undertaking these tasks by independent risk management units and special committees.

Risk management functions are performed on different levels in the Group. RBI AG develops and implements the relevant concepts in coordination with RZB AG as the parent credit institution and in cooperation with the subsidiaries of the Group. The central risk management units are responsible for the adequate and appropriate implementation of the Group's risk management processes. In particular, they establish common Group directives and set business-specific standards, tools, and practices for all Group entities.



In addition, local risk management units are established in the different Group entities of RBI. They implement the risk policies for specific risk types and take active steering decisions within the approved risk budgets in order to achieve the targets set in the business policy. For this purpose, they monitor resulting risks using standardized measurement tools and report them to central risk management units via defined interfaces.

The central Risk Controlling division assumes the independent Risk Controlling function required by banking law. Its responsibilities include developing the Group-wide framework for overall bank risk management (integrating all risk types) and preparing independent reports on the risk profile for the Risk Committee of the Supervisory Board, the Management Board and the heads of individual business units. It also measures required risk coverage capital for different Group units and calculates the utilization of the allocated risk capital budgets in the internal capital adequacy framework.

Risk committees

The Risk Management Committee is responsible for ongoing development and implementation of methods and parameters for risk quantification and for refining steering instruments. The committee also analyzes the current risk situation with respect to internal capital adequacy and the corresponding risk limits. It approves risk management and controlling activities (such as the allocation of risk capital) and advises the Management Board in these matters.

The Group Asset/Liability Committee assesses and manages statement of financial position structure and liquidity risks and defines the standards for internal funds transfer pricing. In this context it plays an important role in the long-term funding planning and the hedging of structural interest rate and foreign exchange risks. The Capital Hedge Committee is a sub-committee of the Group Asset/Liability Committee and manages the currency risk of the capital position.

The Market Risk Committee controls market risks arising from trading and banking book transactions and establishes corresponding limits and processes. In particular, it relies on profit and loss reports, the risks calculated and the limit utilization, as well as the results of scenario analyses and stress tests with respect to market risks.

The Credit Committees are staffed by front office and back office representatives with different participants depending on the customers (corporate customers, financial institutions, sovereigns and retail). They decide upon the specific lending criteria for different customer segments and countries and approve all credit decisions concerning them according to the credit approval authority (depending on rating and exposure size).

The Problem Loan Committee is the most important committee in the evaluation and decision-making process concerning problem loans. It comprises primarily decision making authorities; its chairman is the Chief Risk Officer (CRO) of RBI. Further members with voting rights are those members of the Management Board responsible for the customer divisions, the Chief Financial Officer (CFO) and the relevant division and departmental managers from risk management and special exposures management (workout).

The Securitization Committee is the decision-making committee for limit requests in relation to securitization positions within the specific decision-making authority framework and develops proposals for modifications to the securitization strategy for the Management Board. In addition, the Securitization Committee is a platform for exchanging information regarding securitization positions and market developments.

The Operational Risk Management Committee comprises representatives of the business areas (retail, market and corporate customers) and representatives from Compliance (including financial crime), Internal Control System, Operations, Security and Risk Controlling, under chairmanship of the CRO. This committee is responsible for controlling the operational risk (including conduct risk) of the Group. It derives and sets the operational risk strategy based on the risk profile and the business strategy and also makes decisions regarding measures, controls and risk acceptance.

The Contingency/Recovery Committee is a decision-making body convened by the Management Board. The composition of the committee varies as circumstances require depending on the intensity and focus of the specific requirements pertaining to the situation (e.g. capital and/or liquidity). The core task of the committee is to maintain or recover financial stability in accordance with BaSAG (Austrian Bank Recovery and Resolution Act) and BRRD (Banking Recovery and Resolution Directive) in the event of a critical financial situation.

Quality assurance and internal audit

Quality assurance with respect to risk management refers to ensuring the integrity, soundness, and accuracy of processes, models, calculations, and data sources. This is to ensure that the Group adheres to all legal requirements and that it can achieve the highest standards in risk management related operations.

All these aspects are coordinated by the Group Compliance area which analyzes the internal control system on an ongoing basis and – if actions are necessary for addressing any deficiencies – is also responsible for tracking their implementation.

Two very important functions in assuring independent oversight are performed by the divisions Audit and Compliance. Independent internal auditing is a legal requirement and a central pillar of the internal control system. Audit periodically assesses all business processes and contributes considerably to securing and improving them. It sends its reports directly to the Management Board of the Group which discusses them on a regular basis in its board meetings.

The Compliance Office is responsible for all issues concerning compliance with legal requirements in addition to and as integral part of the internal control system. Thus, compliance with existing regulations in daily operations is monitored.

Moreover, an independent and objective audit, free of potential conflicts of interest, is carried out during the audit of the annual financial statements by the auditing companies. Finally, the Group is continuously supervised by the European Central Bank, the Austrian Financial Market Authority and also by the local supervisor in those countries where the Group is represented by branches or subsidiaries.

Overall bank risk management

Maintaining an adequate level of capital is a core objective of the Group. Capital requirements are monitored regularly based on the risk level as measured by internal models, and in choosing appropriate models the materiality of risks annually assessed is taken into account. This concept of overall bank risk management provides for capital requirements from a regulatory point of view (sustainability and going concern perspective) and from an economic point of view (target rating perspective). Thus it covers the quantitative aspects of the internal capital adequacy assessment process (ICAAP) as legally required. The full ICAAP process of the Group is audited during the supervisory review process for RZB credit institution group (RZB-Kreditinstitutsgruppe) on an annual basis.

The Risk Appetite Framework (RAF) limits the Group's overall risk in accordance with the strategic business objectives and allocates these to the different risk categories and business areas. The primary aim of the RAF is to limit risk, including in particular in adverse scenarios and for major singular risks in such a way as to ensure compliance with regulatory minimum ratios. The RAF is therefore based on the ICAAP's three pillars (target rating, going-concern, sustainability perspective) and sets the concentration risk limits for the risk types identified as significant in the risk assessment. In addition, the risk appetite decided by the Management Board and the Group's risk strategy and its implementation are reported regularly to the Supervisory Board's Risk Committee.

Objective	Description of risk	Measurement technique	Confidence level
Target rating perspective	Risk of not being able to satisfy claims of the Group's senior lenders	Unexpected losses on an annual basis (economic capital) must not exceed the present value of equity and subordinated liabilities	99.92 per cent as derived from the default probability implied by the target rating
Going concern perspective	Risk of not meeting the capital requirement as defined in the CRR regulations	Risk-taking capacity (projected earnings plus capital exceeding regulatory requirements) must not fall below the annualized value-at-risk of the Group	95 per cent presuming the owners' willingness to inject additional capital
Sustainability perspective	Risk of falling short of a sustainable tier 1 ratio over a full business cycle	Capital and net income projection for a three-year planning period based on a severe macroeconomic downturn scenario	70-90 per cent based on the management decision that the Group might be required to temporarily reduce risks or raise additional capital

Target rating perspective

Risks in the target rating perspective are measured based on economic capital which represents a comparable measure across all types of risks. It is calculated as the sum of unexpected losses stemming from different Group units and different risk categories (credit, participation, market, liquidity, macroeconomic and operational risk as well as risk resulting from other tangible fixed assets). In addition, a general buffer for other risk types not explicitly quantified is held.

The objective of calculating economic capital is to determine the amount of capital that would be required for servicing all of the claims of customers and creditors even in the case of such an extremely rare loss event. The Group uses a confidence level of 99.92 per cent for calculating economic capital. This confidence level is derived from the probability of default implied by the target rating. Based on the empirical analysis of rating agencies, the selected confidence level corresponds to a rating of Single A.

The economic capital is compared to internal capital, which mainly comprises equity and subordinated capital of the Group. This capital form serves as a primary means of risk coverage for servicing claims of senior lenders if the bank should incur losses.

Economic capital is an important instrument in overall bank risk management. Economic capital limits are allocated to individual business areas during the annual budgeting process and are supplemented for day-to-day management by volume, sensitivity, or value-at-risk limits. In the Group this planning is undertaken on a revolving basis for the upcoming three years and incorporates the future development of economic capital as well as available internal capital. Economic capital thus substantially influences the plans for future lending activities and the overall limit for taking market risks.

Risk-adjusted performance measurement is also based on this risk measure. The profitability of business units is examined in relation to the amount of economic capital attributed to these units (risk-adjusted profit in relation to risk-adjusted capital, RORAC), which yields a comparable performance measure for all business units of the Group. This measure is used in turn as a key figure for overall bank management, for future capital allocations to business units, and influences the remuneration of the Group's executive management.

Going-concern perspective

Parallel to the target rating perspective, internal capital adequacy is assessed with focus on the uninterrupted operation of the Group on a going concern basis. In this perspective, risks again are compared to risk taking capacity – with a focus on regulatory capital and total capital requirements.

In line with this target, risk taking capacity is calculated as the amount of expected profits, expected impairment losses, and the excess of total capital (taking into account various limits on eligible capital). This capital amount is compared to the overall value-at-risk (including expected losses). Quantitative models used in the calculation thereof are mostly comparable to the target rating perspective, (albeit on a lower 95 per cent confidence level). Using this perspective the Group ensures adequate regulatory capitalization (going concern) with the given probability.

Sustainability perspective

The main goal of the sustainability perspective is to ensure that the Group can maintain a sufficiently high tier 1 ratio at the end of the multi-year planning period, also in a severe macroeconomic downturn scenario. This analysis is based on a multi-year macroeconomic stress test where hypothetical market developments in a severe but realistic economic downturn scenario are simulated. The risk parameters considered include: interest rates, foreign exchange rates and securities prices, as well as changes in default probabilities and rating migrations in the credit portfolio.

The main focus of this integrated stress test is the resulting tier 1 ratio at the end of the multi-year period. It should not fall below a sustainable level and thus neither require the bank to substantially increase capital nor to significantly reduce business activities.

The current minimum amount of tier 1 capital is therefore determined by the size of the potential economic downturn. In this downturn scenario the need for allocating loan loss provisions, potential pro-cyclical effects that increase minimum regulatory capital requirements, the impact of foreign exchange rate fluctuations as well as other valuation and earnings effects are incorporated.

This perspective thus also complements traditional risk measurement based on the value-at-risk concept (which is in general based on historical data). Therefore it can incorporate exceptional market situations that have not been observed in the past and it is possible to estimate the potential impact of such developments. The stress test also allows for analyzing risk concentrations (e.g. individual positions, industries, or geographical regions) and gives insight into the profitability, liquidity situation, and solvency under extreme situations. Based on these analyses risk management in the Group enhances portfolio diversification, for example via limits for the total exposure to individual industry segments and countries and through ongoing updates to lending standards.

Risk categories

Credit risk

In the Group, credit risk stems mainly from default risks that arise from business with retail and corporate customers, other banks and sovereign borrowers. It is by far the most important risk category in the Group, as also indicated by internal and regulatory capital requirements. Credit risk thus is analyzed and monitored both on an individual loan and customer basis as well as on a portfolio basis in the Group. Credit risk management and lending decisions are based on the respective credit risk policies, credit risk manuals, and the corresponding tools and processes which have been developed for this purpose.

The internal control system for credit risks includes different types of monitoring measures, which are tightly integrated into the workflows to be monitored – from the customer's initial credit application, to the bank's credit approval, and finally to the repayment of the loan.

Limit application process

In the non-retail division, each lending transaction runs through the limit application process beforehand. This process covers – besides new lending – increases in existing limits, rollovers, overdrafts, and changes in the risk profile of a borrower (e.g. with respect to the financial situation of the borrower, the terms and conditions, or collateral) compared to the time of the original lending decision. It is also used when setting counterparty limits in trading and new issuance operations, other credit limits, and for equity participations.

For retail portfolio a standard monitoring process performed on a regular basis (at least yearly) is established. This process comprises the monitoring of the quality of the models for risk assessment performed and the review of all relevant underlying scoring functions as well as backtesting and assessment of the main aspects of models (external and internal environment, quantitative and qualitative part of models).

Credit decisions are made within the context of a competence authority hierarchy based on the size and type of a loan. It always requires the approval of the business and the credit risk management divisions for individual limit decisions or when performing regular rating renewals. If the individual decision-making parties disagree, the potential transaction is decided upon by the next higher-ranking credit authority.

The whole limit application process is based on defined uniform principles and rules. Account management for multinational customers doing business simultaneously with more than one RBI unit is supported by the Global Account Management System, for example. This is made possible by Group-wide unique customer identification in non-retail asset classes.

The limit application process in the retail division is to a larger extent automated due to the high number of applications and lower exposure amounts. Limit applications often are assessed and approved in central processing centers based on credit score cards. This process is facilitated by the respective IT systems.

Credit portfolio management

Credit portfolio management in the Group is, among other aspects, based on the credit portfolio strategy which is in turn based on the business and risk strategy. By means of the selected strategy, the exposure amount in different countries, industries or product types is limited and thus prevents undesired risk concentrations. Additionally, the long-term potentials of different markets are continuously analyzed. This allows for an early strategic repositioning of future lending activities.

A more detailed credit portfolio analysis is based on individual customer ratings. Ratings are performed separately for different asset classes using internal risk classification models (rating and scoring models), which are validated by a central organization unit. Default probabilities assigned to individual rating grades are calculated for each asset class separately. As a consequence

the default probability of the same ordinal rating grade (e.g. corporates good credit standing 4, banks A3, and sovereigns A3) is not directly comparable between these asset classes.

Rating models in the main non-retail asset classes – corporates, banks, and sovereigns – are uniform in all Group units and rank creditworthiness in 27 grades for corporate customers and banks and ten grades for sovereigns. For retail asset classes, country specific scorecards are developed based on uniform Group standards. Customer rating, as well as validation is supported by specific software tools (e.g. business valuation tools, rating and default database).

The credit portfolio and individual borrowers are subject to ongoing monitoring. The main purpose of monitoring is to ensure that the borrower meets the terms and conditions of the contract, as well as following the obligor's economic development. Such a review is conducted at least once annually in the non-retail asset classes corporates, banks, and sovereigns. This includes a rating review and the re-evaluation of financial and tangible collateral.

Problem loans (where debtors might run into material financial difficulties or a delayed payment is expected) need special treatment. In non-retail divisions, problem loan committees in individual Group units make decisions on problematic exposures. If the need for intensified treatment and workout is identified, then problem loans are assigned either to a designated specialist or to a restructuring unit (workout department). Employees of the workout units are specially trained and have extensive experience. They typically handle medium-sized to large cases and are assisted by in-house legal departments or by external specialists as well. Workout units play a decisive role in accounting and analyzing as well as booking provisions for impairment losses (write-offs, value adjustments or provisioning). Their early involvement can help reduce losses resulting from problem loans.

Problem loan management standards in the retail area comprise the whole restructuring and collection process for private individuals and small and medium-sized entities. A restructuring guideline defines the Group's restructuring framework including uniform strategy, organization, methods, monitoring and controlling. In the workout process customers are classified into three categories "early," "late," and "recovery," for which a standardized customer handling process is defined.

Country risk

Country risk includes transfer and convertibility risks as well as political risk. It arises from cross-border transactions and direct investments in foreign countries. The Group is exposed to this risk due to its business activities in the Central and Eastern European markets. In these markets political and economic risks to some extent are still seen as comparatively significant.

Active country risk management in the Group is based on the country risk policy which is set by the Management Board. This policy is part of the credit portfolio limit system and sets a strict limitation on cross-border risk exposure to individual countries in order to avoid risk concentrations. Consequently, in day-to-day work, business units have to submit limit applications for the respective countries for all cross-border transactions in addition to complying with customer limits. The limit size for individual countries is set by using a model which takes into account the internal rating for the sovereign, the size of the country, and the Group's own capitalization.

Country risk also is reflected via the internal funds transfer pricing system in product pricing and in risk-adjusted performance measurement. Business units therefore can benefit from country risk mitigation by seeking insurance (e.g. from export credit insurance organizations) or guarantors in third countries. The insights gained from the country risk analysis are not only used for limiting the total cross-border exposure, but also for limiting the total credit exposure in each individual country (i.e. including the exposure that is funded by local deposits). Thereby the Group realigns its business activities according to the expected macroeconomic development within different markets and enhances the broad diversification of its credit portfolio.

Participation risk

The Group's banking book also contains risks arising from listed and unlisted equity participations. They are described separately under this risk heading. Risks stemming from subsidiaries that are strategically and operatively controlled by the Group are not considered in this risk category because these risks are precisely measured and reported under the other risk headings during consolidation. Most of the direct and indirect participations of the Group are fully consolidated in the Group's statement of financial position (e.g. network banks, network leasing companies) and therefore subject to the 'look through' approach. Risks arising from such participations are managed by applying controlling, measurement and monitoring tools as described for the other risk categories.

Participation risk and counterparty credit risk have similar roots: a deteriorating financial situation in relation to equity participations is mostly reflected in a rating downgrade (or default) of the respective entity. The methodology of the Group used for measuring value-at-risk and internal capital requirements of equity participations nonetheless is comparable to the methodology used to measure price risk arising from positions in stocks. However, in the light of the longer-term strategic nature of equity participations, annual volatilities based on observation periods of several years (instead of daily price changes) are used in the calculation.

More information on this risk category is provided in the section Article 447 CRR Equity exposures not held in the trading book.

Market risk

Organisation and management of market risks is explained in detail in the sections Article 445 CRR Internal models for limiting market risks and Article 448 CRR Interest rate risk in the banking book.

Liquidity risk

Funding structure

The Group's funding structure is highly focused on retail business in Central and Eastern Europe. In addition, as a result of the Austrian Raiffeisen Banking Group's strong local market presence, the Group also benefits from funding through the regional Raiffeisen banks. Different funding sources are secured in accordance with the principle of diversification. These include the issue of international bonds by RBI AG, the issue of local bonds by the Group units and the use of third-party financing loans (including supranationals). The Group units also use interbank loans with third-party banks, partly due to tight country limits and partly due to beneficial pricing.

Liquidity risk framework

Regulatory and internal liquidity reports and ratios are generated and determined based on defined modelling approaches. Whereas the regulatory reports are generated in accordance with the requirements of the authorities, the internal reports are based on assumptions from empirical observations.

The Group has a substantial database along with expertise in forecasting capital flows arising from all material items on and off the statement of financial position. Cash inflows and outflows are modelled in a sufficiently detailed manner which, as a minimum, distinguishes between products, customer segments and, where applicable, currencies. Modelling of retail and corporate customer deposits includes assumptions concerning the retention times for deposits after maturity. The modelling approaches are prudent, in that they do not, for example, assume "rollover" of deposits from financial institutions and all financing channels and liquidity buffers are subject to simultaneous stress testing, without considering the mitigating effects of diversification.

The mainstays of the economic liquidity risk framework are the going concern and the time to wall scenario (TTW). The going concern report shows the structural liquidity position and covers all main risk drivers which could detrimentally affect the Group in a normal business environment ("business as usual"). The going concern models are also the main input factors for the cost contribution for the funds transfer pricing model. The time to wall report, on the other hand, shows the survival horizon for defined adverse scenarios and stress models (market, reputational and combined crisis) and determines the minimum level of the liquidity buffer (and/or the counter-balancing capacity) of the Group and its individual units.

The liquidity scenarios are modelled using a Group-wide approach which considers local specifics where warranted due to factors such as the market or the legal environment or certain business characteristics; the calculation is performed at Group head office. When modelling cash inflows and outflows a distinction is at minimum made between products, customer segments and individual currencies (where applicable). For products without a contractual maturity, the distribution of cash inflows and outflows is calculated using a geometric Brownian motion which derives statistical forecasts for future daily balances from the observed, exponentially weighted historical volatility of the corresponding products.

The liquidity risk framework is continuously developed at both Group level and at the level of the individual Group units. The technical infrastructure is enhanced in numerous Group-wide projects and data availability is improved in order to meet the new reporting and management requirements for this area of risk.

Funding liquidity risk

Funding liquidity risk is mainly driven by changes in the risk strategy of lenders or by a deterioration in the creditworthiness of a bank that needs external funding. Funding rates and supply rise and fall with credit spreads, which change due to the market- or bank-specific situation.

As a consequence, long-term funding depends on restoring confidence in banks and increased efforts in collecting customer deposits. RBI AG's banking activities are financed by combining wholesale funding and the retail franchise of deposit-taking subsidiary banks. It is the central liquidity balancing agent for the local Group units in Central and Eastern Europe.

In the Group's funding plans, special attention is paid to a diversified structure of funding to mitigate funding liquidity risk. In the Group, funds are not only raised by RBI AG as the Group's parent institution, but also individually by different banking subsidiaries. Those efforts are coordinated and optimized through a joint funding plan. Moreover, RBI AG arranges medium-term and long-term funding for its subsidiaries through syndicated loans, bilateral funding agreements with banks, and financing facilities provided by supranational institutions. These funding sources are based on long-term business relationships.

For managing and limiting liquidity risks, the targets for loan/deposit ratios (the ratio of customer loans to customer deposits) in the individual subsidiary banks take into account the planned future business volumes as well as the feasibility of increasing customer deposits in different countries. On the one hand, this initiative reduces external funding requirements. On the other hand, it also reduces the need for internal funding operations and the risk associated with such liquidity transfers.

Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. In this risk category internal risk drivers such as unauthorized activities, fraud or theft, conduct-related losses, modelling errors, execution and process errors, or business disruption and system failures are managed. External factors such as damage to physical assets or fraud are managed and controlled as well.

This risk category is analyzed and managed based on own historical loss data and the results of risk assessments.

As with other risk types the principle of firewalling of risk management and Risk Controlling is also applied to operational risk in the Group. To this end, individuals are designated and trained as Operational Risk Managers for each business area. Operational Risk Managers provide central Operational Risk Controlling with reports on risk assessments, loss events, indicators and measures. They are supported in their work by Dedicated Operational Risk Specialists (DORS).

Operational Risk Controlling units are responsible for reporting, implementing the framework, developing control measures and monitoring compliance with requirements. Within the framework of the annual risk management cycle, they also coordinate the participation of the relevant second line of defense departments (Financial Crime Management, Compliance, Vendor Management, Outsourcing Management, Insurance Management, Information Security, Physical Security, BCM, Internal Control System) and all first line of defense partners (Operational Risk Managers).

Risk identification

Identifying and evaluating risks that might endanger the Group's existence (but the occurrence of which is highly improbable) and areas where losses are more likely to arise more frequently (but have only limited impact) are important aspects of operational risk management.

Operational risk assessment is executed in a structured and Group-wide uniform manner according to risk categories such as business processes and event types. Moreover, risk assessment applies to new products as well. All Group units grade the impact of high probability/low impact events and low probability/high impact incidents according to their estimation of the loss potential for the next year and in the next ten years. Low probability/high impact events are quantified by a Group-wide analytical tool (scenarios). The internal risk profile, losses arising and external changes determine which cases are dealt with in detail.

Monitoring

In order to monitor operational risks, early warning indicators are used that allow prompt identification and minimization of losses.

Loss data is collected in a central database called ORCA (Operational Risk Controlling Application) in a structured manner and on a Group-wide basis according to the event type and the business line. In addition to the requirements for internal and external reporting, information on loss events is exchanged with international data pools to further develop operational risk management tools as well as to track measures and control effectiveness. Since 2010, The Group has been a participant in the ORX data pool (Operational Risk Data Exchange Association), whose data are currently used for internal benchmark purposes and analyses and as part of the operational risk model. The ORX data consortium is an association of banks and insurance groups for statistical purposes. The results of the analyses as well as events resulting from operational risks are reported in a comprehensive manner to the relevant Operational Risk Management Committee on a regular basis.

Quantification and mitigation

Since October 2016, the Group has calculated the equity requirement for a significant part of the Group using the Advanced Measurement Approach (AMA). This includes units in Bulgaria, Romania, Russia, Slovakia and principal banks in Austria (Raiffeisen Bank International AG, Vienna, Kathrein Privatbank Aktiengesellschaft, Vienna, Raiffeisen Centrobank AG, Vienna). The Standardized Approach (STA) is still used to calculate the operational risk of the remaining units in the CRR scope of consolidation.

Operational risk reduction is initiated by business managers who decide on preventive actions like risk mitigation or risk transfer. Progress and success of these actions is monitored by Risk Controlling. The former also define contingency plans and nominate responsible persons or departments for initiating the defined actions if losses in fact occur. In addition, several dedicated organizational units provide support to business units for reducing operational risks. An important role in connection with operational risk activities is taken on by Financial Crime Management. Financial Crime Management provides support for the prevention and

identification of fraud. The Group also conducts an extensive staff training program and has different contingency plans and back-up systems in place.

Declaration by the management body on the adequacy of risk management arrangements

We hereby confirm that the risk management systems established in RBI and set out in the "RZB Risk Manual" and in the Group Directive "Risk Strategy RZB" are adequate in view of the profile and the strategy of RBI.

RBI is an internationally operating universal banking group that focuses its business activities on Austria and the geographical region Central and Eastern Europe. The regional composition of economic capital¹, which is one of the main elements of risk steering in RBI, is shown in the table below. This also illustrates the balanced distribution of risk between Austria and the sub-regions in CEE.

in € thousand	2016	Share
Central Europe	1,823,142	34.3%
Southeastern Europe	1,207,851	22.7%
Austria	1,134,260	21.4%
Eastern Europe	1,132,709	21.3%
Rest of World	11,746	0.2%
Total	5,309,708	100.0%

RBI's main business activities are within corporate banking, retail banking and other banking services. Investment banking and other market risk taking activities are limited in scope, with a substantial part of the market risk stemming from foreign currency denominated equity of subsidiaries. The composition of economic capital according to risk types in the table below shows the prevalence of credit risk in the overall risk profile of the group, as well as a balanced distribution between corporate and retail credit risk.

in € thousand	2016	Share
Credit risk corporate customers	1,478,538	27.8%
Credit risk retail customers	1,154,508	21.7%
Operational risk	590,317	11.1%
Credit risk sovereigns	412,024	7.8%
Macroeconomic risk	391,510	7.4%
FX risk capital position	275,745	5.2%
Market risk	217,897	4.1%
Credit risk banks	191,258	3.6%
Other tangible fixed assets	190,782	3.6%
Participation risk	108,942	2.1%
CVA risk	30,457	0.6%
Liquidity risk	14,887	0.3%
Risk buffer	252,843	4.8%
Total	5,309,708	100.0%

In order to limit the risks taken by the Group, the overall economic capital has to be covered, with a sufficiently large cushion, by internal capital. As at year-end 2016 the utilization of available risk capital (the ratio of economic capital to internal capital) amounted to 46 per cent, down from 51 per cent as at year-end 2015.

¹ For a detailed description of the risk organization and processes in RBI, including the target-rating perspective (i.e. economic capital), please refer to the Risk Report in the Annual Report.

Governance arrangements

Recruitment policy for the Board of Management and Supervisory Board

The aim of the policy is to select members of the Board of Management and the Supervisory Board pursuant to the Fit & Proper Policy in such manner as to ensure qualified management, control, supervision and consultation, which is in compliance with the statutory requirements.

The candidates should be in a position, due to their integrity, motivation, independence, and character, to fulfill the tasks of a member of the Board of Management or Supervisory Board in RBI and to safeguard the reputation of the company.

When selecting members, the composition of the relevant management body is considered, taking into account the required expertise and professional experience as well as diversity considerations.

Number of directorships

The detailed overview of the number of directorships held by members of the Board of Management and Supervisory Board can be found in Annex 1.

Diversity strategy when selecting members of the management body

The Board of Management and the Supervisory Board should consist of persons with management experience, preferably in the field of banking or financial institutions, in order to ensure qualified management, control, supervision and consultation.

As an internationally operating enterprise, RBI values diversity across its entire business. According to the tradition of Raiffeisen, local customs and cultures are respected and supported in order to prevent prejudice and discrimination.

The different cultural identities of staff members, the diversity of educational backgrounds and professional experience are an essential element of effective internal cooperation and a prerequisite for the success of the business in our core markets in Austria and in Central and Eastern Europe.

Diversity and international orientation encourage an innovative working atmosphere and open dialog allowing an exchange of ideas and opinions. It creates a dynamic working environment for the benefit of our employees and customers and forms the basis of our success in the various markets.

This success is also due to personal commitment. The implementation of the principle of equal opportunities for equal performance starts with a recruiting process that applies equal standards without any prejudice or restrictions.

Targets and target quota for the underrepresented gender

Adequate measures for the promotion of women have been implemented and are continuously developed throughout the company. The improvement of the compatibility of family life and work is an important element. Among these measures are flexible working hours, part time arrangements or teleworking, which are already offered by almost all subsidiaries in compliance with the applicable local regulations. Furthermore, country specific measures are taken, such as the kindergarten established at the head office in Vienna, which offers flexible operating hours. The board's positive commitment towards paternity leave is a further signal for equal employment opportunities within our organization.

In 2014 RBI AG agreed to achieve within the next five to ten years a quota of at least 35 per cent for the underrepresented female gender in the area of the Supervisory Board, the Board of Management, and the second and the third management levels on an overall basis. RBI AG achieved a quota of 23 per cent as of 31 December 2016 (25 per cent as of 31 December 2015).

To achieve the goal set by the Nomination Committee RBI ensures that a certain number of women participates in standard HR development programs (pro rata to the number of women employed in the relevant divisions). This applies for example to the talent management process. Furthermore, management positions are only filled, as per the revised staffing guidelines, when at least one qualified female candidate participated in the recruiting process. Women are actively invited to apply for managerial positions. A time limit of at least four weeks is planned.

In 2016 the initiative "Diversity 2020" started in RBI AG in Austria, with the first focus on "Empowerment of Women". In order to raise awareness about the topic and to ensure a high degree of transparency, extensive communication measures have been implemented. Unconscious bias impacts the nomination and selection process and may be, amongst other factors, a reason why still more men than women are promoted. This topic was part of several training events (leaders' breakfasts and keynote speeches for all employees). Mentoring for women is also considered as an effective instrument to increase the number of female leaders. To strengthen skills and expertise, special training programs are offered to women. Further measures will follow in 2017.

The Board of Management is aware that a consistent continuation of the currently agreed measures and openness towards new initiatives are required in order to increase the number of women in top management positions. The Board encourages women to actively pursue opportunities.

Risk Committee

RBI has implemented a Risk Committee pursuant to Section 39d of the BWG. The Risk Committee holds at least one meeting per year. On 3 June 2014 the constitutive meeting of the Risk Committee took place. In 2016 four meetings have been held.

Information to management

The consolidated risk development is reported by the Risk Controlling division to the Board of Management on a quarterly basis. In addition, the Board of Management reports on the risk development at meetings of the Supervisory Board on a quarterly basis, as well as ad hoc if necessary.

The organizational unit Risk Controlling is in charge of centralized and independent Risk Controlling pursuant to Section 39 (5) BWG. The head of Risk Controlling reports to the CRO, is a member of the Risk Committee, and reports the results to the Risk Committee of the Supervisory Board, to the RBI Board of Management, and to the responsible division heads.

Regarding the risk strategy and major developments within RBI, the head of the central and independent Risk Controlling division reports to the Risk Committee of the Supervisory Board. The Risk Committee of the Supervisory Board advises the Board of Management in respect of the current and future risk appetite and risk strategy. It supervises the implementation of this strategy in connection with the steering, supervision, and limitation of risks pursuant to the provisions of the BWG, and regarding capitalization and liquidity.

Risk Reports

On group level the various risk reports address the development of the group's portfolios and resulting risks to the risk committees, the management board as well as to the supervisory board. Risk type specific risk reports (i.e. credit risk, market risk, operational risk, liquidity risk etc.) are complemented by the ICAAP report (going-concern and target rating perspective) and the report on the Integrated Stress Test, which aggregate the risk measurements from the various risk types and compare them with the available capital or risk taking capacity.

The quarterly Supervisory Board Risk Report summarizes the main results and findings of the various risk type specific risk reports and the ICAAP report, with a particular focus on the risk developments in the last quarter, as well as the utilization of the risk taking capacity (going-concern and target rating perspective) in relation to the approved Group Risk Appetite and the Risk Tolerance level. The Report for the Risk Committee of the Supervisory Board goes further into detail and also discusses the group's risk appetite, its implementation, risk adequate pricing, and the risk adequacy of the remuneration system.

The ICAAP Report provides a monthly analysis to the management board on the development of the overall risk situation in the target rating perspective (Economic Capital 99.92%, 1 year) and the going concern (VaR 95%, 1 year), the development of the respective coverage potentials (Internal Capital and Risk Taking Capacity), broken down from the group level to a single unit view, and comparing the actual development with the Economic Capital budget.

The Report on the Results from the Integrated Stress Test provides an analysis to management boards in particular about the effect of the multi-year stress scenario on the CET1 ratio in relation to the Risk Tolerance Level that is defined in the group's risk appetite.

The Portfolio Report provides comprehensive information to the management board on the development of credit exposures and risk in the segments corporate, retail, FI and sovereign over the last quarter. Broken down from the group level exposure and risk, developments are reported on unit and segment level. This includes also the utilization of portfolio thresholds on country level, the development of customer ratings, average probabilities of default, collateralization, forbearance, and credit concentrations measures.

The Default Report provides the management board with an analysis on the development of the group's defaulted exposure over the last quarter. Broken down to unit and segment level the development is further segregated into gross inflows and outflows of the de-defaulted exposure, including an analysis of the largest inflows and outflows of the defaulted exposure as well as forbearance cases.

The semi-annual FX Lending Report is focused on foreign currency exposures to customers that are considered unhedged. It provides the management board with an analysis of the risk profile of the group's foreign currency lending and includes the retail segment, the corporate segment as well as unhedged non-bank FIs on head office level. It is also part of the Supervisory Risk Reports and the Report for the Risk Committee of the Supervisory Board.

The weekly Market Risk Committee reports on the development of profit and loss, the risks calculated and the limit utilization, as well as the results of scenario analyses and stress tests with respect to market risks.

The monthly Group Asset/Liquidity Committee reports on the liquidity situation including the LCR and the NSFR on group level, the Liquidity Union Vienna, the head office, as well as for the selected units. The going concern and time-to-wall analysis are also provided on material currency level.

Article 436 CRR Scope of application

Pursuant to Article 11 of the CRR, RBI is supervised by the ECB on a subconsolidated basis and is subject to the CRR provisions not only as an individual credit institution but also as a subgroup. RBI remains part of RZB for regulatory purposes.

The consolidated group is defined by all companies integrated in the consolidated financial statements. Due to different regulations the following two consolidated groups are distinguished:

- Consolidated group for legal/accounting purposes – IFRS 10
- Consolidated group for prudential/regulatory purposes – Article 30 BWG, Article 18 CRR and Article 19 CRR

Consolidated group for accounting purposes

All material subsidiaries over which RBI AG directly or indirectly has control are fully consolidated. The Group has control over an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Structured entities are entities in which the voting or similar rights are not the dominant factor for determining control, e.g. if the voting rights are solely related to administration activities and the relevant activities are governed by contractual agreements.

Similarly to subsidiaries, consolidation of structured entities is necessary if the Group has control over the entity. In the Group, the need to consolidate structured entities is reviewed as part of the securitization transaction process, where the structured entity is either formed by the Group with or without participation of third parties, or, in which the Group with or without participation of third parties enters into contractual relationships with already existing structured entities.

In order to determine when an entity has to be consolidated, a series of control factors have to be checked. These include an examination of

- the purpose and the constitution of the entity,
- the relevant activities and how they are determined,
- if the Group has the ability to determine the relevant activity through its rights,
- if the Group is exposed to risks of or has rights to variable returns,
- if the Group has the ability to use its power over the investee in order to affect the amount of variable returns.

Material interests in associated companies – the Group exerts a significant influence on financial and operating policies of these companies – are valued at equity and reported under investments in associates. Profit or losses occurring in companies valued at equity are shown net in current income from associates. The same rules apply to companies valued at equity (offsetting acquisition costs against proportional fair net asset value) as apply to fully consolidated companies. On principle, IFRS financial statements of associated companies are used. Changes in equity of companies valued at equity are also treated in the consolidated accounts as changes in equity.

Shareholdings in subsidiaries not included in the consolidated financial statements because of their minor significance and shareholdings in companies which have not been valued at equity are shown under financial investments and are measured at amortized cost.

