RAIFFEISEN ZENTRALBANK

REGULATORY DISCLOSURE REPORT 2016

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

RZB Group

Introduction

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

This document is available on the RBI homepage (www.rbinternational.com). It is published at the time of the official release of RZB'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 RZB CRR Group at the time this document was published.

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

Regulatory Disclosure Report according to Capital Requirements Regulation (CRR)
Version 1.6

Raiffeisen Zentralbank Österreich AG

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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, Raiffeisen Zentralbank Österreich 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).

Content

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 of RZB AG. The principles include the following risk policies:

- Integrated risk management: Credit and country risks, participation, market and liquidity risks, and operational risks are managed as main 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 segments.

- 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.

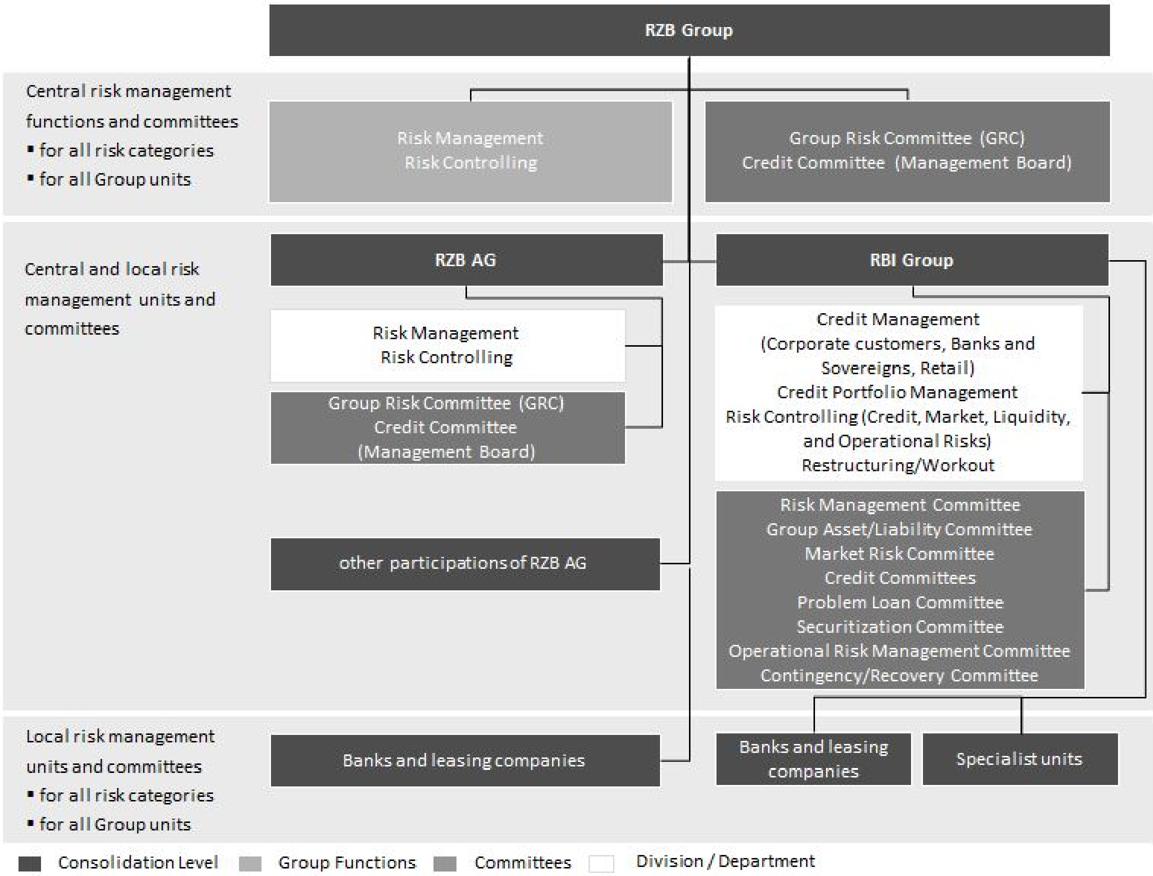
- Ex ante and ex post control: Risks are consistently measured within the scope of product selling and in risk-adjusted performance measurement. Thereby it is ensured that business in general is conducted only under risk-return considerations and that there are no incentives for taking high risks.

Individual risk management units of the Group create 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 which frame upcoming business decisions. More specific targets for individual risk categories are set in detailed risk strategies. The credit risk strategy of the Group, 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. RZB AG as the parent credit institution concluded several Service Level Agreements with risk management units of RBI AG which develop and implement the relevant concepts in coordination 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. 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, for 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 Group Risk Committee is the highest decision-making body for all risk-relevant issues of the Group. It determines the risk management methods and steering concepts to be implemented for the Group as a whole and its key parts. These include risk appetite, various risk budgets, limits at overall bank level and monitoring the current risk situation, with appropriate management measures.

The Risk Management Committee is responsible for ongoing development and implementation of methods and parameters for risk quantification models 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 (like 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 performs in this context key functions relating to refinancing planning and determining measures for safeguarding against structural 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 of trading and banking book transactions of the Group 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 type of customer (corporate customers, banks, 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 (PLC) is the most important committee in the evaluation and decision-making process concerning problem loans. It comprises primarily decision making authorities (members of the Management Board of RZB and RBI). 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 department managers from risk management and special exposure 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 divisions (retail, market and corporate customers) and representatives from Compliance (including financial crime), Internal Control System (IKS), Operations, Security and Risk Controlling, under chairmanship of the CRO. This committee is responsible for controlling operational risk (including conduct risk) of the Group. It derives and sets the operational risk strategy from 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 or 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 division Group Compliance 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 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 RZB AG 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 an 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 by the local supervisor in those countries where it 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 actual 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 divisions. The primary aim of the RAF is to limit risk, particularly 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 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. 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 the retail portfolio a standard monitoring process performed on a regular basis (at least yearly) is established. This process compromises the monitoring of the quality of the models for risk assessment 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 member of the Group is supported by the Global Account Management System (GAMS), 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 Group methodology 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 Exposures in equities not included in the trading book.

Market risk

Organisation and management of market risks is explained in detail in the sections Article 445 CRR Exposures to market risks and Article 448 CRR Exposures to interest rate risk on positions not included in the trading 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 certain modeling 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 for 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 these are justified by influencing factors such as the market or the legal environment or certain business characteristics; calculation is performed at Group head office. When modelling cash inflows and outflows a minimum distinction is made between products, customer segments and individual currencies (where applicable). For products without a contractual maturity, cash inflows and outflows are allocated 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. The Group's banking activities are financed by combining wholesale funding and the retail franchise of deposit-taking subsidiary banks. RBI AG 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 largest single institution, but also individually by different banking subsidiaries. Those efforts are coordinated and optimized through a joint funding plan. Moreover, the Group 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 unexpected 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 division. 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 contacts (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 using 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 mitigation.

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 advanced 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 capital 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, Raiffeisen Zentralbank Österreich AG, Vienna, Kathrein Privatbank AG, Vienna, Raiffeisen Centrobank AG, Vienna, Raiffeisen Bausparkasse GmbH, Vienna, Raiffeisen Kapitalanlage-GmbH, 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 RZB 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 RZB.

RZB 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 capital[1], which is one of the main elements of risk steering in RZB, is shown in the table below. This also illustrates the balanced distribution of risk between Austria and the regions in CEE.

in € thousand	2016	Share
Central Europe	1,823,142	29.4%
Austria	2,022,259	32.6%
Southeastern Europe	1,207,851	19.5%
Russia	750,043	12.1%
CIS Other	382,666	6.2%
Rest of the world	11,746	0.2%
Total	**6,197,708**	**100.0%**

RZB's main business activities are within corporate banking, retail banking, and managing equity participations in various industries. Investment banking and other activities resulting in market risk are limited in scope; a substantial part of the market risk stems 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	1,591,783	25.7%
Credit risk retail customers	1,236,674	20.0%
Operational risk	624,815	10.1%
Credit risk sovereigns	519,082	8.4%
Macroeconomic risk	418,805	6.8%
Participation risk	402,658	6.5%
Market risk	320,369	5.2%
FX risk capital position	275,745	4.4%
Credit risk banks	242,917	3.9%
Other tangible fixed assets	222,314	3.6%
CVA risk	31,108	0.5%
Liquidity risk	16,308	0.3%
Risk buffer	295,129	4.8%
Total	**6,197,708**	**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 52 per cent, down from 57 per cent as at year-end 2015.

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.

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

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 RZB 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, RZB 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. The board's positive commitment towards paternity leave is a further signal for equal employment opportunities within our organization.

In 2014 RZB 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. RZB AG achieved a quota of 22 per cent as of 31 December 2016 (18 per cent as of 31 December 2015).

To achieve the goal set by the Nomination Committee, RZB AG aims to ensure that a certain number of women participates in standard HR development programs. 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 for this.

In 2016 the initiative "Diversity 2020" started in RZB AG in Austria, with the first focus on "Empowerment of Women". In order to raise awareness regarding 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

RZB has implemented a Risk Committee pursuant to Section 39d of the BWG. The Risk Committee holds at least one meeting per year. In 2016 four meetings were 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 RZB Board of Management, and to the responsible division heads.

Regarding the risk strategy and major developments within RZB, 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 to 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 with regard to capitalization and liquidity.

Risk Reports

On Group level the various risk reports address the development of the Group’s portfolios and resulting risks and are used to inform the Risk Committees, the Management Board and the Supervisory Board. Risk type specific 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 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, adequate risk pricing, and the adequacy of the remuneration system from a risk perspective.

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 perspective (VaR, 95%, 1 year), the development of the respective coverage potential (internal capital and risk taking capacity), broken down from the Group level to single unit level, and comparing the actual development with the economic capital budget.

The report on the results from the Integrated Stress Test provides an analysis to the Management Board in particular of the effect of the multi-year stress scenario on the CET1 ratio in relation to the risk tolerance level that is defined by 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 also includes the utilization of portfolio limits on country level, the development of customer ratings, average probabilities of default, collateralization, forbearance, and credit concentration measures.

The Default Report provides the Management Board with an analysis of the development of the Group’s defaulted exposure over the last quarter. Broken down into unit and segment level, the development is further segregated into gross inflows and outflows of defaulted exposure, including an analysis of the largest inflows and outflows of 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 and unhedged non-bank FIs on head office level. It is also part of the regulatory 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, and selected units. The going concern and time-to-wall analyses are also provided on material currency level.

The Operational Risk Report provides the Group Risk Committee with an overview of operational risk on Group level and with the minutes of the Operational Risk Committee. In addition the Group Risk Committee is informed about current operational risk topics on an ad-hoc basis if applicable.

Article 436 CRR
Scope of application

Regulatory values for RZB are defined on a consolidated and an individual basis by the Austrian Banking Act (BWG) based on the corresponding guidelines of the EU and on the applicable regulation of the European Parliament. Moreover, RBI as a subgroup of RZB is supervised according to Article 11 paragraph 5 CRR based on a decision of the Austrian Financial Market Authority (FMA) from 24 October 2014.

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 RZB AG directly or indirectly has control are fully consolidated. RZB AG 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 RZB AG 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	Proportionally consolidated	Equity method
As of 1/1	**305**	**0**	**10**
Included for the first time in the financial period	5	0	0
Merged in the financial period	(1)	0	0
Excluded in the financial period	(26)	0	(1)
As of 31/12	**283**	**0**	**9**

Of the 283 Group units (2015: 305), 149 are domiciled in Austria (2015: 155) and 134 abroad (2015: 150). They comprise 27 banks (2015: 28), 168 financial institutions (2015: 185), 20 providers of banking related services (2015: 24), 18 financial holding companies (2015: 14) and 50 other companies (2015: 54). Due to the insignificance for the assets, financial situation and earnings, 235 subsidiaries (2015: 327) were omitted from the 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 232 companies in the RZB CRR Group as at 31 December 2016 (2015: 253).

Number of units	Fully consolidated	Proportionally consolidated	Equity method
As of 1/1	**253**	**0**	**8**
Included for the first time in the financial period	4	0	0
Merged in the financial period	(4)	0	0
Excluded in the financial period	(21)	0	0
Reclassified	0	0	0
As of 31/12	**232**	**0**	**8**

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, RZB 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 ("RZB CRR Group"):

Development	As at 1/1/2016	Included	Mergers	Excluded	Reclassified	As at 31/12/2016
Credit institutions domestic	10	0	0	0	0	10
Credit institutions foreign	20	0	0	(1)	0	19
Credit institutions total	**30**	**0**	**0**	**(1)**	**0**	**29**
Financial institutions domestic	94	3	(1)	(9)	0	87
Financial institutions foreign	85	0	0	(9)	0	75
Financial institutions total	**179**	**3**	**(1)**	**(18)**	**0**	**163**
Other domestic	30	0	(2)	(1)	0	27
Other foreign	14	1	(1)	(1)	0	13
Other total	**44**	**1**	**(3)**	**(2)**	**0**	**40**
Total	**253**	**4**	**(4)**	**(21)**	**0**	**232**

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 108 units 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 RZB CRR Group.

At-Equity valuation

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity in which shares are held. There exists no control or joint management of decision making processes. As a rule, significant influence is assumed if the Group holds 20 to 50 per cent of the voting rights. When judging whether the Group has the ability to exert a significant influence on another entity, the existence and the effect of potential voting rights which are actually usable or convertible are taken into account. Further parameters for judging significant influence are, for example, the representation in executive committees and supervisory boards (Supervisory Board in Austrian Joint Stock companies) of the entity and material business dealings with the entity. Shares in associated companies are valued at equity.