Number of units	Fully consolidated 2016	Equity method 2016
As of 1/1	120	0
Included for the first time in the financial period	3	0
Merged in the financial period	(1)	0
Excluded in the financial period	(16)	0
As of 31/12	106	0

Of the 106 Group units (2015: 120), 36 are domiciled in Austria (2015: 37) and 70 abroad (2015: 83). They comprise 19 banks (2015: 20), 50 financial institutions (2015: 58), 16 providers of banking related services (2015: 17), 9 financial holding companies (2015: 9) and 12 other companies (2015: 12). Due to the insignificance for the assets, financial situation and earnings, 131 subsidiaries (2015: 178) were omitted from consolidation. These are recognized at cost as shares in affiliated companies under securities and equity participations. Total assets of unconsolidated companies account for less than 1 per cent of the Group's total assets.

Consolidated group according to regulatory requirements

There were 98 companies in the RBI CRR Group as at 31 December 2016 (2015: 110).

Number of units	Fully consolidated	Proportionally consolidated	Equity method
As of 1/1	110	0	0
Included for the first time in the financial period	3	0	0
Merged in the financial period	(1)	0	0
Excluded in the financial period	(14)	0	0
Reclassified	0	0	0
As of 31/12	98	0	0

The basis for the regulatory consolidation is the Capital Requirements Regulation (CRR). This differs to the consolidated group for accounting purposes in that only companies which are specialized in bank and other financial businesses have to be included. This means affiliated companies with non-bank business do not have to be included in the regulatory consolidated group. According to Article 19 CRR institutions, financial institutions or an ancillary services undertaking needn't be included in the consolidation where the total amount of assets and off-balance sheet items of the undertaking concerned is less than the smaller of the following two amounts:

- € 10 million
- 1 per cent of the total amount of assets and off-balance sheet items of the parent undertaking or the undertaking that holds the participation.

Moreover, competent authorities can permit the exclusion of the following participations on a case by case basis:

- the undertaking concerned is situated in a third country where there are legal impediments to the transfer of the necessary information
- the undertaking concerned is of negligible interest only with respect to the objectives of monitoring credit institutions
- the consolidation of the financial situation of the undertaking concerned would be inappropriate or misleading as far as the objectives of the supervision of credit institutions are concerned

Fully consolidated subsidiaries

According to Article 18 CRR, RBI is required to carry out a full consolidation of all subsidiaries that are institutions and financial institutions.

The following table presents an overview of the scope of prudential consolidation ("RBI CRR Group"):

Development	As at 1/1/2016	Included	Mergers	Excluded	Reclassified	As at 31/12/2016
Credit institutions domestic	4					4
Credit institutions foreign	16			(1)		15
Credit institutions total	20	0	0	(1)	0	19
Financial institutions domestic	18	2		(3)		17
Financial institutions foreign	42			(8)		34
Financial institutions total	60	2	0	(11)	0	51
Other domestic	12			(1)		11
Other foreign	18	1	(1)	(1)		17
Other total	30	1	(1)	(2)	0	28
Total	110	3	(1)	(14)	0	98

A list of fully consolidated companies can be found in Annex 2.

For the regulatory consolidated group Article 19 CRR is applied. Each unit not exceeding a balance sheet total of € 10 million is not included. This applies for 82 units (2015: 78) of minor importance. A list of companies, which were omitted from consolidation according to Article 19 CRR can be found in Annex 2.

Proportional consolidation

According to Article 18 (2) CRR, permission for proportional consolidation can be given by competent authorities on a case by case basis. Currently proportional consolidation is not applied in RBI.

Companies deducted from the total capital

According to CRR Article 36 (1) FI direct, indirect and synthetic holdings in common equity tier 1 capital instruments have to be deducted from common equity tier 1 capital. The deduction amount depends on the threshold calculated according to CRR Article 46 and 48. Due to the fact that RBI doesn't exceed the threshold no participations are deducted from common equity tier 1 capital.

The following participations would have been deducted if the threshold were exceeded:

- 71 financial institutions
- 3 insurance companies
- 1 financial holding

Impediments to the transfer of funds

In the RBI CRR Group there are currently no known impediments of a substantial, practical or legal nature to the prompt transfer of own funds or the repayment of liabilities among the parent undertaking and its subsidiaries.

In some countries in which RBI Credit Institution Group is operating, the payment of dividends is subject to certain restrictions. Such restrictions are for example due to the applicable minimum capital requirements or liquidity requirements or due to requirements from local regulators.

The Ukrainian National Bank implemented temporary foreign currency control restrictions. Besides other restrictions, payments of dividends to foreign investors and early prepayment of principal and interest and other amounts by Ukrainian borrowers under foreign currency loans from foreign lenders are prohibited. However, the Ukrainian National Bank started to soften the foreign exchange policy from 2016 and it is expected that the restrictions will be revised in 2017.

Aggregate amount by which actual funds are less than the required minimum in all subsidiaries not included in the consolidation

There are no material capital deficiencies for subsidiaries not included in the consolidation but deducted from the total capital.

Article 437 CRR

Total capital

Reconciliation of financials in legal and regulatory consolidation

Differences between balance sheet positions in the audited financial statements and the regulatory capital calculation are based on the different consolidation scopes. For further information on the scope of consolidation used please refer to Annex 2.

Capital

Capital base in € thousand	2016
Shareholders' equity according to the group's balance sheet	8,645,616
Non-controlling interests	580,225
Minority adjustments due to Basel III	(134,976)
Anticipated dividend	0
Deconsolidation of insurance companies	0
Associated companies consolidated according to purchase method	0
Value changes in own financial liabilities	(9,514)
Cash flow hedges	(70,010)
Additional value adjustments	(64,950)
Goodwill	(39,587)
Deferred tax assets	0
Intangible assets	(558,779)
Other adjustments	(8,662)
Common Equity Tier 1 capital	8,339,362
Tier 1 capital contributions	0
Shares deducted from Tier 1 capital	0
Total Tier 1 capital	8,339,362
Tier 2 instruments	3,046,665
Net provisions for reported IRB credit exposures	170,608
Shares deducted from Tier 2 capital	0
Other adjustments	(19,700)
Total Tier 2 capital	3,197,573
Total capital base	11,536,935

Statement of financial position

Assets in € thousand	IFRS scope 2016	Effects - scope of consolidation	Regulatory scope 2016
Cash reserve	12,242,415	6	12,242,409
Loans and advances to banks	9,900,012	(841)	9,900,853
Loans and advances to customers	70,514,116	(138,243)	70,652,359
Impairment losses on loans and advances	(4,955,132)	(8,376)	(4,946,756)
Trading assets	4,986,462	327	4,986,134
Derivatives	1,428,639	812	1,427,827
Financial investments	14,639,012	(63,957)	14,702,969
Investments in associates	0	0	0
Intangible fixed assets	598,402	36	598,366
Tangible fixed assets	1,393,358	199,779	1,193,579
Other assets	1,116,561	(67,466)	1,184,028
Total assets	111,863,845	(77,922)	111,941,767

Liabilities and equity in € thousand	IFRS scope 2016	Effects - scope of consolidation	Regulatory scope 2016
Deposits from banks	12,816,475	0	12,816,475
Deposits from customers	71,538,226	43,105	71,495,122
Debt securities issued	6,645,127	820	6,644,307
Provisions for liabilities and charges	756,252	4,068	752,183
Trading liabilities	5,119,743	3	5,119,740
Derivatives	786,949	(6)	786,955
Other liabilities	765,251	(132,202)	897,453
Subordinated capital	4,203,693	0	4,203,693
Equity	9,232,130	6,288	9,225,841
Consolidated equity	8,187,672	6,777	8,180,896
Consolidated profit	463,104	(1,616)	464,720
Minority interests	581,353	1,128	580,225
Total equity and liabilities	111,863,845	(77,922)	111,941,767

Total capital pursuant to CRR

The following table shows the composition of total capital as well as capital ratios pursuant to CRR. Lines which are not applicable for RBI are not shown in the table for reasons of clarity. The column "Reference" contains the CRR article reference and the column "Phase-out" presents the amounts subject to pre-regulation CRR treatment or prescribed residual amount of CRR.

Line	in € thousand	Reference	31/12/2016 transitional	Phaseout	31/12/2016 fully loaded
Common Equity Tier 1 capital: instruments and reserves (1)					
1	Capital instruments and the related share premium accounts	26 (1), 27, 28, 29, EBA list 26 (3)	5,856,199	0	5,856,199
2	Retained earnings	26 (1) (c)	2,759,416	16,296	2,775,713
3	Accumulated other comprehensive income (and any other reserves)	26 (1)	1,863	0	1,863
5	Minority interests (amount allowed in consolidated CET1)	84, 479, 480	445,249	(90,995)	354,254
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments		9,062,728	(74,699)	8,988,030
Common Equity Tier 1 (CET1) capital: regulatory adjustments					
7	Additional value adjustments (negative amount)	34, 105	(64,950)	0	(64,950)
8	Intangible assets (net of related tax liability)	36 (1) (b), 37, 472 (4)	(359,020)	(239,347)	(598,366)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	36 (1) (c), 38, 472 (5)	(2,388)	(9,551)	(11,938)
11	Fair value reserves related to gains or losses on cash flow hedges	33 (a)	(70,010)		(70,010)
12	Negative amounts resulting from the calculation of expected loss amounts	36 (1) (d), 40, 159, 472 (6)	(33,511)	(22,341)	(55,852)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	33 (1) (b) (c)	(9,514)	0	(9,514)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	36 (1) (f), 42, 472 (8)	(1,863)	0	(1,863)
20a	Exposure amount of the following items which qualify for a risk weight of 1250%, where the institution opts for the deduction alternative	36 (1) (k)	(20,693)	0	(20,693)
20c	hereof: securitisation positions (negative amount)	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	(20,693)	0	(20,693)
27	Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)	36 (1) (j)	(161,416)	161,416	0
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)		(723,366)	(109,822)	(833,188)
29	Common Equity Tier 1 (CET1) capital		8,339,362	(184,520)	8,154,842

Line	in € thousand	Reference	31/12/2016 transitional	Phaseout	31/12/2016 fully loaded
Additional Tier 1 (AT1) capital: instruments					
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	486 (3)	90,475	(90,475)	0
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	85, 86, 480	(1,374)	17,552	16,177
36	Additional Tier 1 (AT1) capital before regulatory adjustments		89,101	(72,923)	16,177
Additional Tier 1 (AT1) capital: regulatory adjustments					
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	(89,101)	89,101	0
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		(89,101)	89,101	0
44	Additional Tier 1 (AT1) capital		0	16,177	16,177
45	Tier 1 capital (T1 = CET1 + AT1)		8,339,362	(168,343)	8,171,019
Tier 2 (T2) capital: instruments and provisions					
46	Capital instruments and the related share premium accounts	62, 63	3,046,665	0	3,046,665
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	87, 88, 480	(8,530)	(4,557)	(13,087)
50	Credit risk adjustments	62 (c) & (d)	170,608	0	170,608
51	Tier 2 (T2) capital before regulatory adjustment		3,208,743	(4,557)	3,204,186
Tier 2 (T2) capital: regulatory adjustments					
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		(11,170)	11,170	0
57	Total regulatory adjustments to Tier 2 (T2) capital		(11,170)	11,170	0
58	Tier 2 (T2) capital		3,197,573	6,613	3,204,186
59	Total capital (TC = T1 + T2)		11,536,935	(161,730)	11,375,205
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)		60,060,645	0	60,060,645
60	Total risk-weighted assets		60,060,645	0	60,060,645
Capital ratios and buffers					
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	92 (2) (a), 465	13.9%	(0.3)%	13.6%
62	Tier 1 (as a percentage of total risk exposure amount)	92 (2) (b), 465	13.9%	(0.3)%	13.6%
63	Total capital (as a percentage of total risk exposure amount)	92 (2) (c)	19.2%	(0.3)%	18.9%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	CRD 128, 129, 140	526,711		526,711
65	hereof: capital conservation buffer requirement		375,379		375,379
66	hereof: countercyclical buffer requirement		1,181		1,181
67	hereof: systemic risk buffer requirement		150,152		150,152
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	CRD 128	0.9%		0.9%

Line	in € thousand	Reference	31/12/2016 transitional	Phaseout	31/12/2016 fully loaded
Amounts below the thresholds for deduction (before risk-weighting)					
	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)			
72			60,638	0	60,638
	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	36 (1) (i), 45, 48, 470, 472 (11)			
73			18,967	0	18,967
	Deferred tax assets arising from temporary difference (amount below 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met)	36 (1) (c), 38, 48, 470, 472 (5)			
75			141,569	0	141,569
Applicable caps on the inclusion of provisions in Tier 2					
	Cap on inclusion of credit risk adjustments in T2 under standardised approach	62			
77			250,318	0	250,318
	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	62			
79			170,608	0	170,608
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			0	0	0

Summary of the main features of regulatory capital items

Capital instruments

For details regarding capital instruments please refer to Annex 3.

Common Equity Tier 1 (CET 1) capital

Common Equity Tier 1 capital (CET 1) includes the components of Tier 1 capital, after applying phasing in rules, which are provided in CRR to adapt to the new requirements in the European Union and deductions from CET 1 after applying the threshold exemptions according to Article 36 and 48 CRR. Paid-in capital comprises subscribed capital and capital reserves of RBI. The subscribed capital and disclosed reserves are available over the lifespan of the company. All included instruments are fully eligible under Article 28 CRR. Regarding changes in equity in the reporting period please refer to table „Statement of changes in equity“ in the consolidated financial statements (RBI Annual Report 2016, page 90).

Common Equity Tier 1 after deductions stood at € 8,339,362 thousand. The increase from the 2015 comparable level totaled € 668,057 thousand, mainly due to the inclusion of retained earnings for 2016 and to positive currency effects, especially in relation to the Russian rouble. In contrast, the application of transitional provisions for 2016 and the inability to continue to recognize the hybrid capital of RZB Finance Jersey IV since May, due to the change in interest terms as stipulated in the prospectus, had a negative impact. Tier 2 capital declined € 118,291 thousand compared to the previous year and totaled € 3,197,573 thousand. The decline was mainly attributable to matured Tier 2 capital instruments in RBI AG. As at 31 December 2016, total capital under CRR amounted to € 11,536,935 thousand. This corresponds to an increase of € 549,766 thousand compared to the 2015 year-end figure.

Tier 1 capital

Tier 1 capital comprises CET 1 capital plus additional Tier 1 capital (AT 1) less deductions from additional Tier 1 capital, mainly consisting of intangible assets and goodwill.

Due to the fact that the entire additional Tier 1 capital was offset by deduction items at year-end 2016, Tier 1 capital amounted to € 8,339,362 thousand.

Issuer				
in € thousand	Title	ISIN	Interest rate	Amount
RZB Finance (Jersey) III Limited, St. Helier	Perpetual, Non-cumulative Subordinated Floating Rate Capital Notes	XS0193631040	CMS 10 + 0.1% capped at 9%	90,475

Tier 2 capital

Total Tier 2 capital after deductions amounted to € 3,197,573 thousand, mainly consisting of subordinated capital. Moreover, any excess of loan loss provisions over the amount of calculated expected losses for portfolios included under the IRB approach, up to a maximum of 0.6 per cent of credit risk-weighted assets covered by the IRB approach, is included.

Article 438 CRR Capital requirements

The capital requirements for credit risk, market risk and operational risk as at 31 December 2016 set out in the following table are the same with regard to content as in the capital adequacy reports submitted to the Austrian National Bank under CRR Pillar 1. The capital requirements were complied with at all times during the reporting period.

in € thousand	Risk weighted exposure	Capital requirement
Total risk weighted assets	60,060,645	4,804,852
Hereof: Investment firms under Article 90 paragraph 2 and Article 93 of CRR	0	0
Hereof: Investment firms under Article 91 paragraph 1 and 2 and Article 92 of CRR	0	0
Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	48,459,996	3,876,800
Standardized approach (SA)	20,025,409	1,602,033
Exposure classes excluding securitisation positions	20,025,409	1,602,033
Central governments or central banks	1,924,568	153,965
Regional governments or local authorities	60,256	4,821
Public sector entities	12,330	986
Multilateral Development Banks	0	0
International Organisations	0	0
Institutions	293,052	23,444
Corporates	6,522,359	521,789
Retail	5,153,002	412,240
Secured by mortgages on immovable property	2,605,429	208,434
Exposures in default	868,862	69,509
Items associated with particular high risk	0	0
Covered bonds	0	0
Claims on institutions and corporates with a short-term credit assessment	0	0
Collective investments undertakings (CIU)	4,180	334
Equity	397,460	31,797
Other items	2,183,912	174,713
Securitisation positions	0	0
Hereof: Resecuritisation	0	0

in € thousand	Risk weighted exposure	Capital requirement
Internal ratings based approach (IRB)	28,434,587	2,274,767
IRB approaches when neither own estimates of LGD nor conversion factors are used	23,693,101	1,895,448
Central governments and central banks	243,971	19,518
Institutions	1,995,047	159,604
Corporates - SME	3,281,701	262,536
Corporates - Specialised Lending	4,329,906	346,393
Breakdown by risk weights of total exposures under specialized lending slotting criteria:		
Risk weight: 0%	0	0
Risk weight: 50%	429,368	34,349
Risk weight: 70%	1,964,569	157,165
Of which: in category 1	1,780,164	142,413
Risk weight: 90%	874,846	69,988
Risk weight: 115%	710,135	56,811
Risk weight: 250%	350,989	28,079
Corporates - Other	13,842,476	1,107,398
IRB approaches when own estimates of LGD and/or conversion factors are used	4,389,683	351,175
Central governments and central banks	0	0
Institutions	0	0
Corporates - SME	0	0
Corporates - Specialised Lending	0	0
Corporates - Other	0	0
Retail - Secured by real estate SME	78,818	6,305
Retail - Secured by real estate non-SME	2,134,927	170,794
Retail - Qualifying revolving	372,079	29,766
Retail - Other SME	319,769	25,582
Retail - Other non-SME	1,484,090	118,727
Equity	122,681	9,814
Simple risk weight approach	1,621	130
Private equity exposures	0	0
Exchange traded equity exposures	0	0
Other equity exposures	1,621	130
PD/LGD approach	121,060	9,685
Equity exposures subject to risk weights	0	0
Securitisation positions	229,122	18,330
Hereof: Resecuritisation	0	0
Other non credit-obligation assets	0	0
Risk exposure amount for contributions to the default fund of a CCP	0	0
Total risk exposure amount for settlement/delivery	1,587	127
Settlement/delivery risk in the non-trading book	1,576	126
Settlement/delivery risk in the trading book	11	1
Total risk exposure amount for position, foreign exchange and commodities risk	2,674,162	213,933
Risk exposure amount for position, foreign exchange and commodities risks under standardized approaches (SA)	1,896,154	151,692
Traded debt instruments	1,390,583	111,247
Equity	141,223	11,298
Particular approach for position risk in CIUs	13,295	1,064
Foreign Exchange	343,731	27,498
Commodities	7,323	586
Risk exposure amount for position, foreign exchange and commodities risks under internal models (IM)	778,008	62,241
Total risk exposure amount for operational risk	8,543,651	683,492
OpR Basic indicator approach (BIA)	0	0
OpR standardized (STA) / Alternative standardized (ASA) approaches	3,706,005	296,480
OpR advanced measurement approaches (AMA)	4,837,646	387,012
Additional risk exposure amount due to fixed overheads	0	0
Total risk exposure amount for credit valuation adjustments	381,249	30,500
Advanced method	0	0
Standardized method	381,249	30,500
Based on OEM	0	0
Total risk exposure amount related to large exposures in the trading book	0	0

in € thousand	Risk weighted exposure	Capital requirement
Other risk exposure amounts	0	0
Hereof: Additional risk exposure amount due to application of Basel I floor	0	0
Hereof: Additional stricter prudential requirements based on Art 458	0	0
Hereof: Requirements for large exposures	0	0
Hereof: Due to modified risk weights for targeting asset bubbles in residential and commercial property	0	0
Hereof: Due to intra financial sector exposures	0	0
Hereof: Additional stricter prudential requirements based on Art 459	0	0
Hereof: Additional risk exposure amount due to Article 3 CRR	0	0

The following table provides an overview of the calculation methods that are applied to determine total capital requirements in RBI and significant subsidiaries:

Unit	Credit risk		Market risk	Operational risk
	Non-Retail	Retail		
Raiffeisen Bank International AG, Vienna (AT)	IRB	n.a.	Internal Model	AMA
RBI Finance (USA) LLC, New York (USA)	IRB	n.a.	SA	SA
Raiffeisenbank a.s., Prague (CZ)	IRB	IRB	SA	SA
Raiffeisen Bank Zrt., Budapest (HU)	IRB	IRB	SA	SA
Tatra banka a.s., Bratislava (SK)	IRB	IRB	SA	AMA
Raiffeisen Bank S.A., Bucharest (RO)	IRB	IRB	SA	AMA
Raiffeisenbank Austria d.d., Zagreb (HR)	IRB	SA	SA	SA
Raiffeisenbank Russia d.d., Moscow (RU)	IRB	SA	SA	AMA
Raiffeisenbank (Bulgaria) EAD, Sofia (BG)	IRB	IRB	SA	AMA
Raiffeisen Centrobank AG, Vienna (AT)	SA	n.a.	SA	AMA
Kathrein Privatbank Aktiengesellschaft, Vienna (AT)	SA	SA	n.a.	AMA
All other units	SA	SA	SA	SA

IRB: Internal Rating-based Approach

Internal Model: Only for risk of open currency positions and general interest rate risk in the trading book

AMA: Advanced Measurement Approach

SA: Standardized Approach

Internal Capital Adequacy Assessment Process (ICAAP)

The ICAAP forms a part of the Pillar 2 requirements according to CRR. Maintaining an adequate level of capital is a core objective of the Group. Capital requirements are monitored regularly based on the actual risk level as measured by internal models, and in choosing appropriate models the materiality of risks is taken into account. For the institution's approach to assessing the adequacy of its internal capital to support current and future activities please refer to the description given in the section "Article 435 CRR" on the Group's overall bank risk management.

The European Central Bank, as the competent authority, has not stipulated that the result of the institution's internal capital adequacy assessment process - including the composition of the additional total capital requirements based on the supervisory review process as referred to in point (a) of Article 104 (1) CRR - be disclosed.

Article 439 CRR

Exposure to counterparty credit risk

Methodology used to assign internal capital according to Article 39a BWG and credit limits for counterparty credit exposures

If a counterparty in a derivative, repurchase, securities or commodities lending or borrowing transaction defaults, then losses can arise from re-establishing the contract with another counterparty. In RBI this risk is measured by the mark-to-market approach where a predefined add-on is added to the current positive fair value of the contract in order to account for potential future changes. For internal management purposes potential price changes, which can affect the fair value of an instrument, are calculated specifically for different contract types based on historical market price changes.

For derivative contracts, the standard limit approval process applies, where the same risk classification, limitation, and monitoring process is used as for traditional lending. In doing so, the weighted nominal exposure of derivative contracts is added to the customers' total exposure in the limit application and monitoring process as well as in the calculation and allocation of internal capital.

Policies for securing collateral and establishing credit reserves

An important strategy for reducing counterparty credit risk is the employment of credit risk mitigation techniques such as netting agreements and collateralization.

Master agreements have to be executed for repurchase transactions, securities lending transactions and OTC derivatives transactions. The majority of these agreements are based on widely used industry standards provided by market associations like ISDA or ICMA. Credit risk mitigation techniques are strictly subject to independent legal opinions which state the enforceability of the applied master agreement.

For OTC derivatives, RBI strives to establish standardized ISDA master agreements or similar industry standard agreements with all counterparties in order to be able to perform close-out netting. With financial counterparties, RBI enters into credit support annexes (CSA) for full risk coverage for positive fair values on a daily basis.

As of 1 March 2017, the exchange of collateral for non-centrally cleared OTC derivatives between financial counterparties becomes mandatory according to the European Markets Infrastructure Regulation (EMIR) EU 648/2012. RBI will be fully compliant with this regulation.

Regulations for correlation risks

Correlation risks between exposure and collaterals of repurchase transactions, securities lending transactions and collateralized lending are restricted by comprehensive risk limits. Limits are established to confine correlations of collaterals with the following risks:

- Counterparty risk
- Country risk
- Issuer risk in case of securities collateral

Correspondent limits exist on the counterparty level and on the overall volume of accepted collaterals.

Correlation risks between derivative transactions and assets received to cover credit exposure are restricted by a restrictive list of eligible collaterals. For this business line, only cash collateral denominated in EUR, USD and GBP as well as AAA-rated government bonds issued by countries of the European Union and the United States of America are accepted. Correlation between these assets and the underlying derivatives exist only to a negligible extent.

RBI has identified Securities Finance (i.e. Repo, Reverse Repo, Sell & Buy Back, Buy & Sell Back, and Securities Lending) as the main field of business operations where wrong-way risks can arise, either general or specific wrong-way risks. There are several restrictions in place which have been implemented in the respective IT systems and are monitored and controlled on a daily basis by an independent Controlling unit.

- Specific wrong-way risk is forbidden in general, meaning risks related to any collateral provided under GMRA, GMSLA agreements must not be identical to the credit risk of the concluding counterparty or a group of connected clients the counterparty belongs to. An exception to this general rule is only allowed for covered bonds, entitling the segregation of claims in case of bankruptcy; these covered bonds must be bonds according to CRR 575/2013 Article 129.
- For general wrong-way risks specific countries have been identified, where the correlation between government debt and the financial sector holding such government debt is considered to be high. For these countries an overlap regulation has been established limiting counterparties, collateral and the total gross amount of business volume to be undertaken.

An additional field of important business operations is undertaken in derivatives which are secured by CSA. As only cash is accepted as collateral, wrong-way risks are not considered to be an issue in this business field. For unsecured derivatives with corporates the strategy is to permit only hedging transactions without general wrong-way risk attached.

CRR rating downgrade

Rating dependent terms and conditions in credit support agreements are avoided as far as possible, so that a possible downgrade would have only minor impact on the amount of collateral. Credit support agreements between financial counterparties falling under the regulations of the European Markets Infrastructure Regulation (EMIR) EU 648/2012 will no longer include rating dependent thresholds, further minimising the impacts of rating downgrades on the amount of additional collateral.

The relevant rating by Standard & Poor's and Moody's is currently BBB+ and respectively Baa2. The amount of maximum additional collateral requirements shown below would become effective in full only if both rating agencies would downgrade RBI's long term credit rating and an adverse market movement would require corresponding collateral.

Rating grade	S&P	Moody's	Max. additional collateral requirement in € thousand
1	AAA	Aaa	0
2	AA+	Aa1	0
3	AA	Aa2	0
4	AA-	Aa3	0
5	A+	A1	0
6	A	A2	0
7	A-	A3	0
8	BBB+	Baa1	0
9	BBB	Baa2	0
10	BBB-	Baa3	1,300
11	BB+	Ba1	2,365
12	BB and below	Ba2 and below	2,365

Quantitative disclosure on counterparty credit risk

The following table shows the gross positive fair value of derivative contracts. In line with current counterparty credit risk measurement the potential future exposure instead of the current credit exposure is presented. In contrast to the current exposure the potential future exposure includes also the potential credit risk arising from market value changes in the underlying position. On the other hand exchange traded derivatives are excluded as their positive fair values are settled daily through margin calls.

Article 439 (e) CRR in € thousand	Actual at fair value through profit or loss	Counterparty credit risk	Netting benefits	Netted potential credit exposure	Collateral held	Net credit exposure
Interest rate contracts	3,808,813	9,045,824	5,979,458	3,066,366	1,200,350	1,866,015
Securities related transactions	(118,313)	1,802,813	669,142	1,133,671	116,197	1,017,473
Foreign exchange rate contracts	1,177,578	4,833,000	2,821,959	2,011,041	900,454	1,110,587
Commodities	151,316	0	0	0	0	0
Credit derivatives	(167)	31,804	11,018	20,786	250	20,536
Total	5,019,227	15,713,441	9,481,578	6,231,863	2,217,252	4,014,612

The counterparty credit risk is measured by the mark-to-market approach. The exposure is calculated from the current market value for each transaction plus a general add-on in order to capture the potential future credit exposure.

Article 439 (f) CRR in € thousand	Netted potential credit exposure
Mark-to-market approach	6,231,863

The nominal value of credit derivatives hedges amounts to € 981,280 thousand (2015: € 1,486,383). In the case of credit derivatives, only single credit default swaps and I-traxx are held.

Article 439 (g) CRR in € thousand	Nominal value
Single CDS	444,832
I-traxx	73,000

The nominal value of the derivative transactions breaks down into the following product groups:

Article 439 (h) CRR in € thousand	Banking book		Trading book	
	Purchase contracts	Sales contracts	Purchase contracts	Sales contracts
Interest rate contracts	55,413,470	500,000	116,223,914	4,219,203
Securities related transactions	305,060	0	2,397,351	0
Foreign exchange rate contracts	20,494,894	0	53,559,091	2,306,870
Commodities	0	0	339,431	0
Credit derivatives	432,088	0	85,743	463,935
Total	76,645,513	500,000	172,605,529	6,990,008

Article 440 CRR

Capital buffer

The following table shows the geographical distribution of credit exposures relevant for the calculation of the RBI countercyclical capital buffer referred to in Title VII, chapter 4 CRR. The institution specific countercyclical capital buffer for RBI amounted to 0.002 per cent as at 31 December 2016.

Article 440 (1) a) CRR in € thousand	General credit exposures		Trading book exposures		Securitization exposures	
	Exposure value for SA	Exposure value for IRB	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for SA	Exposure value for IRB
Russia	3,750,536	5,465,414	208,500	0	0	0
Poland	8,204,735	170,990	63,085	0	0	0
Austria	15,052,286	6,129,725	76,078	0	0	1,531,083
Czech Republic	2,001,837	7,210,255	24,096	0	0	931,719
Slovakia	1,025,695	8,854,630	105	0	0	26,895
Romania	1,247,699	4,967,961	0	0	0	0
Hungary	625,803	2,943,511	4,551	0	0	0
Croatia	1,974,035	1,458,270	26	0	0	3,580
Germany	101,409	2,788,421	22,924	0	0	125,871
Bulgaria	302,137	2,210,170	0	0	0	0
Ukraine	1,329,238	227,586	0	0	0	0
Serbia	1,416,218	29,605	0	0	0	0
Bosnia and Herzegovina	1,379,938	10,628	0	0	0	0
Belarus	1,149,380	19,771	0	0	0	0
Switzerland	14,489	1,223,528	0	0	0	0
USA	30,670	1,014,215	100,164	0	0	142,567
Netherlands	51,191	1,000,196	25,900	0	0	55
Albania	818,627	36,266	0	0	0	0
United Kingdom	8,854	1,013,766	6,849	0	0	117
Sweden	4,207	31,135	8,894	0	0	0
Norway	60	30,496	0	0	0	0
Hong Kong	1,741	532	0	0	0	0
Other	916,106	3,589,515	275,843	0	0	121,432
Total	41,406,893	50,426,587	817,017	0	0	2,883,320

Article 440 (1) a) CRR						
in € thousand	of which: General credit exposures	Own funds requirements of which: Trading book exposures	of which: Securitization exposures	Total	Own funds requirements weights	Countercyclical capital buffer rate
Russia	465,124	16,860	0	481,984	12.8%	0.0%
Poland	435,935	5,210	0	441,145	11.7%	0.0%
Austria	421,538	5,864	7,718	435,120	11.5%	0.0%
Czech Republic	376,408	1,863	5,139	383,411	10.2%	0.0%
Slovakia	350,894	1	95	350,990	9.3%	0.0%
Romania	286,356	55	0	286,411	7.6%	0.0%
Hungary	198,098	424	0	198,522	5.3%	0.0%
Croatia	187,596	2	20	187,618	5.0%	0.0%
Germany	128,736	956	1,527	131,218	3.5%	0.0%
Bulgaria	122,029	0	0	122,029	3.2%	0.0%
Ukraine	87,450	4	0	87,454	2.3%	0.0%
Serbia	79,474	1	0	79,475	2.1%	0.0%
Bosnia and Herzegovina	74,852	0	0	74,852	2.0%	0.0%
Belarus	73,867	0	0	73,867	2.0%	0.0%
Switzerland	56,603	0	0	56,603	1.5%	0.0%
USA	48,132	3,335	2,305	53,772	1.4%	0.0%
Netherlands	48,001	1,612	0	49,613	1.3%	0.0%
Albania	48,216	0	0	48,216	1.3%	0.0%
United Kingdom	37,482	128	1	37,611	1.0%	0.0%
Sweden	2,272	716	0	2,989	0.1%	1.5%
Norway	1,862	2	0	1,864	0.0%	1.5%
Hong Kong	205	0	0	205	0.0%	0.6%
Other	170,536	11,166	1,525	183,226	4.9%	0.0%
Total	3,701,669	48,198	18,330	3,768,197	100.0%	0.002%

A 440 (1) b) CRR	
in € thousand	2016
Total risk exposure amount	60,060,645
Institution specific countercyclical capital buffer rate	0.002%
Institution specific countercyclical capital buffer requirement	1,181

Article 441 CRR

Indicators of systemic importance

RBI is not identified as a global systemically important institution (G-SII) in accordance with Article 131 CRR. Therefore, the disclosure referred to in Article 441 CRR does not apply.

Article 442 CRR

Credit risk adjustments

Definition of the terms “past due” and “impaired” for accounting purposes

Past due exposures

The definition of default and the assessment of expected recovery value are heavily influenced by the number of days payments are late.

Exposures are past due when the contractually agreed date for payment has been exceeded. Payments are considered past due when the borrower has exceeded the approved credit limit.

Impaired exposures

A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. In addition, the loss event must have a reliably measurable effect on the present value of estimated future cash flows and be supported by current observable data.

Approaches and methods for determining value adjustments and provisions

Troubled loans (where debtors are expected to run into financial difficulties or delayed payment) need special handling. In non-retail divisions, problem loan committees of each Group member review problematic exposures. In case of the need for intensified handling and workout, the troubled loans are assigned either to a designated specialist or to a restructuring unit (workout department), both part of the risk or credit risk management divisions. Employees of workout units are specially trained and experienced. They typically handle medium-sized to large cases and are assisted by in-house legal departments and/or by external specialists as well. Work-out units play a decisive role in accounting and analyzing as well as booking provisions for impairment losses (write-offs, value adjustments, provisioning). Their early involvement can help in reducing losses caused by troubled loans. Cases in which restructuring or liquidation take place are analyzed in RBI to find out their causes. Lending processes are then adapted as necessary on the basis of these results.

Default and work-out standards in the retail area are defined for the whole restructuring and collection process for private individuals and small enterprises. A restructuring guideline defines the Group’s restructuring framework including the strategy, organization, methods, monitoring and controlling. In the collection process customers are classified into three categories “Early”, “Late” and “Recovery”, for which respective standardized customer handling processes are defined.

At each balance sheet date it is assessed whether there is any objective evidence that a financial asset or group of financial assets is impaired (please see "Impaired exposures").

Credit risk is accounted for by making individual impairment provisions and portfolio-based impairment provisions. The latter comprise impairment provisions for portfolios of loans with similar risk profiles that may be formed under certain conditions.

In the non-retail segment, for credit risks related to loans and advances to customers and banks, provisions are made in the amount of expected loss according to homogeneous Group-wide standards. Risk of loss is deemed to exist if the discounted projected repayment amounts and interest payments are below the carrying value of the loans, taking collateral into account. Portfolio-based impairments are calculated according to valuation models that estimate expected future cash flows for the loans in the respective loan portfolio based on loss experience history. This is carried out regularly under consideration of economic conditions.

In the retail segment, portfolio-based loan loss provisions are based on historical loss experience for assets with similar credit risk characteristics (product type, asset type, customer type, collateral type, sales channel type, past due status etc.) with consideration of the current portfolio performance. The basic model for calculating PLLP for portfolios without IRB parameters includes:

- The probability (also called loss factor) that an account will flow from current state to loss. It is determined as the product of all flow rates between the delinquency bucket (where an account is now) to the absorbing state (180+)
- The recovery rate after absorbing status
- For retail portfolios without a documented loss history of their own, peer group benchmark figures serve as a comparative base

Additionally, in the majority of the retail segment banks with IRB parameters have switched to a more advanced Internal Ratings Based model upon meeting certain criteria and receiving approval from RBI head office. This model uses PD (Probability of Default), LGD (Loss Given Default, CCF (Credit Conversion Factor) and LIP (Loss Identification Period) factors. The LIP is set to 1 (equal to 12 months identification period). These provisioning parameters may differ from the ones used in Basel 3; as a rule they are stripped of any conservative margins and add-ons.

Individual and portfolio-based impairment provisions are not netted against corresponding receivables but are stated separately in the statement of financial position.

The entirety of the provision for impairment losses arising from loans reported in the statement of financial position (individual loan loss provisions and portfolio-based provisions) is shown as a separate item on the assets side, below loans and advances to banks and customers. The provision for impairment losses arising from transactions off the statement of financial position is recorded under provisions for liabilities and charges.

Quantitative disclosure

The total amount of exposures before deduction of the value adjustments and provisions and without taking into account the effect of credit risk mitigation break down by exposure classes as follows:

Article 442 (c) CRR in € thousand	As at 31/12/2016	average exposure
Sovereigns	24,933,234	27,113,763
Financial institutions	18,627,544	17,812,040
Corporate customers	73,846,576	75,340,240
Retail customers	29,165,795	28,504,953
Total	146,573,149	148,770,996

The regional breakdown of credit exposure reflects RBI's broad diversification in European markets. The on- and off-balance exposures are shown regionally by domicile of the borrower:

Article 442 (d) CRR in € thousand	Sovereigns	Financial institutions	Corporate customers	Retail customers	Total
Austria	2,408,111	4,617,079	12,896,882	14,321	19,936,393
Central Europe	11,789,687	794,418	20,922,091	16,671,105	50,177,300
Southeastern Europe	6,346,762	140,297	11,097,771	8,073,694	25,658,525
Eastern Europe	1,292,109	1,793,563	12,321,417	4,406,675	19,813,764
Other European Union	1,527,292	8,640,033	10,971,631	0	21,138,955
Asia	426,878	1,128,700	1,943,739	0	3,499,318
Rest of the world	1,142,396	1,513,453	3,693,045	0	6,348,894
Total	24,933,234	18,627,544	73,846,576	29,165,795	146,573,149

Within the scope of its risk policy and assessments of creditworthiness, RBI also considers the borrower's industry. The following table covers the customer credit on and off balance exposure of the Group:

Article 442 (e) CRR in € thousand	Sovereigns	Financial institutions	Corporate customers	hereof SMB	Retail customers	Total
Banking and insurance	13,319,537	18,104,399	7,746,120	38,777	12,794	39,182,850
Private households	0	0	12,542	192	26,576,908	26,589,450
Wholesale trade and commission trade (except car trading)	0	0	11,712,485	724,094	263,770	11,976,256
Public administration and defence and social insurance institutions	11,613,697	0	228,315	2,791	2,446	11,844,457
Other manufacturing	0	0	11,176,204	653,865	249,468	11,425,672
Other industries	0	523,145	8,028,542	430,102	695,148	9,246,836
Real estate activities	0	0	8,350,888	155,175	34,909	8,385,798
Construction	0	0	5,377,591	261,316	173,621	5,551,211
Other business activities	0	0	4,208,989	95,938	228,578	4,437,567
Retail trade except repair of motor vehicles	0	0	3,417,909	280,665	256,917	3,674,826
Electricity, gas, steam and hot water supply	0	0	3,046,017	7,794	9,606	3,055,623
Manufacture of basic metals	0	0	2,177,911	6,557	4,625	2,182,536
Other transport	0	0	1,625,464	39,475	279,085	1,904,549
Land transport, transport via pipelines	0	0	1,720,772	208,778	175,006	1,895,778
Manufacture of food products and beverages	0	0	1,799,851	98,625	33,748	1,833,599
Manufacture of machinery and equipment	0	0	1,682,765	53,116	11,620	1,694,385
Sale of motor vehicles	0	0	758,015	116,579	157,524	915,539
Mining and quarrying	0	0	776,194	34	21	776,215
Total	24,933,234	18,627,544	73,846,576	3,173,873	29,165,795	146,573,149

The following table shows a breakdown of all exposures by residual maturity and exposure class:

Article 442 (f) CRR in € thousand	Sovereigns	Financial institutions	Corporate customers	Retail customers	Total
Daily due	8,136,853	4,107,975	8,986,446	3,022,500	24,253,774
Up to 1 year	2,640,162	1,981,633	14,099,375	1,587,362	20,308,532
More than 1 year, up to 5 years	8,190,796	6,201,361	30,088,437	5,792,866	50,273,459
More than 5 years	1,993,529	2,334,313	13,024,149	18,724,762	36,076,753
Without maturity	3,971,895	4,002,262	7,648,168	38,305	15,660,630
Total	24,933,234	18,627,544	73,846,576	29,165,795	146,573,149

The following table shows a breakdown of the past due and impaired exposures and also of the non-performing loans and the value adjustments and provisions by asset classes. From the non-performing and past due exposures only on balance exposures are shown, and only past due exposures which have not been individually impaired are shown.

Article 442 (g) CRR in € thousand	Sovereigns	Financial institutions	Corporate customers	Retail customers	Total
Past due exposure	2,507	644	884,455	1,676,741	2,564,347
Impaired exposure	5,607	50,606	4,436,788	2,007,007	6,500,009
Non performing loans	1,669	77,277	4,357,420	2,126,518	6,562,884
Individual loan loss provisions for on-balance exposures	4,347	48,300	3,025,089	1,517,398	4,595,135
Portfolio-based loan loss provisions for on-balance exposures	390	2,065	111,531	237,935	351,921
Individual provisions for off-balance exposures	0	44,988	45,659	2,332	92,979
Portfolio-based provisions for off-balance exposures	14	671	17,360	12,303	30,348

The past due and impaired exposures and also the non-performing loans and the value adjustments and provisions are broken down by geographical areas as follows:

Article 442 (h) CRR in € thousand	Austria	Central Europe	Southeastern Europe	Russia	CEE Other	Rest of the world	Total
Past due exposure	459,120	747,598	1,266,430	55,201	35,997	0	2,564,347
Impaired exposure	1,580,945	1,780,440	1,413,908	486,702	1,088,720	149,294	6,500,009
Non performing loans	1,679,762	1,761,323	1,421,322	492,059	1,084,055	124,364	6,562,884
Value adjustments and provisions	1,302,327	1,190,952	1,151,616	374,772	985,415	65,301	5,070,384

The following table summarizes the development of loan loss provisions in the financial year:

Article 442 (i) CRR in € thousand	As at 1/1/2016	Changes in consolidation	Allocation	Release	Usage	Transfers, exchange differences	As at 31/12/2016
On-balance provisions	6,049,518	(61,527)	1,692,990	(954,814)	(1,875,681)	96,571	4,947,056
hereof individual loan loss provisions	5,691,921	(55,826)	1,526,061	(779,436)	(1,875,626)	88,039	4,595,135
hereof portfolio-based provisions	357,596	(5,702)	166,929	(175,378)	(55)	8,532	351,921
Off-balance provisions	98,895	814	93,909	(71,178)	(353)	1,240	123,327
hereof individual loan loss provisions	73,062	798	81,607	(62,456)	(353)	321	92,979
hereof portfolio-based provisions	25,832	15	12,302	(8,721)	0	919	30,348
Total	6,148,412	(60,714)	1,786,899	(1,025,992)	(1,876,034)	97,811	5,070,383

Direct write-downs and recoveries recorded directly in the income statement are as follows:

Article 442 (i) CRR in € thousand	2016
Direct write-downs	(120,041)
Income received on written-down claims	128,636

Article 443 CRR

Unencumbered assets

RBI is a universal bank whose primary activity is the traditional lending and borrowing business. The main types of encumbered assets in RBI are loans and advances followed by debt securities. The largest source of encumbrance is collateralized deposits which encumbers € 2.7 bn assets. A further € 2.4 bn of assets are encumbered by covered bonds and over € 2.1 bn of assets are encumbered by derivatives. Securities lending and repo transactions do not lead to a material level of encumbrance of balance sheet assets. A small proportion of assets received as a result of reverse repos and securities borrowing have been repledged.

The largest volume of unencumbered assets is loans and advances followed by mostly central bank eligible debt securities. Other assets are the third largest group of unencumbered assets and consist mainly of reverse repo and securities lending receivables and derivatives. Levels of collateralization are in line with market practices.

Compared to 2015 the relative and absolute amounts of encumbered assets have fallen slightly and central bank eligible assets decreased. Intra-group asset encumbrance is not material.

in € thousand	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the reporting institution	10,893,454	0	101,048,313	0
Equity instruments	32,236	38,157	228,566	227,804
Debt securities	1,326,726	1,348,504	15,770,722	15,790,149
Other assets	9,534,493	0	85,049,025	0

in € thousand	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
Collateral received by the reporting institution	2,877,455	5,162,803
Equity instruments	1,527,646	1,010,720
Debt securities	1,349,809	4,052,237
Other collateral received	0	99,846
Own debt securities issued other than own covered bonds or ABSs	0	0

in € thousand	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	9,669,750	13,770,909

Article 444 CRR Use of ECAIs

ECAI (External Credit Assessment Institution)

RBI utilizes the external sovereign ratings from **Standard and Poor's, Moody's and Fitch Ratings** for the calculation under the standardized approach. For all other exposure classes, if available, the ratings of Standard and Poor's are applied.

In the case of securities items, external issuer ratings are applied for the equity calculation. If securities items are held to mitigate risk, the issue ratings are applied to determine the haircuts.

The external ratings applied are mapped to the credit quality steps (rating notches) defined in the standardized approach for credit risk in accordance with standard mapping pursuant to CRR.

Rating notch	ECAI Rating		
	Standard & Poor's	Moody's	Fitch
1	AAA	Aaa	AAA
1	AA+	Aa1	AA+
1	AA	Aa2	AA
1	AA-	Aa3	AA-
1	A+	A1	A+
2	A	A2	A
2	A-	A3	A-
2	BBB+	Baa1	BBB+
3	BBB	Baa2	BBB
3	BBB-	Baa3	BBB-
3	BB+	Ba1	BB+
4	BB	Ba2	BB
4	BB-	Ba3	BB-
4	B+	B1	B+
5	B	B2	B
5	B-	B3	B-
5	CCC+	Caa1	CCC
6	CCC	Caa2	CC
6	CCC-	Caa3	CC
6	CC	Ca	C
6	C	Ca	C
6	D	C	D
7	NR	NR	NR

Exposure break down

The total exposure for which capital requirements are calculated by using the standardized approach amounted to € 69,423,458 thousand. The exposure and the exposure after credit risk mitigation (uncollateralized exposure) for each exposure class breaks down as follows:

Overview Standardized Approach Exposure Classes

Standardized Approach - Exposure classes according to Article 112 CRR in € thousand	Exposure	Capital requirement
Exposure to central governments and central banks	21,162,645	153,965
Exposure to regional governments or local authorities	82,146	4,821
Exposure to public sector entities	16,998	986
Exposure to multilateral development banks	1,022,326	0
Exposure to international organisations	382,685	0
Exposure to institutions	3,580,774	23,444
Exposure to corporates	11,470,004	521,789
Retail exposure	8,757,400	412,240
Exposure secured by mortgages on immovable property	6,104,552	208,434
Exposures in default	2,897,197	69,509
Exposure associated with particularly high risk	0	0
Exposure in the form of covered bonds	0	0
Exposure to institutions and corporates with a short-term credit assessment	0	0
Exposure in the form of units or shares in collective investment undertakings (CIUs)	4,180	334
Equity	331,555	31,797
Other items	13,610,995	174,713
Securitisation positions	0	0
Total	69,423,458	1,602,033

Exposure to central governments and central banks

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	3,340,111	3,340,111
2	9,292,854	9,292,854
3	4,933,365	4,901,966
4	1,670,073	1,468,990
5	1,815,480	1,481,539
6	0	0
Without external rating	110,762	66,936
Total	21,162,645	20,552,395

Exposure to regional governments or local authorities

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	45,222	45,222
3	23	23
4	415	415
5	36,487	36,487
6	0	0
Without external rating	0	0
Total	82,146	82,146

Exposure to public sector entities

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	2,455	2,455
2	421	421
3	4,062	4,051
4	349	349
5	9,705	9,705
6	0	0
Without external rating	6	6
Total	16,998	16,987

Exposure to multilateral development banks

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	1,022,326	1,022,326
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	1,022,326	1,022,326

Exposure to international organisations

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	382,685	382,685
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	382,685	382,685

Exposure to institutions

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	738,012	737,949
2	299,049	286,646
3	1,979,907	1,594,742
4	21,308	21,308
5	114,250	106,912
6	0	0
Without external rating	428,248	428,248
Total	3,580,774	3,175,805

Exposure to corporates

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	2,388	2,388
2	598,468	598,468
3	26	26
4	6,218	6,218
5	46,258	45,268
6	0	0
Without external rating	10,816,646	10,473,137
Total	11,470,004	11,125,505

Retail exposure

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	8,757,400	8,707,537
Total	8,757,400	8,707,537

Exposure secured by mortgages on immovable property

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	3,101	0
6	0	0
Without external rating	6,101,451	0
Total	6,104,552	0

Exposure in default

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	0	0
3	1	1
4	1,559	1,559
5	27	27
6	5,761	5,761
Without external rating	2,889,849	1,317,708
Total	2,897,197	1,325,056

Exposure in the form of units or shares in collective investment undertakings (CIUs)

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	4,180	4,180
Total	4,180	4,180

Equity exposure

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
7	331,555	331,555
Total	331,555	331,555

Other items

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	8,608	8,608
2	0	0
3	0	0
4	0	0
5	73,801	73,801
6	0	0
Without external rating	13,528,586	13,525,289
Deducted from the own funds	0	0
Total	13,610,995	13,607,698

Article 445 CRR

Exposure to market risk

The minimum capital requirements for market risk according to Article 445 CRR break down as follows:

in € thousand	As at 31/12/2016
Own funds requirement for market risk (internal model)	62,241
Specific position risk associated with interest rate instruments	77,047
General position risk associated with interest rate instruments	34,200
Specific position risk associated with equity instruments	3,059
Particular approach for position risk in CIUs (OGAs)	1,064
General position risk associated with equity instruments	783
Risk associated with equity index futures	3,630
Risk associated with shares in investment funds	0
Other option-related risks	3,825
Settlement risk	127
Commodities risk	586
Foreign-exchange risk (including the risk arising from gold positions)	27,498
Specific position risk in securitization	0
Own funds requirement for market risk by kind of risk (total)	214,060

Article 446 CRR

Operational Risk

As of September 2016, RBI received the permission to calculate the regulatory capital according to the Advanced Measurement Approach. Based on the application the approach was granted for the Group only with respect to the following units:

Legal Entities	Country
Raiffeisen Bank International AG, Vienna incl. all Branches	AT
Raiffeisen-Leasing International Gesellschaft m.b.H., Vienna	AT
Regional Card Processing Center s.r.o., Bratislava	SK
AO Raiffeisenbank, Moscow	RU
ООО Raiffeisen-Leasing, Moscow	RU
Raiffeisen Bank S.A., Bucharest	RO
S.A.I. Raiffeisen Asset Management S.A., Bucharest	RO
Raiffeisen Leasing IFN S.A., Bucharest	RO
Tatra banka, a.s., Bratislava	SK
Tatra Asset Management, správ. spol., a.s., Bratislava	SK
Tatra Residence, a.s., Bratislava	SK
Doplňková dôchodková spoločnosť Tatra banky, a.s., Bratislava	SK
Tatra-Leasing, s.r.o., Bratislava	SK
Raiffeisenbank (Bulgaria) EAD, Sofia	BG
Raiffeisen Leasing Bulgaria OOD, Sofia	BG
Raiffeisen Centrobank AG, Vienna	AT
Kathrein Privatbank Aktiengesellschaft, Vienna	AT
Kathrein Capital Management GmbH, Vienna	AT
Kathrein & Co. Vermögensverwaltung GmbH, Vienna	AT

All residual units, which are part of the RBI CRR Group, are applying the Standardized Approach.

The own funds requirement for the Advanced Measurement Approach is calculated using an internal model on a quarterly basis. Input factors are internal loss events, external loss events provided by ORX (Operational Riskdata eXchange Association) and scenarios.

RBI has a yearly Operational Risk Management cycle. At the beginning of the year, the units evaluate factors which may result in changes to risk levels, such as internal event history, internal audit reports, changes in the internal and external environment and control deficiencies. This forms the starting point for the comprehensive risk assessment workshops. All nominated Operational Risk Managers, with the support of Operational Risk Controlling and other relevant Second Line of Defense areas (e.g. Financial Crime Management, Compliance, Security, ICS), reevaluate the risk profile of the Group. The risk assessment results are used to identify short term loss expectations and act as the reevaluation and identification interface for the high severity and low impact cases.

Based on this, the relevant scenarios are amended by Operational Risk Managers representing the First Line of Defense of the relevant areas on a yearly basis. In certain circumstances scenarios might be assessed more often.

Events are collected in a centralized database by responsible Operational Risk Managers and supporting functions. Quality and completeness methods such as Operational Risk Controller checks, a two-sided reconciliation with the General Ledger and a Group wide data quality indicator reporting concept are also employed.

Taking the internal (events, scenarios) and the external data into consideration, the capital requirement constitutes the VaR at a confidence level of 99.9%. Based on the Group figure calculated by the model, a risk sensitive approach for the capital allocation is applied at Group level. Relevant sub-groups are allocated a proportion based on a combination of gross income (stabilization), weighted frequency of event occurrence and exposure to the scenarios assigned.

RBI uses the common approach in operational risk modelling of defining Units of Measurement (UoM) that are based on groups of risks sharing common factors and applies a Loss Distribution Approach (LDA) for each of them. In a LDA framework, the frequency of losses and the individual loss amounts are modelled independently from each other. To determine the capital requirement, a Monte Carlo simulation is used that takes into account the dependency structure between the UoM.

Expected losses are not excluded from the requirement calculation. All results from the validation are reported to the Group Risk Committee.

Article 447 CRR

Exposures in equities not included in the trading book

Differentiation between exposures based on their purpose

RBI as a universal bank holds equity investments in credit or financial institutions as well as in companies whose activities constitute a direct extension of banking activities or a related ancillary activity. Equity participations of the parent company are managed by the Participations division. This division is responsible for controlling risks arising from long-term equity investments of the parent company (and for returns generated by these investments as well). Indirect participations held by different members of the RBI are often managed by local units in coordination with the parent company.

Overview of recognition and measurement principles

The consolidated financial statements of RBI were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

Shareholdings in subsidiaries which are not included in the consolidated financial statements because of their minor importance in giving a fair view of the Group's assets, financial and earnings position as well as shareholdings in companies that are not valued at equity are shown under financial investments at cost if no share prices are available and are assigned to the measurement category available-for-sale. Changes in the fair value of holdings categorized as available-for-sale are directly recognized in equity without affecting the income statement. However, impairments are shown in the income statement.

Quantitative disclosure

Article 447 (b)-(c) in € thousand	Carrying amount	Fair value	Market value
Shares	1,294	1,294	1,162
listed	1,162	1,162	1,162
not listed	132	132	-
Other interests	87,012	87,012	1,536
listed	1,536	1,536	1,536
not listed	85,476	85,476	-
Interest in affiliated companies	304,966	304,966	0
listed	0	0	0
not listed	304,966	304,966	-

Article 447 (d)-(e) in € thousand	Amount
Disclosure Article 447 (d) CRR	155,645
Net realised gains (losses) on equity instruments	155,645
Disclosure Article 447 (e) CRR	(92,858)
Net gain (losses) on equity instruments	(14,531)
Deferred revaluation gains/losses	(78,327)
hereof: included in Tier 1 capital	(56,787)

Article 448 CRR

Exposure to interest rate risk on positions not included in the trading book

Interest rate risk in the banking book arises from differences in maturities and repricing schedules between RBI's assets and liabilities. There are relevant open positions for EUR, USD and CHF as major currencies as well as for local currencies of network banks located in Central and Eastern Europe.

Interest rate risk in the banking book is actively managed by Treasury in accordance with the interest rate strategy approved by the Group Asset Liability Committee (ALCO) and within given market risk limits approved by the Group Market Risk Committee (MACO).

This risk type is hedged by a combination of on- and off-balance sheet transactions. Instruments for hedging include off balance sheet derivatives (interest rate swaps and – to a smaller extend – interest rate forwards and interest rate options). Hedge accounting according to IAS 39 is applied wherever applicable in order to avoid fluctuations in the income statement caused by the re-evaluation of derivatives.

The interest rate risk in the banking book is measured and controlled in a dual approach:

In the economic value based approach all banking book positions are included in RBI's internal market risk model, which is also used for measuring market risk in the trading book. All banking book positions are subject to market risk limits (Basis Point Values and Value at Risk) and included in the pillar 2 Economic Capital measurement.

In contrast to the trading book, in the banking book the interest rate behavior of certain positions has to be modeled. In this respect the modeling of own funds and of administered rate products (i.e. customer products without contractually agreed interest rate behavior such as current accounts or sight deposits) significantly influences the measured overall interest rate risk position. RBI models these banking book positions with a highly prudent approach. Own funds are modeled as overnight positions without interest rate sensitivity in terms of Basis Point Values and Value at Risk and therefore do not artificially offset long term fixed receiver positions.

The interest rate risk of administered rate products is modeled based on a replicating portfolio methodology. The main idea behind this methodology is to define a replicating portfolio of plain vanilla instruments that are available on the market and mimic the historical interest rate behaviour of the administered rate product the best. The structure of the replicating portfolios is used consistently for measuring the interest rate risk (BPV, VaR) of administered rate positions as well as for internal funds transfer pricing.

The theoretical maximum duration of the replicating portfolio according to the applied model is up to 5 years for retail products and up to 4 years for corporate products. The actual durations for specific administered rate products on RBI's balance sheet vary currently between 1 month and 3.9 years for retail products and between 1 month and 1.3 years for corporate products. Semi-annually, validations and re-calibrations are performed in order to test whether the currently applied replicating portfolio models are still valid.

The economic value based approach is complemented by a future oriented earnings based approach in order to identify the main drivers of the bank's interest rate sensitive income statement positions. This approach furthermore provides information necessary to manage and optimize the risk-return position as well as the structure of the balance sheet from an earnings based point of view. The evolution of net interest income and valuation results are simulated under various balance sheet (development of volumes, products, maturities, margins, etc.) and market scenarios (parallel shift and twists of the yield curve, implied forward scenario, scenario according to market opinion etc.).

The following table shows the change in the present value of RBI's banking book given a one-basis-point interest rate increase for the whole yield curve.

2016 in € thousand	Total	< 3 m	> 3 to 6 m	> 6 to 12 m	> 1 to 2 y	> 2 to 3 y	> 3 to 5 y	> 5 to 7 y	> 7 to 10 y	> 10 to 15 y	> 15 to 20 y	> 20 y
ALL	(38)	3	(6)	(5)	(21)	(7)	(4)	0	1	1	0	1
BGN	(11)	(2)	2	(3)	(9)	11	42	(22)	(14)	(11)	(4)	(1)
BYN	(34)	(1)	(2)	(6)	(12)	(6)	(5)	(1)	(1)	0	0	0
CHF	(242)	13	4	(1)	(4)	(4)	(5)	(22)	(60)	(109)	(48)	(7)
CNY	(4)	(2)	(2)	0	0	0	0	0	0	0	0	0
CZK	(49)	17	(11)	(5)	18	42	138	(82)	(54)	(72)	(32)	(7)
EUR	448	(45)	(17)	75	135	37	379	370	(141)	(201)	(64)	(79)
GBP	(4)	(1)	0	1	0	0	(1)	(1)	(2)	0	0	0
HRK	(29)	2	(1)	(5)	(22)	3	14	(9)	(12)	3	(1)	0
HUF	(107)	1	(13)	7	1	6	(41)	(39)	(8)	(15)	(6)	(1)
PLN	(51)	(6)	(25)	29	(1)	(4)	(7)	(6)	(11)	(12)	(6)	(1)
RON	52	(3)	0	6	33	31	(6)	(4)	(2)	(1)	0	0
RSD	(45)	(1)	(2)	3	(20)	(6)	(13)	(5)	0	0	0	0
RUB	(670)	12	(16)	(25)	(193)	(121)	(90)	(80)	(85)	(62)	(8)	(2)
SGD	1	1	0	1	0	0	0	0	0	0	0	0
UAH	(10)	1	(1)	0	(6)	10	(1)	(5)	(5)	(2)	0	0
USD	108	28	17	46	23	(1)	26	(29)	2	29	(5)	(28)
Other	1	5	(2)	(4)	(1)	(1)	0	1	3	0	0	0

A more extensive stress scenario is shown in the following table reflecting changes in the present value of RBI's banking book, when the parallel shift factors are increased as follows: The standard stress scenario is based on a sudden parallel 200 basis points downwards and upwards shift of the respective yield curve. If the entire 200 basis point shift (down or up) is lower than the actual level of change in interest rates, calculated using the 1st and 99th percentile of observed one-day interest rate changes over a five year period scaled up to a 240-day year, the higher level of stress factor arising from the latter calculation is applied. Stress results related to the yield curve as well as scenarios for all the yield curves are based on a full simulation, dynamic approach.

Changes in the present value of RBI's banking book in € thousand	Parallel shift down	Parallel shift up
ALL yield curve	12,011	(28,930)
AUD yield curve	(179)	175
BGN yield curve	6,350	(2,803)
CAD yield curve	(32)	52
CHF yield curve	6,798	(45,113)
CNY yield curve	930	(925)
CZK yield curve	15,619	(5,079)
DKK yield curve	0	(1)
EUR yield curve	30,065	92,874
GBP yield curve	378	(676)
HKD yield curve	0	0
HRK yield curve	6,142	(10,401)
HUF yield curve	18,529	(27,690)
JPY yield curve	0	(13)
NOK yield curve	(133)	189
NZD yield curve	(1)	1
PLN yield curve	10,183	(9,628)
RON yield curve	(6,676)	20,832
RSD yield curve	17,472	(27,345)
RUB yield curve	627,283	(423,551)
SEK yield curve	6	160
SGD yield curve	(119)	242
TRY yield curve	(30)	31
UAH yield curve	33,263	(12,483)
USD yield curve	(25,199)	27,990
ZAR yield curve	216	(195)
All yield curves (total)	752,875	(452,286)

Article 449 CRR

Exposure to securitization positions

The goals which the bank pursues with respect to its securitization activities

RBI concludes securitization transactions with the aim of:

- reducing regulatory capital requirements or economic capital or accessing additional funding sources;
- for the purpose of obtaining interest income while achieving at the same time an attractive risk/return profile
- for the purpose of generating fee income.

In the course of dealing with securitization transactions, RBI focuses on the following risks in addition to credit risk:

- Reputation risk
- Liquidity risk
- Counterparty risk
- Currency risk

- Regulatory risk
- Market risk
- Dilution risk

These aspects are handled by the respective, dedicated internal governance processes. The assessment of these risks (if deemed significant) and their mitigation is included in the internal application and included in the decision making process.

RBI only invests in selected asset classes on senior level with high external ratings (A or better), or retains tranches of assets originated by RBI or its Group entities at senior or other tranche levels. There is no re-securitization activity within RBI (apart from legacy CDO transactions).

The roles of the Bank in securitization transactions

RBI engages in securitization transactions as:

- Sponsor (traditional securitizations)
- Investor (traditional securitizations)
- Originator (traditional and synthetic securitizations)
- Arranger (traditional and synthetic securitizations)
- Back-up servicer (acting only for Group entities to meet market requirements)

The approaches used by the Bank to calculate the weighted exposure amount in relation to its securitization activities

A dedicated governance and risk management process is in place to monitor performance and changes in the securitization exposures.

The monitoring of changes in the credit and market risk of securitization exposures comprises three different layers – the originator (credit & collection policy, reputation, etc.), the underlying portfolio (concentrations, correlations, default and delinquencies, etc.) and the securitization exposure's structural features (seniority, triggers, waterfall, credit enhancement, etc.). The credit process covers the approval, review and stress testing. During the credit process RBI analyzes and records a wide range of data relating to the securitization exposures in order to gain a comprehensive and thorough understanding thereof. In particular RBI analyzes and records the retained net economic interest, the risk characteristics of the individual securitization position and of underlying exposure, reputation and loss experience in earlier securitizations, historical performance and structural features that can materially impact the performance of the securitization position. The limits are approved by relevant risk committees, whereby the Securitization Committee is responsible for limit approval and review of securitization positions.

Retained tranches of transactions where RBI or one of its Group entities acts as originator are related to synthetic transactions of portfolios originated in the ordinary course of business. No hedging instruments are in place related to such retained tranches.

Unfunded protection transactions related to synthetic securitization tranches where RBI or one of its Group entities acts as originator are only entered into with multilateral development banks with an assigned risk weight of 0% (e.g. EIF).

Tranches which are not externally rated and which relate to portfolios, with respect to which the originating Group unit uses the IRB approach, may be calculated using the Supervisory Formula Approach (SFA), if a significant risk transfer (SRT) is recognized. Under this approach, the tranche will be either fully deducted from capital (where $X \leq KIRB$) or, if $X > KIRB$, the tranche will be weighted with a risk weight which is derived by using the SFA Formula and which amounts to at least 7 per cent. In case SRT is not recognized, the original RWA amount of the underlying assets is applied.

For all tranches rated by two recognized ECAs (according to EU Directive 462/2013 of the European Parliament and of the Council of 21 May 2013), the ratings based approach is used. All tranches which carry a rating below the defined minimum rating, which are not rated or for which no alternative approach can be used will be deducted from capital.

The Internal Assessment Approach is not used for origination positions.

Accounting policies

For securitization transactions, RBI applies the respective regulations in accordance with International Financial Reporting Standards (IFRS), in particular IFRS 10 together with IAS 27 concerning the possible consolidation of SPVs and IAS 39 for the applicable balance sheet reporting. IAS 39 governs in particular the approach regarding (de-)recognition of assets which are subject to true sale securitizations. In the case of synthetic securitizations, the instruments involved are financial guarantees or credit derivatives whereby the respective definitions are included in IAS 39. In this respect, received guarantees which represent financial guarantees will not be reported in the balance sheet of the originator whereas transactions which have, in substance, the form of a credit derivative, need to be reported in the IFRS balance sheet at their respective market values.

In 2016 no assets were assigned as "awaiting securitization" and there were no changes regarding the methods, key assumptions, and inputs from the previous period for valuing securitization positions.

The following applies to securitization transactions:

Concerning the inclusion of the SPV in the consolidated IFRS balance sheet, it is evaluated as to whether so-called 'effective control' within the meaning of IFRS 10 is fulfilled and if this is the case the respective SPV becomes fully consolidated in the Group Financial Statements;

As a further consequence, any Group unit which has invested in securitization tranches of portfolios of other Group units reports such tranches as intragroup receivables which are subject to consolidation of intercompany positions (i.e. on the liability side, the Group reports a lower amount of securitization debt);

The synthetic securitization transactions which have been entered into so far are reported as financial guarantees for the underlying loan receivables. In the IFRS financial statements synthetic securitization transactions are reflected as claims against the guarantee provider and no portfolio loan loss provisions are booked for receivables to the extent that such receivables are covered by the received guarantees (i.e. received collateral).

Names of acknowledged rating agencies which are used for securitization transactions

There are no externally rated securitization transactions for which RBI acts as an originator.

Moody's Investor Service, Fitch Ratings, DBRS, Standard & Poor's and Scope Ratings are used in relation to traditional securitizations where RBI acts as an investor and/or arranger.

RBI as sponsor

RBI acts as sponsor in relation to Belvedere S.A., an SSPE established under the Luxembourg Securitization Law.

RBI as investor and arranger

RBI also provides a wide range of secured financing solutions to its customers, offering the entire service spectrum – from feasibility and structuring to financing and/or placement. This includes traditional secured funding and securitization techniques as well as bespoke solutions. Selectively, RBI supports customer transactions and/or invests in transactions as described above, i.e. factoring, receivables purchase and of securitizations of different kind. RBI as an investor has securitization exposure to Belvedere S.A. backed by trade receivables originated by third parties.

RBI as originator

The following transactions for all or at least individual tranches were executed with external contractual partners, were still active in the reporting year and resulted in a reduction in risk-weighted assets. The stated amounts represent the securitized portfolio and the underlying receivables as well as the junior tranche at the transaction closing date.

in € thousand	Seller of claims or secured party	Date of contract	Maturity	Securitized portfolio	Outstanding portfolio (securitized and retained)	Portfolio	Junior tranche
Synthetic Transaction ROOF RBCZ 2015	Raiffeisenbank a.s., Prague (CZ)	December 2015	April 2024	1,000,000	1,422,446	Company loans and guarantees	1.4%
Synthetic Transaction ROOF Infrastructure 2014	Raiffeisen Bank International AG, Vienna	December 2014	March 2027	978,222	1,413,865	Company loans, guarantees, revolving credit facilities	6.1%
Synthetic Transaction ROOF Real Estate 2015	Raiffeisen Bank International AG, Vienna	July 2015	May 2025	552,862	1,067,181	Company loans (real estate financing)	7.1%
Synthetic Transaction EIF JEREMIE Slovakia	Tatra banka a.s., Bratislava (SK)	March 2014	June 2025	26,895	38,421	SME loans	25.0%
Synthetic Transaction EIF JEREMIE Romania	Raiffeisenbank S.A., Bucharest (RO)	December 2010	December 2023	12,597	15,746	SME loans	25.0%
Synthetic Transaction EIF Western Balkans EDIF Croatia	Raiffeisenbank Austria d.d., Zagreb (HR)	April 2015	May 2023	4,590	6,557	SME loans	22.0%

In the reporting year no new securitization programs resulting in a significant transfer of risk were initiated with external investors. The following securitization programs concluded in former years were still active in the reporting year:

In December 2015 a synthetic securitization of € 1,000,000 thousand in loans and advances to corporate customers and project finance loans originated by Raiffeisenbank a.s., Prague, was concluded. This synthetic securitization is referred to as "ROOF RBCZ 2015" and was split into a senior, a mezzanine and a junior tranche. The mezzanine tranche was sold to two institutional investors, while Raiffeisenbank a.s., Prague, holds the credit risk of the junior and senior tranches.

A synthetic securitization of loans and advances to corporate customers principally originated by RBI AG has been active since 2014 under "ROOF Infrastructure 2014". The junior tranche is externally placed and amounted to € 101,497 thousand as at December 31, 2016 (2015: € 98,963 thousand).

A synthetic securitization of real estate loans and advances to corporate customers from Austria and Germany originated by RBI AG was concluded in July 2015 under "ROOF Real Estate 2015". The transaction was split into a senior and a junior tranche. The junior tranche was externally placed and amounted to € 51,445 thousand as at December 31, 2016 (2015: € 49,720 thousand).

Within the scope of further synthetic securitizations, the Group participated in the JEREMIE programs in Romania in 2010 ("EIF JEREMIE Romania), as well as in Slovakia since 2013 ("EIF JEREMIE Slovakia SME 2013-1"). The European Investment Fund (EIF) provides guarantees from EIF under the JEREMIE initiative to subsidiaries granting loans to small and medium-sized enterprises. The maximum volume of the portfolio under the JEREMIE first loss guarantees amounts to € 172,500 thousand for Raiffeisenbank S.A., Bucharest and € 60,000 thousand for Tatra banka a.s., Bratislava.

In 2015 Raiffeisenbank Austria d.d., Zagreb, signed a portfolio guarantee agreement under the Western Balkans Enterprise Development and Innovation Facility (EIF Western Balkans EDIF Croatia); the agreement is financed by the EU and aims to support small and medium-sized enterprises in accessing finance. The maximum volume is € 20,107 thousand.

A securitization transaction placed by the leasing subsidiary in Poland under "ROOF Poland Leasing 2014" comprised a portfolio of car leasing contracts with an underlying transaction volume of PLN 1,500,000 thousand. The SPV established for this transaction was consolidated within the Group until November 30, 2016. Following the sale of the originating Raiffeisen-Leasing Polska S.A., Warsaw, and ROOF Poland Leasing 2014 Ltd, Dublin (IE), which was closed in December 2016, the securitization transaction was eliminated from the Group.

List of orphan (bankruptcy remote) SPPEs in transactions where RBI or one of its Group entities acts as originator:

- ROOF Infrastructure S.A.R.L. (synthetic securitization, acting as guarantor, RBI is beneficiary)
- ROOF Real Estate S.A.R.L. (synthetic securitization, acting as guarantor, RBI is beneficiary)
- ROOF RBCZ 2015 S.A.R.L. (synthetic securitization, acting as guarantor, RBCZ is beneficiary)

Quantitative disclosure

In the tables below quantitative information according to Article 449 (n) – (q) CRR is disclosed. There is one significant change since the last reporting period to the quantitative disclosure: As Raiffeisen Leasing Poland (RLPL) was sold during 2016, the ROOF Poland Leasing 2014 transaction is no longer listed as an active securitization transaction. Article 449 (n) iii), iv), (o) ii) and q) is not applicable for RBI.