The following companies are consolidated at equity:

Company name	Country code	Share	Type
card complete Service Bank AG, Vienna	AT	25.0%	Credit Institution
Notartreuhandbank AG, Vienna	AT	26.0%	Credit Institution
Oesterreichische Kontrollbank Aktiengesellschaft, Vienna	AT	8.1%	Credit Institution
Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H.,Vienna	AT	31.3%	Credit Institution
Prva stavebna sporitelna a.s., Bratislava	SK	32.5%	Credit Institution
Raiffeisen Informatik GmbH, Vienna	AT	47.6%	Company with ancillary banking services
UNIQA Insurance Group AG, Vienna	AT	10.9%	Insurance company
ZVEZA BANK, registrirana zadruga z omejenim jamstvom, Bank und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung, Klagenfurt	AT	58.0%	Credit Institution

Companies deducted from the total capital

According to CRR Article 36 (1) f-I, 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 RZB Group 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:

- 9 credit institutions
- 151 financial institutions
- 4 insurance companies
- 1 financial holding company

Impediments to the transfer of funds

In RZB 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 RZB 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 relax 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	5,749,346
Institutional protection scheme (IPS)	(134,933)
Non-controlling interests	4,010,592
Minority adjustments due to Basel III	(628,164)
Anticipated dividend	0
Deconsolidation of insurance companies	0
Associated companies consolidated according to purchase method	0
Value changes in own financial liabilities	(9,308)
Cash flow hedges	(74,388)
Additional value adjustments	(74,179)
Goodwill	(128,831)
Deferred tax assets	0
Intangible assets	(580,763)
Other adjustments	(17,047)
Common equity Tier 1 capital	**8,112,325**
Tier 1 capital contributions	0
Shares deducted from Tier 1 capital	0
Total Tier 1 capital	**8,112,325**
Tier 2 instruments	3,048,144
Net provisions for reported IRB credit exposures	172,336
Shares deducted from Tier 2 capital	0
Other adjustments	(1,244,737)
Total Tier 2 capital	**1,975,743**
Total capital base	**10,088,068**

Statement of financial position

Assets in € thousand	IFRS scope 2016	Effects - scope of consolidiation	Regulatory scope 2016
Cash reserve	16,838,583	8	16,838,576
Loans and advances to banks	11,023,532	47,684	10,975,847
Loans and advances to customers	79,769,079	(185,330)	79,954,409
Impairment losses on loans and advances	(5,245,078)	(14,461)	(5,230,617)
Trading assets	4,944,112	(1,785)	4,945,897
Derivatives	1,261,015	812	1,260,203
Financial investments	21,430,231	(115,997)	21,546,227
Investments in associates	775,035	(5,896)	780,930
Intangible fixed assets	676,518	(11,519)	688,038
Tangible fixed assets	1,842,621	316,768	1,525,853
Other assets	1,530,927	(47,048)	1,577,975
Total assets	**134,846,575**	**(16,764)**	**134,863,339**

Liabilities and equity in € thousand	IFRS scope 2016	Effects - scope of consolidiation	Regulatory scope 2016
Deposits from banks	24,059,774	47,325	24,012,449
Deposits from customers	80,324,996	(140,567)	80,465,563
Debt securities issued	8,527,381	820	8,526,561
Provisions for liabilites and charges	1,035,629	76,233	959,396
Trading liabilities	5,067,584	3	5,067,581
Derivatives	779,456	138	779,318
Other liabilities	1,020,492	(39,213)	1,059,706
Subordinated capital	4,237,503	4,673	4,232,829
Equity	9,793,760	33,822	9,759,938
Consolidated equity	5,496,297	(25,422)	5,521,719
Consolidated profit	252,629	25,002	227,627
Minority interests	4,044,834	34,242	4,010,592
Total equity and liabilities	**134,846,575**	**(16,764)**	**134,863,339**

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 RZB 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)	2,297,263	0	2,297,263
2	Retained earnings	26 (1) (c)	5,258,859	13,237	5,272,097
3	Accumulated other comprehensive income (and any other reserves)	26 (1)	(1,971,710)	0	(1,971,710)
5	Minority interests (amount allowed in consolidated CET1)	84, 479, 480	3,382,428	70,958	3,453,386
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**		**8,966,840**	**84,195**	**9,051,035**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	34, 105	(74,179)	0	(74,179)
8	Intangible assets (net of related tax liability)	36 (1) (b), 37, 472 (4)	(425,756)	(283,838)	(709,594)
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)	(2,961)	(11,844)	(14,805)
11	Fair value reserves related to gains or losses on cash flow hedges	33 (a)	(74,388)		(74,388)
12	Negative amounts resulting from the calculation of expected loss amounts	36 (1) (d), 40, 159, 472 (6)	(33,761)	(22,507)	(56,268)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	33 (1) (b) (c)	(9,308)	0	(9,308)
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: securitization 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)	(213,469)	213,469	0
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**		**(854,515)**	**(104,720)**	**(959,235)**
29	**Common Equity Tier 1 (CET1) capital**		**8,112,325**	**(20,525)**	**8,091,800**

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	(8,853)	18,692	9,839
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		**81,622**	**(71,783)**	**9,839**
	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)	(81,622)	81,622	0
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		**(81,622)**	**81,622**	**0**
44	**Additional Tier 1 (AT1) capital**		**0**	**9,839**	**9,839**
45	**Tier 1 capital (T1 = CET1 + AT1)**		**8,112,325**	**(10,686)**	**8,101,639**
	Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	62, 63	3,048,144	0	3,048,144
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	(1,233,483)	(559,898)	(1,793,381)
50	Credit risk adjustments	62 (c) & (d)	172,336	0	172,336
51	**Tier 2 (T2) capital before regulatory adjustment**		**1,986,996**	**(559,898)**	**1,427,099**
	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)		(11,254)	11,254	0
57	**Total regulatory adjustments to Tier 2 (T2) capital**		**(11,254)**	**11,254**	**0**
58	**Tier 2 (T2) capital**		**1,975,743**	**(548,644)**	**1,427,099**
59	**Total capital (TC = T1 + T2)**		**10,088,068**	**(559,330)**	**9,528,738**
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)		68,055,278	0	68,055,278
60	**Total risk-weighted assets**		**68,055,278**	**0**	**68,055,278**
	Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount	92 (2) (a), 465	11.9%	0.0%	11.9%
62	Tier 1 (as a percentage of total risk exposure amount	92 (2) (b), 465	11.9%	0.0%	11.9%
63	Total capital (as a percentage of total risk exposure amount	92 (2) (c)	14.8%	(0.8)%	14.0%
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	597,437		597,437
65	hereof: capital conservation buffer requirement		425,345		425,345
66	hereof: countercyclical buffer requirement		1,954		1,954
67	hereof: systemic risk buffer requirement		170,138		170,138
67a	hereof: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	CRD 131	0		0
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)				
72	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)	106,001	0	106,001
73	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)	627,222	0	627,222
75	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)	171,825	0	171,825
	Applicable caps on the inclusion of provisions in Tier 2				
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	62	339,434	0	339,434
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	62	172,336	0	172,336
	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 RZB. 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 (RZB Annual Report 2016, page 31 in English version).

Common Equity Tier 1 after deductions stood at € 8,112,325 thousand. The increase from the 2015 comparable level totaled € 633,631 thousand, mainly due to the partial sale of UNIQA Insurance Group AG and the resulting elimination of deductions for significant participations, 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, and the recognition of the Federal IPS contributions had a negative impact. Tier 2 capital declined € 364,670 thousand compared to the previous year and totaled € 1,975,743 thousand. The decline was mainly attributable to matured Tier 2 capital instruments in RBI AG and a higher deduction of minorities in Tier 2 capital. Total capital under CRR amounted to € 10,088,068 thousand. This corresponds to an increase of € 267,961 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 € 8,112,325 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 € 1,975,743 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	**68,055,278**	**5,444,422**
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	**55,877,310**	**4,470,185**
Standardized approach (SA)	**27,154,707**	**2,172,377**
Exposure classes excluding securitization positions	27,154,707	2,172,377
Central governments or central banks	1,924,568	153,965
Regional governments or local authorities	61,842	4,947
Public sector entities	67,086	5,367
Multilateral Development Banks	0	0
International Organisations	0	0
Institutions	359,470	28,758
Corporates	7,658,213	612,657
Retail	6,037,762	483,021
Secured by mortgages on immovable property	4,851,106	388,088
Exposures in default	1,084,256	86,740
Items associated with particular high risk	0	0
Covered bonds	23,994	1,919
Claims on institutions and corporates with a short-term credit assessment	0	0
Collective investments undertakings (CIU)	41,754	3,340
Equity	2,376,977	190,158
Other items	2,667,679	213,414
Securitization positions	0	0
Hereof: Resecuritization	0	0

in € thousand	Risk weighted exposure	Capital requirements
Internal ratings based approach (IRB)	**28,722,603**	**2,297,808**
IRB approaches when neither own estimates of LGD nor conversion factors are used	23,957,780	1,916,622
Central governments and central banks	243,971	19,518
Institutions	2,071,355	165,708
Corporates - SME	3,300,420	264,034
Corporates - Specialized Lending	4,332,142	346,571
Breakdown by risk weights of total Exposure under specialized lending slotting criteria:		
Risk weight: 0%	0	0
Risk weight: 50%	431,603	34,528
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	14,009,891	1,120,791
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 - Specialized 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	146,018	11,681
Simple risk weight approach	1,621	130
Private equity Exposure	0	0
Exchange traded equity Exposure	0	0
Other equity Exposure	1,621	130
PD/LGD approach	144,397	11,552
Equity Exposure subject to risk weights	0	0
Securitization positions	229,122	18,330
Hereof: Resecuritization	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	**2,697,331**	**215,786**
Risk exposure amount for position, foreign exchange and commodities risks under standardized approaches (SA)	**1,919,323**	**153,546**
Traded debt instruments	1,390,583	111,247
Equity	141,223	11,298
Particular approach for position risk in CIUs	13,295	1,064
Memo item: CIUs exclusively invested in traded debt instruments	0	0
Memo item: CIUs invested exclusively in equity instruments or in mixed instruments	0	0
Foreign Exchange	366,900	29,352
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	**9,090,198**	**727,216**
OpR Basic indicator approach (BIA)	0	0
OpR Standardized (STA) / Alternative standardized (ASA) approaches	3,995,941	319,675
OpR Advanced measurement approaches (AMA)	5,094,258	407,541
Additional risk exposure amount due to fixed overheads	**0**	**0**
Total risk exposure amount for credit valuation adjustments	**388,852**	**31,108**
Advanced method	0	0
Standardized method	388,852	31,108
Based on OEM	0	0
Total risk exposure amount related to large Exposure in the trading book	**0**	**0**

in € thousand	Risk weighted exposure	Capital requirements
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 Exposure	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 Exposure	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 the subsidiaries of RZB:

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

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 RZB 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, RZB 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, RZB 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. RZB 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.

RZB 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 counterpart or a group of connected clients the counterpart 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 counterparts, 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 minimizing 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 RZB'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 also includes 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	3,847,769	7,470,155	5,027,637	2,442,519	1,200,350	1,242,168
Securities related transactions	(120,613)	1,797,470	669,142	1,128,328	116,197	1,012,130
Foreign exchange rate contracts	1,031,940	4,590,055	2,775,959	1,814,096	765,624	1,048,473
Commodities	151,316	0	0	0	0	0
Credit derivatives	(167)	31,804	11,018	20,786	250	20,536
Total	**4,910,245**	**13,889,484**	**8,483,756**	**5,405,729**	**2,082,422**	**3,323,307**

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	5,405,729

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		**Banking book**		**Trading book**
in € thousand	**Purchase contracts**	**Sales contracts**	**Purchase contracts**	**Sales contracts**
Interest rate contracts	61,165,601	514,254	116,223,914	4,219,203
Securities related transactions	305,060	0	2,397,351	0
Foreign exchange rate contracts	20,532,605	0	53,559,091	2,306,870
Commodities	0	0	339,431	0
Credit derivatives	432,088	0	85,743	463,935
Total	**82,435,354**	**514,254**	**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 RZB countercyclical capital buffer referred to in Title VII, chapter 4 CRR. The institution specific countercyclical capital buffer for RZB amounted to 0.003 per cent as at 31 December 2016.

Article 440 (1) a) CRR	General credit exposures		Trading book exposures		Securitization exposures	
in € thousand	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	3,750,550	5,465,414	209,492	0	0	0
Poland	8,228,210	175,359	65,124	0	0	0
Austria	17,892,872	6,768,782	89,804	0	0	1,531,083
Czech Republic	2,283,505	7,192,528	24,292	0	0	931,719
Slovakia	1,120,883	8,854,630	105	0	0	26,895
Romania	1,272,566	4,981,868	683	0	0	0
Hungary	653,325	2,943,511	4,653	0	0	0
Croatia	1,992,364	1,458,270	735	0	0	3,580
Germany	417,834	2,804,142	26,989	0	0	125,871
Bulgaria	302,172	2,210,170	54	0	0	0
Ukraine	1,329,238	227,586	51	0	0	0
Serbia	1,416,352	29,605	13	0	0	0
Bosnia and Herzegovina	1,379,978	10,628	0	0	0	0
Belarus	1,149,380	19,771	0	0	0	0
Switzerland	124,768	1,247,940	2,059	0	0	0
USA	38,404	1,014,215	102,351	0	0	142,567
Netherlands	54,201	1,000,196	25,973	0	0	55
Albania	818,627	36,266	0	0	0	0
United Kingdom	10,038	1,013,766	7,267	0	0	117
Sweden	49,193	30,834	8,955	0	0	0
Norway	60	30,496	25	0	0	0
Hong Kong	1,765	532	0	0	0	0
Other	1,308,199	3,589,604	286,633	0	0	121,432
Total	**45,594,483**	**51,106,116**	**855,258**	**0**	**0**	**2,883,320**

Article 440 (1) a) CRR in € thousand	Own funds requirements of which: General credit exposures	of which: Trading book exposures	of which: Securitization exposures	Total	Own funds requirements weights	Countercyclical capital buffer rate
Russia	465,125	16,860	0	481,985	11.6%	0.0%
Poland	438,293	5,210	0	443,503	10.7%	0.0%
Austria	692,844	6,962	7,718	707,524	17.1%	0.0%
Czech Republic	386,320	1,879	5,139	393,338	9.5%	0.0%
Slovakia	367,863	1	95	367,959	8.9%	0.0%
Romania	289,740	55	0	289,794	7.0%	0.0%
Hungary	200,300	432	0	200,732	4.8%	0.0%
Croatia	189,062	59	20	189,141	4.6%	0.0%
Germany	151,610	1,281	1,527	154,418	3.7%	0.0%
Bulgaria	122,032	4	0	122,037	2.9%	0.0%
Ukraine	87,450	4	0	87,454	2.1%	0.0%
Serbia	79,484	1	0	79,485	1.9%	0.0%
Bosnia and Herzegovina	74,855	0	0	74,855	1.8%	0.0%
Belarus	73,867	0	0	73,867	1.8%	0.0%
Switzerland	65,598	165	0	65,762	1.6%	0.0%
USA	48,276	3,335	2,305	53,917	1.3%	0.0%
Netherlands	48,112	1,618	0	49,730	1.2%	0.0%
Albania	48,216	0	0	48,216	1.2%	0.0%
United Kingdom	37,577	161	1	37,739	0.9%	0.0%
Sweden	5,260	716	0	5,976	0.1%	1.5%
Norway	1,862	2	0	1,864	0.0%	1.5%
Hong Kong	207	0	0	207	0.0%	0.6%
Other	199,767	11,286	1,525	212,578	5.1%	0.0%
Total	**4,073,722**	**50,031**	**18,330**	**4,142,083**	**100.0%**	**0.003%**

A 440 (1) b) CRR in € thousand	2016
Total risk exposure amount	68,055,278
Institution specific countercyclical capital buffer rate	0,003%
Institution specific countercyclical capital buffer requirement	1,954

Article 441 CRR
Indicators of systemic importance

RZB 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. Workout 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 RZB to find out their causes. Lending processes are then adapted as necessary on the basis of these results.