RBI has no securitization exposures booked in the trading book, therefore the tables below only contain non-trading book exposures.

Artikel 449 (n) i) CRR in € thousand	Outstanding amount		Total outstanding
	Traditional securitizations	Synthetic securitization	
Leasing	0	0	0
Corporate loans	0	2,575,166	2,575,166
Total	0	2,575,166	2,575,166

Article 449 (n) ii) CRR	Retained and purchased securitization positions
in € thousand	
Asset-backed Securities (ABS) car loans	11,884
Asset-backed Securities (ABS) leasing	43,401
Asset-backed Securities (ABS) other	355,144
Credit Linked Obligations (CLO)	2,309,861
Residential Mortgage Backed Securities (RMBS)	0
Commercial Mortgage Backed Securities (CMBS)	0
Collateralized Debt Obligation (CDO)	113
Other resecuritizations	0
Total	2,720,403

Article 449 (n) v) CRR in € thousand	Securitization positions
Deduction from own funds	20 693

RBI entities acted as originator in new synthetic securitizations in 2016 (without significant risk transfer) as follows:

- RBCZ EIF EaSI programme, outstanding exposure EUR 0.27 million
- RBBG EIF COSME programme, outstanding exposure EUR 0.59 million
- RLBG EIF COSME programme, outstanding exposure EUR 0.02 million
- RBAL EIF Western Balkans programme, outstanding exposure none (availability period starts in May 2017)

RBI acted as arranger of a variety of traditional securitization transactions in the total amount of approx. EUR 3.04 billion and as investor in traditional securitization transactions in the total amount of EUR 155 million during the period.

Article 449 (o) i) CRR in € thousand	Retained and purchased securitization positions
Risk weight ≤ 10%	2,424,083
10% < Risk weight ≤ 20%	275,627
20% < Risk weight ≤ 50%	0
50% < Risk weight ≤ 100%	0
100% < Risk weight ≤ 650%	0
650% < Risk weight < 1250%	0
Deduction from own funds	20,693
Total	2,720,403

Article 449 (o) i) CRR in € thousand	Securitized	Retained and purchased securitization positions	Own funds
IRB	Securitized	2,720,290	38,910
IRB	Resecuritized	113	113
Standard Approach	Securitized	0	0
Total		2,720,403	39,023

Article 449 (p) CRR in € thousand	Impaired	Past due	Losses realized
Retail	834	173	32
Corporate	4,310	3,631	114
Total	5,144	3,804	146

RBI has not provided any implicit support within the terms of Article 248 (1) CRR.

Article 450 CRR Remuneration policy

In compliance with Article 450 CRR the following information regarding the remuneration policy and practices of RBI for those categories of staff whose professional activities have a material impact on its risk profile is disclosed:

Basic characteristics of RBI's remuneration policies and practices

RBI's key remuneration principles are:

- RBI uses a simple and transparent compensation system which reflects the Group's business strategy, is in line with the regulatory requirements and strives to improve the Group's capital base.
- The compensation principles and policies of RBI are consistent with and promote sound and effective risk taking management practices and avoid incentives for inappropriate risk taking that exceed the tolerated risk of the institution, in particular through KPIs and management processes (e.g. performance management process, bonus pool approach).
- By aligning RBI's strategy and remuneration system, RBI strives to optimize risk on all levels to further promote sound and effective risk management which supports and leads to more accurate cost planning over a multi-year perspective.

RBI fosters the development, satisfaction and loyalty of its employees by providing financial stability and by focusing performance management on the development of staff members. The pay mix (proportion of variable compensation to fixed compensation) is well balanced which allows every employee an adequate living based on fixed income; thus allowing a fully flexible variable remuneration policy including the possibility of no variable remuneration while still providing financial security to employees.

In 2015, RBI introduced an updated compensation system for its employees. The adapted business strategy of RBI – with the goal of becoming a more focused universal bank – necessitated a better reflection of the Group's moderate risk appetite in the remuneration structure. Following a discernible trend in the European banking industry, the weight of the variable portion of remuneration packages has been reduced and a system of role-based allowances (considering all the criteria for the introduction of such a compensation element as provided for in the EBA Guidelines EBA/GL/2015/22) has been introduced. For functions with a very low or indirect influence on the company result, the variable remuneration portion was omitted completely. For higher management levels, the bonus system has been adapted in such a way as to further promote teamwork; "silo-thinking" is avoided by focusing on overall Group and institutional performance. This in turn is intended to create a culture which prioritizes long-term success on Group level. This means that variable remuneration is influenced by the performance of RBI as a whole and the performance of the respective company, and less by factors on the level of the individual employee; therefore, the probability of inappropriate risk-taking and undue risk-assumption on the individual level is minimized. The system supports the efforts to improve RBI's capital base and ratios by limiting the influence of the variable portion of total compensation on the Group's capital situation, especially in

years with good business results. By putting an emphasis and focus on the capital base of RBI, the compensation structure is directly linked to the aforementioned key remuneration principles.

Decision-making process for remuneration and the Remuneration Committee

RBI AG has established a Remuneration Committee of the Supervisory Board (REMCO) in accordance with § 39c of the Austrian Banking Act (BWG).

Composition of the REMCO:

- The Remuneration Committee consists of 8 Supervisory Board members (of which three members are delegated by the Staff Council).
- The number and members from among the group of shareholder representatives is determined by resolution of the Supervisory Board. The Chairman of the Supervisory Board belongs to the Remuneration Committee. The Supervisory Board members from among the employee representatives shall be entitled to be represented in the Committee by such members designated by them in such number as is in accordance with sec. 110 of the Labour Constitution Act (Arbeitsverfassungsgesetz, ArbVG), but this does not apply to meetings and votes concerning the legal relationship between the Company and the active or retired members of the Board of Management, with the exception of the granting of options on shares of the Company or of share transfer programs.
- At least one member of the Remuneration Committee has specific knowledge and practical experience in the area of remuneration policy ("remuneration expert").
- If the Remuneration Committee employs an advisor he/she does not advise the Management Board in remuneration matters.
- The Chairman of the Remuneration Committee and the Deputies are elected by the Supervisory Board.

The Remuneration Committee has the following duties and responsibilities:

- a) Approval of the following measures:
 - i. Establishing general principles of the remuneration policy and practices of the Company (RBI AG) taking into account the provision of sec. 39b of the Austrian Banking Act (Bankwesengesetz, BWG) (including the annex to sec. 39b BWG), the remuneration policy of the RBI credit institution group as well as the provisions of the Corporate Governance Code that are applicable in this respect;
 - ii. Establishing general principles of the remuneration policy and practices for the RBI Group companies taking into account the provision of sec. 39b of the BWG (including the annex to sec. 39b BWG), the remuneration policy of the RBI credit institution group, and in particular, establishing the selection process to be used for determining the extent to which these remuneration principles shall be applied to the individual Group companies;
 - iii. Establishing principles concerning remuneration systems (taking into account the fixed and variable remuneration components and considering the principles of the Austrian Corporate Governance Code), which include establishing principles concerning the granting of participation in profits or in turnover and the making of pension commitments to executives (leitende Angestellte) in accordance sec. 80 para. 1 AktG;
 - iv. Granting options on shares of the Company or granting a program for the preferential transfer of shares of the Company to Management Board members, employees and executives of the Company or any of its affiliates as well as to members of the Management Boards and Supervisory Boards of affiliated companies. The possible adoption of a resolution by the shareholders' meeting in accordance with the Corporate Governance Code shall not be affected thereby;
 - v. Deciding whether a "malus" or a "clawback event" within the meaning of the established remuneration principles has occurred (in a given year) and what consequences such an event shall have with respect to the payout of any variable remuneration.
- b) Monitoring and regular review of the remuneration policy, remuneration practices and remunerative incentive structures, in each case in connection with the control, monitoring and limitation of risks in accordance with the provisions of the

BWG, with the equity base and with liquidity, provided that also the long-term interests of shareholders, investors and employees of the Company as well as the interest of the economy in having a functioning banking sector and stable financial markets are taken into consideration;

- c) Responsibility for monitoring the implementation of the remuneration policy and practices approved by it;
- d) Direct review of the remuneration of senior risk management executives and senior executives holding compliance functions.
- e) Preparing other resolutions concerning the topic of remuneration, including resolutions having an effect on risk and risk management, provided they have been adopted by the Supervisory Board.

The Remuneration Committee is also entitled at any time to request the Board of Management to render report on remuneration related matters and to let the committee inspect any and all documentation that it may require for the proper fulfilment of its duties and responsibilities.

Three REMCO meetings took place and two applications were dealt with by circulation during 2016.

On subsidiary level the compensation policies are structured in compliance with the RBI remuneration policy and are subject to approval by the respective local Supervisory Boards/REMCOs.

RBI AG's REMCO and the local Supervisory Boards/REMCOs take into account the input provided by all associated corporate functions (e.g. control functions, HR, Legal) about the design, implementation and oversight of the remuneration policies.

The Risk Committee, without prejudice to the duties and responsibilities of the Remuneration Committee, reviews whether risk, capital, liquidity and the probability and timing of profit realization are appropriately reflected in the incentives offered by the internal remuneration system.

Link between pay and performance

Performance is the basis for variable compensation and takes into account:

- Individual/unit performance (including compliance with the RBI Code of Conduct and the Compliance regulations),
- The Group and subsidiary performance, risk costs, liquidity and capital.

Individual performance is evaluated in relation to results achieved and behaviour / competencies based on both quantitative and qualitative measures, assessed within the performance management process and by taking into account financial and non-financial criteria. Each employee's objectives are derived from the organizational strategic priorities and from the relevant business line, department, and team goals. Thus, they are aligned with the overall business objectives. Each objective is weighted (in per cent) according to its specific importance and/or to the efforts needed for achieving it.

The scope of staff for whom variable remuneration is foreseen is determined by the functional structure (grade and business area structure) of each company, which is also the basis for all compensation and benefit processes.

Group / unit performance is evaluated in relation to results achieved based on quantitative measures following a specific KPI set.

In RBI, before any variable compensation may be allocated or paid out, a certain set of pre-defined criteria has to be fulfilled. These criteria in particular take into account the financial situation and capital ratios of RBI and its institutions.

In RBI, variable compensation is based on the bonus pools on bank level. Every variable remuneration system has fixed minimum and maximum performance grades and thus defines maximum pay-out values. Bonuses in general are linked to risk-adjusted measures, sustainable profit targets and capital costs of RBI and each entity within the Group (e.g. ROE, RORAC, NPAT, CIR).

The design and structure of the remuneration system

As a group-wide standard, an Identified Staff Assessment approach, based on the qualitative and quantitative criteria stipulated in the Commission Delegated Regulation (EU) No 604/2014 to determine those staff members whose professional activities have a material impact on RBI's and a single institution's risk profile, is applied.

For this category of employees ("Identified Staff"), the relevant internal regulations of RBI provide specific rules and consequences concerning their variable remuneration in compliance with regulatory requirements. These internal regulations have been updated regularly since their introduction to reflect and to be in line with the most current developments in the regulation of variable remuneration (most recently based on provisions contained in CRD IV.)

The remuneration rules are consistently applied in RBI, unless any applicable local laws require a different procedure. The RBI remuneration policy provides for the possibility - based on stricter local legal provisions in EU countries - for deviation from the Group standards for payment of variable compensation to Identified Staff (this is the case e.g. in Bulgaria, Czech Republic, Croatia).

Fixed and variable remuneration

A detailed analysis has been conducted throughout the RBI to define the fixed or variable nature of each remuneration component. The regulatory restrictions for fixed compensation components are as follows:

- predetermined;
- non-discretionary;
- transparent to staff and set in a predefined and objective manner;
- permanent (meaning maintained over time and tied to a specific role and organizational responsibilities);
- not providing incentives for risk assumption;
- non-revocable (without prejudice to local legislation);
- cannot be reduced, suspended or cancelled by the NWU;
- do not depend on performance.

Ratio between fixed and variable remuneration

The fixed and variable components of the total compensation are appropriately balanced. The target variable compensation amount represents a significant part, but without leading to unreasonable volatility in employees' compensation and excessive risk taking.

The target variable compensation does not, in any way, exceed the mandatory legal or regulatory thresholds (i.e. shall be fully compliant with any provisions on the maximum permissible amount of the total variable compensation component) and the allocation and payment of variable compensation to Identified Staff is made in compliance with the bonus cap.

The RBI remuneration rules establish that the variable component of Identified Staff remuneration shall, in principle, not exceed 100 per cent of the fixed component of the total remuneration for each individual.

Main parameters and rationale for variable component scheme and other non-cash benefits

Variable compensation:

- Is an important element of a total rewards philosophy and its purpose is to attract, motivate and retain employees;
- Is based on clear performance criteria, which must be of both quantitative and qualitative nature and which are linked to risk-adjusted value creation. Any variable compensation program rewards and motivates behaviour that drives specific company success and builds shareholder value.

If an employee is granted any variable compensation, it is to be paid for measured performance (Group, NWU, team and individual performance, depending on the respective employee category).

Performance means results and behaviours - "what" and "how" - according to Group performance management system. All variable compensation schemes therefore are linked to performance management or a comparable target setting system.

A "profit sharing approach" (employee gets a percentage of e.g. income/profit/cash collected/money recovered, etc. irrespective of performance) is not supported, as it does not include all necessary elements of variable compensation schemes defined in the remuneration policy.

Variable compensation is reasonable and balanced in comparison to base pay (pay mix) and in line with regular local market practice. Each variable compensation scheme has a defined variable pay target. Target variable compensation can be expressed either in per cent of base pay or in a local currency amount, and it represents the level of variable compensation for performance graded at the 100 per cent level.

The pay mix (proportion of variable compensation to base pay) is balanced and reflects the risk-taking behavior of the employee along with their attitude towards "compliance" (how much risk is an employee exposing the company to, how much incentive is there to disregard company rules).

The pay mix will vary depending on the employee's position and role (e.g. sales functions or functions higher in the hierarchy may have a higher variable to fixed ratio than service or support functions or functions lower in the hierarchy).

Unethical or non-compliant behaviour overrules any good financial performance generated and diminishes the staff member's variable compensation.

The performance management process differentiates between individual performance levels (low performer to high performer) and the variable payment corresponds to it.

Performance differentiation is a necessary element of a performance culture – high performers are differentiated from average and low performers.

On NWU level, financial criteria for variable compensation cover risk-adjusted profit and cost management related measures.

The variable compensation systems (with respect to measurement of performance and allocation within the institution) reflect all types of current and future risk, including difficult-to-measure risks such as liquidity risk, reputation risk and operational risk and take into account the cost of the capital and the liquidity required.

Control functions such as Risk Management and Compliance are involved in the process of setting up the appropriate measurements for variable compensation.

As a general principle, all employees can be eligible for variable compensation.

There is a difference between variable compensation schemes and levels based on functions, job grades and hierarchy (i.e. the higher in the hierarchy, the higher the respective potential bonus amount).

The differentiation is based on the internal structure and local market practice.

Deferral, vesting, retention

The remuneration policy of RBI makes provision for the following general and specific principles on allocation, vesting and payment of variable remuneration for the Identified Staff with material risk impact on the risk profile of the respective NWU/Group:

For institutions of RBI with a potential impact on the Group risk profile, the following principles apply:

- 60 per cent of the total variable remuneration is paid out up-front (50 per cent thereof in cash and 50 per cent in the form of RBI phantom shares);
- 40 per cent of the total variable remuneration is subject to deferral and paid out pro rata over a period of three (in Austria: five) years; 50 per cent of the deferred variable remuneration is paid in cash and 50 per cent in the form of RBI phantom shares.

Furthermore, in the event of a particularly high variable compensation amount at least 60 per cent of the variable remuneration will be subject to deferral.

For other categories of employees having a less material impact on the company's risk profile, appropriate remuneration principles and risk alignment mechanisms have been implemented.

Ex ante and ex post risk adjustment

In RBI the variable remuneration (including the deferred part) may only be paid or vested if this is sustainable according to the financial situation of RBI and of the respective subsidiary, and justified according to the performance of the Group, the subsidiary, the business unit and the individual concerned. A Malus event (e.g. serious misbehaviour, significant downturn of financial performance, failure of risk management and significant changes in RBI's and/or the subsidiary institution's economic or regulatory capital base) may entail the reduction or forfeiture of outstanding (deferred) variable remuneration. A Clawback event (e.g. in the case of fraud, criminal offence or misleading information) entails the loss of all deferred payments and the Clawback of all payments made with regard to the variable remuneration.

Malus

A Malus event may entail the reduction or forfeiture of outstanding (deferred) bonus payments.

In particular, the following events constitute a Malus event:

- If a Clawback event occurs (see below);
- A competent regulator orders a limitation or stop of variable compensation for the Group and/or Network Unit;
- Evidence of risk relevant misbehaviour, serious error, non-compliance with due diligence requirements or serious breaches by the employee (e.g. breach of code of conduct and other internal rules, especially concerning risks) or failure to meet appropriate standards of fitness and propriety;
- RBI and/or subsequently the business unit in which the employee works suffers a significant downturn in its financial performance;
- RBI and/or the business unit in which the employee works suffers a significant failure of risk management, i.e. a risk adjustment of the assessment of the performance is made because ex-post risk assessment reveals that the original risk assessment was too positive;
- Significant changes in RBI's and/or NWU's economic or regulatory capital base (e.g. RBI and/or the NWU is not fulfilling or close to not fulfilling regulatory capital requirements);
- Any regulatory sanctions where the conduct of the identified staff member contributed to the sanctions;
- Significant contribution to the subdued or negative financial performance or other conduct with intent or severe negligence which led to significant losses.

Clawback

A Clawback event entails the loss of all deferred payments and the Clawback of all payments made with regard to the bonus.

Clawback is applied in case of:

- Fraud, criminal offence or misleading information provided by the employee with high negative impact on the bank's credibility and profitability, or
- Allocation or payment of variable compensation in wilful violation of the remuneration principles provided for in the Group Framework or in wilful violation of mandatory banking law provisions

Each year every NWU conducts a Malus and Clawback check in compliance with the RBI Malus & Clawback instructions and other applicable Group standards/instructions; each NWU shall ensure enforceability of the defined Malus and Clawback events under local labour law.

To remove all doubt, if any deferred variable compensation payment is reduced or forfeited based on Malus or Clawback, the respective amount is irrevocably lost and is not to be paid out in later years.

Control functions

The performance measures for control functions, such as risk, audit and compliance reflect specific requirements for these functions. Objectives for staff engaged in control functions are defined in a manner that is independent from the performance of the business areas they oversee and commensurate with their key role in the firm. Individual performance criteria of those employees are not to be directly linked to the overall results (e.g. NPAT, RORAC).

Employees engaged in control functions are compensated independently from the business unit they supervise, have appropriate authority and their remuneration is determined on the basis of achievement of their organizational objectives linked to their functions, regardless of the results of the business activities they monitor. The mix of fixed and variable remuneration is weighted in favour of fixed remuneration.

Severance payments

Severance payments are the amounts paid to staff members in connection with the early termination of their employment contract. They are paid either based on mandatory legal requirements (labour law, collective agreements, etc.), on a mandatory basis following a decision of a court or on a voluntary basis (i.e. voluntary severance payments).

Severance payments do not provide for a disproportionate reward, but for an appropriate compensation of the staff member in cases of early termination of the contract. They reflect performance achieved over time and do not reward failure or misconduct.

Severance pay is not awarded where there is an obvious failure which allows for the immediate cancellation of the contract or the dismissal of staff.

Severance payments may include redundancy compensation for loss of office, and may be subject to a non-competition clause in the contract. In particular, in the following situations additional payments made because of the early termination of a contract are considered as severance payments:

- a) The following situations call for severance payments because of a failure of the NWU (including the following situations):
 - i. where the NWU benefits from government intervention or is subject to early intervention or resolution measures in accordance with Directive 2014/59/EU;
 - ii. where the opening of normal insolvency proceedings of the NWU, as defined in Article 2(1)(47) of Directive 2014/59/EU, has been filed;
 - iii. where significant losses lead to the situation that the NWU no longer has a sound capital basis and, following this, the business area is sold or the business activity is reduced;
- b) The NWU wants to terminate the contract following a material reduction of the NWU's activities in which the staff member was active in or where business areas are acquired by other institutions without the option for staff to remain employed in the acquiring institution;
- c) The NWU and a staff member agree on a settlement in case of a potential or actual labour dispute, to avoid a decision on a settlement by the courts.

The criteria for the amounts of severance payments allocated to Identified Staff are defined by each relevant NWU in line with the provisions of remuneration policy, in compliance with the special remuneration provisions for Identified Staff based on EU and local legal provisions.

The decision-making process and involvement of Control Functions is defined by the relevant NWU based on the local governance structure in accordance with local legal requirements.

Guaranteed variable remuneration

Guaranteed variable remuneration is not consistent with sound risk management or the pay-for-performance principle and is not a part of prospective remuneration plans; guaranteed variable remuneration is exceptional, occurs only when hiring new staff and where the institution has a sound and strong capital base and is limited to the first year of employment.

NWUs can only award a guaranteed variable compensation once to the same staff member. These requirements also apply at a consolidated and sub-consolidated level and include situations where staff receive a new contract from the same NWU or another institution within RBI.

Use of phantom shares

The legal obligation of payment of at least 50 per cent of the variable remuneration in equity instruments is complied with in RBI by means of a RBI phantom share plan applicable in all affected institutions of RBI.

50 per cent of the up-front and 50 per cent of the deferred variable remuneration is divided by the average closing price of RBI AG's shares on the Vienna Stock Exchange in the business year the variable remuneration is awarded for, serving as the basis for calculating the bonus. Thereby, a certain amount of RBI phantom shares is determined. This number of RBI phantom shares is fixed for the entire duration of the deferral period. After the expiration of the respective retention period, the amount of specified RBI AG phantom shares is multiplied by RBI AG's average closing share price for the previous financial year.

The RBI phantom shares are subject to a one year retention period (with the exception of units where the local legislation is stricter).

In countries where the local legislation does not allow the usage of RBI phantom shares, local phantom share values are determined and used (i.e. Poland and Czech Republic).

Share based compensation

In the years 2011 to 2013, the RBI AG Management Board, in agreement with the RBI AG Supervisory Board, approved a share incentive program (SIP) which offers performance based allotments of RBI AG shares to board members and selected executives of RBI AG, as well as executives of its affiliated bank subsidiaries and other affiliated companies.

The number of ordinary shares of RBI AG which will ultimately be transferred depends on the achievement of two performance criteria: the targeted return on equity (ROE) and the performance of the share of RBI AG compared to the total shareholder return of the shares of companies in the EURO STOXX Banks index after a five-year vesting period. Participation in the SIP is voluntary. Each SIP tranche is regulated by its terms & conditions and is structured in compliance with the regulatory remuneration rules for Identified Staff.

Due to the more stringent regulatory environment, since 2014 no further tranches of this share incentive program have been launched.

Quantitative disclosure

Article 450 (1) i) CRR in € thousand	Number of identified staff
between 1,000 and 1,500	5
between 1,500 and 2,000	2
between 2,000 and 2,500	3
between 2,500 and 3,000	
Total	10

in € thousand	MB Supervisory Function	MB Management function	Investment Banking	Retail Banking	Asset Management	Corporate Function	Independent Control Function	All other	Total
All Staff									
Number of members (Headcount)	158	136							294
Total number of staff in FTE			4,864	26,666	404	12,266	3,683	751	48,634
Total net profit in year 2016									464,720
Total remuneration	2,497	54,163	215,583	371,094	21,901	322,506	116,356	19,201	1,123,300
Of which variable remuneration		12,324	26,400	50,715	2,858	21,748	8,618	1,206	123,870
Identified Staff									
Members (Headcount)	158	139							297
Number of identified staff in FTE			453	311	31	240	460		1,495
Number of identified staff in senior management positions			115	89	11	125	79		419
Total fixed remuneration	2,497	42,445	44,536	16,974	4,045	21,237	27,379		159,112
Of which: fixed in cash	2,497	42,445	44,536	16,974	4,045	21,237	27,379		159,112
Of which: fixed in shares and sharelinked instruments									
Of which: fixed in other types instruments									
Total variable remuneration		13,001	8,567	3,073	634	3,592	4,008		32,874
Of which: variable in cash		7,723	6,904	2,543	459	3,199	3,568		24,395
Of which: variable in shares and sharelinked instruments		5,278	1,664	529	175	392	441		8,479
Of which: variable in other types instruments									
Total amount of variable remuneration awarded in 2016 which has been deferred		5,949	2,292	608	165	940	547		10,502
Of which: deferred variable in cash in 2016		2,907	1,324	272	70	783	250		5,606
Of which: deferred variable in shares and share-linked instruments in 2016		3,043	968	336	95	157	296		4,895
Of which: deferred variable in other types of instruments in 2016									
Additional information regarding the amount of total variable remuneration									
Article 450 h(iii) CRR – total amount of outstanding deferred variable remuneration awarded in previous periods and not in 2016		13,640	4,990	854	341	2,153	970		22,947
Total amount of explicit ex post performance adjustment applied in 2016 for previously awarded remuneration									
Number of beneficiaries of guaranteed variable remuneration (new sign-on payments)		5	1				1		7
Total amount of guaranteed variable remuneration (new sign-on payments)		67	100				10		177
Number of beneficiaries of severance payments		1	10	4	1	5	17		38
Total amount of severance payments paid in 2016		136	582	117	43	230	598		1,705
Article 450 h(v) – Highest severance payment to a single person							342		342
Number of beneficiaries of contributions to discretionary pension benefits in 2016	0	0	0	0	0	0	0	0	0
Total amount of contributions to discretionary pension benefits in 2016	0	0	0	0	0	0	0	0	0
Total amount of variable remuneration awarded for multiyear periods under programmes which are not revolved annually	0	0	0	0	0	0	0	0	0

Article 451 CRR Leverage

Within the framework of CRR and in addition to the total capital requirements the leverage ratio was implemented as a new instrument to limit the risk of excessive indebtedness. According to Article 429 CRR, the leverage ratio is the ratio of capital to the leverage exposure. This means tier 1 capital in relation to unweighted exposure on and off the statement of financial position. The Basel Committee initially set a minimum ratio of 3 per cent. After a review to be undertaken by the Basel Committee in the first half of 2017 and possible modification of the minimum ratio, the leverage ratio will become effective as of 1 January 2018.

Description of the processes used to manage the risk of excessive leverage

As part of the recurring internal risk reporting, RBI monitors a comprehensive set of key risk and financial parameters and reports the results to the Asset and Liability Management Committee and to the Management Board. Among other items this report contains the development and value of the leverage ratio according to Basel III. The Group recovery plan and its governance rules stipulate that a potential negative development or the breach of internally set thresholds is examined by the relevant bodies in order to facilitate early initiation of appropriate countermeasures.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

As at 31 December 2016 the leverage ratio of RBI amounted to 6.8 per cent on transitional basis as compared to 5.6 per cent as at 31 December 2015. The main reason for the improvement was the reduction of leverage ratio exposures due to a changed classification of off-balance sheet items according to Annex I CRR which led to lower applied CCF (mostly low risk off-balance sheet items with a 10 per cent CCF). Furthermore, the increase in Common Equity Tier 1 after deductions from the 2015 comparable level totaled € 668 million, mainly due to the inclusion of the net profit for 2016.

The following tables show the leverage ratio exposures of RBI as at 31 December 2016 on a transitional basis:

Summary reconciliation of accounting assets and leverage ratio exposures in € thousand	2016 Applicable Amount
Total assets as per published financial statements	111,863,845
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(1,294,722)
Adjustments for derivative financial instruments	386,927
Adjustment for securities financing transactions (SFTs)	5,538,123
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	7,016,191
Other adjustments	(667,503)
Total leverage ratio exposure (transitional basis)	122,842,860

Leverage ratio common disclosure in € thousand	2016 CRR leverage ratio exposures
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) (Asset amounts deducted in determining Tier 1 capital)	107,783,413 (1,962,225)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	105,821,188
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	3,828,850
Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	638,509
Total derivatives exposures	4,467,359
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,492,260
Counterparty credit risk exposure for SFT assets	1,045,863
Total securities financing transaction exposures	5,538,123
Off-balance sheet exposures at gross notional amount (Adjustments for conversion to credit equivalent amounts)	36,120,188 29,103,997
Other off-balance sheet exposures	7,016,191
Tier 1 capital	8,339,362
Total leverage ratio exposures	122,842,860
Leverage Ratio (transitional)	6.8%

Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) in € thousand	2016 CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	107,783,413
Trading book exposures	0
Banking book exposures, of which:	107,783,413
Covered bonds	0
Exposures treated as sovereigns	24,238,858
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	408,194
Institutions	4,588,222
Secured by mortgages of immovable properties	2,574,017
Retail exposures	19,429,178
Corporate	33,052,550
Exposures in default	1,475,421
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	22,016,973

Article 452 CRR

Use of the IRB Approach to credit risk

1. Approaches or transition arrangements approved by the competent authorities

1.1. Approved approaches

1.1.1. Members of the Credit Institution Group that calculate risk-weighted exposure amounts using the Internal Ratings Based Approach at the consolidated and solo level

- Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna (AT)
- Raiffeisen Bank International AG, Vienna (AT)
- RB International Finance LLC, New York (US)

- Raiffeisenbank a.s., Prague (CZ)
- Raiffeisen Bank Zrt., Budapest (HU)
- Tatra banka a.s., Bratislava (SK)
- Raiffeisen Bank S.A. (RO)
- Raiffeisenbank Bulgaria EAD, Sofia (BG)

1.1.2. Members of the Credit Institution Group that calculate risk-weighted exposure amounts using the Internal Ratings Based Approach at the consolidated level

- Raiffeisenbank Austria d.d., Zagreb (HR)
- AO Raiffeisenbank, Moscow (RU)

1.1.3. Members of the Credit Institution Group and exposure classes for which permanent partial use has been applied

1.1.3.1. Exposure classes referred to in points (a) and (b) of Article 147 (2) CRR, where the number of material counterparties is limited and it would be unduly burdensome for the credit institution to implement a rating system for these counterparties – pursuant to points a) and b) of Article 150 (1) CRR.

1.1.3.2. Exposures in non-significant business units that are immaterial in terms of perceived risk profile as well as exposure classes that are immaterial in terms of size – pursuant to point c) of Article 150 (1) CRR.

That includes the following institutions:

- Subsidiaries of Raiffeisen Leasing International Gesellschaft m.b.H., Vienna (AT)
- Subsidiaries of Raiffeisen-Leasing Gesellschaft m.b.H., Vienna (AT)
- Kathrein & Co. Privatgeschäftsbank Aktiengesellschaft, Vienna (AT)
- Raiffeisen Centrobank AG, Vienna (AT)
- Priorbank JSC, Minsk (BY)
- Raiffeisen Bank Kosovo J.S.C., Prishtina (XK)

Other subsidiaries of RBI Credit Institution Group, which are ancillary services undertakings and immaterial in terms of size or risk profile.

1.1.3.3. Exposures to central governments, central banks (where it is applicable according to local law) regional and local governments and public sector entities, provided that exposures to central government are assigned a 0 per cent risk-weight under the standardised approach as provided in Article 114 (2) or (4) or Article 495 (2) CRR, in accordance with Article 150 (1) lit d. CRR.

1.1.3.4. Exposures of a credit institution to a counterparty which is its parent undertaking, its subsidiary, a subsidiary of its parent undertaking or an undertaking linked by a relationship within the meaning of Article 12 (1) of Directive 83/349/EC established in the same country within the same banking group pursuant to point e) of Article 150 (1) CRR can be assigned a 0 per cent risk-weight under the conditions of Article 113 (6) CRR.

1.1.3.5. Exposures to institutions pursuant to Article 119 (4) CRR in form of minimum reserves with the European Central Bank or a central bank of an EU Member State and fulfilling the requirements of Article 119 (4) CRR.

1.1.3.6. Equity exposures to entities whose credit obligations qualify for a 0 per cent risk-weight under the standardised approach, in accordance with point g) of Article 150 (1) CRR.

1.1.3.7. State guarantees and state-reinsured guarantees in accordance with point j) of Article 150 (1) CRR

1.2. Approved temporary partial use

1.2.1 Members of the Credit Institution Group for which temporary partial use was applied

A stepwise implementation of the IRB approach pursuant to Article 148 CRR is applied for all institutions using the IRB approach at a later stage. Until then, the calculation of the minimum capital requirements is carried out according to the standardised approach for credit risk based on Part Three, Title II, Chapter 2 CRR. For the following institutions the temporary partial use is used:

- Raiffeisen Bank Polska S.A., Warsaw (PL)
- Raiffeisen Bank Sh.a., Tirana (AL)
- Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo (BA)
- Raiffeisen Banka a.d., Belgrade (RS)

- Raiffeisen Bank Aval JSC, Kiev (UA)

1.2.2 Asset classes for which the temporary partial use was applied

A stepwise implementation of the IRB approach pursuant to Article 148 CRR is applied for asset classes for which the capital requirements are calculated in the IRB approach at a later stage. With the exception of Tatra banka a.s., Bratislava (SK), Raiffeisen Bank Zrt., Budapest (HU), Raiffeisenbank a.s. Prague (CZ), Raiffeisen Bank S.A. (RO) and Raiffeisenbank EAD, Sofia (BG) which calculate risk-weighted exposure amounts using the IRB Approach, the calculation of the minimum capital requirements is carried out according to the standardised approach for credit risk based on Part Three, Title II, Chapter 2 CRR. For the following asset classes the temporary partial use is used:

- Exposures to retail customers that are secured by residential real estate
- Qualifying revolving retail exposures
- Other exposures to retail customers

2. Structure of the internal rating systems

External ratings are applied directly only for securitization items.

For all other items, an already existing external rating does not replace an internal rating and thus does not cancel the general obligation to create an internal rating. External ratings are not used as a model input factor in any rating model; they are solely used for the purpose of comparing them with internal ratings. When a rating is determined, external ratings and their documentation are viewed solely as additional information.

The comparison of external ratings against internal ratings in mapping tables is a central element particularly in the validation of low-default portfolios.

Below is a summary table on the exposure classes and the rating methods used for each:

Exposure Classes	Rating Model									
	PI	Micro SME	CORP	LCO	SMB	SLOT	INS	SOV	LRG	FIN
Retail	X	X								
Central banks and central governments								X		
Local and regional governments									X	
Public sector entities and non-commercial organisations			X	X				X	X	
Financial institutions										X
Corporate			X	X	X		X			X
Project financing						X				
Private (non retail)			X	X						
Equity exposures			X	X		X	X			X

PI: Private Individuals (retail), Micro SME: Small Medium Enterprises, CORP: Corporate/Companies, LCO: Large Companies, SMB: Small and medium business, SLOT: Project financing, INS: Insurance companies, SOV: Sovereigns, LRG: Local and regional governments, FIN: Financial institutions, CIU: Collective Investment Undertakings

2.1 Use of internal estimates

Under the IRB Approach, internal risk-parameter estimates are used not only to calculate capital requirements but are an essential part of credit decisions, credit management processes and also determine standard risk costs, profitability assessment and economic capital (Internal Capital Adequacy Assessment Process (ICAAP)) of RBI.

2.2 Control mechanism for rating systems

The non-retail rating models are centrally validated at RBI AG for all members of the RBI Credit Institution Group by the unit 'Rating Model Validation' which is independent from risk origination units and from the Credit Risk Control Unit. The rating systems are reviewed using prescribed validation tests comprising the following methods:

- Assessment of the documentation of the rating models

- Assessment of the assumptions underlying the rating models (model design)
- Assessment of the data used for validation (data quality)
- Assessment of the application of rating results
- Distribution analyses
- Review of the discriminatory power of the final rating
- Assessment of the discriminatory power of the individual rating inputs and in certain sub-portfolios
- Comparison of the predicted and observed default rate (backtesting)
- Assessment of the stability of the rating model
- Calculation of the migration matrices and their analysis
- Review of the relationship between internal and external ratings (benchmarking)

The retail rating models are centrally validated at RBI AG for all members of the RBI Credit Institution Group by an independent validation team reporting to the head of Retail Risk Management. The rating systems are regularly reviewed using predefined validation systems comprising both qualitative and quantitative methods:

- Assessment of the documentation of the rating models
- Assessment of the environment the model operates
- Assessment of the assumptions underlying the rating models (model design)
- Assessment of the data used for validation (data quality)
- Assessment of the application and usage of rating results
- Assessment of the model's population stability
- Assessment of the model's discriminatory power
- Assessment of the model's rating accuracy and goodness-of-fit
- Assessment of the stability of the rating model

2.3 Description of the internal rating process

2.3.1 General information

A client is assigned to a certain rating method based on the exposure class at the time the rating is determined. This mapping between the client's exposure class and the adequate rating model is a fixed part of the rating databases, which document the individual steps in the creation of a rating along with the rating process itself.