Default and workout 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 status to loss. It is determined as the product of all flow rates between the delinquency bucket (where an account is now) to the absorbing status (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 RZB 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	31/12/2016	average exposure
Sovereigns	34,647,950	36,726,734
Financial institutions	20,027,982	19,435,386
Corporate customers	77,579,647	79,209,226
Retail customers	35,815,665	35,113,186
Total	**168,071,244**	**170,484,531**

The regional breakdown of credit exposure reflects RZB'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	8,505,439	5,079,072	15,424,291	5,281,665	34,290,467
Central Europe	13,086,670	897,428	21,201,888	18,022,189	53,208,175
Southeastern Europe	6,503,593	147,063	11,143,086	8,100,934	25,894,677
Eastern Europe	1,292,109	1,793,563	12,321,429	4,406,674	19,813,775
Other EU	3,679,737	9,277,377	11,716,005	4,202	24,677,322
Asia	437,984	1,128,700	1,944,042	0	3,510,726
Rest of the world	1,142,418	1,704,778	3,828,906	0	6,676,102
Total	**34,647,950**	**20,027,982**	**77,579,647**	**35,815,665**	**168,071,244**

Within the scope of its risk policy and assessments of creditworthiness, RZB 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	18,075,554	19,016,754	7,980,721	12,487	12,831	45,085,859
Private households	0	0	12,542	192	33,098,788	33,111,330
Real estate activities	16,572,396	0	354,341	2,791	2,446	16,929,183
Public administration and defence and social insurance institutions	0	0	11,770,962	736,688	263,784	12,034,746
Wholesale trade and commission trade (except car trading)	0	0	11,396,368	538,207	249,527	11,645,894
Other industries	0	1,011,228	8,578,593	604,273	698,386	10,288,207
Other business activities	0	0	10,002,407	192,338	158,766	10,161,173
Construction	0	0	5,759,879	275,248	173,829	5,933,708
Retail trade except repair of motor vehicles	0	0	4,364,144	100,974	228,680	4,592,824
Electricity, gas, steam and hot water supply	0	0	3,443,000	286,211	256,956	3,699,957
Manufacture of food products and beverages	0	0	3,103,706	7,794	9,606	3,113,312
Manufacture of basic metals	0	0	2,190,312	7,082	4,625	2,194,937
Other transport	0	0	1,769,483	39,787	279,167	2,048,650
Land transport, transport via pipelines	0	0	1,748,185	213,953	175,287	1,923,472
Other manufacturing	0	0	1,826,995	99,470	33,748	1,860,743
Manufacture of machinery and equipment	0	0	1,693,357	56,205	11,620	1,704,977
Sale of motor vehicles	0	0	808,458	120,713	157,598	966,056
Mining and quarrying	0	0	776,194	0	21	776,215
Total	**34,647,950**	**20,027,982**	**77,579,647**	**3,294,414**	**35,815,665**	**168,071,244**

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	8,443,431	3,184,705	3,439,036	3,653,079	18,720,251
Up to 1 year	7,283,661	2,821,548	10,871,465	1,709,878	22,686,553
More than 1 year, up to 5 years	5,825,790	3,487,788	29,260,347	7,940,359	46,514,285
More than 5 years	9,033,986	7,497,777	26,005,949	22,472,274	65,009,986
Without maturity	4,061,081	3,036,163	8,002,849	40,075	15,140,169
Total	**34,647,950**	**20,027,982**	**77,579,647**	**35,815,665**	**168,071,244**

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	889,415	1,746,614	2,639,180
Impaired exposure	5,607	50,606	4,772,848	2,070,586	6,899,647
Non performing loans	1,669	77,277	4,694,194	2,214,991	6,988,131
Individual loan loss provisions for on-balance exposure	4,347	48,300	3,240,640	1,561,698	4,854,986
Portfolio-based loan loss provisions on-balance exposure	407	2,065	131,086	242,073	375,631
Individual provisions for off-balance exposure	0	51,240	59,753	2,332	113,324
Portfolio-based provisions for off-balance exposure	60	671	17,883	12,303	30,917

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	533,249	747,598	1,267,134	55,201	35,997	0	2,639,180
Impaired exposure	1,650,403	1,831,225	1,414,223	486,702	1,088,720	428,374	6,899,647
Non performing loans	1,778,109	1,761,323	1,421,322	492,059	1,084,055	26,017	6,562,884
Value adjustments and provisions	1,394,235	1,231,438	1,151,656	375,258	984,929	237,342	5,374,858

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	**6,390,291**	**(61,527)**	**1,715,837**	**(982,708)**	**(1,930,701)**	**99,425**	**5,230,617**
hereof individual loan loss provisions	6,007,631	(55,826)	1,545,315	(802,346)	(1,930,646)	90,857	4,854,986
hereof portfolio-based provisions	382,660	(5,701)	170,522	(180,362)	(55)	8,567	375,631
Off-balance provisions	**113,895**	**814**	**101,366**	**(72,777)**	**(353)**	**1,297**	**144,241**
hereof individual loan loss provisions	87,160	798	89,049	(63,708)	(353)	379	113,324
hereof portfolio-based provisions	26,735	15	12,318	(9,069)	0	918	30,917
Total	**6,504,186**	**(60,713)**	**1,817,204**	**(1,055,485)**	**(1,931,055)**	**100,721**	**5,374,858**

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

Article 442 (i) CRR in € thousand	2016
Direct write-downs	(112,640)
Income received on written-down claims	128,338

Article 443 CRR Unencumbered assets

RZB is a universal bank whose primary activity is the traditional lending and borrowing business. The main types of encumbered assets in RZB Group are loans and advances followed by debt securities. The largest source of encumbrance is collateralized deposits which encumbers € 2.8 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 re-pledged.

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	11,050,969	0	123,812,370	0
Equity instruments	32,236	38,157	460,989	307,466
Debt securities	1,327,675	1,349,557	22,258,971	22,309,816
Other assets	9,691,058	0	101,092,411	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**	**5,239,947**
Equity instruments	1,527,646	1,010,720
Debt securities	1,349,809	4,052,237
Other collateral received	0	176,991
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	9,709,599	13,928,424

Article 444 CRR
Use of ECAIs

ECAI (External Credit Assessment Institution)

RZB 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.

	ECAI Rating		
Rating notch	**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 € 91,019,169 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	30,819,129	153,965
Exposure to regional governments or local authorities	90,077	4,947
Exposure to public sector entities	170,073	5,367
Exposure to multilateral development banks	1,435,980	0
Exposure to international organisations	838,804	0
Exposure to institutions	3,158,446	28,758
Exposure to corporates	12,143,967	612,657
Retail Exposure	10,553,408	483,021
Exposure secured by mortgages on immovable property	12,526,225	388,088
Exposure in default	3,355,962	86,740
Exposure associated with particularly high risk	0	0
Exposure in the form of covered bonds	125,843	1,919
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)	120,488	3,340
Equity	1,511,168	190,158
Other items	14,169,599	213,414
Securitisation positions	0	0
Total	**91,019,169**	**2,172,377**

Exposure to central governments and central banks

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	10,799,294	10,799,294
2	10,092,189	10,092,189
3	6,290,790	6,259,391
4	1,710,506	1,509,422
5	1,815,480	1,481,539
6	0	0
Without external rating	110,871	67,045
Total	**30,819,129**	**30,208,880**

Exposure to regional governments or local authorities

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	10	10
2	46,142	46,142
3	7,025	7,025
4	415	415
5	36,487	36,487
6	0	0
Without external rating	0	0
Total	**90,077**	**90,077**

Exposure to public sector entities

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	90,768	90,227
2	65,182	63,310
3	4,062	4,051
4	349	349
5	9,705	9,705
6	0	0
Without external rating	6	6
Total	**170,073**	**167,648**

Exposure to multilateral development banks

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	1,435,980	1,435,980
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**1,435,980**	**1,435,980**

Exposure to international organizations

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	838,804	838,804
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**838,804**	**838,804**

Exposure to institutions

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	2,093,311	2,093,311
2	327,940	315,537
3	173,388	172,194
4	21,308	21,308
5	114,250	106,912
6	0	0
Without external rating	428,248	428,248
Total	**3,158,446**	**3,137,510**

Exposure to corporates

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	40,664	40,664
2	24,050	24,050
3	7,665	7,665
4	6,218	6,218
5	46,258	45,268
6	0	0
Without external rating	12,019,112	11,631,927
Total	**12,143,967**	**11,755,791**

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	10,553,408	10,323,395
Total	**10,553,408**	**10,323,395**

Exposure secured by mortgages on immovable property

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	0	0
2	75,099	0
3	18,521	0
4	0	0
5	3,101	0
6	0	0
Without external rating	12,429,504	0
Total	**12,526,225**	**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	3,348,615	1,696,335
Total	**3,355,962**	**1,703,682**

Exposure in the form of covered bonds

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	11,750	11,750
2	104,526	104,526
3	9,567	9,567
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**125,843**	**125,843**

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	120,488	120,488
Total	**120,488**	**120,488**

Equity exposure

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	76,279	76,279
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
7	1,434,889	1,434,889
Total	**1,511,168**	**1,511,168**

Other items

Credit Quality Step in € thousand	Exposure	Unsecured exposure
1	9,765	9,765
2	1,099	1,099
3	0	0
4	0	0
5	73,801	73,801
6	0	0
Without external rating	14,084,934	14,081,616
Deducted from the own funds	0	0
Total	**14,169,599**	**14,166,281**

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)	29,352
Specific position risk in securitization	0
Own funds requirement for market risk by kind of risk (total)	**215,914**

Article 446 CRR Operational Risk

As of September 2016, RZB 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 Zentralbank Osterreich Aktiengesellschaft, Vienna	AT
Raiffeisen Bank International AG, Vienna incl. All Branches	AT
RALT Raiffeisen-Leasing Gesellschaft m.b.H., Vienna	AT
RALT Raiffeisen-Leasing Gesellschaft m.b.H. & Co. KG, Vienna	AT
RZB Sektorbeteiligung GmbH, Vienna	AT
Raiffeisen International Beteiligungs GmbH, Vienna	AT
Raiffeisen-Leasing International Gesellschaft m.b.H., Vienna	AT
Regional Card Processing Center s.r.o., Bratislava	SK
AO Raiffeisenbank, Moscow	RU
OOO 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
Doplnková 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 AG, Vienna	AT
Kathrein & Co. Vermögensverwaltung GmbH, Vienna	AT
Raiffeisen Bausparkasse Gesellschaft m.b.H., Vienna	AT
Raiffeisen Kapitalanlage-Gesellschaft mit beschränkter Haftung, Vienna	AT

All residual units, which are part of the RZB 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.

RZB 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.

RZB 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

RZB 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 RZB Group are often managed by local units in coordination with the parent company.

Overview of recognition and measurement principles

The consolidated financial statements of RZB 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	**2,268**	**2,268**	**1,162**
listed	1,162	1,162	1,162
not listed	1,106	1,106	-
Other interests	**977,580**	**976,045**	**364,355**
listed	365,891	364,355	364,355
not listed	611,689	611,689	-
Interest in affiliated companies	**422,783**	**422,783**	**0**
listed	0	0	0
not listed	422,783	422,783	-

Article 447 (d)-(e) in € thousand	Amount
Disclosure Article 447 (d) CRR	**232,288**
Net realized gains (losses) on equity instruments	232,288
Disclosure Article 447 (e) CRR	**(363,798)**
Net gain (losses) on equity instruments	(247,521)
Deferred revaluation gains/losses	(116,277)
hereof: included in Tier 1 capital	(295,881)

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 RZB'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 extent – 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 RZB'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. RZB 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 behavior 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 RZB'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 RZB'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	(134)	19	(15)	(6)	10	5	130	54	(14)	27	(264)	(81)
EUR	90	(74)	(57)	25	486	138	867	381	(629)	(574)	(334)	(139)
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	47	(3)	(1)	5	31	28	(2)	(4)	(4)	(2)	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	107	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 RZB'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 1^{st} and 99^{th} 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 RZB'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	30,501	(17,414)
DKK yield curve	0	(1)
EUR yield curve	133,929	(37,759)
GBP yield curve	378	(676)
HKD yield curve	0	0
HRK yield curve	6,142	(10,401)
HUF yield curve	18,529	(27,691)
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	(5,354)	19,008
RSD yield curve	17,472	(27,345)
RUB yield curve	627,283	(423,551)
SEK yield curve	6	137
SGD yield curve	(119)	242
TRY yield curve	(30)	31
UAH yield curve	33,263	(12,483)
USD yield curve	(25,194)	27,984
ZAR yield curve	216	(195)
All yield curves	**872,949**	**(597,107)**

Article 449 CRR
Exposure to securitization positions

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

RZB 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, RZB 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.

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

The roles of the Bank in securitization transactions

RZB 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 RZB 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 RZB 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 RZB 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 RZB 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 ≤ 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 ECAIs (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, RZB 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 RZB 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 RZB acts as an investor and/or arranger.

RZB as sponsor

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

RZB as investor and arranger

RZB 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, RZB supports customer transactions and/or invests in transactions as described above, i.e. factoring, receivables purchase and securitizations of different kind. RZB as an investor has securitization exposure to Belvedere S.A. backed by trade receivables originated by third parties.

RZB 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., Bucarest (RO)	December 2010	Decembe r 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 RZB 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 RZB 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 RZB 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 RZB.

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

Article 449 (n) i) CRR in € thousand	Outstanding amount Traditional securitizations	 Synthetic securitization	Total outstanding
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 in € thousand	Retained and purchased securitization positions
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

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

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

RZB acted as arranger of a variety of traditional securitization transactions in the total amount of approx. € 3.04 billion and as investor in traditional securitization transactions in the total amount of € 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	Securitizations	Retained and purchased securitization positions	Own funds
IRB	Securitizations	2,720,290	38,910
IRB	Resecuritizations	113	113
Standard Approach	Securitizations	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**

RZB 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 RZB for those categories of staff whose professional activities have a material impact on its risk profile is disclosed:

Basic characteristics of RZB's remuneration policies and practices

RZB's key remuneration principles are:

- RZB 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 RZB 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 RZB's strategy and remuneration system, RZB 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.

RZB 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, RZB introduced an updated compensation system for its employees. The adapted business strategy of RZB – 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 RZB 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 RZB'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 RZB, the compensation structure is directly linked to the aforementioned key remuneration principles.

Decision-making process for remuneration and the Remuneration Committee

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

Composition of the REMCO:

- The Remuneration Committee consists of 8 Supervisory Board members (of which two 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 Labor 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 (RZB 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 RZB 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 RZB 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 RZB 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 RZB remuneration policy and are subject to approval by the respective local Supervisory Boards/REMCOs.

RZB 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 RZB 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 behavior / competencies based on both quantitative and qualitative measures, assessed within the performance management process and by taking financial and non-financial criteria into account. 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 RZB, 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 RZB and its institutions.

In RZB, 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 RZB 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 a stipulated in the Commission Delegated Regulation (EU) No 604/2014 to determine those staff members whose professional activities have a material impact on RZB's and a single institution's risk profile, is applied.

For this category of employees ("Identified Staff"), the relevant internal regulations of RZB 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 RZB, unless any applicable local laws require a different procedure. The RZB 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 RZB 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 RZB 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 behavior that drives specific company success and builds shareholder value.

The compensation philosophy actively reinforces the NWUs strategy to achieve its objectives.

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 the 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 behavior 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 RZB 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 RZB 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.

The above principles apply upon the availability of the appropriate instruments for the pay-out of the variable compensation for identified staff. Otherwise cash deferral applies.