In all RBI models, the strict "four-eyes principle" (dual control) applies to the determination of the rating. Compliance is documented in the rating databases. All individuals and committees involved in the rating process must be recorded in that database.

Clients classified as equity exposures are subject to the same rating model as clients classified as corporate or institutional exposures depending on client type. Risk weighted exposure amounts are determined for these items using the PD/LGD method.

2.3.2 Rating corporates

Scope of application

Corporate clients are either allocated to Large Corporates, Corporates or the SMB rating model. The split between the Corporates and the SMB model is based on country specific thresholds for two criteria: "corporate client's turnover" and "exposure to bank". The split between Corporate and Large Corporate customers is based on thresholds for "total revenues" and "total assets", both of which have to be exceeded by Large Corporates.

Development and objective

The Corporates rating model was developed by RBI experts using internal data from all units of the Group and state-of-the-art statistical methods as well as expert opinions of rating analysts from RBI Vienna and several RBI units.

Quantitative and qualitative factors are statistically combined to obtain a comprehensive assessment of the client's creditworthiness.

Rating model

The Corporates rating model has essentially two components:

- Quantitative analysis

The model is based on the assessment of the corporate client's financial data. The quantitative variables as well as their weights have been estimated statistically with the aim to maximize discriminatory power over a one year horizon. The quantitative score also takes into account current trends and forecasts of the customer's financial status.

- **Qualitative analysis**

The qualitative model uses a set of key questions, which are answered by the analyst. The questions are operationalized to a high extent so as to assure an objective assessment. The qualitative variables and their weights as well as the weights of the answers have been statistically estimated to maximize predictive power over a one year horizon.

The corporate client's rating ultimately emerges from the optimal combination of the quantitative and qualitative assessments and possible warning signals. The Corporates rating model differentiates risk depending on the industry sector and the country of residence of the customer.

Rating output

The Corporates rating model results in a rating grade on a 25 grade scale which is assigned a certain probability of default.

This client rating is an essential factor in the loan decision and significantly influences the terms granted to the customer. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The customer relationship manager obtains the financial data and supplementary information required for the rating. He then forwards these documents to the rating expert along with a request that the expert determines a rating. From this point on, the customer relationship manager has no direct influence on the determination of the rating.

The input data are recorded and processed in the Corporates rating model solely by the rating expert. The process outcome is the issuance of a rating and thus an assignment of the client to an internal risk class. Ratings created in this manner are then documented in the rating database.

The rating analyst bears final responsibility for the rating and must critically assess the corporate client's financial data as well as relevant soft facts. Where necessary, the rating expert can adjust the rating to ensure a correct and fair assessment of the corporate client's creditworthiness.

2.3.3 Rating large corporates

Scope of application

Corporate clients are allocated to the Large Corporates, the Corporates or the SMB rating model. The split between the Corporates and the SMB model is based on country specific thresholds for two criteria: "corporate client's sales turnover" and "exposure to bank". The split between Corporate and Large Corporate customers is based on thresholds for "total revenues" and "total assets", both of which have to be exceeded by Large Corporates.

Development and objective

The Large Corporates rating model was developed by RBI experts using external rating and balance sheet data as well as internal data from all units of the Group and state-of-the-art statistical methods as well as expert opinions of rating analysts from RBI Vienna and several RBI units.

Quantitative and qualitative factors are combined to obtain a comprehensive assessment of the client's creditworthiness.

Rating model

The Large Corporates rating model has essentially two components:

- **Quantitative analysis**
The model is based on the assessment of the corporate client's financial data. The quantitative variables as well as their weights have been estimated statistically with the aim to maximize discriminatory power over a one year horizon.
- **Qualitative analysis ("soft facts")**
The qualitative model uses a set of key questions, which are answered by the analyst. The questions are operationalized to a high extent so as to assure an objective assessment.

The large corporate client's rating ultimately emerges from the combination of the quantitative, the qualitative assessments, the trends and forecasts, and possible warning signals. The Large Corporates rating model differentiates risk depending on the industry sector and the country of residence of the customer.

Rating output

The Large Corporate rating model results in a rating grade on a 25 grade scale, which is assigned a certain probability of default.

This client rating is an essential factor in the loan decision and significantly influences the terms granted to the customer. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The customer relationship manager obtains the financial data and supplementary information required for the rating. He then forwards these documents to the rating expert along with a request that the expert determines a rating. From this point on, the customer relationship manager has no direct influence on the determination of the rating.

The input data are recorded and processed in the Large Corporates rating model solely by the rating expert. The process outcome is the issuance of a rating and thus an assignment of the client to an internal risk class. Ratings created in this manner are then documented in the rating database.

The rating analyst bears final responsibility for the rating and must critically assess the corporate client's financial data as well as relevant soft facts. Where necessary, the rating expert can adjust the rating to ensure a correct and fair assessment of the corporate client's creditworthiness.

2.3.4 Small and Medium Business (SMB) rating model

Scope of application

Corporate clients are allocated to either the corporates or the SMB rating model according to the given country's threshold and based on two criteria: "corporate client's sales turnover" and "exposure to bank".

Development and objective

The SMB rating model was developed by RBI experts using internal data from all units of the Group and state-of-the-art statistical methods as well as expert opinions of rating analysts from RBI Credit Management Retail.

Quantitative, qualitative and behavioural factors are statistically combined to obtain a comprehensive assessment of the client's creditworthiness.

Rating model

The SMB rating model has three components:

- Quantitative analysis ("hard facts")
This rating model is based on the client's financial data. The quantitative rating is determined from financial ratios selected statistically based on strong predictive power.
- Qualitative analysis ("soft facts")
The client's qualitative evaluation is based on 31 criteria, which are subdivided into six main individual categories. Following a statistical selection and evaluation, the definition of the individual factors incorporates also the experiences of experts in SMB banking.
- Behavioral analysis
In the behavioral component, information from SMB clients' current accounts, loans and leasing products is evaluated. Data is delivered automatically and in a monthly frequency for rating evaluation.

The SMB client's rating ultimately emerges from the combination of the quantitative, qualitative and behavioral assessments, and allocates the client to the correct rating grade.

Rating output

The SMB model has a total of 12 rating notches for non-defaulted clients. This client rating is an essential factor in the loan decision and significantly influences the terms granted to the customer.

Rating process

The rating is determined by experienced SMB relationship managers and small-business credit-risk staff with in-depth knowledge of this segment. The SMB relationship manager is only allowed to propose a rating, which is subsequently reviewed by an SMB credit analyst in the risk department and thoroughly researched again. As a final step, the rating is confirmed by the risk department of the network unit (NWU) in keeping with the "four-eye principle" (dual control). Ratings created in this manner are then documented in the rating database.

The rating analyst bears final responsibility for the rating and must critically assess the SMB client's financial data as well as relevant soft facts. Where necessary, the rating expert can adjust the rating to ensure a correct and fair assessment of the SMB client's creditworthiness.

2.3.5 Sovereign risk rating (Country rating)**Scope of application**

The country rating is applied as:

- A counterparty rating for the central bank and central governments and administrative entities directly answerable to the sovereign.
- A country rating to estimate the country risk when country limits are set up for cross-border transactions.
- A country ceiling for the estimation of transfer risks.

If applied as a counterparty rating, the rating is used for local and foreign currency exposures.

Development and objective

The RZB country rating model was first introduced in December 1999 as a result of the Asia crisis in 1997/98. The model underwent a revision in 2002 to comply with the Basel II requirements. With the RZB country rating model, RZB can evaluate the country risk of any country based on publicly accessible data on the economic and political situation prevailing in that country.

The total score is mapped to a rating class, which corresponds to a given probability of default. The model correlates highly with external ratings.

Within RZB, the rating is determined centrally by a specialized department at RBI AG and made available to all entities of RZB Group. The RZB country rating is the only rating allowed to be used for applications for sovereign counterparties and country risks.

Rating model

The rating model distinguishes between industrialized countries and developing countries. This distinction is made because foreign debt, debt servicing and external liquidity are all extremely important factors for estimating the country risk of developing countries yet of only subordinate importance for the evaluation of industrialized countries.

The country rating model for industrialized countries is modeled on the Maastricht criteria.

The rating model for developing countries has 15 quantitative and 12 qualitative indicators. The indicators chosen deliver sound explanations for changes in a country's economic and external positions.

Rating process

The country ratings are created centrally by RBI AG in a specialized analysis department that works independently of any front office department. In a final step, the rating is created and archived in an internal rating database and then made available to all Group entities from there. The country rating from this rating database is also automatically used as a country ceiling in other rating models.

The quantitative analysis is carried out using publicly available data from reliable sources such as the IMF, the World Bank, national statistics offices, IIF (Institute of International Finance) and EIU (Economist Intelligence Unit). The qualitative analysis is carried out by country analysts based on information from the press, specialized risk reports and discussions with on-site managers.

A rating is determined for all countries for which RBI entities have a country limit and thus not only in the case of counterparty exposures with a sovereign or central bank. That means the number of countries is greater than the number of active exposures to sovereigns or central banks.

The client departments initiate country ratings when new country limits are to be set or applications are submitted for new sovereign counterparties.

Ratings are usually determined at least once a year and reviewed constantly by analysts to take into account any possible negative trends.

In all RBI models, the strict "four-eyes" principle (dual control) applies to the determination of the rating. Compliance is documented in the rating databases.

2.3.6 Banks and financial institutions

Scope of application

The RBI rating model for banks and bank-like institutions is applied when the creditworthiness of FI counterparties is assessed within the RBI. The rating is a central element in the decision on whether or not to grant credit.

Development and objective

The RBI rating model for banks and bank-like institutions was revised in 2015. The revised rating model received regulatory approval in October 2016 and since November 2016 it is used in all risk management processes.

The RBI rating model for banks and bank-like institutions was statistically developed by RBI experts using internal as well as external data applying the same best practice methodology as was used for developing the corporate rating models. During the development process close cooperation with the rating analysts from RBI was maintained.

The structure of the revised rating model for banks and bank-like institutions was chosen to be consistent with approaches used by external rating agencies. The rating is created in three steps

1) Viability Rating (i.e. stand-alone view or rating before considering support)

Quantitative factors (i.e. balance sheet ratios), qualitative factors and the risk of the financial sector are statistically combined in the rating before considering support.

2) Final Rating (i.e. rating after considering support)

In the support module ownership support and/or systemic support are assessed with respect to ability and willingness of giving support. Based on this assessment and following a strict logic the viability rating can be improved leading to the final rating.

3) Country Ceiling

In order to take into consideration the transfer risk of cross-border transactions, a country ceiling is applied.

Rating model

The rating model for banks is subdivided into the following modules (or risk functions): the quantitative modules, the qualitative modules, the financial sector risk assessment and the support module.

The following aspects are assessed in the quantitative module using ratios derived from the balance sheet:

- Profitability
- Asset Quality
- Liquidity
- Balance Sheet Metrics
- Income Structure

The following aspects are assessed in the qualitative module using a questionnaire with standardized possible answers:

- General & Business Position

- Asset Quality
- Funding & liquidity
- Capitalisation
- Profitability
- Outlook

The financial sector risk assessment (FiSRA) is designed to assess the riskiness and instability of the business and economic environment the client has to operate in. The FiSRA module is based on macro economic inputs.

The quantitative module and the qualitative module together with the FiSRA module lead to the viability rating, i.e. the stand-alone (or before support) assessment of the client's creditworthiness.

In the support module ownership support and/or systemic support are assessed in terms of willingness and ability to support. Depending on the results from the support module and following a fixed logic the viability rating is improved by some notches or grades to yield the final rating.

In order to take into consideration the transfer risk of cross-border transactions, a country ceiling is applied.

Rating output

The rating model for banks and bank-like institutions results in a rating grade on a 25 grade scale (the same 25 grade scale as is used for the Corporate rating models) which is assigned a certain probability of default.

During the process of rating the client, the analyst writes an analysis text containing the essential background details, basic information and qualitative assessments of the counterparty.

The rating of the client is an essential factor in the loan decision and significantly influences the terms granted. The rating subsequently serves as the basis for determining capital adequacy.

Rating process

The ratings for banks and bank-like institutions are created centrally by RBI AG in a specialized analysis department that works completely independently of any front office department. In a final step, the rating is created and archived in an internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances become known that lead to a rating change.

The rating analyst bears final responsibility for the rating and must critically assess the client's financial data as well as all relevant soft facts. If necessary, the rating expert can adjust the rating to ensure an appropriate assessment of the client's creditworthiness.

2.3.7. Insurance companies

Scope of application

The RBI rating model for insurance companies and undertakings similar to them is applied within the entire RBI Banking Group to assess the creditworthiness of these companies and undertakings and is a central element in the decision on whether or not to grant credit.

Development and objective

The model was developed in-house in 2002 based on the experience gained from the banking model already in use since the mid-1990s. The model is applied uniformly worldwide to all insurance companies and undertakings similar to them.

The quantitative section of the model is based on a benchmark system and qualifies as an expert model.

Rating Model

The rating model for insurance companies is divided into the following sections: the quantitative section, the qualitative section and risk assessment. The ratios applied to life and to non-life insurance differ, as do the weightings. The following parameters are reviewed in the quantitative section:

- Income
- Premium structure
- Capitalization and solvency
- Actuarial provisions
- Liquidity

The qualitative section assesses the company's environment and background information based, for example, on the following parameters:

- Owners and their creditworthiness
- Probability of internal and external support
- Changes in the legal environment
- General economic risk in the local market and in the local insurance market
- The position of the insurance company within the insurance sector

To estimate risk, the risk of the activities conducted by the insurance carrier is assessed based on activity type, the balance sheet and income structure of the activities, and the dependence of the activities on the economic and social environment.

Rating Output

The model has ten notches (nine non-default notches and one default notch). Parallel to scoring, the analyst produces an analysis text containing the essential background details, basic information and qualitative assessments of the client.

Rating Process

The rating for insurance companies is determined centrally by RBI AG in a specialized analysis department that works completely independently of any front office department.

The rating is created and archived in an internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances that lead to a rating change become known. Neither the analyst nor any other authority in the Group has the power to overrule the final rating.

2.3.8 Collective Investment Undertakings/Investment Funds (CIUs)

Scope of Application

The RZB rating model for CIUs is applied when the creditworthiness of fund counterparties is assessed within the RZB Banking Group. The rating is a central element in the decision on whether or not to grant a credit.

Development and Objective

RZB devised the CIU rating model in 2006. The model is applied uniformly for funds worldwide, taking especially into consideration the special regulations for funds regulated under EU directive (UCITS funds).

The CIU rating developed in RZB is a credit risk rating, not an investment rating. The objective of the rating is to estimate the credit risk of counterparties which are organized in the legal or organizational structure of a Collective Investment Unit.

Rating Model

The model has two components: quantitative scoring and qualitative scoring. In quantitative scoring, the scores are automatically calculated for the individual indicators based on benchmarks. The analysts assign qualitative scores manually with the aid of a scoring manual.

Rating Output

The model has ten notches (nine non-default notches and one default notch). Parallel to scoring, the analyst writes an analysis text containing the essential background details, basic information and qualitative assessments of the counterparty.

Rating Process

The ratings for CIUs are created centrally by RBI AG in a specialized analysis department that works completely independently of any front office department. In a final step, the rating is created and archived in an internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances that lead to a rating change become known.

Neither the analyst nor any other authority in the Group has the power to overrule the final rating.

2.3.9 Local and Regional Governments (LRG)**Scope of Application**

The RBI rating model for local and regional governments (LRG) is used to assess the creditworthiness of LRGs and administrative entities associated with them. The rating is a central element in the decision on whether or not to grant credit.

Development and Objective

The LRG rating model was developed in 2003 and 2004 by RZB in consultation with the RBI subsidiary banks and has been in use ever since. In cooperation with the RBI subsidiary banks, national adaptations of the model were developed where necessary, for example, due to different accounting regulations or legal conditions in Eastern European countries. The model is designed as an expert model.

Rating Model

The model has two components: quantitative scoring and qualitative scoring. In quantitative scoring, the scores are automatically calculated for the individual indicators based on benchmarks. The analysts assign qualitative scores manually with the aid of a scoring manual.

The quantitative indicators are calculated from the statements of accounts and – if available – statistical databases. These indicators assess the earning power, budgetary flexibility and indebtedness of an LRG based on a variety of key figures (ratios).

The qualitative indicators allow soft facts to be taken into account in the rating, facts not contained in the statements of accounts, e.g. overall economic environment, political factors, infrastructure, etc.

The rating outcome is limited by a country ceiling defined by the RBI internal country rating.

Rating Output

The outcome of quantitative and qualitative scoring is mapped to ten rating notches, the last notch being used for default.

Rating Process

An analyst from the RBI entity that has the business relationship with the client rates the LRG in a decentralized process. The rating is created and archived in the internal rating database and made available to all Group entities from there.

The first rating is determined when a relationship is established with a new client. Every active client is rated once a year and/or after circumstances that lead to a rating change become known.

Neither the analyst nor any other authority in the Group has the power to overrule the final rating.

2.3.10. Rating Specialized Lending**Scope of Application**

The term “specialized lending” as used in the EU Directive refers to structured financing and is a segment in the “Corporates” client class. This segment is differentiated from corporates in the narrower sense using the criteria defined in the EU Directive:

- Financing of assets
- Control over and access to the cash flow generated by the asset

- Control over and access to the asset itself
- The source of repayment of a project loan must be predominantly based on the cash flows generated by the assets (at least 80% over the maximum acceptable loan term), rather than on the cash flows produced by a broadly-operating company.

Takeover financing therefore does not fall under the specialized lending subsegment according to the above definition; it is classified under corporates in the narrower sense.

The model developed by RBI distinguishes between two submodels based on the specific regional legal environment related to the enforceability of the control over the cash flows. Both submodels cover the following subcategories:

- Real estate finance
- Object finance (movable assets such as airplanes, ships, etc.)
- Project finance in the narrower sense (immovable assets such as industrial plants, power stations, etc.)

Development and Objective

The rating model for specialized lending was developed in-house by RBI experts and incorporates market experience from all markets of RBI.

The model applies what is referred to as the "slotting criteria" approach. That means the projects are classified in five risk classes specified under law. These risk classes do not substantively denote probabilities of default but rather a combination of economic performance (PD) and the situation of the bank as regards collateral (LGD).

Rating Model

In accordance with the EU Directive, the specialized lending rating model consists of two components: the economic performance of the project and the situation of the bank as regards collateral.

Economic performance is measured by hard facts and soft facts, which are combined into a single economic score ("grade"):

- Hard facts grade:
The model is based on an assessment of the economic performance of the project over the maximum acceptable loan tenor in relation to debt service. The maximum acceptable loan tenor is geared to the risk policy practised by the bank. The assessment revolves around the "average cover ratio for debt service" over this term, which is evaluated using certain benchmarks.
- Qualitative analysis ("soft facts grade")
Fundamental parameters relating to project success are evaluated in the qualitative analysis, e.g.:
 - Management and sponsor (experience specifically related to the project, reference projects)
 - Basic project conditions (location, technical equipment)
 - Structure of the financing (amortizing loan or bullet loan, residual value).

Collateral valuation is the second component of the rating and is carried out largely according to market criteria.

Rating Output

The economic score and collateral evaluation are combined to allocate the project to the individual risk classes (in this case: slots) according to Article 153 (5) CRR.

Rating Process

The product advisor/customer relationship manager proposes a rating. The "four-eyes principle" (dual control) applies, so the risk manager with rating responsibility is entitled to confirm the rating suggested by the advisor or to suggest another one. The rating tool shows both suggestions: the product advisor's and the risk manager's.

If the product advisor and risk manager suggested different ratings and fail to reach agreement on the rating, the rating suggested by the risk manager applies. However, the product advisor can initiate an "escalation process", which can culminate in an overruling of the rating by the CRO.

2.3.11 Private Individual (PI) rating model

Scope of Application

Clients are classified as retail private individuals by their occupational status and assigned and assessed by the retail PI rating method.

Development and Objective

The PI rating model methodology was developed by RBI AG Retail Risk Management and it is primarily based on empirical-statistical modelling techniques. The actual PI rating models are developed by experts in the RBI Credit Institution Group, using local customer databases in order to take into account local specificities for accurate assessment of the client creditworthiness. The PI rating method is applied in the case of applications for financing decisions (e.g. new retail loan applications) and regularly within the monthly update of the customer ratings (account management).

Rating Model

The PI rating model has two main components:

- **Statistical Scorecards**
Scorecards (application and behavioural), as account-level rating models, assigning scores based on sociodemographic information, account performance data (e.g. days past-due), product attributes as well as external (e.g. credit bureau agency) information. The assessment of existing clients' behavior is performed monthly and provides necessary and essential inputs for timely risk classification.
- **Probability of Default Models**
The probability of default models employ the statistical scorecards' outputs and statistical calibration techniques in order to arrive at the client's final rating and pool allocation. In certain RBI subsidiaries such as RBI Romania, the calibration is complemented by macroeconomic factors for further accuracy purposes.

Rating Output

The PI rating model has a total of 10 rating grades with potential of notching each non-defaulted rating into 3 further notches for additional granularity and reduced rating concentration purposes. Client rating is an essential factor for retail loan decision making and lending terms, as well as serving as the basis for calculation of capital requirements.

Rating Process

Retail PI clients' ratings are calculated monthly by validated statistical models and determined by experienced PI credit risk managers (e.g. for overrides and overrules) and stored historically in retail credit risk databases.

2.3.12 Micro SME (Small and Medium Enterprises) rating model

Scope of Application

The Micro SME rating model applies to small commercial clients. This retail asset class can differ by RBI subsidiary, according to the given country's threshold that is based on two fundamental criteria: "exposure to bank" and "client's sales revenues".

Development and Objective

The Micro SME rating model methodology was developed by RBI AG Retail Risk Management and it is based on either empirical-statistical or expert modelling techniques, or a combination of the two.

The actual Micro SME rating models are developed by experts in the RBI Credit Institution Group, using local customer databases in order to take into account regional specificities and local expert qualitative information for accurate assessment of the client creditworthiness. The Micro SME rating method is applied in the case of applications for financing decisions (e.g. new loan applications) and regularly within the monthly update of the customer ratings (account management).

Rating Model

Similarly to the PI rating model, the Micro SME rating model has two main components:

- **Statistical Scorecards**
Scorecards (application and behavioural), as account-level rating models, assigning scores based on sociodemographic information, account performance data (e.g. days past-due), product attributes as well as external (e.g. credit bureau agency) information. The assessment of existing clients' behavior is performed monthly and provides necessary and essential inputs for timely risk classification.
- **Probability of Default Models**
The probability of default models employ the statistical scorecards' outputs and statistical calibration techniques in order to arrive at the client's final rating and pool allocation.

Rating Output

The Micro SME rating model has a total of 10 rating grades with potential of notching each non-defaulted rating into 3 further notches for additional granularity and reduced rating concentration purposes. Client rating is an essential factor for retail loan decision making and lending terms, as well as serving as the basis for calculation of capital requirements.

Rating Process

Retail Micro SME clients' ratings are calculated monthly by validated models and determined by experienced Micro SME credit risk managers (e.g. for overrides and overrules) and stored historically in retail credit risk databases.

2.4. Comparison of the estimates of the credit institution and the actual results

The quality of the process and results of the PD estimation is regularly checked during the annual validation by comparing the historically estimated PDs with the observed default rates per rating grade. In case this quantitative comparison does not lead to satisfactory results further analyses are required.

The table below shows the estimated PDs per rating model compared to the observed default rates (backtesting)². The results are calculated as number weighted averages over the indicated time periods. For the rating segment 'Sovereigns' all rated customers are used for the calculation, while for all other rating models only active customers, i.e. customers with relevant exposure, are used for the calculations.

Article 452 (i) CRR Rating model	Time period	Average PD in %	Average observed default rate in %
Corporate/Companies	31 Dec 2005 - 30 Sep 2015 (monthly)	3,343%	2,443%
Large Companies	31 Dec 2005 - 30 Sep 2015 (monthly)	1,232%	0,844%
Small and medium business	30 Jun 2006 - 30 Sep 2015 (monthly)	5,665%	3,739%
Insurance companies	31 May 2007 - 30 Jun 2015 (monthly)	0,874%	0.000%
Sovereigns	31 Jan 2005 - 31 Jul 2015 (monthly)	2,102%	0,686%
Local and regional governments	31 Jan 2006 - 30 Jun 2015 (monthly)	2,055%	0,765%
Financial Institutions	31 Dec 2006 - 30 Jun 2015 (monthly)	1,103%	0,613%
Collective Investment Undertakings	31 Dec 2007 - 31 Dec 2015 (yearly)	0,287%	0.000%
Private Individuals (PI)	31 Dec 2005 - 31 Dec 2016	1,590%	1,778%
hereof secured by immovable property	31 Dec 2005 - 31 Dec 2016	1,150%	1,361%
hereof qualifying revolving	31 Dec 2005 - 31 Dec 2016	2,230%	1,876%
hereof other	31 Dec 2005 - 31 Dec 2016	2,760%	3,154%
Small and medium enterprises (Micro SME)	31 Dec 2005 - 31 Dec 2016	3,850%	2,777%
hereof secured by immovable property	31 Dec 2005 - 31 Dec 2016	2,670%	2,539%
hereof other	31 Dec 2005 - 31 Dec 2016	4,160%	2,839%

For the non-retail portfolio the results show that the estimated PDs sufficiently cover the observed default rates. The observed default rates are in line with the (economic) expectation and are sufficiently covered by the estimated PDs.

For the retail portfolio the PD estimate represents an average of the estimated rating grade-level PD for the respective portfolio, weighted by the EAD for the respective grade and asset class. Given the fact, that the calibration methodology applied by RBI for

² The rating model Specialized Lending is excluded from this analysis because the SLOTTING approach is applied.

the retail PD-models is “point-in-time”, the rating grade structure of the portfolio is adjusted at least once a year to track the most recent realized 1-year default rates. Therefore, for comparison purposes it is appropriate to compare the PD estimate with the most recent realized 1-year default rate. As observed, the PD estimate for the asset class PI mortgage is slightly below the recent observed default rate due to the fact that the rating distribution of the underlying portfolios as at 31 December 2016 is generally improving, which is captured also by the underlying scoring models used for assignment of the rating grade to each exposure.

2.5. Definitions, methods and data for the estimation and validation of Probability of Default (PD)

The probabilities of default to be estimated for each rating notch indicate the probability with which clients assigned to a given rating notch will default over the following 12 months.

The probabilities of default (PDs) are estimated internally for the following retail and non-retail rating models: PI, Micro SME, Corporates, Large Corporates, SMB, sovereign, financial institutions, insurance companies, local and regional governments and Collective Investment Undertakings (CIU).

The “slotting criteria” approach was selected for the specialized lending segment and covers the economic situation and collateral situation of the bank. The specialized lending rating model results in an assignment of the client to one of the five risk classes under supervisory law in Article 153 (5) CRR (four non-default categories and one default category).

The probabilities of default refer to a period of 12 months and contain an adequate margin of conservatism.

The estimation of the 12-month PD is based on the RBI definition of default, which is a bank specific implementation of the Basel II definition of default. The following factual elements of a default apply:

- Initiation of insolvency proceedings
- Write-off of an exposure
- Call of an exposure
- Distressed restructuring of the loan
- Waiving of interest payments
- Sale of an exposure with loss
- Material obligation being overdue for more than 90 days
- Revocation of banking license (applicable to financial institutions only)
- Payment moratorium (applicable to sovereigns only)
- Expected economic loss

The output of the statistical rating models (PI, Micro SME, corporate, large corporate and SMB) is an individual PD, on a scale of 0 to 1, allocated to each customer. These PDs are recalibrated to long-term average default rates. A margin of conservatism is added to get the final parameters. Based on that PD, customers are allocated to a grade on a rating scale. For each rating grade, there is a lower and upper PD limit defined. In the consecutive processes (for example for RWA calculation or margins) one representative PD per rating grade is used.

The low-default portfolios for Sovereign, FI and Insurance have such a small number of defaults that the default data from Moody’s Credit Risk Calculator were applied, beginning with the time series in January 1983 and scaled to a portfolio default rate representative of RZB’s default experience yet still conservative.

For the low-default portfolio LRG, the one-year PD is estimated using a weighted combination of the internally estimated sovereign-PD and the probabilities of default calculated according to the Pluto & Tasche method, which is also scaled to a conservative portfolio default rate.

For the low-default portfolio CIU the estimation of the one-year default probability is based on credit-risk related external ratings and on internal analysis of the leverage-related probability of uncovered debt. Consistent with Art. 179 (1) (d) and 179 (1) (f) CRR conservative add-ons are applied to the PD estimates.

2.6. Definitions, methods and data for the estimation and validation of Retail Loss Given Default (LGD)

The LGD risk parameter is currently estimated for RBI AG for the retail portfolios only based on internally developed methodologies and concepts. The parameter covers both defaulted (BEEL) and non-defaulted exposures, calculated using advanced statistical methods.

In RBI, retail LGD is defined as the expected economic loss after recoveries (e.g. collaterals and other payments) as a percentage of EAD. In the calculation of this parameter, the workout LGD method is employed by setting the end of workout period to 60 months for secured and 36 months for unsecured exposures respectively.

As a second dimension of RBI AG's retail rating system, LGD and BEEL homogenous risk pools are created in order to incorporate a distinct facility rating scale, which exclusively reflects LGD related transaction characteristics. At minimum, the LGD pools depend on PI vs Micro SME asset class and product types (e.g. Mortgage vs Personal Loan). Additionally, in several RBI subsidiaries further key retail risk drivers (e.g. Loan-to-value, Tenor) are applied for more accurate and homogeneous LGD pool creation.

In accordance with regulatory standards, the long-run-average LGD calculation is mandatory as a minimum level of methodology for each RBI subsidiary along with downturn, estimation error and LGD/PD correlation related margin of conservatism.

The LGD and BEEL models and their estimated parameters are centrally and regularly (yearly) validated by an independent validation team reporting to the head of "Retail Risk Management".

The table below shows the estimated LGDs per asset class compared to actual default rates (backtesting):

Article 452 (i) CRR Rating model	Time period	Estimated LGD in %	Average observed LGD in %
Private Individuals (PI)	31 Dec 2005 - 31 Dec 2016	34.69%	30.05%
hereof secured by immovable property	31 Dec 2005 - 31 Dec 2016	24.38%	22.96%
hereof qualifying revolving	31 Dec 2005 - 31 Dec 2016	57.98%	48.75%
hereof other	31 Dec 2005 - 31 Dec 2016	58.64%	44.65%
Small and medium enterprises (Micro SME)	31 Dec 2005 - 31 Dec 2016	52.78%	46.03%
hereof secured by immovable property	31 Dec 2005 - 31 Dec 2016	43.71%	32.96%
hereof other	31 Dec 2005 - 31 Dec 2016	55.14%	49.47%

The results show that the estimated LGD sufficiently cover the observed LGD.

2.7. Definitions, methods and data for the estimation and validation of retail Credit Conversion Factor (CCF)

The CCF risk parameter is currently estimated for RBI AG for the retail portfolios only, based on internally developed methodologies and concepts. The parameter is applied to all retail products which have a committed but undrawn limit in order to appropriately estimate EaD for all retail off-balance products.

As a third dimension of RBI AG's retail rating system, CCF homogenous risk pools are created using statistically justified risk drivers. At minimum, the CCF pools depend on PI vs Micro SME asset class and product types (e.g. Mortgage vs Personal Loan). Additionally, in several RBI subsidiaries further key retail risk drivers (e.g. Utilization Rate, Delinquency Status) are applied for more accurate and homogeneous LGD pool creation.

In accordance with regulatory standards, the long-run-average CCF calculation is mandatory as a minimum level of methodology for each RBI subsidiary along with downturn, estimation error and CCF/PD correlation related margin of conservatism.

The CCF models and their estimated parameters are centrally and regularly (yearly) validated by an independent validation team reporting to the head of "Retail Risk Management".

Article 452 (i) CRR Rating model	Time period		Estimated CCF in %	Average observed CCF in %
Private Individuals (PI)	31 Dec 2005 -	31 Dec 2016	72.45%	54.28%
hereof secured by immovable property	31 Dec 2005 -	31 Dec 2016	75.88%	48.65%
hereof qualifying revolving	31 Dec 2005 -	31 Dec 2016	54.29%	59.10%
hereof other	31 Dec 2005 -	31 Dec 2016	69.61%	64.04%
Small and medium enterprises (Micro SME)	31 Dec 2005 -	31 Dec 2016	77.48%	10.79%
hereof secured by immovable property	31 Dec 2005 -	31 Dec 2016	91.28%	57.47%
hereof other	31 Dec 2005 -	31 Dec 2016	73.88%	45.55%

The results show that the estimated CCF sufficiently cover the observed CCF with the exception of PI qualifying revolving portfolio which was caused by the acquisition of Citi bank retail portfolio by RBCZ in 2016. The new structure of the PI qualifying revolving portfolio (including Citi bank portfolio) only reflects in the methodology applied and therefore in the calculation of estimated CCF, but not in observed CCF as the acquired portfolio was not part of RBCZ books.

The deviation of estimated and observed CCF of PI qualifying revolving portfolio is caused by a difference in definition and doesn't mean an underestimation of parameters.

3. Quantitative disclosure

The total exposure for which capital requirements are calculated by using the IRB approach amounts to € 84,340,709 thousand. The exposure for each asset class is shown in the following breakdown:

Article 452 (d) CRR in € thousand	Exposure	Capital requirement
Exposure to central governments and central banks	2,090,693	19,518
Exposure to institutions	9,231,455	159,604
Exposure to corporates	55,767,150	1,716,327
hereof specialised lending	6,124,829	346,393
Retail exposure	14,457,635	351,175
hereof secured by immovable property (SME and PI)	9,283,617	177,100
hereof qualifying revolving	1,818,474	29,766
hereof SME	667,067	25,582
hereof other	2,688,477	118,727
Equity exposure	73,373	9,814
Items representing securitization positions	2,720,403	18,330
Total	84,340,709	2,274,767

The following table shows the actual specific credit risk adjustments by exposure classes during the reporting period:

Article 452 (g) CRR in € thousand	Specific credit risk adjustments 1/1/2016	Specific credit risk adjustments 31/12/2016	change in %
Exposure to central governments and central banks	55	0	(99.9)%
Exposure to institutions	123,656	76,176	(38.4)%
Exposure to corporates	2,793,023	2,079,900	(25.5)%
hereof specialised lending	193,612	205,783	6.3%
Retail Exposure	496,107	583,956	17.7%
hereof secured by immovable property	254,430	283,706	11.5%
hereof qualifying revolving	28,453	85,807	201.6%
hereof SME	46,656	48,980	5.0%
hereof other	166,568	165,463	(0.7)%
Total	3,412,841	2,740,031	(19.7)%

The following table shows the default probabilities used for the calculation of capital requirements for individual PD grades. Retail is based on a scoring method with a ten grade scale.

PD classes	Internal Grade	Lower PD	Upper PD
1	1A	0.0000%	≤ 0.0026%
2	1B	< 0.0026%	≤ 0.0088%
3	1C	< 0.0088%	≤ 0.0300%
4	2A	< 0.0300%	≤ 0.0408%
5	2B	< 0.0408%	≤ 0.0553%
6	2C	< 0.0553%	≤ 0.0751%
7	3A	< 0.0751%	≤ 0.1019%
8	3B	< 0.1019%	≤ 0.1383%
9	3C	< 0.1383%	≤ 0.1878%
10	4A	< 0.1878%	≤ 0.2548%
11	4B	< 0.2548%	≤ 0.3459%
12	4C	< 0.3459%	≤ 0.4694%
13	5A	< 0.4694%	≤ 0.6371%
14	5B	< 0.6371%	≤ 0.8646%
15	5C	< 0.8646%	≤ 1.1735%
16	6A	< 1.1735%	≤ 1.5927%
17	6B	< 1.5927%	≤ 2.1616%
18	6C	< 2.1616%	≤ 2.9338%
19	7A	< 2.9338%	≤ 3.9817%
20	7B	< 3.9817%	≤ 5.4040%
21	7C	< 5.4040%	≤ 7.3344%
22	8A	< 7.3344%	≤ 9.9543%
23	8B	< 9.9543%	≤ 13.5101%
24	8C	< 13.5101%	≤ 18.3360%
25	9A	< 18.3360%	≤ 24.8857%
26	9B	< 24.8857%	≤ 33.7751%
27	9C	< 33.7751%	< 100%
28 = Default	10		= 100%

In the following tables a breakdown is given of the exposure classes of central governments and central banks, institutions, corporates, retail and equity by PD classes including the grade for defaulted obligors, exposure, outstanding loans, undrawn commitments and exposure weighted average in order to enable a meaningful differentiation of credit risk.

Exposure or contingent exposure to central governments and central banks

PD classes according to Article 452 (e) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	903,146	0	0	0.0%
2	63,493	0	7	6.5%
3	21,436	0	3	28.2%
4	57,534	39,343	226	5.2%
5	0	0	0	0.0%
6	0	0	0	0.0%
7	0	0	0	0.0%
8	539,465	21,208	0	34.4%
9	0	0	0	0.0%
10	0	0	0	0.0%
11	0	0	0	0.0%
12	0	0	0	0.0%
13	0	0	0	0.0%
14	226,202	193,730	32,423	0.5%
15	0	0	0	0.0%
16	0	0	0	0.0%
17	0	0	0	0.0%
18	249,193	130,931	118,262	4.3%
19	0	0	0	0.0%
20	0	0	0	0.0%
21	0	0	0	0.0%
22	0	0	0	0.0%
23	28,826	25,550	3,276	69.8%
24	0	0	0	0.0%
25	0	0	0	0.0%
26	0	0	0	0.0%
27	0	0	0	0.0%
28	1,397	1,397	0	0.0%
Total	2,090,693	412,161	154,197	11.1%

Exposure or contingent exposure to central governments and central banks by geographical view

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	893,960	1.4%
Bulgaria	38,177	0.0%
China	11,126	0.0%
Czech Republic	40,163	0.7%
Croatia	127,764	0.0%
Hungary	87,447	0.1%
Romania	110	0.0%
Russian Federation	855,400	0.1%
Singapore	19,036	0.0%
Slovakia	6,563	0.0%
United States	10,945	0.0%
Total	2,090,693	0.7%

Exposure to institutions

PD classes according to Article 452 (e) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	936,445	191,146	72,163	6.6%
4	584,334	278,992	22,160	11.8%
5	567,475	133,113	156,977	10.5%
6	618,128	31,736	78,707	14.2%
7	1,235,406	137,858	280,539	9.4%
8	1,927,033	183,374	382,668	15.4%
9	1,083,511	207,440	103,571	32.1%
10	365,424	100,057	4,934	28.6%
11	380,429	81,330	92,536	47.0%
12	104,412	33,228	3,803	36.0%
13	102,491	21,541	1,876	46.8%
14	397,639	79,688	461	36.0%
15	245,339	73,968	13	45.3%
16	64,653	5,276	13,930	33.4%
17	72,867	2,188	2,129	19.6%
18	136,731	70,812	4,616	42.4%
19	21,040	1,441	40	34.0%
20	49,168	0	0	0.6%
21	54,993	16,206	266	62.1%
22	22,243	3,261	97	83.2%
23	78,071	21,786	46	54.7%
24	13,478	0	0	53.5%
25	75,058	0	70,696	20.1%
26	11,486	1,572	0	215.3%
27	0	0	0	0.0%
28	83,599	73,595	0	0.0%
Total	9,231,455	1,749,607	1,292,226	20.6%

Exposure to institutions by geographical view

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	5,872,180	2.1%
Bulgaria	146,656	0.4%
China	230,166	0.2%
Czech Republic	213,221	1.2%
Germany	674	0.0%
United Kingdom	591	0.0%
Croatia	279,113	0.4%
Hungary	309,170	0.9%
Romania	504,332	0.6%
Russian Federation	1,337,177	0.5%
Singapore	11,513	0.3%
Slovakia	284,613	0.1%
United States	42,050	0.0%
Total	9,231,455	1.5%

Exposure or contingent exposure to corporates

PD classes according to Article 452 (e) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	4,365,589	1,014,857	2,544,252	7.9%
4	1,473,365	444,522	588,117	8.2%
5	2,204,305	248,487	1,190,235	8.4%
6	2,831,581	1,111,707	1,131,525	14.4%
7	1,983,841	609,488	728,549	14.0%
8	2,118,974	1,155,403	668,229	21.4%
9	2,546,516	775,325	1,092,097	20.3%
10	2,455,012	781,697	1,197,539	27.6%
11	3,965,146	1,138,378	1,582,721	28.9%
12	2,465,839	1,170,604	900,932	41.3%
13	4,364,159	1,984,606	1,484,302	48.9%
14	2,720,094	1,259,508	902,718	51.7%
15	3,141,034	1,485,628	746,668	58.4%
16	2,417,256	1,095,642	645,334	56.1%
17	1,959,119	942,657	493,742	60.6%
18	1,928,738	998,952	412,140	62.2%
19	1,185,056	662,561	227,391	66.2%
20	660,934	382,580	89,762	75.4%
21	428,791	263,846	69,322	90.0%
22	355,479	267,576	38,370	77.3%
23	344,210	272,370	35,521	63.2%
24	125,754	78,218	13,798	109.3%
25	302,706	266,940	14,904	49.6%
26	365,156	68,718	31,619	60.4%
27	74,678	41,203	20,839	139.0%
28	2,760,192	2,251,535	70,123	1.9%
Specialized lending RWA	6,124,829	5,486,451	468,465	70.7%
Collateralized by Real Estate	98,798	96,201	1,447	49.3%
Total	55,767,150	26,355,658	17,390,663	38.5%

Exposure or contingent exposure to corporates by geographical view

The Specialized lending RWA and Collateralized by Real Estate categories are not included in the geographical breakdown shown in the table below.

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	26,084,447	7.1%
Bulgaria	1,630,052	6.4%
China	8,227	11.4%
Czech Republic	3,862,590	5.8%
United Kingdom	0	0.0%
Croatia	12	28.7%
Hungary	1,835,256	15.3%
Romania	2,770,302	9.6%
Russian Federation	2,079,536	10.9%
Singapore	6,226,227	3.6%
Slovakia	4,924,014	4.2%
United States	122,861	1.2%
Total	49,543,523	6.8%

Retail exposure – secured by immovable property (SME)

PD classes according to Article 452 (f) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	0	0	0	0.0%
4	0	0	0	0.0%
5	0	0	0	0.0%
6	0	0	0	0.0%
7	934	906	28	7.7%
8	0	0	0	0.0%
9	967	967	0	12.0%
10	0	0	0	0.0%
11	64,030	54,170	9,860	17.0%
12	335	335	0	21.9%
13	0	0	0	0.0%
14	37,741	35,082	2,659	32.0%
15	7,759	7,759	0	69.5%
16	16,023	15,597	427	56.3%
17	290	290	0	60.0%
18	3,449	3,449	0	104.2%
19	214	214	0	86.8%
20	8,840	8,561	279	106.8%
21	0	0	0	0.0%
22	5,293	4,762	530	147.7%
23	0	0	0	0.0%
24	4,549	4,548	1	187.2%
25	0	0	0	0.0%
26	0	0	0	0.0%
27	3,593	3,593	0	186.2%
28	13,351	13,345	6	28.3%
Total	167,368	153,578	13,790	45.1%

Retail exposure – secured by immovable property (PI)

PD classes according to Article 452 (f) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	0	0	0	0.0%
4	0	0	0	0.0%
5	0	0	0	0.0%
6	1,488,472	1,411,488	76,984	3.7%
7	193,191	192,496	695	10.1%
8	1,389,979	1,193,899	196,079	7.3%
9	642,084	617,161	24,923	8.4%
10	0	0	0	0.0%
11	956,376	863,604	92,772	14.1%
12	638,539	608,264	30,275	13.8%
13	963,858	963,167	691	23.9%
14	1,081,700	1,030,693	51,007	26.4%
15	82,794	82,794	0	44.2%
16	200,861	189,799	11,063	34.0%
17	261,170	256,223	4,947	47.7%
18	181,541	176,431	5,111	58.9%
19	214,928	214,564	363	78.3%
20	57,027	52,796	4,231	86.6%
21	111,761	111,422	338	111.6%
22	13,694	9,293	4,401	174.3%
23	89,027	88,466	562	134.4%
24	19,659	19,659	0	164.1%
25	36,211	35,319	892	140.8%
26	2	2	0	98.4%
27	67,667	67,231	436	187.2%
28	425,708	425,415	293	39.0%
Total	9,116,249	8,610,186	506,063	21.1%

Retail exposure – qualifying revolving

PD classes according to Article 452 (f) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	0	0	0	0.0%
4	0	0	0	0.0%
5	0	0	0	0.0%
6	32,892	749	32,143	2.1%
7	0	0	0	0.0%
8	60,088	5,158	54,930	3.0%
9	321,021	56,448	264,573	3.1%
10	30,994	12,646	18,348	6.0%
11	197,098	28,751	168,347	4.4%
12	291,193	61,570	229,623	6.3%
13	91,143	44,454	46,689	10.6%
14	218,391	88,004	130,387	11.3%
15	40,494	25,859	14,636	22.2%
16	74,531	34,705	39,826	21.1%
17	113,889	80,437	33,452	33.8%
18	41,231	22,286	18,944	32.9%
19	53,083	36,891	16,192	54.7%
20	45,830	31,356	14,474	57.1%
21	37,081	30,527	6,554	90.2%
22	41,096	32,939	8,157	109.7%
23	2,075	1,673	402	117.6%
24	23,360	18,009	5,351	142.0%
25	1,829	1,204	624	141.1%
26	2,929	2,486	443	178.8%
27	17,253	15,793	1,460	196.7%
28	80,973	76,936	4,037	9.7%
Total	1,818,474	708,884	1,109,591	24.1%

Retail exposure – SME other

PD classes according to Article 452 (f) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	0	0	0	0.0%
4	0	0	0	0.0%
5	0	0	0	0.0%
6	0	0	0	0.0%
7	0	0	0	0.0%
8	0	0	0	0.0%
9	105,046	16,866	88,180	9.8%
10	0	0	0	0.0%
11	33,272	25,063	8,208	21.9%
12	16,257	8,411	7,846	21.2%
13	32,736	23,522	9,214	34.9%
14	20,640	17,175	3,465	36.3%
15	66,828	48,925	17,902	36.1%
16	31,081	23,080	8,002	44.2%
17	72,304	62,613	9,690	58.9%
18	47,181	44,769	2,412	56.7%
19	64,537	49,196	15,340	70.4%
20	10,004	8,692	1,313	51.8%
21	57,868	54,056	3,812	71.6%
22	5,535	3,779	1,756	49.3%
23	15,308	13,940	1,368	76.8%
24	14,182	13,154	1,029	86.3%
25	2,623	2,623	0	107.1%
26	0	0	0	0.0%
27	20,938	19,971	967	118.3%
28	50,727	50,209	518	50.9%
Total	667,067	486,043	181,024	46.1%

Retail exposure – PI other

PD classes according to Article 452 (f) CRR in € thousand	Exposure	out of which loans	out of which undrawn commitments	RW (exposure weighted average) in %
1	0	0	0	0.0%
2	0	0	0	0.0%
3	0	0	0	0.0%
4	0	0	0	0.0%
5	0	0	0	0.0%
6	370	0	370	9.0%
7	0	0	0	0.0%
8	51	51	0	16.5%
9	316,363	103,601	212,763	15.0%
10	117,261	76,536	40,725	24.4%
11	405,496	404,678	818	32.3%
12	55,324	55,105	219	40.6%
13	392,950	361,452	31,498	46.5%
14	126,630	123,829	2,801	57.4%
15	262,522	248,810	13,711	65.8%
16	146,236	143,528	2,708	62.4%
17	35,202	35,148	54	77.3%
18	251,865	246,211	5,654	84.8%
19	31,444	31,403	41	83.6%
20	169,578	167,053	2,525	92.6%
21	6,520	6,520	0	86.3%
22	82,864	82,113	751	98.9%
23	34,028	33,546	482	108.0%
24	25,596	25,595	0	126.4%
25	9,291	9,195	97	139.0%
26	15,591	15,366	225	155.8%
27	49,365	49,028	337	169.1%
28	153,933	153,507	426	21.1%
Total	2,688,477	2,372,273	316,204	55.1%

Retail exposure by geographical view

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %	LGD (exposure weighted average) in %
Bulgaria	1,082,291	8.3%	61.1%
Czech Republic	4,762,670	6.7%	41.6%
Hungary	861,913	20.2%	38.4%
Romania	3,164,430	8.1%	50.7%
Slovakia	4,586,332	3.6%	29.8%
Total	14,457,635	15.4%	39.9%

Equity exposure

PD classes according to Article 452 (e) CRR in € thousand	Exposure	RW (exposure weighted average) in %
1	0	0.0%
2	0	0.0%
3	0	0.0%
4	0	0.0%
5	3,056	250.0%
6	0	0.0%
7	15,950	96.4%
8	28,024	147.6%
9	2,702	250.0%
10	0	0.0%
11	10,662	170.3%
12	652	193.0%
13	1,453	250.0%
14	8,336	250.0%
15	0	0.0%
16	0	0.0%
17	0	0.0%
18	11	326.3%
19	1,731	347.5%
20	0	0.0%
21	0	0.0%
22	0	0.0%
23	0	0.0%
24	0	0.0%
25	0	563.5%
26	0	0.0%
27	0	0.0%
28	796	0.0%
Total	73,373	165.0%

Equity exposure by geographical view

PD classes according to Article 452 CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	1,903	0.5%
Bulgaria	1,629	0.1%
Czech Republic	31,516	0.3%
Croatia	7,924	9.5%
Hungary	11,083	0.7%
Romania	294	0.7%
Russian Federation	4,430	1.4%
Slovakia	14,594	0.1%
Total	73,373	1.4%

Article 453 CRR Use of credit risk mitigation techniques

Management and recognition of credit risk mitigation

The following document outlines the policies and processes for collateral valuation and management in RBI. Besides the collateral mentioned herein, other types of collateral are recognized for internal risk calculations.

Collateral is only used for credit risk mitigation purposes, if the following conditions are fulfilled:

- the collateral is legally enforceable under the applicable jurisdiction
- there is sustainable market value of the collateral
- possibility of realization and willingness to realize
- there is no significant correlation between the quality of the secured exposure and the value of the collateral, i.e. the collateral value is not linked to the creditworthiness of the borrower

The collateral valuation is done by staff members who are independent from the credit decision process. Regular evaluations make sure, that the revaluation of the collateral is done at least once a year. Minimum revaluation frequency for financial collateral is 6 months. If required (e.g. change of market situation) a revaluation is done more often. Regarding financial collateral a revaluation at current market prices is done automatically on a daily basis. A longer revaluation interval leads to higher discounts.

Collateral valuation is based on current market prices with an amount that can be recovered within a reasonable Period taken into account. The methods of calculating the value and setting of well-considered haircut are specified by Collateral Management

The following types of collateral are accepted:

- financial collateral: cash, securities, life insurances
- real estate
- guarantees given by sovereigns and public sector entities, financial institutions, corporates (and individuals)
- receivables
- movables (for internal risk calculation only)

Financial collateral

Financial collateral is used for credit risk mitigation purposes, if the minimum requirements according to CRR are fulfilled.

Type of collateral and valuation

Cash on deposit

As cash on deposit all kinds of accounts (fixed deposit, saving accounts, etc.) as well as savings books and cash assimilated instruments, like certificates of deposit, are taken into account.

Cash deposit held by the lending credit institution

The market value is the pledged amount in the relevant currency of the cash deposit. The revaluation is done automatically by the collateral management system. No haircut is applied for this collateral type. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Cash deposit held by a third party bank

The market value is the pledged amount in the relevant currency of the cash deposit. Up to this pledged amount the probability of default (PD) of the borrower is replaced by the PD of the third party bank. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Netting**On balance sheet netting agreements**

In case of reciprocal balances with a counterparty (e.g. credit balances on some accounts and debit balances on others) and if a netting agreement is in place, the credit balance is used for credit risk mitigation purposes and therefore is linked to the exposure in calculations, if the minimum requirements according to CRR are fulfilled.

Master netting agreements covering repurchase transactions, securities or commodities lending or borrowing transactions and other capital market driven transactions

Transactions according to Article 196 CRR – especially repo and securities lending transactions – are managed in a department especially responsible for this kind of transaction using a special electronic data processing system. In order to recognize transactions for netting, only standard contracts fulfilling the minimum requirements according to CRR are used. Collateral provided within the scope of such transactions and borrowed securities or commodities have to fulfil the criteria of CRR.

Gold

The market value is the current market price of gold. The revaluation is done once a month using the haircut determined in CRR. Any maturity mismatch of the protection is considered automatically when linked to the secured exposure.

Debt securities

For the purpose of credit risk mitigation debt securities of the following issuers are taken into account:

- Central governments or central banks, which have been rated by a recognized rating agency or export credit agency, if the rating is equal or better than credit quality step 4 of the Standardized Approach
- Institutions, which have been rated by a recognized rating agency if the rating is equal or better than credit quality step 3 of the Standardized Approach
- Other issuers, which have been rated by a recognized rating agency if the rating is equal or better than credit quality step 3 of the Standardized Approach
- Debt securities rated with a short term rating by a recognized rating agency if the rating is equal or better than credit quality step 3 for short term claims of the Standardized Approach
- Debt securities issued by institutions which are not rated by a recognized rating agency, if the criteria according to CRR are fulfilled

The market value is the current market price on the stock exchange, which is updated automatically in the collateral management system. The haircut according to CRR is applied automatically. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Equities and convertible bonds

Equities and convertible bonds listed on a recognized stock exchange are taken into account for credit risk mitigation purposes.

The market value of equities and convertible bonds is the current market price on the stock exchange. A revaluation is done automatically. The volatility adjustment for equities and convertible bonds listed on a recognized stock exchange is not based on external ratings. According to CRR the eligibility and the haircut depend on being listed on a recognized exchange and being included in a main index. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Investment funds

Units in collective investment undertakings are recognised as eligible collateral if they have a daily public price quoted and the collective investment undertaking is limited to investments in eligible instruments according to CRR.

If the single positions/investments of the collective investment undertaking are known (through at least monthly delivery of the single positions), the weighted haircut of the single position haircuts (the positions in which the collective investment undertaking is

actually invested) is taken. If the single eligible positions/investments of the collective investment undertaking are unknown, the haircut equals the highest haircut of the position, in which the collective investment undertaking is allowed to invest (concerning eligible positions).

If a maximum limit for investments of not eligible instruments is defined in the regulation for investments, the fund is eligible up to the defined part in which the fund must invest in eligible titles. The value of the shares in the investment fund which are provided as collateral has to be reduced by the respective percentage, before calculating the haircut according to CRR.

The market value is the published value/market price of the single certificates. Revaluation is done automatically. The haircut is calculated according to CRR once the collateral is entered into the collateral management system. The haircut is reviewed on a regular basis according to the single investment positions. In case the single investments are unknown or cannot be delivered on a monthly basis, the haircut is calculated upon the basis of the collective investment undertaking prospectus. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Effect on credit risk mitigation

Apart from cash deposits held by a third party bank, all financial collateral provided as security reduce the LGD (Loss Given Default) to 0 per cent for the respective collateral market value reduced by the haircut according to the above described criteria. Regarding cash deposits held by a third party bank, the PD (Probability of Default) of the borrower is replaced by the PD of the third party bank.

Real estate collateral

For the purpose of credit risk mitigation residential real estate and commercial real estate are used if the criteria and the minimum requirements of CRR are fulfilled.

Real estate property is evaluated either at the market value, which is to be reduced according to the results of the evaluation, the pledged amount in the contract or prior-ranking charges, if necessary. The property valuation is based either on appraisal reports by external independent appraisers or on internal valuations done by competent staff members who are independent from the credit decision process. The valuation is done according to generally recognised appraisal methods, mostly using the Income Capitalization Approach; if applicable on an individual basis the valuation is done using the Sales Comparison Approach or Cost Approach. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Receivables

Account receivables are used for credit risk mitigation purposes, if they are linked to a commercial transaction or transactions with an original maturity of less than or equal to one year. Receivables in connection with securitizations, sub-participations or credit derivatives or receivables of affiliated companies are not taken into account. All receivables must fulfill the minimum requirements of CRR.

Market value is the receivables amount derived from the list of receivables submitted by the accounting department of the borrower on a regular basis. Those lists of receivables are subject to regular reviews. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Unfunded Credit Protection

All kinds of guarantees given by the below mentioned protection providers and fulfilling the minimum requirements according to CRR are considered as unfunded credit protection.

For the purpose of credit risk mitigation, liabilities of the following protection providers are taken into account:

- Central governments and central banks
- Regional governments
- Multilateral development banks
- International organizations, claims on which are treated with a risk weight of 0 per cent under the Standardized Approach
- Public sector entities, claims on which are treated as claims on institutions or central governments under the Standardized Approach

- Institutions
- Other corporate entities, including parent companies and subsidiaries as well as affiliated companies. The most important protection providers in this regard are central governments, institutions and other corporate entities

The value of the unfunded credit protection is the guaranteed amount; that is the amount the protection provider has to pay if an event of default occurs. An accurate review of the economic capacity of the protection provider is a precondition for the valuation. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Unfunded credit protection with a counter guarantee

In case an exposure is secured by an unfunded credit protection, which itself is counter guaranteed by another unfunded credit protection of one of the following protection providers, the PD of the counter guarantor is taken into consideration for RWA (Risk Weighted Assets) calculation, if all requirements of CRR are fulfilled. The same applies to a counter guarantee of another credit protection provider (other than the below mentioned), if this counter guarantee is directly counter guaranteed by one of the following protection providers and the requirements of CRR are fulfilled:

- Central governments and central banks
- Regional governments or local authorities
- Multilateral development banks
- International Organizations
- Public sector entities, claims on which are treated according to Article 116 CRR

Credit derivatives

Credit Default Swaps, Total Return Swaps and Credit Linked Notes (to the extent of their cash funding) and instruments that are composed of such credit derivatives or that are economically effectively similar, are recognized as eligible for the purpose of credit risk mitigation if the minimum requirements according to CRR are fulfilled. Counterparties are the credit protection providers mentioned in Clause 6.1., therefore primarily institutions.

The value of the credit derivative is the guaranteed amount, which the counterparty has to pay, if an event of default/credit event occurs. An accurate review of the economic capacity of the protection provider is a precondition for the valuation. Any maturity or currency mismatch of the protection is considered automatically when linked to the secured exposure.

Main types of guarantors and credit derivative counterparties

On RBI level the main type of guarantors – in terms of exposure – are corporates and sovereigns, with a smaller part of financial institutions. Regarding the creditworthiness, 75 per cent of exposures are in the first 10 rating classes.

Exposure towards credit derivative counterparties are not material. Nonetheless, the main counterparty type for credit derivative deals is financial institutions, with a residual part of corporate exposure. Regarding the creditworthiness, 100 per cent of exposures are in the first 10 rating classes.

Information about market or credit risk concentration within the credit risk mitigation considered

Concentration risk occurs when a major part of instruments used as credit risk mitigation is concentrated in a limited number of types of credit risk mitigation instruments, a limited number of collateral providers or industries or in case of a disproportional volume of collaterals used for risk mitigation. Such concentration risk is under control by the following processes:

In case of unfunded credit risk mitigation instruments issued by FIs and Sovereigns a secondary credit risk is assigned to the individual protection provider, which must be applied for in individual credit applications and which is reflected and approved as part of the guarantor's total credit exposure. An approval for a potential country risk out of the credit risk mitigation instrument is obtained separately in addition.

In case of other unfunded risk mitigation instruments, the value of the risk mitigation is assessed and approved in the approval process of the respective primary counterparty limit. In addition, the extent of the risk mitigation provided by the protection instrument is individually assessed by independent internal risk experts, taking into consideration the total exposure of the protection provider in relation to its individual credit standing before the risk mitigation effect is reflected in the internal collateral systems.

With regards to funded credit risk mitigation instruments due to the widely spread geographic range of activities there is no relevant concentration risk in terms of asset types, markets or collateral providers.

Quantitative disclosure

The extent to which RBI makes use of on- and off-balance sheet netting is presented in the table below:

Article 453 (a) CRR in € thousand	Financial collateral (without netting)	On-balance sheet netting	Off-balance sheet netting
Standardized approach - exposure classes	424,009	280,357	2,108,268
Exposure to central governments and central banks	25,204	31,154	300
Exposure to regional governments or local authorities	0	0	0
Exposure to public sector entities	11	0	0
Exposure to multilateral development banks	0	0	328
Exposure to international organisations	0	0	0
Exposure to institutions	147,233	249,203	1,184,767
Exposure to corporates	241,814	0	922,872
Retail Exposure	0	0	0
Exposure secured by mortgages on immovable property	1,820	0	0
Exposure in default	6,985	0	0
Exposure associated with particularly high risk	0	0	0
Exposure in the form of covered bonds	0	0	0
Exposure to institutions and corporates with a short-term credit assessment	0	0	0
Exposure in the form of units or shares in collective investment undertakings ('CIUs')	0	0	0
Equity Exposure	0	0	0
Other items	941	0	0
Items representing securitization positions	0	0	0
IRB approach - exposure classes	2,806,332	98,710	7,441,027
Exposure to central governments and central banks	0	20,970	2,292
Exposure to institutions	2,013,856	12,429	6,026,773
Exposure to corporates	792,476	65,310	1,411,962
Retail Exposure	0	0	0
Equity Exposure	0	0	0
Items representing securitization positions	0	0	0
Total	3,230,341	379,067	9,549,294

The exposure value covered by eligible credit risk mitigants after the application of volatility adjustments for each asset class is presented in the following table:

Article 453 (f)-(g) CRR in € thousand	Other physical collateral	Mortgage collateral	Unfunded Credit Protection	Financial collateral*
Standardized approach - exposure classes	0	5,312,521	754,809	2,898,770
Exposure to central governments and central banks	0	0	553,891	56,658
Exposure to regional governments or local authorities	0	0	0	0
Exposure to public sector entities	0	0	0	11
Exposure to multilateral development banks	0	0	0	328
Exposure to international organisations	0	0	0	0
Exposure to institutions	0	0	8,533	1,581,204
Exposure to corporates	0	0	102,685	1,164,685
Retail Exposure	0	100	49,863	84,952
Exposure secured by mortgages on immovable property	0	5,209,822	0	2,427
Exposure in default	0	102,599	37,481	7,563
Exposure associated with particularly high risk	0	0	0	0
Exposure in the form of covered bonds	0	0	0	0
Exposure to institutions and corporates with a short-term credit assessment	0	0	0	0
Exposure in the form of units or shares in collective investment undertakings ('CIUs')	0	0	0	0
Equity Exposure	0	0	0	0
Other items	0	0	2,356	941
Items representing securitization positions	0	0	0	0
IRB approach - exposure classes	372,309	6,778,512	5,688,847	10,346,321
Exposure to central governments and central banks	0	0	524,774	23,262
Exposure to institutions	160,548	2,246	612,052	8,053,058
Exposure to corporates	211,762	1,308,904	4,293,712	2,269,749
Retail Exposure	0	5,467,363	258,309	252
hereof secured by immovable property	0	5,467,337	257,940	0
hereof qualifying revolving	0	0	0	0
hereof SME	0	26	369	89
hereof other	0	0	0	164
Equity Exposure	0	0		0
Items representing securitization positions	0	0	0	0
Total	372,309	12,091,034	6,443,656	13,245,091

1 including on- and off balance sheet netting

Article 454 CRR

Use of the Advanced Measurement Approaches to operational risk

RBI has a group-wide insurance program in place which is handled by a centralized Insurance Management Team.

Different insurance contracts are set up for the Group to insure against potentially severe losses. The strategy for the coverage is aligned with the operational risk profile based on scenario results and is also reported and discussed on a regular basis at the Operational Risk Management Committee.

Additionally, a loss data reconciliation process is in place as part of the Event Data Collection and control mechanism (General Ledger Analysis) for operational risk. Insurance claims are reconciled with the income statement and loss database to assure data completeness.

RBI does not use any risk transfer mechanisms for the purpose of mitigation of operational risk.

Article 455 CRR

Use of Internal Market Risk Models

VaR model

Scope of permission and characteristics of the model

In RBI an internal model for measuring market risks has been in place since 2010.

The method used is a hybrid simulation (Monte Carlo/historical) with 5,000 scenarios for the following risk factors: FX rates, interest rates (IR), selected equities for managed capital guarantee products (CPPI and OBPI), CDS and bond spreads including treasury basis spreads (BS). For vega risk the hybrid method is used as well, and applied to selected points on the surfaces of implied FX and interest rate volatilities.

Scenario generation is based on a two year time series: the volatility estimator is influenced 80 per cent by the short-term local volatility and 20 per cent by unweighted long-term volatility. Vega scenarios (also 5,000) are created separately and are also applied to the positions separately from the simulated changes in basic risk factors (FX, IR, BS). All VaR figures are calculated daily for an overnight time horizon and a confidence level of 99 per cent, i.e. VaR denotes the maximum loss that will statistically not be exceeded with a 99 per cent confidence level on the next day. Positions of the regulatory trading book are delivered by the front office systems on a daily basis. The repricing of the positions is done by means of a full revaluation.

The internal value-at-risk model was approved for the calculation of the capital requirement for market risks of RBI AG at single-entity level by the Austrian banking regulator for the general interest rate risk and foreign-exchange risk including vega risk. In 2016 the model was extended by adding interest rate basis risk factors and adapted for negative interest rate coverage. The regulatory approval process started in late 2016 and final approval is expected by mid-2017. Four immaterial model changes were approved by the ECB in 2016. In addition, RBI introduced a common market data platform to feed front office and risk management systems homogenously.

Stressed VaR

The stressed VaR is calculated as the application of a historical (equally weighted 1 year) time series of returns on the current portfolio. The historical period is chosen in such a way that it causes the largest VaR (when selected) for the portfolio positions given at present. Generating the scenarios for stressed VaR is not as straightforward as for VaR, because adjustments preserving the standard deviation of the returns and avoiding negative interest rates are necessary in order to apply historical returns to cur-

rent market values. Total risk calculated by the internal model with significance for the regulatory capital requirements is based on VaR for FX, IR, BS, and vega as well as stressed VaR FXIRBS and stressed VarVega according to CRR Art. 364.

Stress testing

A comprehensive stress testing concept complements the internal model VaR and sensitivity risk figures, which also constitute the market risk limit system. The stress tests reflect potential present value changes for pre-defined scenarios. The results with respect to market risk concentrations shown by these stress tests are reported to the Market Risk Committee on a weekly basis and taken into account when setting limits. Stress test reports for individual portfolios are included in the daily market risk reporting.

The market risk stress tests range from single risk factor changes (relative or absolute shifts, curve steepenings or flattenings, volatility surface deformations like skews etc.) to simultaneous changes of several risk factors. For example, currencies and interest rate curves are grouped reflecting economic interdependencies of countries, respectively potential expected contagion in a crisis scenario; credit spread curves are grouped by industry and rating (investment grade vs. speculative grade) and underlying risk factors are stressed in combination with changes to their implied volatilities. Furthermore, event-driven historical or hypothetical scenarios like government debt crises, oil price shocks etc. are implemented as needed.

Combinations of risk factors in given stress scenarios:

Stressed risk factors	FX	IR	Credit spreads	Implied Vols (FX, IR)	Equities
FX	X	X	X	X	
IR		X	X	X	X
Credit spreads			X		
Implied Vols (FX, IR)				X	
Equities					X

Back-testing and validation approaches

The risk measurement approaches employed are verified – besides analyzing returns qualitatively – on an ongoing basis through back-testing and statistical validation techniques.

Hypothetical and actual back-testing

For back-testing two comparisons are performed:

The “clean” or hypothetical back-testing is the comparison of VaR figures vs. the theoretical profit and loss figures showing the hypothetical returns that the bank would have realized due to the actual changes in market parameters on the next day. The back-testing results in the past showed that the internal market risk model quickly reacts to changing market conditions.

The “dirty” or actual back-testing is done using the profit and loss (P&L) results of the front office systems. Due to the fact that the internal model is only approved for a restricted scope of market risks (FX and general interest rate risk including treasury basis spread but not other credit spreads; FX and IR vega risk, but no equity and specific interest rate risk), the hypothetical P&L figures of the internal model differ somewhat from the economic P&L figures, which include components that are not part of the VaR of the regulatory trading book.

A separate process has been set up to deliver P&L figures broken down into their single components in terms of single deal level and type of origin, where possible. This way, intraday P&L can be excluded, because it is not reflected in the VaR calculation, which is based on a snapshot of market data once a day for the end-of-day positions. The rather theoretical distinction between the gain/loss stemming from a change in the interest rate (discount/forward) curve and the gain/loss stemming from a change in the credit quality reflected in spread widening or narrowing is not reasonably feasible in the front office systems. Consequently, subportfolios containing credit spread products are exempt from the dirty backtesting procedure just as the equity linked guarantee products are.

Continuous model validation

Complementary to the legally required methodology of back-testing and the daily risk management task of checking the model input side for anomalies (e.g. qualitative maintenance of market data used for deriving risk factors) a periodic validation programme is used to ensure the soundness of fundamental model assumptions and long-term parameters:

Statistical tests like the Kolmogorov-Smirnov test are used to check whether the hypothetical back-testing P&L is properly distributed as expected if the model works correctly. Supporting validation reports help in e.g. detecting stale time series, volatility regime changes, and deviations from the model target. For the validation of specific model parameters like the random time change, the scaling methodology and the SVI fit for implied volatilities, further tests are performed. Outcomes are treated according to the validation policy of the market risk department. If model weaknesses are identified, they are improved accordingly.

The regulatory trading book

The scope of the regulatory trading book was defined as part of the regulatory approval process for the internal model for market risk and is the basis for the selection criteria of the positions used in the capital calculation.

Defining criteria for trading book positions are laid down in the market risk management Group directive as well as in the rulebook of the risk taking trading department. These criteria influence the department / desk strategies, the range of approved products, and subsequently the associated risk limits.

The procedure ensuring that all FX risk and trading positions are included in the internal model capital calculation is anchored in the set-up of the market risk aggregation and reporting framework. Maintaining and keeping this framework up-to-date with respect to any portfolio and/or organizational changes is part of the daily market risk management tasks, supported by an automated system of checking procedures. The trading rulebook along with standardized as well as user-definable reports and ad-hoc analysis results provided by market risk management to risk takers and senior management allow for a timely and active management of trading positions.

Valuation

The basis for a Group-wide aligned valuation process is provided by the fair value measurement rulebook, containing e.g., the applicable pricing hierarchy and procedures necessary in case of illiquidity, along with the establishment of the Valuation Jour-fixe at RBI head office. The latter is the decision making body for RBI responsible for e.g. approvals, reviews and / or changes of valuation procedures, valuation models, and pricing parameters.

The valuation of new products including the treatment of the pricing (availability of liquid pricing sources, respectively appropriate pricing parameters) is an integral part of the Product Approval Process.

Prudent valuation

The requirement to perform a prudent valuation is set out in Article 105 of the CRR (Regulation (EU) 575/2013) and described in more detail in the Regulation (EU) 2016/101. The result of the prudent valuation needs to be used only for the purpose of calculating adjustments to Common Equity Tier 1 capital, where necessary.

The RBI has designed and implemented a centralized calculation of additional valuation adjustments (AVAs) arising from prudent valuation with the internal model for market risk as its cornerstone. RBI centrally calculates the AVAs for all members of the RBI that are integrated in the daily market risk calculations. Additionally, RBI sets the principles other RBI members need to adhere to when performing their own standalone local calculation of AVAs. Any and all results of the standalone local calculation of AVAs need to be reported back to RBI in order to properly include them in the overall prudent valuation results for the RBI. All methods for the calculation of AVAs, both central and standalone local ones, need to be approved by the RBI MACO and the RBI Management Board.