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 RZB the variable remuneration (including the deferred part) may only be paid or vested if this is sustainable according to the financial situation of RZB 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 misbehavior, significant downturn of financial performance, failure of risk management and significant changes in RZB'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 misbehavior, 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;

- RZB and/or subsequently the business unit in which the employee works suffers a significant downturn in its financial performance;

- RZB 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 RZB's and/or the NWU's economic or regulatory capital base (e.g. RZB 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 willful 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 RZB Malus & Clawback instructions and other applicable Group standards/instructions; each NWU shall ensure enforceability of the defined Malus and Clawback events under local labor 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 favor 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 (labor 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:

   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 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 the 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 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 RZB.

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 RZB by means of a RBI phantom share plan applicable in all affected institutions of RZB.

These principles apply upon the availability of the appropriate instruments for the pay-out of the variable compensation for identified staff. Otherwise cash deferral applies.

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)	221	159							380
Total number of staff in FTE			4,902	26,905	477	12,911	3,872	774	49,841
Total net profit in year 2016									227,627
Total remuneration	2,980	64,022	218,820	379,002	39,412	366,034	132,744	20,057	1,223,069
Of which variable remuneration		14,367	26,513	50,811	4,501	23,966	9,143	1,206	130,508
Identified Staff									
Members (Headcount)	221	159							380
Number of identified staff in FTE			461	323	90	276	496		1,646
Number of identified staff in senior management positions			121	96	21	152	97		487
Total fixed remuneration	**2,980**	**49,654**	**45,690**	**18,121**	**11,513**	**25,433**	**31,566**		**184,956**
Of which: fixed in cash	2,980	49,654	45,690	18,121	11,513	25,433	31,566		184,956
Of which: fixed in shares and sharelinked instruments									
Of which: fixed in other types instruments									
Total variable remuneration		**14,367**	**8,648**	**3,101**	**1,798**	**3,981**	**4,442**		**36,336**
Of which: variable in cash		8,969	6,985	2,571	1,397	3,588	4,001		27,512
Of which: variable in shares and sharelinked instruments		5,398	1,664	529	401	392	441		8,824
Of which: variable in other types instruments									
Total amount of variable remuneration awarded in 2016 which has been deferred		**6,248**	**2,325**	**608**	**346**	**1,006**	**618**		**11,151**
Of which: deferred variable in cash in 2016		3,158	1,357	272	160	849	321		6,117
Of which: deferred variable in shares and share-linked instruments in 2016		3,091	968	336	186	157	296		5,034
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		14,178	5,021	866	872	2,256	1,121		24,315
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		2	10	5	1	5	18		41
Total amount of severance payments paid in 2016		218	582	146	43	230	667		1,886
Article 450 h(v) – Highest severance payment to a single person							342		342
Number of beneficiaries of contributions to discretionary pension benefits in 2016									
Total amount of contributions to discretionary pension benefits in 2016									
Total amount of variable remuneration awarded for multiyear periods under programmes which are not revolved annually									

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, RZB 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 RZB amounted to 5.5 per cent on transitional basis as compared to 4.6 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 € 632 million, mainly due to the inclusion of the net profit for 2016.

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

Summary reconciliation of accounting assets and leverage ratio exposure **in € thousand**	**2016** **Applicable amount**
Total assets as per published financial statements	134,846,575
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
Adjustments for derivative financial instruments	745,783
Adjustment for securities financing transactions (SFTs)	5,300,248
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposure)	7,776,637
Other adjustments	(787,112)
Total leverage ratio exposure (transitional basis)	**147,882,132**

Leverage ratio common disclosure in € thousand	2016 CRR leverage ratio Exposure
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	130,960,183
(Asset amounts deducted in determining Tier 1 capital)	(787,112)
Total on-balance sheet exposure (excluding derivatives, SFTs and fiduciary assets)	**130,173,071**
Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3,925,583
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	706,592
Total derivatives exposure	**4,632,175**
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,492,260
Counterparty credit risk exposure for SFT assets	807,989
Total securities financing transaction exposure	**5,300,248**
Off-balance sheet exposure at gross notional amount	20,513,015
(Adjustments for conversion to credit equivalent amounts)	12,736,378
Other off-balance sheet exposure	**7,776,637**
Tier 1 capital	**8,112,325**
Total leverage ratio exposure	**147,882,132**
Leverage Ratio (transitional)	**5.5%**

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:	130,960,183
Trading book exposures	0
Banking book exposures, of which:	130,960,183
Covered bonds	125,843
Exposures treated as sovereigns	34,755,682
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	633,673
Institutions	6,006,279
Secured by mortgages of immovable properties	22,020,761
Retail exposures	20,931,472
Corporate	34,491,637
Exposures in default	4,272,465
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	7,722,371

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 RZB CRR 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 standardized 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 standardized 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 standardized 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)
- Raiffeisen stavebni sporitelna, a.s; Prague (CZ)
- Raiffeisen Bausparkasse Gesellschaft m.b.H. (AT)

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 standardized 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:

	Rating Model										
Exposure Classes	PI	Micro SME	CORP	LCO	SMB	SLOT	INS	SOV	LRG	FIN	CIU
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	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 RZB.

2.2 Control mechanism for rating systems

The non-retail rating models are centrally validated at RZB AG for all members of the RZB 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 RZB AG for all members of the RZB 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 RZB 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 RZB 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 RZB 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 RZB 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 RZB Vienna and several RZB 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 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 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 large 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 large 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 behavioral 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-eyes 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 government 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 RZB 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 RZB 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 RZB rating model for banks and bank-like institutions is applied when the creditworthiness of FI counterparties is assessed within the RZB Banking Group. The rating is a central element in the decision on whether or not to grant credit.

Development and objective

The RZB 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 RZB 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 RZB 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
- Capitalization
- 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 RZB rating model for insurance companies and undertakings similar to them is applied within the entire RZB 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 RZB 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 Undertaking.

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 RZB 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 RZB 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 RZB 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 RZB 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 per cent 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 RZB 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 RZB experts and incorporates market experience from all markets of RZB.

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 RZB 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 behavioral), 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 RZB subsidiaries such 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 RZB 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 RZB 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 behavioral), 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 are 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)	3.34%	2.44%
Large Companies	31 Dec 2005 –	30 Sep 2015 (monthly)	1.23%	0.84%
Small and medium business	30 Jun 2006 –	30 Sep 2015 (monthly)	5.66%	3.74%
Insurance companies	31 May 2007 –	30 Jun 2015 (monthly)	0.87%	0.00%
Sovereigns	31 Jan 2005 –	31 Jul 2015 (monthly)	2.10%	0.69%
Local and regional governments	31 Jan 2006 –	30 Jun 2015 (monthly)	2.06%	0.77%
Financial Institutions	31 Dec 2006 –	30 Jun 2015 (monthly)	1.10%	0.61%
Collective Investment Undertakings	31 Dec 2007 –	31 Dec 2015 (yearly)	0.29%	0.00%
Private Individuals (PI)	31 Dec 2005 –	31 Dec 2016	1.59%	1.78%
hereof secured by immovable property	31 Dec 2005 –	31 Dec 2016	1.15%	1.36%
hereof qualifying revolving	31 Dec 2005 –	31 Dec 2016	2.23%	1.88%
hereof other	31 Dec 2005 –	31 Dec 2016	2.76%	3.15%
Small and medium enterprises (Micro SME)	31 Dec 2005 –	31 Dec 2016	3.85%	2.78%
hereof secured by immovable property	31 Dec 2005 –	31 Dec 2016	2.67%	2.54%
hereof other	31 Dec 2005 –	31 Dec 2016	4.16%	2.84%

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 RZB for 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 PDs 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 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).

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

The PDs 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 RZB 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 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.

The 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 RZB'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 RZB 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 RZB 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 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 RZB'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 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 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 the PI qualifying revolving portfolio, which was caused by the acquisition of the Citibank retail portfolio by RBCZ in 2016. The new structure of the PI qualifying revolving portfolio (including the Citibank portfolio) is only reflected in the methodology applied and therefore in the calculation of the estimated CCF, but not in the observed CCF as the acquired portfolio was not included in the RBCZ books over the whole period.

The deviation between the estimated and observed CCF of the PI qualifying revolving portfolio is caused by a difference in definition and not by underestimation of parameters.

3. Quantitative disclosure

The total exposure for which capital requirements are calculated by using the IRB approach amounts to € 85,622,777 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	10,208,617	165,708
Exposure to corporates	56,062,789	1,731,396
hereof specialised lending	6,129,299	346,571
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	82,640	11,681
Items representing securitization positions	2,720,403	18,330
Total	**85,622,777**	**2,297,808**

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	123,620	76,176	(38.4)%
Exposure to corporates	2,795,028	2,081,339	(25.5)%
hereof specialised lending	193,612	205,789	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	**3,414,809**	**2,741,471**	**(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%
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	72162.53139	6.6%
4	584,334	278,992	22,160	11.8%
5	570,145	133113.4263	156976.8937	10.5%
6	999,566	31735.80073	78707.2714	11.3%
7	1,277,929	178,277	280,539	9.1%
8	2,326,574	467,735	425,168	14.7%
9	1,109,576	223588.7431	103570.58	31.5%
10	388,380	100,057	4,934	27.7%
11	380,429	81,330	92,536	47.0%
12	104,412	33228.03815	3803.397011	36.0%
13	102,491	21,541	1,876	46.8%
14	499,607	79687.85011	461.167505	29.0%
15	245,339	73,968	13.41909132	45.3%
16	64,653	5,276	13929.74608	33.4%
17	72,867	2,188	2,129	19.6%
18	136,731	70,812	4,616	42.4%
19	21,040	1440.633833	39.70148572	34.0%
20	49,168	0	0	0.6%
21	54,993	16,206	265.8786532	62.1%
22	22,243	3,261	97	83.2%
23	78,071	21786.34633	46.13389	54.7%
24	13,478	0	0	53.5%
25	75,058	0	70695.89982	20.1%
26	11,486	1572.349191	3.32512E(05)	215.3%
27	0	0	0	0.0%
28	83,599	73,595	0	0.0%
Total	**10,208,617**	**2,090,536**	**1,334,726**	**19.4%**

Exposure to institutions by geographical view

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	6,849,342	1.9%
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	**10,208,617**	**1.4%**

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	4,549,085	1,014,857	2,544,252	7.6%
4	1,476,833	450,989	588,117	8.4%
5	2,203,505	248,487	1,190,235	8.4%
6	2,817,616	1,107,383	1,133,623	14.5%
7	2,097,341	609,488	841,462	14.1%
8	2,163,336	983,680	718,187	24.6%
9	2,547,399	776,208	1,092,097	20.3%
10	2,504,065	800,332	1,200,953	28.1%
11	3,965,146	1,138,378	1,582,721	28.9%
12	2,465,839	1,170,604	900,932	41.5%
13	4,384,086	1,984,606	1,488,282	49.0%
14	2,721,751	1,261,165	902,718	51.8%
15	3,141,034	1,485,628	746,668	58.4%
16	2,381,449	1,074,462	639,163	57.1%
17	1,966,186	926,278	518,742	60.3%
18	1,916,229	989,354	411,433	62.7%
19	1,185,056	662,561	227,391	66.6%
20	660,934	382,580	89,762	75.4%
21	428,791	263,846	69,322	95.6%
22	355,479	267,576	38,370	77.3%
23	345,894	274,054	35,521	64.0%
24	125,754	78,218	13,798	109.3%
25	228,580	192,814	14,904	65.6%
26	365,156	68,718	31,619	60.4%
27	74,678	41,203	20,839	139.0%
28	2,763,471	2,251,535	70,123	1.9%
Specialized lending RWA	6,129,299	5,490,645	468,465	70.7%
Collateralized by Real Estate	98,798	96,201	1447.15235	49.3%
Total	**56,062,789**	**26,091,849**	**17,581,147**	**38.6%**

Exposure or contingent exposure to corporates by geographical view

In the table below, categories for Specialized lending RWA and Collateralized by Real Estate are not shown by geographical view.

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	26,375,616	7.0%
Bulgaria	1,630,052	6.4%
China	8,227	11.4%
Czech Republic	3,862,590	5.8%
United Kingdom	12	28.7%
Croatia	1,835,256	15.3%
Hungary	2,770,302	9.6%
Romania	2,079,536	10.9%
Russian Federation	6,226,227	3.6%
Slovakia	4,924,014	4.2%
United States	122,861	1.2%
Total	**49,834,692**	**6.8%**

Retail exposure – SME mortgage

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	28,605	160.2%
8	10,297	144.3%
9	12,642	154.9%
10	4,400	149.0%
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	**82,640**	**174.7%**

Equity exposure by geographical view

Geographical breakdown according to Article 452 (j) CRR in € thousand	Exposure	PD (exposure weighted average) in %
Austria	28,897	0.2%
Bulgaria	1,629	0.1%
Czech Republic	13,789	0.5%
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	**82,640**	**1.2%**

Article 453 CRR Use of credit risk mitigation techniques

Management and recognition of credit risk mitigation

The following section outlines the policies and processes for collateral valuation and management in RZB. 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
- the collateral has sustainable market value
- 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 carried out by staff members who are independent from the credit decision process. The revaluation of the collateral is undertaken at least once a year. The minimum revaluation frequency for financial collateral is 6 months. If required (e.g. change of market situation) a revaluation is performed more often. For 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 level of 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 the 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 recognized 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 recognized 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. These 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 the 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 RZB level the main types of guarantors – in terms of exposure – are corporates and sovereigns, and to a lesser extent financial institutions. In terms of creditworthiness, 75 per cent of exposures are in the first 10 rating classes.

Exposure to credit derivative counterparties is not material. The main counterparty type for credit derivative transactions is financial institutions, with the remainder made up of corporate exposures. In terms of 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 the instruments used for credit risk mitigation is concentrated in a limited number of types of 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 controlled by the following processes:

In the 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 potential country risk arising from the credit risk mitigation instrument is obtained separately in addition.

In the 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 RZB 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	**296,016**	**31,154**	**1,110,446**
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	1,884	0	0
Exposure to multilateral development banks	0	0	328
Exposure to international organisations	0	0	0
Exposure to institutions	12,403	0	1,105,249
Exposure to corporates	246,328	0	4,569
Retail Exposure	0	0	0
Exposure secured by mortgages on immovable property	1,820	0	0
Exposure in default	7,435	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**	**388,496**	**7,441,027**
Exposure to central governments and central banks	0	20,970	2,292
Exposure to institutions	2,013,856	302,215	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	**3,102,348**	**419,650**	**8,551,472**

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[1]
Standardized approach - exposure classes	**0**	**11,691,022**	**818,332**	**1,766,628**
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	542	1,884
Exposure to multilateral development banks	0	0	0	328
Exposure to international organisations	0	0	0	0
Exposure to institutions	0	0	8,533	1,117,652
Exposure to corporates	0	0	141,847	250,897
Retail exposure	0	100	71,892	327,739
Exposure secured by mortgages on immovable property	0	11,581,265	0	2,427
Exposure in default	0	109,656	39,251	8,102
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	2,377	941
Items representing securitization positions	0	0	0	0
IRB approach - exposure classes	**372,309**	**6,785,093**	**5,543,822**	**10,636,107**
Exposure to central governments and central banks	0	0	524,774	23,262
Exposure to institutions	160,548	2,246	652,777	8,342,844
Exposure to corporates	211,762	1,315,484	4,107,962	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	0
Items representing securitization positions	0	0	0	0
Total	**372,309**	**18,476,114**	**6,362,153**	**12,402,735**

1 including on- and off-balance sheet netting

Article 454 CRR
Use of the Advanced Measurement Approaches to operational risk

RZB 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.