The prudent valuation performed in the RBI covers all 9 AVAs defined in the Regulation (EU) 2016/101, whose individual characteristics are briefly summarized in the following table:

AVA	Motivation/description
1. Market price uncertainty (MPU)	<ul style="list-style-type: none"> Market participants quote different bid or ask prices for the same financial instrument. It is unclear which of these is the "true" fair price.
2. Close-out costs (CoC)	<ul style="list-style-type: none"> Different bid/ask spreads are quoted around "consensus" mid price. Relevant when assessing exit price of positions valued at mid price (RBI derivative positions are valued at mid price).
3. Concentrated positions (CP)	<ul style="list-style-type: none"> Closing a large position might move the market price away from the one that was used to calculate the fair value of the position. Relevant for bond positions which represent a significant percentage of the outstanding amount.
4. Unearned credit spreads (CVA)	<ul style="list-style-type: none"> Credit Value Adjustment (CVA) calculations also depend on market quoted parameters. CVA AVA aims to quantify uncertainty contained within these parameters.
5. Investing and funding costs (FVA)	<ul style="list-style-type: none"> Aimed at quantifying uncertainty in the funding costs used when assessing the exit price.
6. Model risk (MOR)	<ul style="list-style-type: none"> Quantifying the potential errors when applying a specific model in mark-to-model fair value measurement. By definition set to be equal to 10% of MPU+CoC.
7. Operational risk (OP)	<ul style="list-style-type: none"> If AMA is applied in capital requirement calculation and it explicitly covers the valuation process, OP AVA can be set to zero (not implemented in RBI's AMA)
8. Future administrative costs (FAC)	<ul style="list-style-type: none"> Aimed at accounting for the administrative costs of keeping the positions during their unwind/rundown process. Relevant for positions that can not be closed on the market quickly.
9. Early termination (ET)	<ul style="list-style-type: none"> Aimed at quantifying the potential losses an institution might suffer in non-contractual early terminations of client trades.

Quantitative disclosure

The following table displays the prudent valuation results as of end of December 2016 for RBI:

Art. 455 (c) CRR in € thousand	Aggregate AVA (total effect on capital)
Market price uncertainty and Close-out costs AVA	19,086
out of fair value measurement	
out of CVA/FVA calculation	1,456
Model risk AVA	1,975
out of fair value measurement	
out of CVA/FVA calculation	1,297
Concentrated positions AVA	30,100
Future administrative costs AVA	5,888
Early termination AVA	3,093
Operational risk AVA	2,054
Total	64,950

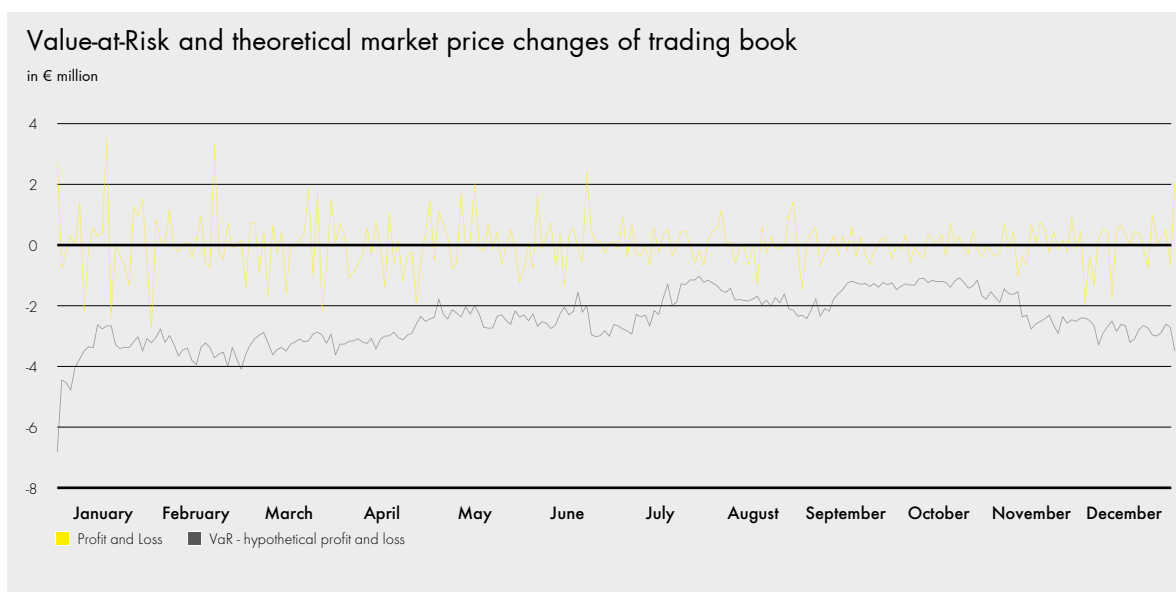
The following table shows the highest, lowest and mean VaR (99 per cent, ten days) for the regulatory trading book:

Article 455 (d) CRR in € thousand	VaR (total)	stressed VaR (total)
highest	(6,823)	(9,496)
lowest	(1,022)	(2,705)
mean	(2,482)	(4,699)
30.12.2016	(3,490)	(5,268)

The elements of the total capital requirement are presented in the following table:

Article 455 (e) CRR in € thousand	a) max(VaRT(1), VaRavg*mc)	VaRT(1) (10d)	VaRavg*mc	b) max(sVaRT(1), sVaRavg*ms)	sVaRT(1) (10d)	sVaRavg*ms
30.12.2016	21,729	11,035	21,729	40,511	16,659	40,511

The following graph shows the comparison of the daily value at risk vs. one-day changes of the portfolio's value:



In 2016 RBI observed no backtesting violation, proving the applied model to be robust and conservative and quickly responsive to market changes.

Annex 1

Management Board

As of 31 December 2016, the Management Board of RBI consisted of six members.

Karl Sevelda

Directorships in RBI AG:

Management Board: Member (CEO)

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to sec 5 para 1 lit 9a BWG
Supervisory Board:	13	2
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Doctor's degree	
Professional Qualification	Corporate Finance and Export Finance Creditanstalt-Bankverein	1977-1983
	Secretary to the Federal Minister for Trade and Industry	1983-1985
	Creditanstalt-Bankverein (London and New York)	1985
	- Head of Export Finance Department	
	- Deputy Head of Corporate Finance Division	
	- Head of Corporate Finance Division	
	- Head of Multinational Corporates Division	
	- Head of Corporate Banking Division (in addition to above-mentioned responsibility)	
	Creditanstalt-Bankverein	1986-1997
	Member of the Board, Corporate Customers and Corporate, Trade and Export Finance worldwide, Raiffeisen Zentralbank Österreich AG	1998-2010
	Deputy CEO, Raiffeisen Bank International AG	2010-2013
	CEO, Raiffeisen Bank International AG	since June 2013

Johann Strobl

Directorships in RBI AG:

Management Board: Member

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to sec 5 para 1 lit 9a BWG
Supervisory Board:	7	0
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Doctor's Degree	
Professional Qualification	Assistant Professor, Vienna University of Economics and Business	1983-1988
	Domestic Money Market and Asset Liability Management, Creditanstalt	1989-1992
	Deputy Head of Domestic Money Market and Asset Liability Management, Creditanstalt	1992-1996
	Head of Market Risk Management, Creditanstalt	1997
	Head of Risk Controlling, Bank Austria	1998-2000
	Head of Treasury and Capital Markets, Bank Austria	2001-2002
	Member of HVB Divisional Board responsible for Risk Controlling and Asset Liability Management, Bank Austria	2003
	Member of the Board, Bank Austria	2004-2007
	Member of the Board, Raiffeisen Zentralbank Österreich AG	2007-June 2015
	Member of the Board (CRO), Raiffeisen Bank International AG	since 2010
	Member of the Board (Deputy CEO), Raiffeisen Bank International AG	since June 2013

Klemens Breuer

Directorships in RBI AG:	Management Board: Member	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to sec 5 para 1 lit 9a BWG
Supervisory Board:	9	1
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Master's degree (Mag.)	
Professional Qualification	Trainee Programme "Junior-Broker" with Bierbaum & Co. (Düsseldorf/Frankfurt am Main)	1993-1995
	Global Markets/Money Markets, Deutsche Bank AG (Düsseldorf/Frankfurt am Main)	1995-1999
	Head of Liquidity Management Group Treasury Deutsche Bank AG (Frankfurt am Main/London)	1999-2001
	Treasurer, Deutsche Bank AG (Frankfurt am Main)	2001-2004
	Head of Asset liability Management Global Markets/Global Finance, Deutsche Bank AG (Frankfurt am Main)	2004-2005
	Head of Liquidity Management Group Treasury WestLB AG (Düsseldorf)	2005-2006
	Managing Director, Head of Treasury, WestLB AG (Düsseldorf)	2006-2007
	Group Treasurer and Member of the Divisional Board, WestLB AG (Düsseldorf)	2007-2008
	Member of the Managing Board, WestLB AG	2008-2012
	Member of the Board (Global Markets), Raiffeisen Bank International AG	2012-2015
Member of the Board (Global Markets & Retail Banking), Raiffeisen Bank International AG	since April 2015	

Martin Grüll

Directorships in RBI AG:	Management Board: Member (CFO)	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to sec 5 para 1 lit 9a BWG
Supervisory Board:	6	0
Management Board:	5	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Master's degree (Mag.)	
Professional Qualification	Deputy Manager, International Loan Dept., Raiffeisen Zentralbank Österreich AG	1982-1987
	Vice President	
	Head of International Loan Division	
	Raiffeisen Zentralbank Österreich AG	1987-1988
	Senior Vice President	
	Head of International Corporate Banking	
	Raiffeisen Zentralbank Österreich AG	1988-1998
	Member of Managing Board, Bank Austria Handelsbank	1998-1999
	Chairman of Managing Board, Bank Austria Handelsbank	1999-2002
	Executive Manager (Central and Eastern Europe), Bank Austria Creditanstalt	2001
Group Executive Manager (Central and Eastern Europe)		
Bank Austria Creditanstalt	2002-2004	
Member of the Board (CFO), Raiffeisen International Bank Holding AG	2005-2010	
Member of the Board (CFO), Raiffeisen Bank International AG	since 2010	

Peter Lennkh

Directorships in RBI AG:	Management Board: Member	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to sec 5 para 1 lit 9a BWG
Supervisory Board:	10	0
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Master's degree (Mag.)	
Professional Qualification	Account Manager International Finance, Raiffeisen Zentralbank Österreich AG	1988-1990
	Head of International Project Finance Department, Creditanstalt Leasing Wien	1990-1991
	Deputy Board member in charge of Credit Risk Management and Austrian Corporate Customers Raiffeisenbank Czech Republic	1992-1996
	RZB Networkbank Management: setting up Raiffeisenbank Russia and Raiffeisenbank Ukraine Raiffeisen Zentralbank Österreich AG	1997-1998
	Division Head International Corporate Customers, Raiffeisen Zentralbank Österreich AG	1998-1999
	Head of Trade and Export Finance, Raiffeisen Zentralbank Österreich AG	1999-2004
	Member of the Board responsible for Corporate Customer Business und Network Coordination Raiffeisen International Bank-Holding AG	2004-2010
	Member of the Board (Network Management), Raiffeisen Bank International AG	2010-2013
	Member of the Board (Corporate Business), Raiffeisen Bank International AG	since October 2013

Andreas Gschwenter

Directorships in RBI AG:		Management Board: Member	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR			
	Number of Directorships	Number of Directorships according to sec 5 para 1 lit 9a BWG	
Supervisory Board:	7	0	
Management Board:	1	1	
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR			
Academic background	Master's degree (Mag.)		
Professional Qualification	Managing Director, BuE		1994-1997
	Senior Consultant, Denkstatt		1997-2000
	Executive Director (Head of Banking Operations), Bank Austria Creditanstalt Romania		2000-2001
	Executive Director (COO), Bank Austria / HVB Bank Serbia and Montenegro		2001-2005
	Deputy Chairman (COO) Unicredit Tiriac Bank Romania		2005-2007
	Member of the Board (COO), Unicredit Bank Russia		2007-2010
	Member of the Board (COO), Raiffeisen Bank Aval		2010- June 2015
	Member of the Board (COO), Raiffeisen Bank International		since July 2015

Supervisory Board

As of 31 December 2015, the following persons were members of the Supervisory Board of RBI:

Dr. Walter Rothensteiner

Directorships in RBI AG:	Supervisory Board: Chairman	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	9	1
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Commercial Sciences (Dr.)	
Professional Qualification	Raiffeisenlandesbank Niederösterreich-Wien AG, last position Member of the Board	
	1975-1990	
	Member of the Board Leipnik-Lundenburger Industrie AG	
	1987-1995	
	AGRANA-Beteiligungs-AG, last position Member of the Board	
	1991-1994	
	Chairman of the Board RZB AG	
	since 1995	
	Chairman Österreichischer Raiffeisenverband	
	since 2012	

Erwin Hameseder

Directorships in RBI AG:	Supervisory Board: Deputy Chairman	
	Audit, Nomination, Personnel, Remuneration, Risk and Working Committee: Deputy Chairman	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	15	4
Management Board:	0	0
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	law (Mag.)	
Professional Qualification	Managing Functions Raiffeisenlandesbank NÖ-Wien reg.Gen.m.b.H.	1987-1994
	Member of the Board Raiffeisenlandesbank NÖ-Wien reg.Gen.m.b.H.	1994-2001
	Director General Raiffeisen-Holding NÖ-Wien reg.Gen.m.b.H.	2001-2012
	Director General Raiffeisenlandesbank NÖ-Wien AG	2007-2012
	Chairman Raiffeisen-Holding NÖ-Wien reg.Gen.m.b.H.	since 2012
	Chairman of the Supervisory Board Raiffeisen Zentralbank Österreich AG	since 2012
	Chairman of the Supervisory Board Raiffeisenlandesbank NÖ-Wien AG	since 2014

Heinrich Schaller

Directorships in RBI AG:	Supervisory Board: Second Deputy Chairman	
	Audit, Nomination, Personnel, Remuneration, Risk and Working Committee: Second Deputy Chairman	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	14	2
Management Board:	3	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Law (Dr.)	
Professional Qualification	Raiffeisen Zentralbank Österreich AG	1987-2000
	Raiffeisenlandesbank Oberösterreich AG	2000-2006
	Member of the Management Board Raiffeisenlandesbank Oberösterreich AG	2004-2006
	Chairman of Wiener Börse	2006-2012
	Member of the Management Board Raiffeisenlandesbank Oberösterreich AG	2012
	Chairman of the Management Board Raiffeisenlandesbank Oberösterreich AG	since 2012

Martin Schaller

Directorships in RBI AG:

Supervisory Board: Third Deputy Chairman

Audit, Nomination, Personnel, Remuneration, Risk and Working Committee: Third Deputy Chairman

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	6	1
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Commercial Sciences (Mag.), Political Sciences and Journalism (Mag.)	
Professional Qualification	Trainee program Creditanstalt - Bankverein	1991-1993
	Treasury Creditanstalt and Department Group Treasury Bank Austria AG	1993-2001
	Head of Department Treasury/Financial Markets Raiffeisenlandesbank Oberösterreich AG	2001-2012
	Chairman of the Supervisory Board Kepler-Fonds KAG	2004-2012
	Member of the Board Raiffeisen-Landesbank Steiermark AG	2012-2013
	Various Directorships as Chairman and Member of Supervisory Board in affiliated companies of Raiffeisen-Landesbank Steiermark AG	since 2013
	Chairman of the Board of Raiffeisen-Landesbank Steiermark AG	since October 2013
	Member of the Supervisory Board GRAWE-Vermögensverwaltung	since November 2013
	3rd Deputy Chairman of the Supervisory Board Raiffeisen Bank International AG	since October 2014
	Member of the Supervisory Board ÖWGES Gemeinnützige Wohnbaugesellschaft m.b.H.	since September 2015
	Member of the Supervisory Board Raiffeisen Software GmbH	since November 2015

Klaus Buchleitner

Directorships in RBI AG:

Supervisory Board: Member

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	10	2
Management Board:	2	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Law (Mag.)	
	Insead, Fontainebleau (MBA)	
Professional Qualification	Controlling and Strategic Management, Girozentrale Bank AG	1989-1994
	Head of Division RWA Raiffeisen Ware Austria AG	1995-1996
	Member of the Board RWA Raiffeisen Ware Austria AG	1997-2002
	Chairman of the Board RWA Raiffeisen Ware Austria AG	2002-2012
	Chairman of the Board Raiffeisen-Holding NÖ-Wien reg.Gen.m.b.H. and Chairman of the Board RLB NÖ-Wien AG	since 2012

Kurt Geiger

Directorships in RBI AG:

Supervisory Board: Member

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	3	3
Management Board:	0	0
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Law (Dr.jur.)	
Professional Qualification	Development Projects for French Africa, Kreditanstalt für Wiederaufbau (Frankfurt)	1972-1974
	Head of Export Leasing, Deutsche Anlagen Leasing (Mainz)	1974-1975
	Various Management positions in New York City, London & Hong Kong, Chase Manhattan Bank	1975-1989
	Managing Director International, HSBC (London)	1976-1989
	- Head of Financial Institutions & Private Equity - Chairman Equity Committee	
	European Bank for Reconstruction and Development (London)	1993-2008

Michael Höllerer

Directorships in RBI AG:	Supervisory Board: Member	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	9	1
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Law (Mag.)	
Professional Qualification	Head of Department	
	Financial Market Authority (Vienna)	2004-2006
	Head of Management Secretariat	
	Raiffeisen Zentralbank Österreich AG	2006-2008
	Expert in the cabinet of the Federal Minister	
	Federal Ministry of Finance	2008-2012
	Head of General Secretariat	
	Raiffeisen Zentralbank Österreich AG	2012-2015
	Managing Director	
Raiffeisen Capital Management	2015-2015	
	Member of the Board	
	Raiffeisen Zentralbank Österreich AG	since July 2015

Günther Reibersdorfer

Directorships in RBI AG:	Supervisory Board: Member	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	4	2
Management Board:	2	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Economic Sciences (Mag., Dr.)	
Professional Qualification	Assistant to the Director General Raiffeisenverband Salzburg eGen.	1982-1989
	Head of Human Resources and Education and Training, Raiffeisenverband Salzburg eGen.	1989-1998
	Head of Group Management and Management Office Raiffeisenverband Salzburg eGen.	1999-2001
	Chairman of the Board Raiffeisenverband Salzburg eGen.	since 2001
	Director General Raiffeisenverband Salzburg eGen.	since 2005

Johannes Schuster

Directorships in RBI AG:	Supervisory Board: Member	
	Audit, Nomination, Personnel, Remuneration, Risk and Working Committee: Member	
Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	11	0
Management Board:	1	1
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Business Administration [Dr.]	
Professional Qualification	Raiffeisenlandesbank Oberösterreich reg. Gen.m.b.H.	1995-1998
	Managing Director emarket austria trade service gmbh	2002-2003
	Chairman of the Board ÖVK Vorsorgekasse AG	2002-2006
	Managing Director Österreichische Raiffeisen-Einlagensicherung reg. Gen.m.b.H.	since 2002
	RZB AG, Head of Department Sektorbüro	1999-2005
	RZB AG, Head of Division Sektorbüro & Vorstandssekretariat	2005-2010
	RZB AG, Member of the Board	since 2010

Bettina Selden

Directorships in RBI AG:

Supervisory Board: Member

Number of directorships held in Supervisory Board and Management Board according to Art. 435 para 2 lit a CRR		
	Number of Directorships	Number of Directorships according to § 28a para 5 nr 5 BWG
Supervisory Board:	1	1
Management Board:	0	0
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Master's degree (Mag.)	
Professional Qualification	Head of division export guarantee Oesterreichische Kontrollbank AG	1975-1994
	Member of the Board, PRISMA Kreditversicherungs-AG	1995-2013
	Deputy Chairwoman of the Supervisory Board Euler Hermes Ungarn, Kreditversicherung	1996-2010
	Chairwoman of the Supervisory Board, OeKB Südosteuropa Holding Ges.m.b.H.	2005-2012
	Member of the Board, OeKB EH Beteiligungs- und Management AG	2008-2013

Annex 2

Scope of CRR Group of Raiffeisen Bank International (Article 436 CRR)

Company, domicile	Country Code	Share %	Type
Fully consolidated			
Ados Immobilienleasing GmbH, Eschborn	DE	75.00	Financial Institution
AMYKOS RBI Leasing-Immobilien GmbH, Vienna	AT	75.00	Financial Institution
AO Raiffeisenbank, Moscow	RU	100.00	Credit Institution
BAILE Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Baumgartner Höhe RBI Leasing-Immobilien GmbH, Vienna	AT	75.00	Financial Institution
BUILDING BUSINESS CENTER DOO NOVI SAD, Novi Sad	RS	100.00	Financial Institution
Bulevard Centar BBC Holding d.o.o., Belgrade	RS	100.00	Company with ancillary banking services
CINOVA RBI Leasing-Immobilien GmbH, Vienna	AT	75.00	Financial Institution
CJSC Mortgage Agent Raiffeisen OJ, Moscow	RU	0.00	Company with ancillary banking services
DAV Holding Ltd., Budapest	HU	100.00	Financial Institution
Doplňková dôchodková spoločnosť Tatra banky, a.s., Bratislava	SK	0.00	Financial Institution
FCC Office Building SRL, Bucharest	RO	100.00	Company with ancillary banking services
Floreasca City Center Verwaltung Kft., Budapest	HU	100.00	Financial Institution
FWR Russia Funding B.V., Amsterdam	NL	0.00	Financial Institution
Harmadik Vagyonkezelő Kft., Budapest	HU	100.00	Company with ancillary banking services
Infrastruktur Heilbad Sauerbrunn GmbH, Vienna	AT	75.00	Financial Institution
Infrastruktur Heilbad Sauerbrunn RBI-Leasing GmbH & Co.KG., Bad Sauerbrunn	AT	75.00	Financial Institution
JLLC "Raiffeisen-leasing", Minsk	BY	91.42	Financial Institution
Kathrein Capital Management GmbH, Vienna	AT	0.00	Financial Institution
Kathrein Privatbank Aktiengesellschaft, Vienna	AT	100.00	Credit Institution
Lexus Services Holding GmbH, Vienna	AT	100.00	Financial Holding Company
Limited Liability Company Raiffeisen Leasing Aval, Kiev	UA	72.28	Financial Institution
LLC "ARES Nedvizhimost", Moscow	RU	50.00	Company with ancillary banking services
OOO Raiffeisen-Leasing, Moscow	RU	100.00	Financial Institution
Park City real estate Holding d.o.o., Novi Sad	RS	100.00	Company with ancillary banking services
PERSES RBI Leasing-Immobilien GmbH, Vienna	AT	75.00	Financial Institution
Pointon Investment Limited, Limassol	CY	100.00	Company with ancillary banking services
Priorbank JSC, Minsk	BY	87.74	Credit Institution
PRODEAL, a.s., Bratislava	SK	78.78	Financial Institution
Raiffeisen Bank Aval JSC, Kiev	UA	68.12	Credit Institution
Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo	BA	100.00	Credit Institution
Raiffeisen Bank Kosovo J.S.C., Pristina	KO	100.00	Credit Institution
Raiffeisen Bank Polska S.A., Warsaw	PL	100.00	Credit Institution
Raiffeisen Bank S.A., Bucharest	RO	99.93	Credit Institution
Raiffeisen Bank Sh.a., Tirana	AL	100.00	Credit Institution
Raiffeisen Bank Zrt., Budapest	HU	100.00	Credit Institution
Raiffeisen banka a.d., Novi Belgrade	RS	100.00	Credit Institution
Raiffeisen CEE Region Holding GmbH, Vienna	AT	100.00	Financial Holding Company
Raiffeisen Centrobank AG, Vienna	AT	100.00	Credit Institution
Raiffeisen CIS Region Holding GmbH, Vienna	AT	100.00	Financial Holding Company

Company, domicile	Country Code	Share %	Type
Raiffeisen consulting d.o.o., Zagreb	HR	100.00	Financial Institution
Raiffeisen Corporate Lizing Zrt., Budapest	HU	100.00	Company with ancillary banking services
Raiffeisen Factoring Ltd., Zagreb	HR	100.00	Financial Institution
Raiffeisen FinCorp, s.r.o., Prague	CZ	87.50	Financial Institution
Raiffeisen International Invest Holding GmbH, Vienna	AT	100.00	Financial Holding Company
Raiffeisen International Liegenschaftsbesitz GmbH, Vienna	AT	100.00	Company with ancillary banking services
Raiffeisen Leasing Bulgaria OOD, Sofia	BG	81.13	Financial Institution
Raiffeisen Leasing d.o.o. Sarajevo, Sarajevo	BA	87.25	Financial Institution
Raiffeisen Leasing d.o.o., Ljubljana	SI	100.00	Financial Institution
Raiffeisen Leasing d.o.o., Belgrade	RS	100.00	Financial Institution
Raiffeisen Leasing IFN S.A., Bucharest	RO	99.96	Financial Institution
Raiffeisen Leasing Kosovo LLC, Pristina	KO	100.00	Financial Institution
Raiffeisen Leasing sh.a., Tirana	AL	100.00	Financial Institution
Raiffeisen Mandatory and Voluntary Pension Funds Management Company Plc., Zagreb	HR	100.00	Financial Institution
Raiffeisen Property Holding International GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen Real Estate Fund, Budapest	HU	0.00	Financial Institution
Raiffeisen Rent DOO, Belgrade	RS	100.00	Financial Institution
Raiffeisen RS Beteiligungs GmbH, Vienna	AT	100.00	Financial Holding Company
Raiffeisen SEE Region Holding GmbH, Vienna	AT	100.00	Financial Holding Company
Raiffeisen stambena stedionica d.d., Zagreb	HR	100.00	Credit Institution
Raiffeisenbank (Bulgaria) EAD, Sofia	BG	100.00	Credit Institution
Raiffeisenbank a.s., Prague	CZ	75.00	Credit Institution
Raiffeisenbank Austria d.d., Zagreb	HR	100.00	Credit Institution
Raiffeisen-Leasing d.o.o., Zagreb	HR	87.50	Financial Institution
Raiffeisen-Leasing International Gesellschaft m.b.H., Vienna	AT	75.00	Financial Institution
Raiffeisen-Leasing Lithuania UAB, Vilnius	LT	92.28	Financial Institution
Raiffeisen-Leasing, s.r.o., Prague	CZ	87.50	Financial Institution
Raiffeisen-RBHU Holding GmbH, Vienna	AT	100.00	Financial Holding Company
RB International Finance (Hong Kong) Ltd., Hong Kong	HK	100.00	Financial Institution
RB International Finance (USA) LLC, New York	US	100.00	Financial Institution
RB International Investment Asia Limited, Labuan F.T.	MY	100.00	Financial Institution
RB International Markets (USA) LLC, New York	US	100.00	Financial Institution
RBI KI Beteiligungs GmbH, Vienna	AT	100.00	Financial Holding Company
RBI eins Leasing Holding GmbH	AT	75.00	Financial Institution
RBI IB Beteiligungs GmbH, Vienna	AT	100.00	Financial Holding Company
RBI ITS Leasing-Immobilien GmbH, Vienna	AT	75.00	Financial Institution
RBI LEA Beteiligungs GmbH, Vienna	AT	100.00	Financial Institution
RBI Leasing GmbH, Vienna	AT	75.00	Financial Institution
RBI LGG Holding GmbH, Vienna	AT	100.00	Financial Institution
RBI PE Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Financial Institution
REC Alpha LLC, Kiev	UA	100.00	Company with ancillary banking services
Regional Card Processing Center s.r.o., Bratislava	SK	99.99	Company with ancillary banking services
RIRE Holding GmbH, Vienna	AT	100.00	Company with ancillary banking services
RII Holding Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
RZB Finance (Jersey) III Ltd, St. Helier	JE	100.00	Financial Institution
RZB Finance (Jersey) IV Limited, St. Helier	JE	100.00	Financial Institution
S.A.I. Raiffeisen Asset Management S.A., Bucharest	RO	0.00	Financial Institution
S.C. PLUSFINANCE ESTATE 1 S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
S-SPV d.o.o. Sarajevo, Sarajevo	BA	87.25	Financial Institution

Company, domicile	Country Code	Share %	Type
Tatra Asset Management, správ. spol., a.s., Bratislava	SK	78.78	Financial Institution
Tatra banka, a.s., Bratislava	SK	78.78	Credit Institution
Tatra Residence, a.s., Bratislava	SK	78.78	Company with ancillary banking services
Tatra-Leasing, s.r.o., Bratislava	SK	78.78	Financial Institution
TOO Raiffeisen Leasing Kazakhstan, Almaty	KZ	100.00	Financial Institution
Ukrainian Processing Center PJSC, Kiev	UA	100.00	Company with ancillary banking services
Vindalo Properties Limited, Limassol	CY	100.00	Company with ancillary banking services
ZUNO BANK AG, Vienna	AT	100.00	Credit Institution
Deminimis Art 19 (1) and (2) CRR			
"A-SPV" d.o.o. Sarajevo, Sarajevo	BA	100.00	Financial Institution
"Immobilien Invest" limited Liability Company, Moscow	RU	100.00	Financial Institution
"K-SPV" d.o.o. Sarajevo, Sarajevo	BA	100.00	Financial Institution
Centralised Raiffeisen International Services & Payments S.R.L., Bucharest	RO	100.00	Financial Holding Company
Chronos Property, s.r.o., Prague	CZ	100.00	Company with ancillary banking services
CRISTAL PALACE Property s.r.o., Prague	CZ	100.00	Financial Institution
DAV Management Kft., Budapest	HU	100.00	Financial Institution
DAV-ESTATE Kft., Budapest	HU	100.00	Financial Institution
DAV-LAND Kft., Budapest	HU	100.00	Financial Institution
Dubravce, s.r.o., Bratislava	SK	100.00	Financial Institution
Eastern European Invest GmbH, Vienna	AT	100.00	Financial Institution
Eastern European Invest Holding GmbH, Vienna	AT	100.00	Financial Institution
Easy Develop s.r.o., Prague	CZ	100.00	Financial Institution
Eos Property, s.r.o., Prague	CZ	100.00	Financial Institution
Euterpe Property, s.r.o., Prague	CZ	100.00	Financial Institution
Extra Year Investments Limited, Tortola	VG	100.00	Financial Institution
FMK Fachmarktcenter Kohlbruck Betriebs GmbH, Eschborn	DE	0.00	Financial Institution
Golden Rainbow International Limited, Tortola	VG	100.00	Financial Institution
Grainulos s.r.o., Prague	CZ	100.00	Financial Institution
Holeckova Property s.r.o., Prague	CZ	100.00	Financial Institution
Hyperion Property, s.r.o., Prague	CZ	100.00	Company with ancillary banking services
Hypnos Property, s.r.o., Prague	CZ	100.00	Financial Institution
ICS Raiffeisen Leasing s.r.l., Chisinau	MD	100.00	Financial Institution
Iris Property, s.r.o., Prague	CZ	100.00	Company with ancillary banking services
Kathrein & Co. Trust Holding GmbH, Vienna	AT	100.00	Company with ancillary banking services
Kathrein & Co. Trust Holding GmbH, Vienna	AT	100.00	Company with ancillary banking services
Kleio Property, s.r.o., Prague	CZ	100.00	Financial Institution
Leasing Poland Sp.z.o.o., Warsaw	PL	100.00	Financial Institution
Leasing Poland Sp.z.o.o., Warsaw	PL	100.00	Financial Institution
Limited Liability Company REC GAMMA, Kiev	UA	100.00	Company with ancillary banking services
Limited Liability Company REC GAMMA, Kiev	UA	100.00	Company with ancillary banking services
LOTA Handels- und Beteiligungs-GmbH, Vienna	AT	100.00	Company with ancillary banking services
LOTA Handels- und Beteiligungs-GmbH, Vienna	AT	100.00	Company with ancillary banking services
Melete Property, s.r.o., Prague	CZ	100.00	Financial Institution

Company, domicile	Country Code	Share %	Type
Melpomene Property, s.r.o., Prague	CZ	100.00	Financial Institution
Morfeus Property, s.r.o., Prague	CZ	100.00	Financial Institution
Morfeus Property, s.r.o., Prague	CZ	100.00	Financial Institution
MOVEO Raiffeisen-Leasing GmbH, Vienna	AT	51.00	Financial Institution
Ofion Property, s.r.o., Prague	CZ	100.00	Financial Institution
Ofion Property, s.r.o., Prague	CZ	100.00	Financial Institution
ООО "Vneshleasing", Moscow	RU	100.00	Financial Institution
ООО Raiffeisen Capital Asset Management Company, Moscow	RU	100.00	Financial Institution
Ötödik Vagyonkezelő Kft., Budapest	HU	99.99	Financial Institution
Palace Holding s.r.o., Prague	CZ	90.00	Financial Institution
Peito Property, s.r.o., Prague	CZ	100.00	Financial Institution
PLUSFINANCE LAND S.R.L., Bucharest	RO	100.00	Financial Institution
PLUSFINANCE OFFICE S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
PLUSFINANCE RESIDENTIAL S.R.L., Bucharest	RO	100.00	Financial Institution
R.L.H. Holding GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen (Beijing) Investment Management Co., Ltd., Beijing	CN	50.00	Company with ancillary banking services
Raiffeisen Asset Management (Bulgaria) EAD, Sofia	BG	100.00	Company with ancillary banking services
Raiffeisen Assistance doo Sarajevo, Sarajevo	BA	100.00	Company with ancillary banking services
Raiffeisen Autó Lizing Kft., Budapest	HU	100.00	Company with ancillary banking services
Raiffeisen Befektetési Alapkezelő Zrt., Budapest	HU	100.00	Company with ancillary banking services
Raiffeisen Biztosításközvetítő Kft., Budapest	HU	100.00	Financial Institution
Raiffeisen Bonus Ltd., Zagreb	HR	100.00	Financial Institution
Raiffeisen Capital a.d. Banja Luka, Banja Luka	BA	100.00	Financial Institution
Raiffeisen Direct Investments CZ s.r.o., Prague	CZ	100.00	Financial Institution
Raiffeisen Financial Services Polska Sp. z o.o., Warsaw	PL	100.00	Financial Institution
Raiffeisen Future AD Belgrade društvo za upravljanje dobrovoljnim penzijskim fondom, Belgrade	RS	100.00	Financial Institution
Raiffeisen Gazdasági Szolgáltató Zrt., Budapest	HU	100.00	Financial Institution
Raiffeisen Insurance and Reinsurance Broker S.R.L, Bucharest	RO	100.00	Financial Institution
RAIFFEISEN INSURANCE BROKER EOOD, Sofia	BG	25.00	Financial Institution
Raiffeisen Insurance Broker Kosovo L.L.C., Pristina	KO	51.00	Financial Institution
RAIFFEISEN INVEST AD DRUSTVO ZA UPRAVLJANJE INVESTICIONIM FONDOVIMA Belgrade, Belgrade	RS	100.00	Financial Institution
Raiffeisen Invest d.o.o., Zagreb	HR	100.00	Financial Institution
Raiffeisen Invest Društvo za upravljanje fondovima d.o.o Sarajevo, Sarajevo	BA	100.00	Financial Institution
Raiffeisen INVEST Sh.a., Tirana	AL	100.00	Financial Institution
Raiffeisen investicni společnost a.s., Prague	CZ	100.00	Financial Institution
Raiffeisen Investment Advisory GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen Investment Financial Advisory Services Ltd. Co., Istanbul	TR	99.00	Financial Institution
Raiffeisen Investment Polska sp.z.o.o., Warsaw	PL	100.00	Financial Institution
Raiffeisen Investment Ukraine TOV - in liquidation, Kiev	UA	100.00	Financial Institution
Raiffeisen Pension Insurance d.d., Zagreb	HR	100.00	Insurance Company
Raiffeisen Solutions Spółka z ograniczoną odpowiedzialnością, Warsaw	PL	100.00	Financial Institution
RAIFFEISEN SPECIAL ASSETS COMPANY d.o.o. Sarajevo, Sarajevo	BA	100.00	Financial Institution
RB Kereskedőház Kft., Budapest	HU	100.00	Financial Institution