RZB 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 RZB 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 to 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 current 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 RZB 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.

RZB 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. RZB centrally calculates the AVAs for all members of the RZB Group that are integrated in the daily market risk calculations. Additionally, RZB sets the principles RZB Group 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 RZB AG in order to properly include them in the overall prudent valuation results for RZB. 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 RZB 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)	▪ 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)	▪ 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)	▪ 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)	▪ 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)	▪ Aimed at quantifying uncertainty in the funding costs used when assessing the exit price.
6. Model risk (MOR)	▪ Quantifying the potential errors when applying a specific model in mark-to-model fair value measurement.
7. Operational risk (OP)	▪ By definition set to be equal to 10% of MPU+CoC. ▪ 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)	▪ 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)	▪ 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 for RZB:

Art. 455 (c) CRR in € thousand		Aggregate AVA (total effect on capital)
Market price uncertainty and Close-out costs AVA	out of fair value measurement	25,406
	out of CVA/FVA calculation	1,505
Model risk AVA	out of fair value measurement	2,153
	out of CVA/FVA calculation	1,342
Concentrated positions AVA		31,661
Future administrative costs AVA		5,888
Early termination AVA		3,532
Operational risk AVA		2,691
Total		**74,178**

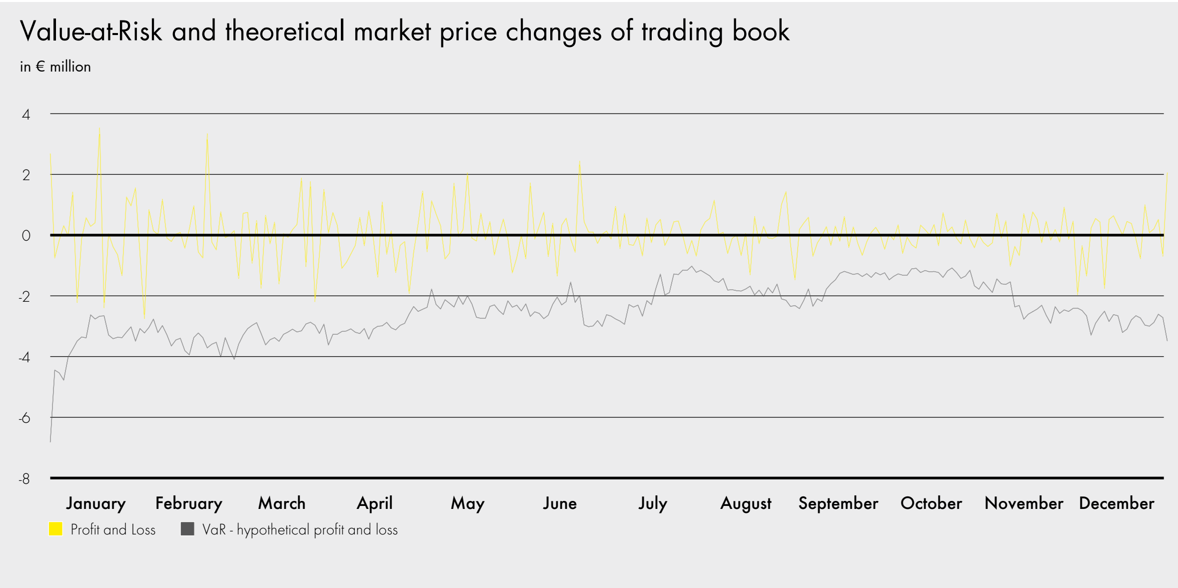
The following table shows the highest, lowest and mean VaR (99 per cent, ten days) for the regulatory trading book:

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 RZB 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 RZB consisted of three members.

Walter Rothensteiner

Directorships in RZB AG:	Management Board: Chairman (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:	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
	Leipnik-Lundenburger Industrie AG, Member of the Board		1987-1995
	AGRANA-Beteiligungs-AG, last position Member of the Board		1991-1994
	Chairman of the Board, Raiffeisen Zentralbank Österreich AG		Since 1995
	Österreichischer Raiffeisenverband, Chairman		Since 2012

Johannes Schuster

Directorships in RZB 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:	11	0	
Management Board:	1	1	
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR			
Academic background	Social and Economic Sciences (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
	Head of Department, Sektorbüro, Raiffeisen Zentralbank Österreich AG		1999-2005
	Head of Division, Sektorbüro & Vorstandssekretariat, Raiffeisen Zentralbank Österreich AG		2005-2010
	Member of the Management Board, Raiffeisen Zentralbank Österreich AG		Since 2010

Michael Höllerer

Directorships in RZB 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	University of Vienna, Law (Mag.)	
Professional Qualification	Head of Department, Financial Market Authority	2004-2006
	Head of Management Secretariat, Raiffeisen Zentralbank Österreich AG	2012-2015
	Expert in the cabinet of the Federal Minister of Finance	2008-2012
	Head of General Secretariat, Raiffeisen Zentralbank Österreich AG	2012-2015
	Managing Director, Raiffeisen Kapitalanlage-Gesellschaft m.b.H.	2014-2015
	Member of the Management Board, Raiffeisen Zentralbank Österreich AG	since July 2015

Supervisory Board

As of 31 December 2016, the following persons were members of the Supervisory Board of RZB:

Erwin Hameseder

Directorships in RZB AG:	Supervisory Board: Chairman Personnel and Nomination Committee, Remuneration Committee: Chairman Audit Committee, Risk Committee: Chairman (until September 2015, then 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:	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

Martin Schaller

Directorships in RZB AG:	Supervisory Board: Deputy Chairman Audit Committee: Chairman (since December 2015) Personnel, Working, Nomination, Risk and Remuneration 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:	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	Traineeprogramm 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 10/2013
	Member of the Supervisory Board GRAWE-Vermögensverwaltung	since 11/2013
	Member of the Supervisory Board Grazer Wechselseitige VersicherungAG	since 11/2013
	3rd Deputy Chairman of Supervisory Board Raiffeisen Bank International AG	since 10/2014
	Member of the Supervisory Board ÖWGES Gemeinnützige Wohnbaugesellschaft m.b.H.	since 09/2015
	Member of the Supervisory Board Raiffeisen Software GmbH	since 11/2015

Heinrich Schaller

Directorships in RZB AG:	Supervisory Board: Second Deputy Chairman Risk Committee: Chairman (since December 2015) Personnel, Working, Nomination, Audit and Remuneration 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:	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

Wilfried Hopfner

Directorships in RZB 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	0
Management Board:	2	1

Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Business Administration, Management Consultant (business economist)	
Professional Qualification	Accountant, tax consultancy firm	1976 – 1982
	Internal Audit, Raiffeisenbank Wolfurt	1983 – 1987
	Department Organisation, Raiffeisenverband Vorarlberg	1988 – 1990
	General Manager, RRZ Informatik GmbH	1992 – 2008
	Member of the Board, Raiffeisenlandesbank Vorarlberg reg.Gen.m.b.H.	since 1993
	Deputy Chairman of the Board, RLB Vorarlberg	since 2000
	Chairman of the Board RLB Vorarlberg, various directorships in (Supervisory) Boards of affiliated companies	since 2009
	Chairman Division Banking and Insurance Wirtschaftskammer Vorarlberg	since 2012
	Certification as CSE (Certified Supervisory Expert) – Raiffeisen Campus/incite	June 2016

Klaus Buchleitner

Directorships in RZB 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, Fontainbleau (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

Peter Gauper

Directorships in RZB 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:	2	1
Management Board:	2	1

Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Commercial Sciences (Mag.)	
Professional Qualification	Head of Division Wealthy Private Clients, Raiffeisenverband Kärnten	1991 – 1995
	Head of Department Private Clients, Volksbank Kärnten	1995 – 1996
	Member of the Board, Raiffeisenlandesbank Kärnten	1997 – 2008
	Chairman of the Board, Raiffeisenlandesbank Kärnten	since 2008
	Member of the Board, Österreichische Einlagensicherung reg. Gen. mbH	since 2008
	Chairman of Raiffeisen Einlagensicherung, Kärnten	since 2008
	Member of the Supervisory Board, Raiffeisen Zentralbank Österreich AG	since 2008
	Financial Officer Wirtschaftskammer Kärnten	since 2010
	Member of the Board, Raiffeisen-Bezirksbank Klagenfurt	since 2011
	Member of the Supervisory Board, Uniqa Versicherungen AG	since 2012-2016

Rudolf Könighofer

Directorships in RZB 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:	5	0
Management Board:	1	1

Knowledge, skills and competences according to Art. 435 para 2 lit b CRR		
Academic background	Law (Dr.)	
Professional Qualification	Federal Chancellery	1986 – 1987
	Staff/Head of Corporate Customers, BAWAG	1987 – 1993
	Senior Municipal Employee, Ternitz	1993 – 1996
	LBG-Wirtschaftstreuhand	1996 – 1997
	Employee/General Manager (from 1998), Raiffeisenbank Gloggnitz	1997 – 2002
	Managing Director, MODAL – Gesellschaft für betriebsorientierte Bildung und Management	2002 – 2003
	Senior Head of Department Raiffeisenlandesbank NÖ-Wien AG, responsible for sales support	2004
	Managing Director, Burgenländische Raiffeisenbank in Eisenstadt reg.Gen.mbH.	2004 – 2008
	General Manager and authorized representative, RBE Holding e.GEN.	since 2008
	Board Director, Raiffeisenlandesbank Burgenland und Revisionsverband eGEN	2004 – 2009
	Deputy Chairman of the Board Raiffeisenlandesbank Burgenland und Revisionsverband eGEN	2009 – 2013
	Director General Raiffeisenlandesbank Burgenland und Revisionsverband eGEN	since 2013

Günther Reibersdorfer

Directorships in RZB 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 General Director, Raiffeisenverband Salzburg eGen.		1982 – 1989
	Head of Human Ressources 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

Reinhard Wolf

Directorships in RZB 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:	5	2	
Management Board:	2	1	
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR			
Academic background	University of natural resources and life sciences (DI)		
Professional Qualification	Chairman of the Board, RWA Raiffeisen Ware Austria AG		since 2009
	Member of the Supervisory Board, Raiffeisen Zentralbank Österreich AG		since 2012
	Member of the Board, Raiffeisen-Holding NÖ-Wien reg.Gen.m.b.H.		since 2012

Johannes Ortner

Directorships in RZB 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:	2	1	
Management Board:	2	1	
Knowledge, skills and competences according to Art. 435 para 2 lit b CRR			
Academic background	Law (Dr.) and Economics		
Professional Qualification	Corporate client trainee programm at DG Bank AG in Frankfurt and London		1995-1996
	Corporate client advisory service (Key account management) at DG Bank AG		1997-2000
	Head of key account management Rheinland-Pfalz/Saarland at DG Bank AG		2000-2002
	Member of management board München Ost at DG Bank AG		2002-2005
	Member of management board at Raiffeisen-Landesbank Voralberg		2005-2008
	Chairman of management board at Raiffeisen-Landesbank Voralberg		2008-2016
	Chairman of management board of Raiffeisen-Landesbank Tirol AG		since 2016

Annex 2

Scope of CRR Group of RZB (Article 436 CRR)

Company Name	Country Code	Share %	Type
Fully consolidated			
"Raiffeisen-Rent" Vermögensberatung und Treuhand Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Abade Immobilienleasing GmbH & Co Projekt Lauterbach KG, Eschborn	DE	6.00	Financial Institution
Abade Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
Abakus Immobilienleasing GmbH & Co Projekt Leese KG, Eschborn	DE	6.00	Financial Institution
Abura Immobilienleasing GmbH & Co. Projekt Seniorenhaus Boppard KG, Eschborn	DE	6.00	Financial Institution
Abutilon Immobilienleasing GmbH & Co. Projekt Autohof Ibbenbüren KG, Eschborn	DE	6.00	Financial Institution
Achat Immobilienleasing GmbH & Co. Projekt Hochtaunus-Stift KG, Eschborn	DE	1.00	Financial Institution
Acridin Immobilienleasing GmbH & Co. Projekt Marienfeld KG, Eschborn	DE	100.00	Financial Institution
Adagium Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
Adamas Immobilienleasing GmbH & Co. Projekt Pflegeheim Werdau KG, Eschborn	DE	100.00	Financial Institution
Adiantum Immobilienleasing GmbH & Co. Projekt Schillerhöhe Weimar KG, Eschborn	DE	6.00	Financial Institution
Adipes Immobilienleasing GmbH & Co. Projekt Bremervörde KG, Frankfurt am Main	DE	100.00	Financial Institution
Ados Immobilienleasing GmbH, Eschborn	DE	45.61	Financial Institution
Adular Immobilienleasing GmbH & Co. Projekt Rödermark KG, Eschborn	DE	100.00	Financial Institution
Agamemnon Immobilienleasing GmbH & Co. Projekt Pflegeheim Freiberg KG, Eschborn	DE	100.00	Financial Institution
AGITO Immobilien-Leasing GesmbH, Vienna	AT	100.00	Financial Institution
AKRISIOS Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
AL Taunussteiner Grundstücks-GmbH & Co KG, Eschborn	DE	88.00	Financial Institution
A-Leasing SpA, Treviso	IT	100.00	Financial Institution
Am Hafen" Sutterlüty GmbH & Co KG, Vienna	AT	50.00	Financial Institution
AMYKOS RBI Leasing-Immobilien GmbH, Vienna	AT	45.61	Financial Institution
AO Raiffeisenbank, Moscow	RU	60.81	Credit Institution
APUS Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
ARCANA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
A-Real Estate S.p.A., Bozen	IT	100.00	Financial Institution
AURIGA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Austria Leasing Beteiligungsgesellschaft mbH, Eschborn	DE	100.00	Financial Institution
Austria Leasing GmbH & Co. Immobilienverwaltung Projekt Hannover KG, Eschborn	DE	100.00	Financial Institution
Austria Leasing GmbH & Co. KG Immobilienverwaltung CURA, Eschborn	DE	100.00	Financial Institution
Austria Leasing GmbH, Eschborn	DE	100.00	Financial Institution
BAILE Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	60.81	Financial Institution
Baumgartner Höhe RBI Leasing-Immobilien GmbH, Vienna	AT	45.61	Financial Institution
BUILDING BUSINESS CENTER DOO NOVI SAD, Novi Sad	RS	60.81	Financial Institution
Bulevard Centar BBC Holding d.o.o., Belgrade	RS	60.81	Company with ancillary banking services
Burgenländische Kommunalgebäudeleasing Gesellschaft m.b.H., Eisenstadt	AT	100.00	Financial Institution
CADO Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
Canopa Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
CERES Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
CINOVA RBI Leasing-Immobilien GmbH, Vienna	AT	45.61	Financial Institution
CJSC Mortgage Agent Raiffeisen 01, Moscow	RU	0.00	Company with ancillary banking services
CUPIDO Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution

Company Name	Country Code	Share %	Type
CURO Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
DAV Holding Ltd., Budapest	HU	60.81	Financial Institution
Doplnková dôchodková spoločnosť Tatra banky, a.s., Bratislava	SK	100.00	Financial Institution
DOROS Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
EPPA Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
ETEOKLES Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
FCC Office Building SRL, Bucharest	RO	60.81	Company with ancillary banking services
FEBRIS Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
Floreasca City Center Verwaltung Kft., Budapest	HU	60.81	Financial Institution
FWR Russia Funding B.V., Amsterdam	NL	0.00	Financial Institution
GENO Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
HABITO Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
Harmadik Vagyonkezelő Kft., Budapest	HU	60.81	Company with ancillary banking services
Hietzinger-Spitz Projektentwicklung GmbH, Vienna	AT	100.00	Financial Institution
IGNIS Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Infrastruktur Heilbad Sauerbrunn GmbH, Vienna	AT	45.61	Financial Institution
Infrastruktur Heilbad Sauerbrunn RBI-Leasing GmbH & Co.KG., Bad Sauerbrunn	AT	45.61	Financial Institution
JLLC "Raiffeisen-leasing", Minsk	BY	55.59	Financial Institution
Kathrein Capital Management AG, Vienna	AT	0.00	Financial Institution
Kathrein Privatbank Aktiengesellschaft, Vienna	AT	60.81	Credit Institution
KAURI Handels und Beteiligungs GmbH, Vienna	AT	88.00	Financial Institution
Kiinteistö Oy Rovaniemen tietotekniikkakeskus, Helsinki	FI	100.00	Financial Institution
Kiinteistö Oy Seinäjoen Joupinkatu 1, Helsinki	FI	100.00	Financial Institution
Konevova s.r.o., Prague	CZ	94.56	Company with ancillary banking services
Lentia Immobilienleasing GmbH & Co. Albert-Osswald-Haus KG, Eschborn	DE	6.00	Financial Institution
Lexxus Services Holding GmbH, Vienna	AT	60.81	Financial Holding Company
LIBRA Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
Limited Liability Company Raiffeisen Leasing Aval, Kiev	UA	43.95	Financial Institution
LLC "ARES Nedvizhimost", Moscow	RU	30.40	Company with ancillary banking services
Lucius Property, s.r.o., Prague	CZ	100.00	Financial Institution
LYRA Raiffeisen Immobilien Leasing GmbH, Vienna	AT	100.00	Financial Institution
MIRA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	50.00	Financial Institution
MOBIX Raiffeisen-Mobilien-Leasing AG, Vienna	AT	95.47	Financial Institution
MOBIX Vermögensverwaltungsges.m.b.H., Vienna	AT	95.47	Financial Institution
Niederösterreichische Landes-Landwirtschaftskammer Errichtungs- und Betriebsgesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
OOO Raiffeisen-Leasing, Moscow	RU	60.81	Financial Institution
Orestes Immobilienleasing GmbH & Co. Projekt Wiesbaden KG, Eschborn	DE	6.00	Financial Institution
Ostarrichi Immobilienleasing GmbH & Co. Projekt Langenbach KG, Eschborn	DE	100.00	Financial Institution
Park City real estate Holding d.o.o., Novi Sad	RS	60.81	Company with ancillary banking services
PARO Raiffeisen Immobilien Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
PELIAS Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
PERSES RBI Leasing-Immobilien GmbH, Vienna	AT	45.61	Financial Institution
PLANA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Pointon Investment Limited, Limassol	CY	60.81	Company with ancillary banking services
Priamos Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
Priorbank JSC, Minsk	BY	53.35	Credit Institution
PRODEAL, a.s., Bratislava	SK	0.00	Financial Institution
Propria Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	90.00	Financial Institution
Raiffeisen Banca pentru Locuinte S.A., Bucharest	RO	53.60	Credit Institution

Company Name	Country Code	Share %	Type
Raiffeisen Bank Aval JSC, Kiev	UA	41.45	Credit Institution
Raiffeisen Bank d.d. Bosna i Hercegovina, Sarajevo	BA	60.81	Credit Institution
Raiffeisen Bank International AG, Vienna	AT	60.81	Credit Institution
Raiffeisen Bank Kosovo J.S.C., Pristina	KO	60.81	Credit Institution
Raiffeisen Bank Polska S.A., Warsaw	PL	60.81	Credit Institution
Raiffeisen Bank S.A., Bucharest	RO	60.81	Credit Institution
Raiffeisen Bank Sh.a., Tirane	AL	60.81	Credit Institution
Raiffeisen Bank Zrt., Budapest	HU	60.81	Credit Institution
Raiffeisen banka a.d., Novi Belgrade	RS	60.81	Credit Institution
Raiffeisen Bausparkasse Gesellschaft m.b.H., Vienna	AT	100.00	Credit Institution
Raiffeisen Bausparkassen Holding GmbH, Vienna	AT	100.00	Financial Holding Company
Raiffeisen Burgenland Leasing GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen CEE Region Holding GmbH, Vienna	AT	60.81	Financial Holding Company
Raiffeisen Centrobank AG, Vienna	AT	60.81	Credit Institution
Raiffeisen CIS Region Holding GmbH, Vienna	AT	60.81	Financial Holding Company
Raiffeisen consulting d.o.o., Zagreb	HR	60.81	Financial Institution
Raiffeisen Corporate Lízing Zrt., Budapest	HU	60.81	Company with ancillary banking services
Raiffeisen Factor Bank AG, Vienna	AT	100.00	Financial Institution
Raiffeisen Factoring Ltd., Zagreb	HR	60.81	Financial Institution
Raiffeisen FinCorp, s.r.o., Prague	CZ	53.21	Financial Institution
Raiffeisen Immobilienfonds, Vienna	AT	0.00	Financial Institution
Raiffeisen International Beteiligungs GmbH, Vienna	AT	100.00	Financial Holding Company
Raiffeisen International Invest Holding GmbH, Vienna	AT	60.81	Financial Holding Company
Raiffeisen International Liegenschaftsbesitz GmbH, Vienna	AT	60.81	Company with ancillary banking services
Raiffeisen Kapitalanlage-Gesellschaft mit beschränkter Haftung, Vienna	AT	100.00	Credit Institution
Raiffeisen Leasing Bulgaria OOD, Sofia	BG	60.81	Financial Institution
Raiffeisen Leasing d.o.o. Sarajevo, Sarajevo	BA	60.81	Financial Institution
Raiffeisen Leasing d.o.o., Ljubljana	SI	60.81	Financial Institution
Raiffeisen Leasing d.o.o., Belgrade	RS	60.81	Financial Institution
Raiffeisen Leasing IFN S.A., Bucharest	RO	60.79	Financial Institution
Raiffeisen Leasing Kosovo LLC, Pristina	KO	60.81	Financial Institution
Raiffeisen Leasing sh.a., Tirane	AL	60.81	Financial Institution
Raiffeisen Leasing-Projektfinanzierung Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Raiffeisen Mandatory and Voluntary Pension Funds Management Company Plc., Zagreb	HR	60.81	Financial Institution
Raiffeisen ÖHT Beteiligungs GmbH, Vienna	AT	88.00	Financial Institution
Raiffeisen Property Holding International GmbH, Vienna	AT	60.81	Financial Institution
Raiffeisen Real Estate Fund,	HU	0.00	Financial Institution
Raiffeisen Rent DOO, Belgrade	RS	60.81	Financial Institution
Raiffeisen RS Beteiligungs GmbH, Vienna	AT	60.81	Financial Holding Company
Raiffeisen SEE Region Holding GmbH, Vienna	AT	60.81	Financial Holding Company
Raiffeisen stambena stedionica d.d., Zagreb	HR	60.81	Credit Institution
Raiffeisen stavebni sporitelna, a.s., Prague	CZ	94.56	Credit Institution
Raiffeisen Wohnbaubank Aktiengesellschaft, Vienna	AT	100.00	Credit Institution
Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna	AT	0.00	Credit Institution
Raiffeisen-Anlagenvermietung Ges.m.b.H., Vienna	AT	100.00	Financial Institution
Raiffeisenbank (Bulgaria) EAD, Sofia	BG	60.81	Credit Institution
Raiffeisenbank a.s., Prague	CZ	45.61	Credit Institution
Raiffeisenbank Austria d.d., Zagreb	HR	60.81	Credit Institution
Raiffeisen-Gemeindegebäudeleasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Raiffeisen-Invest-Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Raiffeisen-Kommunalgebäudeleasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution

Company Name	Country Code	Share %	Type
Raiffeisen-Leasing Aircraft Finance GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen-Leasing Bank Aktiengesellschaft, Vienna	AT	100.00	Credit Institution
Raiffeisen-Leasing Beteiligung GesmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen-Leasing d.o.o., Zagreb	HR	60.81	Financial Institution
Raiffeisen-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Raiffeisen-Leasing Immobilienmanagement Gesellschaft m.b.H., Vienna	AT	100.00	Financial Holding Company
Raiffeisen-Leasing International Gesellschaft m.b.H., Vienna	AT	60.81	Financial Institution
Raiffeisen-Leasing Liegenschaftsverwaltung Kraußstraße Gesellschaft m.b.H., Vienna	AT	70.00	Financial Institution
Raiffeisen-Leasing Lithuania UAB, Vilnius	LT	56.11	Financial Institution
Raiffeisen-Leasing, s.r.o., Prague	CZ	53.21	Financial Institution
Raiffeisen-RBHU Holding GmbH, Vienna	AT	60.81	Financial Holding Company
RALT Raiffeisen-Leasing Gesellschaft m.b.H. & Co. KG, Vienna	AT	100.00	Company with ancillary banking services
RALT Raiffeisen-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
RAN elf Raiffeisen-Anlagenvermietung Ges.m.b.H., Vienna	AT	100.00	Financial Institution
RAN vierzehn Raiffeisen-Anlagevermietung GmbH, Vienna	AT	100.00	Financial Institution
RAN zehn Raiffeisen-Anlagenvermietung Ges.m.b.H., Vienna	AT	100.00	Financial Institution
RB International Finance (Hong Kong) Ltd., Hong Kong	HK	60.81	Financial Institution
RB International Finance (USA) LLC, New York	US	60.81	Financial Institution
RB International Investment Asia Limited, Labuan F.T.	MY	60.81	Financial Institution
RB International Markets (USA) LLC, New York	US	60.81	Financial Institution
RBI KI Beteiligungs GmbH, Vienna	AT	60.81	Financial Holding Company
RBI eins Leasing Holding GmbH,	AT	45.61	Financial Institution
RBI IB Beteiligungs GmbH, Vienna	AT	60.81	Financial Holding Company
RBI ITS Leasing-Immobilien GmbH, Vienna	AT	45.61	Financial Institution
RBI LEA Beteiligungs GmbH, Vienna	AT	60.81	Financial Institution
RBI Leasing GmbH, Vienna	AT	45.61	Financial Institution
RBI LGG Holding GmbH, Vienna	AT	60.81	Financial Institution
RBI PE Handels- und Beteiligungs GmbH, Vienna	AT	60.81	Financial Institution
REC Alpha LLC, Kiev	UA	60.81	Company with ancillary banking services
Regional Card Processing Center s.r.o., Bratislava	SK	60.81	Company with ancillary banking services
REMUS Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
Rent Impex, s.r.o., Bratislava	SK	100.00	Financial Institution
RIL IV Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
RIL VII Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
RIL XIII Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
RIL XIV Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
RIRE Holding GmbH, Vienna	AT	60.81	Company with ancillary banking services
RL Anlagenvermietung Gesellschaft m.b.H., Eschborn	DE	100.00	Financial Institution
RL Flussschifffahrts GmbH & Co KG, Vienna	AT	0.00	Financial Institution
RL Gamma d.o.o., Zagreb	HR	100.00	Financial Institution
RL Grundstückverwaltung Klagenfurt-Süd GmbH, Vienna	AT	100.00	Financial Institution
RL Hotel Palace Vienna Besitz GmbH, Vienna	AT	99.00	Financial Institution
RL Retail Holding GmbH, Vienna	AT	100.00	Financial Institution
RL Thermal Beteiligungen GmbH, Vienna	AT	100.00	Financial Institution
RL Thermal GmbH & Co Liegenschaftsverwaltung KG, Vienna	AT	100.00	Financial Institution
RL Thermal GmbH, Vienna	AT	100.00	Financial Institution
RL-Epsilon Holding GmbH, Vienna	AT	100.00	Financial Institution
RL-Epsilon Sp.z.o.o., Warsaw	PL	100.00	Financial Institution
RL-Gamma Holding GmbH, Vienna	AT	100.00	Financial Institution
RLI Holding Gesellschaft m.b.H., Vienna	AT	60.81	Financial Institution

Company Name	Country Code	Share %	Type
RL-Jota Holding GmbH, Vienna	AT	100.00	Financial Institution
RL-Jota Sp.z o.o., Warsaw	PL	100.00	Financial Institution
RL-Mörby AB,	SE	100.00	Financial Institution
RL-Nordic AB, Stockholm	SE	100.00	Financial Institution
RL-Nordic Finans AB, Stockholm	SE	100.00	Financial Institution
RL-Nordic OY, Helsinki	FI	100.00	Financial Institution
RL-Pro Auxo Sp.z.o.o., Warsaw	PL	100.00	Financial Institution
RUBRA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
RZB - BLS Holding GmbH, Vienna	AT	100.00	Financial Institution
RZB Finance (Jersey) III Ltd, St. Helier	JE	60.81	Financial Institution
RZB Finance (Jersey) IV Limited, St. Helier	JE	60.81	Financial Institution
RZB Invest Holding GmbH, Vienna	AT	100.00	Financial Holding Company
RZB Sektorbeteiligung GmbH, Vienna	AT	100.00	Financial Holding Company
RZB Versicherungsbeteiligung GmbH, Vienna	AT	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	60.81	Company with ancillary banking services
SALVELINUS Handels- und Beteiligungsgesellschaft m.b.H, Vienna	AT	100.00	Financial Institution
SAMARA Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	100.00	Financial Institution
SF Hotelerrichtungsgesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
SINIS Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
SOLAR II Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
SOLIDA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	50.50	Financial Institution
SPICA Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
S-SPV'' d.o.o. Sarajevo, Sarajevo	BA	60.81	Financial Institution
Styria Immobilienleasing GmbH & Co. Projekt Ahlen KG, Eschborn	DE	6.00	Financial Institution
Tatra Asset Management, správ. spol., a.s., Bratislava	SK	47.91	Financial Institution
Tatra banka, a.s., Bratislava	SK	47.91	Credit Institution
Tatra Residence, a.s., Bratislava	SK	47.91	Company with ancillary banking services
Tatra-Leasing, s.r.o., Bratislava	SK	47.91	Financial Institution
THYMO Raiffeisen-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
TOO Raiffeisen Leasing Kazakhstan, Almaty	KZ	60.81	Financial Institution
Ukrainian Processing Center PJSC, Kiev	UA	60.81	Company with ancillary banking services
Unterinntaler Raiffeisen-Leasing GmbH & Co KG, Vienna	AT	100.00	Financial Institution
URSA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
Valida Holding AG, Vienna	AT	57.38	Financial Institution
Valida Plus AG, Vienna	AT	60.81	Credit Institution
Vindalo Properties Limited, Limassol	CY	60.81	Company with ancillary banking services
Vindobona Immobilienleasing GmbH & Co. Projekt Autohaus KG, Eschborn	DE	6.00	Financial Institution
WEGA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	82.39	Financial Institution
ZUNO BANK AG, Vienna	AT	60.81	Credit Institution