Company, domicile	Country Code	Share %	Type
RB Szolgáltató Központ Kft. - RBSC Kft., Nyíregyháza	HU	100.00	Financial Institution
RCR Ukraine LLC, Kiev	UA	100.00	Company with ancillary banking services
Real Estate Rent 4, Belgrade	RS	100.00	Financial Institution
Rent CC, s.r.o., Bratislava	SK	100.00	Financial Institution
Rent PO, s.r.o., Bratislava	SK	100.00	Financial Institution
RIRBRO ESTATE MANAGEMENT S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
RL Leasing Gesellschaft m.b.H., Eschborn	DE	50.00	Financial Institution
RLRE Beta Property, s.r.o., Prague	CZ	100.00	Company with ancillary banking services
RLRE Eta Property, s.r.o., Prague	CZ	100.00	Financial Institution
RLRE Hotel Ellen, s.r.o., Prague	CZ	100.00	Financial Institution
RLRE Jota Property, s.r.o., Prague	CZ	100.00	Financial Institution
RLRE Ypsilon Property, s.r.o., Prague	CZ	100.00	Company with ancillary banking services
SAM-House Kft, Budapest	HU	100.00	Company with ancillary banking services
SCT Kárász utca Ingatlankezelő Kft., Budapest	HU	100.00	Company with ancillary banking services
SCTF Szentendre Ingatlanforgalmazó és Ingatlanfejlesztő Kft., Budapest	HU	100.00	Financial Institution
Sirius Property, s.r.o., Prague	CZ	100.00	Financial Institution
Tatra Office, s.r.o., Bratislava	SK	100.00	Company with ancillary banking services
TAURUS Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H. in Liqu., Vienna	AT	100.00	Financial Institution
TL leasing, s.r.o., Bratislava	SK	100.00	Company with ancillary banking services
Transaction System Servis, s.r.o., Prague	CZ	100.00	Financial Institution
UPC Real, s.r.o., Prague	CZ	100.00	Financial Institution
Urania Property, s.r.o., Prague	CZ	100.00	Financial Institution
ZHS Office- & Facilitymanagement GmbH, Vienna	AT	1.20	Company with ancillary banking services
Not consolidated			
Accession Mezzanine Capital II L.P., Bermuda	BM	5.74	Other Company Type
Accession Mezzanine Capital III L.P., Hamilton	BM	3.66	Other Company Type
Accession Mezzanine Capital L.P. in Liquidation, Bermuda	BM	2.61	Other Company Type
Afrodite Property, s.r.o., Prague	CZ	100.00	Other Company Type
Agricultural Open Joint Stock Company Illintsi Livestock Breeding Enterprise, Illinci	UA	4.72	Other Company Type
ALCS Association of Leasing Companies in Serbia, Belgrade	RS	12.50	Other Company Type
ALT POHLEDY s.r.o., Prague	CZ	100.00	Other Company Type
Amfion Property, s.r.o., Prague	CZ	100.00	Other Company Type
Appolon Property, s.r.o., Prague	CZ	100.00	Other Company Type
Aspius Immobilien Holding International GmbH, Vienna	AT	100.00	Other Company Type
Astra Property, s.r.o., Prague	CZ	100.00	Other Company Type
Athena Property, s.r.o. v likvidaci, Prague	CZ	100.00	Other Company Type
A-Trust Gesellschaft für Sicherheitssysteme im elektronischen Datenverkehr GmbH, Vienna	AT	0.00	Other Company Type
B52 RBI Leasing-Immobilien GmbH, Vienna	AT	75.00	Other Company Type
BA Development II., s.r.o., Bratislava	SK	100.00	Other Company Type
BA Development, s.r.o., Bratislava	SK	100.00	Other Company Type
bat-groupware GmbH, Vienna	AT	0.00	Company with ancillary banking services
Belarussian currency and stock exchange JSC, Minsk	BY	0.00	Investment Firm
Biroul de Credit S.A., Bucharest	RO	13.19	Financial Institution
Boreas Property, s.r.o., Prague	CZ	100.00	Other Company Type
Bucharest Stock Exchange, Bucharest	RO	1.04	Other Company Type
Budapest Stock Exchange, Budapest	HU	0.00	Investment Firm
Burza cennych papierov v Bratislave, a.s., Bratislava	SK	0.09	Investment Firm

Company, domicile	Country Code	Share %	Type
BUXUS Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
CASA DE COMPENSARE S.A., Bucharest	RO	0.07	Other Company Type
Cash Service Company AD, Sofia	BG	20.00	Company with ancillary banking services
CEESEG Aktiengesellschaft, Vienna	AT	6.97	Investment Firm
CELL MED Research GmbH, Vienna	AT	4.52	Other Company Type
Central Depository and Clearing Company, Inc., Zagreb	HR	0.07	Financial Institution
Centrottrade Chemicals AG - in liquidation, Zug	CH	100.00	Other Company Type
Centrottrade Holding GmbH, Vienna	AT	100.00	Other Company Type
Closed Joint Stock Company Truskavets Valeological Innovative Centre, Truskavets	UA	5.00	Other Company Type
Closed Joint Stock Company Vinegar-yeast Factory, Uzyn	UA	33.84	Other Company Type
Commodity Exchange Crimean Interbank Currency Exchange, Simferopol	UA	4.55	Investment Firm
Commodity Exchange of the Agroindustrial Complex of Central Regions of Ukraine, Cherkassy	UA	11.11	Other Company Type
CP Inlandsimmobilien-Holding GmbH, Vienna	AT	99.00	Other Company Type
CP Linzerstraße 221-227 Projektentwicklungs GmbH, Vienna	AT	100.00	Other Company Type
CP Logistikcenter Errichtungs- und Verwaltungs GmbH, Vienna	AT	0.00	Other Company Type
CP Projekte Muthgasse Entwicklungs GmbH, Vienna	AT	100.00	Other Company Type
Credibilis a.s., Prague	CZ	100.00	Other Company Type
Czech Real Estate Fund (CREF) B.V., Amsterdam	NL	20.00	Financial Institution
D. Trust Certifikačná Autorita, a.s., Bratislava	SK	10.00	Other Company Type
Dafne Property, s.r.o., Prague	CZ	100.00	Other Company Type
DAV-OUTLET Kft., Budapest	HU	100.00	Other Company Type
DAV-PROPERTY Kft., Budapest	HU	100.00	Other Company Type
Dike Property, s.r.o., Prague	CZ	100.00	Other Company Type
Dom-office 2000, Minsk	BY	100.00	Other Company Type
Don Giovanni Properties, s.r.o., Prague	CZ	100.00	Other Company Type
DORISCUS ENTERPRISES LTD., Limassol	CY	86.59	Other Company Type
Easdaq NV, Leuven	BE	0.00	Other Company Type
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	AT	0.11	Financial Institution
EMERGING EUROPE GROWTH FUND II, L.P., Delaware	US	1.89	Other Company Type
Erato Property, s.r.o., Prague	CZ	100.00	Other Company Type
Eris Property, s.r.o., Prague	CZ	100.00	Other Company Type
Euro Banking Association (ABE Clearing S.A.S.), Paris	FR	1.89	Financial Institution
Euro Green Energy Fejlesztő és Szolgáltató Kft., Budapest	HU	100.00	Other Company Type
Eurolease RE Leasing, s. r. o., Bratislava	SK	100.00	Other Company Type
European Investment Fund S.A., Luxembourg	LU	0.17	Financial Institution
Euros Property, s.r.o., Prague	CZ	100.00	Other Company Type
Exit 90 SPV s.r.o., Prague	CZ	100.00	Other Company Type
Expo 2000 Real Estate EOOD, Sofia	BG	100.00	Other Company Type
Export and Industry Bank Inc., Makati City	PH	9.50	Credit Institution
FARIO Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Flex-space Plzen I, s.r.o., Prague	CZ	0.00	Other Company Type
Fondul de Garantare a Creditului Rural S.A., Bucharest	RO	33.33	Financial Institution
FORZA SOLE s.r.o., Prague	CZ	100.00	Other Company Type
FVE Cihelna s.r.o., Prague	CZ	100.00	Other Company Type
Gaia Property, s.r.o., Prague	CZ	100.00	Other Company Type
Gala Property, s.r.o., Prague	CZ	100.00	Other Company Type
Garantiqa Hitelgarancia ZRt., Budapest	HU	0.15	Financial Institution
Gergely u. Ingatlanfejlesztő Kft., Budapest	HU	100.00	Other Company Type
Greenix Limited, Road Town, Tortola	VG	25.00	Other Company Type
GS55 Sazovice s.r.o., Prague	CZ	90.00	Other Company Type
Harmonia Property, s.r.o., Prague	CZ	100.00	Other Company Type
Hebe Property, s.r.o., Prague	CZ	95.00	Other Company Type
Hermes Property, s.r.o., Prague	CZ	100.00	Other Company Type

Company, domicile	Country Code	Share %	Type
Hestia Property, s.r.o., Prague	CZ	100.00	Other Company Type
Hrvatski registar obveza po kreditima d.o.o., Zagreb	HR	10.50	Company with ancillary banking services
Humanitarian Fund "Budimir Boska Kostic", Belgrade	RS	100.00	Other Company Type
INFRA MI 1 Immobilien Gesellschaft mbH, Vienna	AT	100.00	Other Company Type
Ino Property, s.r.o., Prague	CZ	100.00	Other Company Type
International Factors Group S.C. in liquidation, Amsterdam	BE	1.86	Financial Institution
Invest Vermögensverwaltungs-GmbH, Vienna	AT	98.01	Other Company Type
INVESTOR COMPENSATION FUND, Bucharest	RO	0.44	Investment Firm
Janus Property, s.r.o., Prague	CZ	100.00	Other Company Type
Kalypso Property, s.r.o., Prague	CZ	100.00	Other Company Type
KAPMC s.r.o., Prague	CZ	100.00	Other Company Type
Kappa Estates s.r.o., Prague	CZ	100.00	Other Company Type
Kathrein & Co Life Settlement Gesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Kathrein & Co. Private Equity I AG, Vienna	AT	100.00	Other Company Type
KIWANDA Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
Leto Property, s.r.o., Prague	CZ	77.00	Other Company Type
Limited Liability Company European Insurance Agency, Moscow	RU	100.00	Other Company Type
Limited Liability Company Scientific-Production Enterprise Assembling and Implementation of Telecommunication Systems, Dnepropetrovsk	UA	10.00	Other Company Type
LLC "Insurance Company "Raiffeisen Life", Moscow	RU	25.00	Insurance Company
Luna Property, s.r.o., Prague	CZ	100.00	Other Company Type
LUXTEN LIGHTING COMPANY S.A., Bucharest	RO	0.00	Other Company Type
Lysithea a.s., Prague	CZ	100.00	Other Company Type
Mall Varna EAD, Sofia	BG	100.00	Other Company Type
MAMONT GmbH, Kiev	UA	100.00	Other Company Type
MasterCard Inc, New York	US	0.00	Credit Institution
Medea Property, s.r.o., Prague	CZ	100.00	Other Company Type
Michalka - Sun s.r.o., Prague	CZ	100.00	Other Company Type
MORHUA Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
MP Real Invest a.s., Bratislava	SK	100.00	Other Company Type
Na Starce, s.r.o., Prague	CZ	100.00	Other Company Type
National Settlement Depositary, Moscow	RU	0.00	Financial Institution
NAURU Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
NC Ivancice, s.r.o., Prague	CZ	100.00	Other Company Type
Neptun Property, s.r.o., Prague	CZ	100.00	Other Company Type
Nike Property, s.r.o., Prague	CZ	100.00	Other Company Type
Niobe Property, s.r.o., Prague	CZ	100.00	Other Company Type
Nußdorf Immobilienverwaltung GmbH, Vienna	AT	99.50	Other Company Type
Onyx Energy Projekt II s.r.o., Prague	CZ	100.00	Other Company Type
Onyx Energy s.r.o., Prague	CZ	100.00	Other Company Type
OOO SB "Studia Strahovania", Minsk	BY	100.00	Other Company Type
Open Joint Stock Company Kiev Special Project and Design Bureau Menas, Kiev	UA	4.66	Other Company Type
Open Joint Stock Company Volodymyr-Volynskyi Sugar Refinery, Volodimir-Volynskiy city	UA	2.64	Other Company Type
Orchideus Property, s.r.o., Prague	CZ	100.00	Other Company Type
Österreichische Raiffeisen-Einlagensicherung eGen, Vienna	AT	9.68	Other Company Type
OT-Optima Telekom d.d., Zagreb	HR	3.34	Other Company Type
OVIS Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	0.00	Financial Institution
P & C Beteiligungs Gesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Pannon Lúd Kft, Mezokovács háza	HU	0.61	Other Company Type
Photon Energie s.r.o., Prague	CZ	100.00	Other Company Type
Photon SPV 10 s.r.o., Prague	CZ	100.00	Other Company Type

Company, domicile	Country Code	Share %	Type
Photon SPV 11 s.r.o., Prague	CZ	100.00	Other Company Type
Photon SPV 3 s.r.o., Prague	CZ	100.00	Other Company Type
Photon SPV 4 s.r.o., Prague	CZ	100.00	Other Company Type
Photon SPV 6 s.r.o., Prague	CZ	100.00	Other Company Type
Photon SPV 8 s.r.o., Prague	CZ	100.00	Other Company Type
PILSENINVEST SICAV, a.s., Prague	CZ	100.00	Other Company Type
Polish Real Estate Investment Limited, Limassol	CY	11.19	Other Company Type
Pontos Property, s.r.o., Prague	CZ	100.00	Other Company Type
Private Joint Stock Company First All-Ukrainian Credit Bureau, Kiev	UA	5.11	Other Company Type
Private Joint Stock Company Sumy Enterprise Agrotechservice, Sumy	UA	0.55	Other Company Type
Private Joint Stock Company Ukrainian Interbank Currency Exchange, Kiev	UA	3.06	Investment Firm
Pro Invest da Vinci e.o.o., Sofia	BG	100.00	Other Company Type
Production unitary enterprise "PriortransAgro", Minsk	BY	100.00	Other Company Type
Public Joint Stock Company Bird Farm Bershadskyi, Vytyvka	UA	0.50	Other Company Type
Public Joint Stock Company National Depository of Ukraine, Kiev	UA	0.10	Company with ancillary banking services
Public Joint Stock Company Settlement Center for Servicing of Contracts in Financial Markets, Kiev	UA	0.01	Financial Institution
Public Joint Stock Company Stock Exchange PFTS, Kiev	UA	0.19	Investment Firm
PZ PROJEKT a.s., Prague	CZ	100.00	Other Company Type
R LUX IMMOBILIEN LINIE S.R.L., Timisoara	RO	1.00	Other Company Type
R MORMO IMMOBILIEN LINIE S.R.L., Bucharest	RO	1.00	Other Company Type
Raiffeisen Assistance D.O.O., Belgrade, Belgrade	RS	100.00	Other Company Type
Raiffeisen e-force GmbH, Vienna	AT	0.70	Other Company Type
Raiffeisen Energiaszolgáltató Kft., Budapest	HU	100.00	Other Company Type
Raiffeisen Ingatlan Üzemeltető Kft., Budapest	HU	100.00	Other Company Type
Raiffeisen Ingatlan Vagyongazdálkodó Kft., Budapest	HU	100.00	Company with ancillary banking services
Raiffeisen Property International GmbH, Vienna	AT	100.00	Other Company Type
Raiffeisen Property Management Bulgaria EOOD, Sofia	BG	100.00	Other Company Type
Raiffeisen Property Management GmbH, Vienna	AT	100.00	Other Company Type
Raiffeisen Property Management spol.s.r.o., Prague	CZ	100.00	Other Company Type
RAIFFEISEN SERVICE EOOD, Sofia	BG	100.00	Other Company Type
Raiffeisen Services SRL, Bucharest	RO	100.00	Other Company Type
Raiffeisen Software GmbH, Linz	AT	0.10	Other Company Type
Raiffeisen Towarzystwo Funduszy Inwestycyjnych S.A., Warsaw	PL	100.00	Other Company Type
Raiffeisen-Leasing BOT s.r.o., Prague	CZ	0.00	Other Company Type
Raiffeisen-Leasing Management GmbH, Vienna	AT	25.00	Other Company Type
Raiffeisen-Leasing Mobilien und KFZ GmbH, Vienna	AT	15.00	Financial Institution
Rail-Rent-Holding GmbH in Liq., Vienna	AT	60.00	Other Company Type
Ratio Holding Gesellschaft mit beschränkter Haftung, Vienna	AT	100.00	Other Company Type
RBI Vajnoria spol.s.r.o., Bratislava	SK	100.00	Other Company Type
RC Gazdasági és Adótanácsadó Zrt., Budapest	HU	22.22	Financial Institution
RDI Czech 1 s.r.o., Prague	CZ	100.00	Other Company Type
RDI Czech 3 s.r.o., Prague	CZ	100.00	Other Company Type
RDI Czech 4 s.r.o., Prague	CZ	100.00	Other Company Type
RDI Czech 5 s.r.o., Prague	CZ	100.00	Other Company Type
RDI Czech 6 s.r.o., Prague	CZ	100.00	Other Company Type
RDI Management s.r.o., Prague	CZ	100.00	Other Company Type
Registry of Securities in FBH, Sarajevo	BA	1.37	Other Company Type
Rent GRJ, s.r.o., Bratislava	SK	100.00	Other Company Type
REPEF Holding GmbH in Liquidation, Vienna	AT	3.53	Other Company Type

Company, domicile	Country Code	Share %	Type
Residence Park Trebes, s.r.o., Prague	CZ	100.00	Other Company Type
Rheia Property, s.r.o., Prague	CZ	95.00	Other Company Type
RL-Assets Sp.z.o.o., Warsaw	PL	100.00	Other Company Type
RLKG Raiffeisen-Leasing GmbH, Vienna	AT	12.50	Financial Institution
RLRE Carina Property, s.r.o., Prague	CZ	100.00	Other Company Type
RLRE Dorado Property, s.r.o., Prague	CZ	100.00	Other Company Type
Robert Károly Körút Irodaház Kft., Budapest	HU	100.00	Other Company Type
Rogofield Property Limited, Nicosia	CY	100.00	Other Company Type
RPM Budapest KFT, Budapest	HU	100.00	Other Company Type
RPN Verwaltungs GmbH, Vienna	AT	100.00	Other Company Type
RVS, a. s., Bratislava	SK	0.68	Other Company Type
S.C. DEPOZITARUL CENTRAL S.A., Bucharest	RO	2.60	Other Company Type
Sarajevska berza-burza vrijednosnih papira dd Sarajevo, Sarajevo	BA	5.22	Other Company Type
SASSK Ltd., Kiev	UA	88.72	Other Company Type
Scanviwood Co. Ltd., Ho Chi Minh City	VN	6.00	Other Company Type
SCTB Ingatlanfejlesztés Ingatlanhasznosító Kft., Budapest	HU	100.00	Other Company Type
SCTP Bátorbány Ingatlanfejlesztő és Ingatlanhasznosító Kft., Budapest	HU	75.33	Other Company Type
SCTS Kft., Budapest	HU	100.00	Other Company Type
Selene Property, s.r.o., Prague	CZ	100.00	Other Company Type
Sky Solar Distribuce s.r.o., Prague	CZ	77.00	Other Company Type
Sky Tower Immobilien- und Verwaltung Kft, Budapest	HU	100.00	Other Company Type
Skytower Building SRL, Bucharest	RO	100.00	Other Company Type
Slovak Banking Credit Bureau, s.r.o., Bratislava	SK	33.33	Company with ancillary banking services
Societatea de Transfer de Fonduri si Decontari-TRANSFOND S.A, Bucharest	RO	3.39	Company with ancillary banking services
Society for Worldwide Interbank Financial Telecommunication srl, La Hulpe	BE	0.51	Financial Institution
SORANIS Raiffeisen Portfolio Management GmbH, Vienna	AT	100.00	Other Company Type
St. Marx-Immobilien Verwertungs- und Verwaltungs GmbH, Vienna	AT	99.00	Other Company Type
Stadtpark Hotelreal GmbH, Vienna	AT	1.00	Other Company Type
Stemcor Global Holdings Limited, St Helier	JE	3.22	Other Company Type
Syrena Immobilien Holding AG, Spittal an der Drau	AT	21.00	Other Company Type
Szentkirály utca 18 Kft., Budapest	HU	100.00	Other Company Type
TB Invest Ingatlanforgalmazó Zrt., Budapest	HU	50.00	Other Company Type
The Zagreb Stock Exchange joint stock company, Zagreb	HR	2.87	Investment Firm
Theia Property, s.r.o., Prague	CZ	100.00	Other Company Type
Transilvania LEASING SI CREDIT IFN S.A., Brasov	RO	0.59	Financial Institution
UNIQA Raiffeisen Software Service Kft., Budapest	HU	1.01	Other Company Type
VERMREAL Liegenschaftserwerbs- und -betriebs GmbH, Vienna	AT	17.00	Other Company Type
Viktor Property, s.r.o., Prague	CZ	87.50	Other Company Type
Villa Atrium Bubenec, s.r.o., Prague	CZ	100.00	Other Company Type
VINAGRIUM Borászati és Kereskedelmi Kft., Budapest	HU	100.00	Other Company Type
Visa Inc., San Francisco	US	0.00	Company with ancillary banking services
VN-Industrie Immobilien GmbH, Vienna	AT	74.00	Other Company Type
VN-Wohn Immobilien GmbH, Vienna	AT	74.00	Other Company Type
VUWG Verwaltung und Verwertung von Gewerbeimmobilien GmbH, Vienna	AT	100.00	Other Company Type
Zefyros Property, s.r.o., Prague	CZ	100.00	Other Company Type
Zeleny Zlonin s.r.o., Prague	CZ	100.00	Other Company Type
Zhytomyr Commodity Agroindustrial Exchange, Zhitomir	UA	3.08	Other Company Type
Ziloti Holding S.A., Luxembourg	LU	0.89	Other Company Type

Annex 3

The following tables present the terms and conditions of RBL's capital instruments according to Article 437 (b) CRR. If "N/A" is inserted, the question is not applicable.

Issuer	Raiffeisen Bank International AG	RZB Finance (Jersey) III Limited	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT0000606306	XS0193631040	XS0843322750
Governing Law(s) of the instrument	Austrian Law	Jersey Law / English Law / Austrian Law ¹	German Law
Regulatory treatment			
Transitional CRR rules	CET1	Additional Tier 1	Tier 2
Posttransitional CRR rules	CET1	In-eligible	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	(Sub-)consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Subscribed capital	Perpetual Non-cumulative Subordinated Floating Rate Capital Notes having the benefit of a support agreement entered into with Raiffeisen Zentralbank Österreich AG	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 893.586.066	EUR 90.475.000	EUR 289.481.934
Nominal amount of instrument	EUR 893.586.066	EUR 90.475.000	EUR 290.318.000
Issue price		100%	100%
Redemption price		100%	100%
Accounting classification	Shareholder's equity	Liability - amortised cost	Liability - fair value option
Original date of issuance	25 April 2005	15 June 2004	29 October 2012
Perpetual or dated	N/A	Perpetual	Dated
Original maturity date	N/A	No maturity	27. April 2023
Issuer call subject to prior supervisory approval	N/A	Yes	Yes
Optional call date, contingent call dates, and redemption amount	N/A	15.06.2009; in addition tax and regulatory call rights; redemption price	27 April 2018, tax call, regulatory call, principal amount
Subsequent call dates, if applicable	N/A	Semi-annually	No
Coupons / dividends	N/A		
Fixed or floating dividend/coupon	Floating	Floating	Fixed Rate Notes with reset
Coupon rate and any related index	N/A	1,02%	5.875% / 5Y Swap + 4.84%
Existence of a dividend stopper	N/A	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	N/A	Mandatory - Link to Distributable Profits	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	N/A	Mandatory - Link to Distributable Profits	Mandatory
Existence of step up or other incentive to redeem	N/A	No	No
Noncumulative or cumulative	N/A	Non-cumulative	Non-cumulative
Convertible or non-convertible	N/A	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	N/A	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	Tier 2	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	N/A	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

¹ The Capital Notes will be governed by and construed in accordance with the Law of Jersey. The Support Agreement will be governed by and construed in accordance with English Law save that the provisions concerning the ranking of the Support Agreement above will be governed by and construed in accordance with Austrian Law and those provisions set out in Condition 4(f) (Non-cumulative interest payments) above and determinations in respect of amounts of Distributable Profits will be governed and construed in accordance with Austrian Law.

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	CH0212937210	XS1001668950	XS0619437147
Governing Law(s) of the instrument	German Law	German Law	German Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 232.270.105	EUR 232.610.197	EUR 435.523.773
Nominal amount of instrument	CHF 250,000,000 / EUR 230,733,733	EUR 232.700.000	EUR 500.000.000
Issue price	101%	100%	99%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - amortised cost	Liability - fair value option
Original date of issuance	24 May 2013	18 December 2013	18 May 2011
Perpetual or dated	Dated	Dated	Dated
Original maturity date	24 May 2023	18 June 2024	18 May 2021
Issuer call subject to prior supervisory approval	Yes	Yes	No
Optional call date, contingent call dates, and redemption amount	24 May 2018, tax call, regulatory call, principal amount	18 June 2019, tax call, regulatory call, principal amount	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate with reset	Fixed Rate with reset	Fixed Rate
Coupon rate and any related index	4% / 5Y Swap Rate + 3.6175%	5.163% / 5Y Swap Rate + 3.9%	6,63%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT0000285473	AT000B010657	AT000B010665
Governing Law(s) of the instrument		Austrian Law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 20.000.000	EUR 38.310.000	EUR 27.200.164
Nominal amount of instrument	EUR 20.000.000	EUR 54.810.000	EUR 36.300.000
Issue price	100%	100%	100%
Redemption price			
Accounting classification	Liability - amortised cost	Liability - fair value option	Liability - fair value option
Original date of issuance	28 September 2005	01 July 2008	01 October 2008
Perpetual or dated	Dated	Dated	Dated
Original maturity date	28 September 2035	30 June 2020	30 September 2020
Issuer call subject to prior supervisory approval		No	No
Optional call date, contingent call dates, and redemption amount	28 September 2025, 100%	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	4,50%	4,71%	4,71%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT000B010889	AT000B011143	AT000B011150
Governing Law(s) of the instrument	Austrian Law	Austrian Law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 20.564.126	EUR 6.196.605	EUR 6.277.422
Nominal amount of instrument	EUR 22.000.000	EUR 15.500.000	EUR 7.850.000
Issue price	88%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	10 November 2008	02 January 2009	02 January 2009
Perpetual or dated	Dated	Dated	Dated
Original maturity date	31 October 2023	31 December 2018	31 December 2020
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	4,50%	4,97%	4,97%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT000B011168	HPOCD130905_1	HPOCD130905_2
Governing Law(s) of the instrument	Austrian Law		
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 10.800.000	EUR 3.000.000	EUR 2.000.000
Nominal amount of instrument	EUR 10.800.000	EUR 3.000.000	EUR 2.000.000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - amortised cost	Liability - amortised cost
Original date of issuance	02 January 2009	15 September 2005	15 September 2005
Perpetual or dated	Dated	Dated	Dated
Original maturity date	29 December 2023	15 September 2025	15 September 2025
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	5,30%	4,22%	4,22%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	HP0FDO50905_1	HP0MCD130905_1	HP0SCSSI190107
Governing Law(s) of the instrument			
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 20.000.000	EUR 2.500.000	EUR 6.998.840
Nominal amount of instrument	EUR 20.000.000	EUR 2.500.000	EUR 7.000.000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - amortised cost	Liability - fair value option
Original date of issuance	15 September 2005	27 September 2005	26 January 2007
Perpetual or dated	Dated	Dated	Dated
Original maturity date	15 December 2025	27 September 2035	26 January 2027
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	27 September 2025, 100%	22 January 2019, 100%
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	4,00%	4,50%	5,02%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT000B012125	CSS1130407_1	FSSCMSFI0905081
Governing Law(s) of the instrument	Austrian Law		
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 83.100.000	EUR 10.000.000	EUR 708.927
Nominal amount of instrument	EUR 83.100.000	EUR 10.000.000	EUR 1.500.000
Issue price	100%	100%	100%
Redemption price		100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	01 December 2010	23 April 2007	12 May 2009
Perpetual or dated	Dated	Dated	Dated
Original maturity date	30 November 2022	23 April 2027	12 May 2019
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	23 April 2019, 100%	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends		1	
Fixed or floating dividend/coupon	Inflation Linked Zero-bond	Fixed Rate	Floating
Coupon rate and any related index	[(Inflation end/Inflation beginning) - 1] * 100%, floored by 64.4%	5,18%	EUR CMS 10Y/1Y + 3.626%, floored by 6.85%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	SSD_20130801_01	SSD_20130814_01	SSD_20130814_02
Governing Law(s) of the instrument	German Law	German Law	German Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 5.000.000	EUR 9.932.694	EUR 9.932.694
Nominal amount of instrument	EUR 5.000.000	EUR 10.000.000	EUR 10.000.000
Issue price	100%	98%	98%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	07 August 2013	21 August 2013	21 August 2013
Perpetual or dated	Dated	Dated	Dated
Original maturity date	07 August 2028	21 August 2023	21 August 2023
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	5,45%	5,30%	5,30%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	RAIFFEISENBANK a.s.	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	CZ0003702961	XS1034950672	CH0194405343
Governing Law(s) of the instrument	Czech Law - 190/2004 Sb.	German Law	German Law
Regulatory treatment			
Transitional CRR rules	Tier2	Tier 2	Tier 2
Posttransitional CRR rules	Tier2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	solo & (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Capital instrument	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 1.593.373	EUR 498.496.706	EUR 232.151.679
Nominal amount of instrument	EUR 4.624.491	EUR 500.000.000	CHF 250,000,000 / EUR 230,733,733
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - amortised cost	Liability - fair value option	Liability - fair value option
Original date of issuance	21 September 2011	21 February 2014	24 October 2012
Perpetual or dated	dated	Dated	Dated
Original maturity date	21 September 2018	21 February 2025	24 October 2022
Issuer call subject to prior supervisory approval	No	Yes	No
Optional call date, contingent call dates, and redemption amount	No	21 February 2020, tax call, regulatory call, principal amount	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Float	Fixed Rate with reset	Fixed Rate
Coupon rate and any related index	6M PRIBOR + 2.50 %	4.50% / 5Y EUR MidSwap + 3.30%	4,75%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	no	No	No
Noncumulative or cumulative	noncumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	no	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	subordinate bonds	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0981632804	AT000B010434	AT000B010442
Governing Law(s) of the instrument	German Law	Austrian Law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 499.147.853	EUR 890.594	EUR 990.688
Nominal amount of instrument	EUR 500.000.000	EUR 11.983.534	EUR 20.723.267
Issue price	100%	62%	62%
Redemption price	100%		
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	16 October 2013	18 December 2007	21 December 2007
Perpetual or dated	Dated	Dated	Dated
Original maturity date	16 October 2023	31 July 2017	31 May 2017
Issuer call subject to prior supervisory approval	Yes	No	No
Optional call date, contingent call dates, and redemption amount	tax call, regulatory call, principal amount	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Zero Coupon	Zero Coupon
Coupon rate and any related index	6,00%	0,00%	0,00%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT000B010947	AT000B010954	AT000B010962
Governing Law(s) of the instrument	Austrian Law	Austrian Law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 5.761.199	EUR 3.839.452	EUR 13.000.000
Nominal amount of instrument	EUR 15.050.000	EUR 4.900.000	EUR 13.000.000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	01 December 2008	01 December 2008	01 December 2008
Perpetual or dated	Dated	Dated	Dated
Original maturity date	30 November 2018	30 November 2020	30 November 2023
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	5,00%	5,00%	5,30%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	AT000B011192	AT000B012042	AT000B012067
Governing Law(s) of the instrument	Austrian Law	Austrian Law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 4.630.149	EUR 97.500.000	EUR 93.400.000
Nominal amount of instrument	EUR 13.200.000	EUR 97.500.000	EUR 93.400.000
Issue price	100%	100%	100%
Redemption price	100%	174%	173%
Accounting classification	Liability - amortised cost	Liability - fair value option	Liability - fair value option
Original date of issuance	22 October 2008	03 May 2010	01 September 2010
Perpetual or dated	Dated	Dated	Dated
Original maturity date	22 October 2018	29 April 2022	30 August 2022
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Floating Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	1Y Euribor + 1.7%, floored by 0.125%	4,74%	4,67%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	HPOFDO50905_2	HPOFDO80905_1	MCSS1010207_1
Governing Law(s) of the instrument			
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 20.000.000	EUR 10.000.000	EUR 1.000.000
Nominal amount of instrument	EUR 20.000.000	EUR 10.000.000	EUR 1.000.000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	15 September 2005	13 September 2005	05 February 2007
Perpetual or dated	Dated	Dated	Dated
Original maturity date	15 December 2025	13 September 2023	05 February 2027
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	05 February 2017
Subsequent call dates, if applicable	No	No	05 February 2022
Coupons / dividends			100,00%
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	4,00%	4,00%	5,26%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS0120255137	XS0146284442	HPOFDO80905_3
Governing Law(s) of the instrument	German Law	German Law	
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 19.854.953	EUR 13.945.131	EUR 2.000.000
Nominal amount of instrument	EUR 25.000.000	EUR 23.000.000	EUR 2.000.000
Issue price	100%	91%	100%
Redemption price		100%	100%
Accounting classification	Liability - fair value option	Liability - amortised cost	Liability - fair value option
Original date of issuance	19 December 2000	15 April 2002	13 September 2005
Perpetual or dated	Dated	Dated	Dated
Original maturity date	21 December 2020	15 April 2020	13 September 2023
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Floating Rate	Floating Rate	Fixed Rate
Coupon rate and any related index	CMS 10Y1Y	3mEuribor	4,00%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	HPOFDO80905_2	HPOFSS030206_1	HPOFSS030206_2
Governing Law(s) of the instrument			
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 10.000.000	EUR 10.000.000	EUR 10.000.000
Nominal amount of instrument	EUR 10.000.000	EUR 10.000.000	EUR 10.000.000
Issue price	100%	100%	100%
Redemption price	100%	100%	100%
Accounting classification	Liability - fair value option	Liability - fair value option	Liability - fair value option
Original date of issuance	13 September 2005	13 February 2006	13 February 2006
Perpetual or dated	Dated	Dated	Dated
Original maturity date	13 September 2023	13 February 2024	13 February 2024
Issuer call subject to prior supervisory approval	No	No	No
Optional call date, contingent call dates, and redemption amount	No	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	4,00%	4,24%	4,24%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A

Issuer	Raiffeisen Bank International AG	Raiffeisen Bank International AG	Raiffeisen Bank International AG
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	SSD_20150422_01	SSD_20150430_01	SSD_20150626_01
Governing Law(s) of the instrument	Austrian Law	Austrian Law	Austrian Law
Regulatory treatment			
Transitional CRR rules	Tier 2	Tier 2	Tier 2
Posttransitional CRR rules	Tier 2	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
Instrument type (types to be specified by each jurisdiction)	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR	Tier 2 instrument according to Article 63 CCR
Amount recognised in regulatory capital as of 31 December 2016	EUR 52.000.000	EUR 9.959.724	EUR 4.096.238
Nominal amount of instrument	EUR 52.000.000	CZK 270,000,000 / EUR 9,991,489	CZK 111,000,000 / EUR 4,107,612
Issue price	100%	98%	98%
Redemption price	100%	100%	100%
Accounting classification	Liability - amortised cost	Liability - fair value option	Liability - fair value option
Original date of issuance	24 April 2015	04 May 2015	03 July 2015
Perpetual or dated	Dated	Dated	Dated
Original maturity date	24 April 2025	04 May 2025	03 July 2025
Issuer call subject to prior supervisory approval	Yes	Yes	Yes
Optional call date, contingent call dates, and redemption amount	24 April 2020 100%	No	No
Subsequent call dates, if applicable	No	No	No
Coupons / dividends			
Fixed or floating dividend/coupon	Fixed to Floating Rate	Fixed Rate	Fixed Rate
Coupon rate and any related index	1Y-5Y: 5.2%; 6Y-10Y: 3mEuribor + 5%, min. 5%	5,40%	5,40%
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or Mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
Fully discretionary, partially discretionary or Mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No	No
Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger (s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, Mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	No	No	No
If write-down, write-down trigger (s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1	Instrument ranks senior to CET1 and AT1
Non-compliant transitioned features	No	No	No
If yes, specify non-compliant features	N/A	N/A	N/A