At-equity			
card complete Service Bank AG, Vienna	AT	25.00	Credit Institution
NOTARTREUHANDBANK AG, Vienna	AT	26.00	Credit Institution
Oesterreichische Kontrollbank Aktiengesellschaft, Vienna	AT	8.12	Credit Institution
Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H., Vienna	AT	31.25	Credit Institution
Prva stavebna sporitelna a.s., Bratislava	SK	32.50	Credit Institution
Raiffeisen Informatik GmbH, Vienna	AT	47.55	Company with ancillary banking services
UNIQA Insurance Group AG, Vienna	AT	10.90	Insurance Company
ZVEZA BANK, registrirana zadruga z omejenim jamstvom, Bank und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung, Klagenfurt	AT	58.01	Credit Institution

Company Name	Country Code	Share %	Type
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	Company with ancillary banking services
"K-SPV" d.o.o. Sarajevo, Sarajevo	BA	100.00	Financial Institution
Adessentia Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
Adipes Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
Adrittura Immobilienleasing GmbH & Co. Projekt Eiching KG, Eschborn	DE	70.00	Financial Institution
AELLO Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Financial Institution
ARTEMIA Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
Austria Leasing GmbH & Co. KG Immobilienverwaltung Projekt Eberdingen, Eschborn	DE	100.00	Financial Institution
BRL Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution
CARNUNTUM Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
Centralised Raiffeisen International Services & Payments S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
Chronos Property, s.r.o., Prague	CZ	100.00	Financial Institution
CRISTAL PALACE Property s.r.o., Prague	CZ	100.00	Financial Institution
DAV Management Kft., Budapest	HU	100.00	Company with ancillary banking services
DAV-ESTATE Kft., Budapest	HU	100.00	Company with ancillary banking services
DAV-LAND Kft., Budapest	HU	100.00	Company with ancillary banking services
Dubravcice, s.r.o., Bratislava	SK	100.00	Financial Institution
Eastern European Invest GmbH, Vienna	AT	100.00	Financial Institution
Easy Develop s.r.o., Prague	CZ	100.00	Investment Firm
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 Holding Company
FMK Fachmarktcenter Kohlbruck Betriebs GmbH, Eschborn	DE	94.37	Financial Institution
Golden Rainbow International Limited, Tortola	VG	100.00	Financial Institution
Grainulos s.r.o., Prague	CZ	100.00	Financial Institution
HESTIA Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	50.50	Financial Institution
Holeckova Property s.r.o., Prague	CZ	100.00	Financial Institution
HSL INVEST S.R.L., Ploiesti, judentul Buzau	RO	100.00	Financial Institution
Hyperion Property, s.r.o., Prague	CZ	100.00	Financial Institution
Hypnos Property, s.r.o., Prague	CZ	100.00	Financial Institution
ICS Raiffeisen Leasing s.r.l, Chisinau	MD	100.00	Financial Institution
ICTALURUS Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Financial Institution
Iris Property, s.r.o., Prague	CZ	100.00	Financial Institution
ISIS Raiffeisen Immobilien Leasing GmbH, Vienna	AT	100.00	Financial Institution
Kathrein & Co. Trust Holding GmbH, Vienna	AT	100.00	Financial Institution
Kleio Property, s.r.o., Prague	CZ	100.00	Financial Institution
Laomedon Immobilienleasing GmbH, Eschborn	DE	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
LOTA Handels- und Beteiligungs-GmbH, Vienna	AT	100.00	Financial Institution
Melete Property, s.r.o., Prague	CZ	100.00	Financial Institution
MELIKERTES Raiffeisen-Mobilien-Leasing GmbH, Vienna	AT	80.00	Financial Institution
Melpomene 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
OCTANOS Raiffeisen Immobilien Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
Ofion Property, s.r.o., Prague	CZ	100.00	Financial Institution

Company Name	Country Code	Share %	Type
OOO "Vneshleasing", Moscow	RU	100.00	Financial Institution
OOO Raiffeisen Capital Asset Management Company, Moscow	RU	100.00	Financial Institution
ORION Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	50.00	Financial Institution
Ötödik Vagyonkezelő Kft., Budapest	HU	100.00	Financial Institution
Palace Holding s.r.o., Prague	CZ	90.00	Financial Institution
PEGA Raiffeisen-Immobilien Leasing Gesellschaft m.b.H., Vienna	AT	50.00	Financial Institution
Peito Property, s.r.o., Prague	CZ	100.00	Financial Institution
PLUSFINANCE LAND S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
PLUSFINANCE OFFICE S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
PLUSFINANCE RESIDENTIAL S.R.L., Bucharest	RO	100.00	Company with ancillary banking services
Queens Garden Sp z.o.o., Warsaw	PL	100.00	Financial Institution
R.L.H. Holding GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen (Beijing) Investment Management Co., Ltd., Beijing	CN	100.00	Financial Institution
Raiffeisen Asset Management (Bulgaria) EAD, Sofia	BG	100.00	Financial Institution
Raiffeisen Assistance doo Sarajevo, Sarajevo	BA	100.00	Company with ancillary banking services
Raiffeisen Autó Lízing Kft., Budapest	HU	100.00	Financial Institution
Raiffeisen Befektetési Alapkezelõ Zrt., Budapest	HU	100.00	Financial Institution
Raiffeisen Biztosításközvetítö Kft., Budapest	HU	100.00	Company with ancillary banking services
Raiffeisen Bonus Ltd., Zagreb	HR	100.00	Company with ancillary banking services
Raiffeisen Capital a.d. Banja Luka, Banja Luka	BA	100.00	Company with ancillary banking services
Raiffeisen Direct Investments CZ s.r.o., Prague	CZ	100.00	Financial Institution
Raiffeisen Financial Services Polska Sp. z o.o., Warsaw	PL	99.99	Financial Institution
Raiffeisen Future AD, Belgrade	RS	100.00	Financial Institution
Raiffeisen Gazdasági Szolgáltató Zrt., Budapest	HU	100.00	Financial Institution
Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H., Vienna	AT	100.00	Credit Institution
Raiffeisen Insurance and Reinsurance Broker S.R.L, Bucharest	RO	100.00	Company with ancillary banking services
RAIFFEISEN INSURANCE BROKER EOOD, Sofia	BG	100.00	Company with ancillary banking services
Raiffeisen Insurance Broker Kosovo L.L.C., Pristina	KO	100.00	Company with ancillary banking services
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 Drustvo za upravljanje fondovima d.o.o Sarajevo, Sarajevo	BA	100.00	Company with ancillary banking services
Raiffeisen INVEST Sh.a., Tirane	AL	100.00	Financial Institution
Raiffeisen investicni spolecnost a.s., Prague	CZ	100.00	Investment Firm
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	60.82	Financial Institution
Raiffeisen Salzburg Invest Kapitalanlage GmbH, Salzburg	AT	75.00	Credit Institution
Raiffeisen Solutions Spółka z ograniczoną odpowiedzialnością, Warsaw	PL	100.00	Financial Institution
RAIFFEISEN SPECIAL ASSETS COMPANY d.o.o. Sarajevo, Sarajewo	BA	100.00	Financial Institution
Raiffeisen Verbundunternehmen-IT GmbH, Vienna	AT	100.00	Company with ancillary banking services
Raiffeisen Wohnbauleasing Gesellschaft m.b.H., Vienna	AT	100.00	Financial Institution

Company Name	Country Code	Share %	Type
Raiffeisen-Leasing Anlagen und KFZ Vermietungs GmbH, Vienna	AT	53.10	Financial Institution
Raiffeisen-Leasing Wärmeversorgungsanlagenbetriebs GmbH, Vienna	AT	100.00	Financial Institution
Raiffeisen-Wohnbauleasing Österreich GmbH, Vienna	AT	100.00	Financial Institution
RB Kereskedhőáz Kft., Budapest	HU	100.00	Company with ancillary banking services
RB Szolgáltató Központ Kft. - RBSC Kft., Nyíregyháza	HU	100.00	Company with ancillary banking services
RCR Ukraine LLC, Kiev	UA	100.00	Company with ancillary banking services
Real Estate Rent DOO, 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
RIL VI Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
RILREU Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	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	85.00	Financial Institution
RL-Lamda s.r.o., Bratislava	SK	100.00	Financial Institution
RLRE Beta Property, s.r.o., Prague	CZ	100.00	Financial Institution
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 Orion Property s.r.o., Prague	CZ	0.00	Financial Institution
RLRE Ypsilon Property, s.r.o., Prague	CZ	100.00	Financial Institution
Roof Russia DPR Finance Company S.A., Luxembourg	LU	0.00	Financial Institution
SAM-House Kft, Budapest	HU	100.00	Company with ancillary banking services
SCT Kárász utca Ingatlankezelő Kft., Budapest	HU	100.00	Financial Institution
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
Triton Property, s.r.o., Prague	CZ	100.00	Financial Institution
Unitary insurance enterprise "Priorlife", Minsk	BY	100.00	Insurance Company
UPC Real, s.r.o., Prague	CZ	100.00	Financial Institution
Urania Property, s.r.o., Prague	CZ	100.00	Financial Institution
VANELLA Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
ZHS Office- & Facilitymanagement GmbH, Vienna	AT	99.18	Company with ancillary banking services

Not consolidated			
Abakus Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Abrawiza Immobilienleasing GmbH & Co. Projekt Fernwald KG, Eschborn	DE	6.00	Other Company Type
Abrawiza Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Abri Immobilienleasing GmbH & Co. Projekt Hotel Heidelberg KG, Eschborn	DE	50.00	Other Company Type
Abri Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Abura Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Abutilon Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
ACB Ponava, s.r.o., Prague	CZ	100.00	Other Company Type
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
ACG Bor Glasworks, Bor	RU	0.00	Other Company Type
Achat Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Acridin Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type

Company Name	Country Code	Share %	Type
Adamas Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Adiantum Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Adorant Immobilienleasing GmbH & Co. Projekt Heilsbronn und Neuendettelsau KG, Eschborn	DE	6.00	Other Company Type
Adorant Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Adoria Grundstückvermietungs Gesellschaft m.b.H., St. Pölten	AT	24.50	Financial Institution
Adrett Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Adrittura Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Adufe Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Adular Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Afrodite Property, s.r.o., Prague	CZ	100.00	Other Company Type
Agamemnon Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
AGIOS Raiffeisen-Immobilien Leasing Ges.m.b.H., Vienna	AT	49.00	Financial Institution
Agricultural Open Joint Stock Company Illintsi Livestock Breeding Enterprise, Vinitsa region, Illinci	UA	4.70	Other Company Type
AIL Swiss-Austria Leasing AG, Glattbrugg	CH	50.00	Financial Institution
ALCS Association of Leasing Companies in Serbia, Belgrad	RS	12.50	Other Company Type
Alpenbank Aktiengesellschaft, Innsbruck	AT	0.00	Financial Institution
ALT POHLEDY s.r.o., Prague	CZ	100.00	Other Company Type
Am Hafen" Garagenerrichtungs- und Betriebs GmbH & Co KG, Bregenz	AT	0.30	Financial Institution
Amfion Property, s.r.o., Prague	CZ	100.00	Other Company Type
Angaga Handels- und Beteiligungs GmbH, Vienna	AT	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	12.10	Other Company Type
Austria Leasing GmbH & Co KG Immobilienverwaltung Projekt EKZ Meitingen, Eschborn	DE	100.00	Other Company Type
Austria Leasing Immobilienverwaltungsgesellschaft mbH, Eschborn	DE	100.00	Other Company Type
Austrian Reporting Services GmbH, Vienna	AT	15.00	Company with ancillary banking services
Aventin Grundstücksverwaltungs Gesellschaft m.b.H., St. Pölten	AT	24.50	Financial Institution
AVION-Grundverwertungsgesellschaft m.b.H., Vienna	AT	49.00	Financial Institution
B52 RBI Leasing-Immobilien GmbH, Vienna	AT	45.60	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
Bandos Handels- und Beteiligungs GmbH, Vienna	AT	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	13.20	Financial Institution
Boreas Property, s.r.o., Prague	CZ	100.00	Other Company Type
BRD-Groupe Société Générale S.A., Bucharest	RO	0.00	Credit Institution
BTS Holding a.s. "v likvidácii", Bratislava	SK	19.00	Other Company Type
Bucharest Stock Exchange, Bucharest	RO	1.00	Other Company Type
Budapest Stock Exchange, Budapest	HU	0.00	Investment Firm
Bukovina Residential SRL, Timisoara	RO	100.00	Other Company Type
Burza cennych papierov v. Bratislave, a.s., Bratislava	SK	0.10	Investment Firm
BUXUS Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
Cards & Systems EDV-Dienstleistungs GmbH, Vienna	AT	42.00	Other Company Type
CASA DE COMPENSARE S.A., Bucharest	RO	0.10	Other Company Type
Cash Service Company AD, Sofia	BG	20.00	Company with ancillary banking services
CEESEG Aktiengesellschaft, Vienna	AT	7.00	Investment Firm
CELL MED Research GmbH, Vienna	AT	4.50	Other Company Type

Company Name	Country Code	Share %	Type
Central Depository and Clearing Company, Inc., Zagreb	HR	0.10	Financial Institution
Centrotrade Chemicals AG - in liquidation, Zug	CH	100.00	Other Company Type
Centrotrade Holding GmbH, Vienna	AT	100.00	Other Company Type
Closed Joint Stock Company Truskavets Valeological Innovative Centre, 82200, Truskavets, Lviv region	UA	5.00	Other Company Type
Closed Joint Stock Company Vinegar-yeast Factory, Uzyn	UA	33.80	Other Company Type
Commodity Exchange Crimean Interbank Currency Exchange, Simferopil	UA	4.50	Investment Firm
Commodity Exchange of the Agroindustrial Complex of Central Regions of Ukraine, Cherkassy	UA	11.10	Other Company Type
CONATUS Grundstückvermietungs Ges.m.b.H., St. Pölten	AT	24.50	Investment Firm
CP Inlandsimmobilien-Holding GmbH, Vienna	AT	61.20	Other Company Type
CP Linzerstraße 221-227 Projektentwicklungs GmbH, Vienna	AT	100.00	Other Company Type
CP Logistikcenter Errichtungs- und Verwaltungs GmbH, Vienna	AT	100.00	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
CULINA Grundstückvermietungs Gesellschaft m.b.H., St. Pölten	AT	25.00	Financial Institution
CZ Invest GmbH, Vienna	AT	100.00	Other Company Type
Czech Real Estate Fund (CREF) B.V., Amsterdam	NL	20.00	Financial Institution
D. Trust Certifikacná 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	60.80	Other Company Type
Die Niederösterreichische Leasing Gesellschaft m.b.H., Vienna	AT	35.00	Other Company Type
Die Niederösterreichische Leasing GmbH & Co KG, Vienna	AT	40.00	Financial Institution
Dike Property, s.r.o., Prague	CZ	100.00	Other Company Type
DILIGENTA Holding GmbH in Liqu., Graz	AT	24.50	Other Company Type
Dobré Bývanie s.r.o., Bratislava	SK	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	86.60	Other Company Type
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main	DE	0.10	Credit Institution
Easdaq NV, Leuven	BE	0.00	Other Company Type
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	AT	0.10	Financial Institution
EMCOM Beteiligungs GmbH, Vienna	AT	33.60	Financial Institution
EMERGING EUROPE GROWTH FUND II, L.P., Delaware	US	1.90	Other Company Type
Epsilon - Grundverwertungsgesellschaft m.b.H., Vienna	AT	24.00	Financial Institution
Erato Property, s.r.o., Prague	CZ	100.00	Other Company Type
Eris Property, s.r.o., Prague	CZ	100.00	Other Company Type
ESQUILIN Grundstücksverwaltungs GmbH, St. Pölten	AT	24.50	Financial Institution
Euro Banking Association (ABE Clearing S.A.S.), Paris	FR	1.90	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	0.20	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	60.80	Other Company Type
Export and Industry Bank Inc., Makati City	PH	9.50	Credit Institution
FACILITAS Grundstücksvermietungs GmbH, St. Pölten	AT	50.00	Financial Institution
FARIO Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Faru Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
First Leasing Service Center GmbH, Vienna	AT	100.00	Other Company Type
Flex-space Plzen I, s.r.o., Prague	CZ	0.00	Other Company Type
FMZ PRIMUS Ingatlanfejlesztö Kft., Budapest	HU	100.00	Other Company Type
Fondul de Garantare a Creditului Rural S.A., Bucharest	RO	33.30	Financial Institution
FORIS Grundstückvermietungs Ges.m.b.H., St. Pölten	AT	24.50	Financial Institution

Company Name	Country Code	Share %	Type
Forkys Property, s.r.o., Prague	CZ	0.00	Other Company Type
FORZA SOLE s.r.o., Prague	CZ	100.00	Other Company Type
FURIAE Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Other Company Type
FVE Cihelna s.r.o., Prague	CZ	100.00	Other Company Type
G + R Leasing Gesellschaft m.b.H. & Co. KG., Graz	AT	50.00	Financial Institution
G + R Leasing Gesellschaft m.b.H., Graz	AT	1.80	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	0.20	Financial Institution
GELDSERVICE AUSTRIA Logistik für Wertgestionierung und Transportkoordination G.m.b.H., Vienna	AT	0.20	Other Company Type
Gergely u. Ingatlanfejlesztő Kft., Budapest	HU	100.00	Other Company Type
Gersthoferstraße 100 Bauprojektentwicklungs GmbH in Liqu., Vienna	AT	50.00	Other Company Type
Golfanlagen Schönborn Betriebsgesellschaft m.b.H., Göllersdorf	AT	25.00	Financial Institution
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
HERA Raiffeisen Immobilien Leasing GmbH, Vienna	AT	49.00	Financial Institution
Hermes Property, s.r.o., Prague	CZ	100.00	Other Company Type
Hestia Property, s.r.o., Prague	CZ	100.00	Other Company Type
HOBEX AG, Salzburg	AT	8.50	Financial Institution
Hrvatski registar obveza po kreditima d.o.o., Zagreb	HR	10.50	Company with ancillary banking services
Humanitarian Fund ''Budimir Bosko Kostic'', Belgrad	RS	100.00	Other Company Type
IDUS Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
immigon portfolioabbau ag, Vienna	AT	0.00	Credit Institution
Immoservice Polska Sp.z.o.o., Warsaw	PL	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
INPROX Split d.o.o., Zagreb	HR	100.00	Other Company Type
Inprox Zagreb Sesvete d.o.o., Zagreb	HR	100.00	Other Company Type
International Factors Group S.C. in liquidation, Amsterdam	BE	2.80	Financial Institution
Invest Vermögensverwaltungs-GmbH, Vienna	AT	61.60	Other Company Type
INVESTOR COMPENSATION FUND, Bucharest	RO	0.40	Investment Firm
Janus Property, s.r.o., Prague	CZ	100.00	Other Company Type
K & D Progetto s.r.l., Bozen	IT	25.00	Financial Institution
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
KHD a.s., Prague	CZ	100.00	Other Company Type
Kiinteistö Oy Automaatiotie 1, Helsinki	FI	100.00	Other Company Type
KIWANDA Handels- und Beteiligungs GmbH, Vienna	AT	100.00	Other Company Type
Kommunal-Infrastruktur & Immobilien Zeltweg GmbH, Zeltweg	AT	20.00	Financial Institution
Körlog Logistika Építö és Kivitelezö Korlátolt Feleösségü Társaság, Budapest	HU	100.00	Other Company Type
KOTTO Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Other Company Type
Laomedon Immobilienleasing GmbH, Eschborn	DE	100.00	Financial Institution
LARENTIA Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Other Company Type
LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna	AT	33.10	Other Company Type
LENTIA Immobilienleasing GmbH, Eschborn	DE	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 Sytems, Dnepropetrovsk	UA	10.00	Other Company Type

Company Name	Country Code	Share %	Type
LITUS Grundstückvermietungs Gesellschaft m.b.H., St. Pölten	AT	24.50	Financial Institution
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
Medicur - Holding Gesellschaft m.b.H., Vienna	AT	25.00	Other Company Type
MENARAI Holding GmbH, Vienna	AT	0.00	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	60.80	Other Company Type
N.Ö. Kommunalgebäudeleasing GmbH, Vienna	AT	33.30	Financial Institution
N.Ö. Gemeindegebäudeleasing GmbH, Vienna	AT	33.30	Financial Institution
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
NÖ Raiffeisen Kommunalprojekte Service Gesellschaft m.b.H., Vienna	AT	26.00	Financial Institution
NÖ Raiffeisen-Leasing Gemeindeprojekte Gesellschaft m.b.H., Vienna	AT	1.00	Financial Institution
NÖ. HYPO Leasing und Raiffeisen-Immobilien-Leasing Traisenhaus GesmbH & Co OG, St. Pölten	AT	50.00	Financial Institution
NÖ-KL Kommunalgebäudeleasing GmbH, Vienna	AT	33.30	Financial Institution
Nußdorf Immobilienverwaltung GmbH, Vienna	AT	100.00	Other Company Type
O.Ö. Leasing für Gebietskörperschaften Ges.m.b.H., Linz	AT	16.70	Financial Institution
O.Ö. Leasing für öffentliche Bauten Ges.m.b.H., Linz	AT	16.70	Financial Institution
ÖAMTC-Leasing GmbH & Co KG, Vienna	AT	49.00	Financial Institution
ÖAMTC-Leasing GmbH, Vienna	AT	49.00	Other Company Type
Oberpinzg. Fremdenverkehrförderungs- und Bergbahnen AG, Neukirchen am Großvenediger, Salzburg	AT	0.00	Other Company Type
Objekt Linser Areal Immobilienerrichtungs GmbH, Vienna	AT	100.00	Other Company Type
Objekt Linser Areal Immoblilienerrichtungs GmbH & Co. KG, Vienna	AT	100.00	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	4.70	Other Company Type
Open Joint Stock Company Volodymyr-Volynskyi Sugar Refinery, Volodimir-Volynskiy city	UA	2.60	Other Company Type
OPORA Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Other Company Type
Orchideus Property, s.r.o., Prague	CZ	100.00	Other Company Type
Orestes Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
OSTARRICHI Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Österreichische Raiffeisen-Einlagensicherung eGen, Vienna	AT	35.50	Other Company Type
Österreichische Wertpapierdaten Service GmbH, Vienna	AT	25.30	Other Company Type
OT-Optima Telekom d.d., Zagreb	HR	3.30	Other Company Type
OVIS Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Vienna	AT	1.00	Financial Institution
P & C Beteiligungs Gesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Pannon Lúd Kft, Mezokovácsháza	HU	0.60	Other Company Type
Petrom S.A., Bucharest	RO	0.00	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 Name	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
PHOXIUS Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
PILSENINEST SICAV, a.s., Prague	CZ	100.00	Other Company Type
Polish Real Estate Investment Limited, Limassol	CY	11.20	Other Company Type
Pontos Property, s.r.o., Prague	CZ	100.00	Other Company Type
Priapos Property, s.r.o., Prague	CZ	0.00	Other Company Type
Private Joint Stock Company First All-Ukrainian Credit Bureau, Kiev	UA	5.10	Other Company Type
Private Joint Stock Company Sumy Enterprise Agrotechservice, Sumy	UA	0.60	Other Company Type
Private Joint Stock Company Ukrainian Interbank Currency Exchange, Kiev	UA	3.10	Investment Firm
Pro Invest da Vinci e.o.o.d., Sofia	BG	100.00	Other Company Type
Production unitary enterprise "PriortransAgro", Minsk	BY	100.00	Other Company Type
PROKNE Raiffeisen-Immobilien-Leasing GmbH, Vienna	AT	100.00	Other Company Type
PSA Payment Services Austria GmbH, Vienna	AT	11.20	Financial Institution
Public Joint Stock Company Bird Farm Bershadskyi, Viytivka	UA	0.50	Other Company Type
Public Joint Stock Company National Depositary 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	0.00	Financial Institution
Public Joint Stock Company Stock Exchange PFTS, Kiev	UA	0.20	Investment Firm
PZ PROJEKT a.s., Prague	CZ	100.00	Other Company Type
QUIRINAL Grundstücksverwaltungs GmbH, Vienna	AT	33.30	Financial Institution
R Karpo Immobilien Linie S.R.L., Bucharest	RO	100.00	Other Company Type
R LUX IMMOBILIEN LINIE S.R.L., Timisoara	RO	100.00	Other Company Type
R MORMO IMMOBILIEN LINIE S.R.L., Bucharest	RO	100.00	Other Company Type
R.B.T. Beteiligungsgesellschaft m.b.H, Vienna	AT	100.00	Other Company Type
R.P.I. Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Raiffeisen Assistance D.O.O., Belgrade, Belgrade	RS	100.00	Other Company Type
Raiffeisen e-force GmbH, Vienna	AT	28.20	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 Vagyonkezelő Kft., Budapest	HU	100.00	Company with ancillary banking services
Raiffeisen KOIOS Leasing GmbH, Vienna	AT	100.00	Other Company Type
Raiffeisen Property International GmbH, Vienna	AT	60.80	Other Company Type
Raiffeisen Property Management Bulgaria EOOD, Sofia	BG	100.00	Other Company Type
Raiffeisen Property Management GmbH, Vienna	AT	60.80	Other Company Type
Raiffeisen Property Management spol.s.r.o., Prague	CZ	100.00	Other Company Type
Raiffeisen Quality Living WEST GmbH, Vienna	AT	100.00	Other Company Type
Raiffeisen Rehazentrum Schruns Immobilienleasing GmbH, Vienna	AT	50.00	Financial Institution
Raiffeisen Salzburg Leasing GmbH, Salzburg	AT	19.00	Financial Institution
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	1.30	Other Company Type
Raiffeisen Towarzystwo Funduszy Inwestycyjnych S.A., Warsaw	PL	100.00	Other Company Type
Raiffeisen Windpark Zistersdorf GmbH, Vienna	AT	100.00	Other Company Type
Raiffeisen-Bezirksbank - Jennersdorf registrierte Genossenschaft mit beschränkter Haftung, Jennersdorf	AT	34.60	Credit Institution
Raiffeisenbezirksbank Mattersburg reg.Gen.m.b.H., Mattersburg	AT	23.70	Credit Institution
Raiffeisenbezirksbank Oberpullendorf eGen, Oberpullendorf	AT	9.60	Credit Institution
Raiffeisen-IMPULS-Immobilien Leasing Ges.m.b.H., Linz	AT	25.00	Financial Institution

Company Name	Country Code	Share %	Type
Raiffeisen-IMPULS-Liegenschaftsverwaltung Ges.m.b.H., Linz	AT	25.00	Financial Institution
Raiffeisen-Impuls-Zeta Immobilien GmbH, Linz	AT	40.00	Financial Institution
Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung, Klagenfurt	AT	5.90	Credit Institution
Raiffeisen-Leasing BOT s.r.o., Prague	CZ	20.00	Other Company Type
Raiffeisen-Leasing Fuhrparkmanagement Gesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Raiffeisen-Leasing Gesellschaft m.b.H. & Co KG, Vienna	AT	100.00	Other Company Type
Raiffeisen-Leasing Immobilienverwaltung Gesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Raiffeisen-Leasing Management GmbH, Vienna	AT	50.00	Other Company Type
Raiffeisen-Leasing Mobilien und KFZ GmbH, Vienna	AT	15.00	Financial Institution
Raiffeisen-Rent Immobilienprojektentwicklung Gesellschaft m.b.H. Objekt Wallgasse 12 KG, Vienna	AT	30.00	Other Company Type
Raiffeisen-Rent-ImmobilienprojektentwicklungsgmbH.,Objekt Lenaugasse 11 KG, Vienna	AT	30.00	Other Company Type
Raiffeisen-Wagramer Straße 120 Projektentwicklungs GmbH, Vienna	AT	100.00	Other Company Type
Rail-Rent-Holding GmbH in Liqu., Vienna	AT	100.00	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
RBM Wohnbau Ges.m.b.H., Vienna	AT	100.00	Other Company Type
RC Gazdasági és Adótanácsadó Zrt., Budapest	HU	22.20	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
Realplan Alpha Liegenschaftsverwaltung Gesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
Realplan Beta Liegenschaftsverwaltung GmbH, Vienna	AT	50.00	Financial Institution
Registry of Securities in FBH, Sarajevo	BA	1.40	Other Company Type
Rehazentrum Kitzbühel Immobilien-Leasing GmbH, Innsbruck	AT	19.00	Other Company Type
Rent GRJ, s.r.o., Bratislava	SK	100.00	Other Company Type
REPEF Holding GmbH in Liquidation, Vienna	AT	3.50	Other Company 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 Jankomir d.o.o., Zagreb	HR	100.00	Other Company Type
RL LUX Holding S.a.r.l., Luxembourg	LU	100.00	Other Company Type
RL Schiffvermietungs GmbH, Vienna	AT	100.00	Other Company Type
RL Skand AB, Stockholm	SE	50.00	Financial Institution
RL Wohnbau-Projektentwicklungs GmbH, Vienna	AT	100.00	Other Company Type
RL-ALPHA Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-Assets Sp.z.o.o., Warsaw	PL	100.00	Other Company Type
RL-ATTIS Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-Attis Sp.z.o.o., Warsaw	PL	100.00	Other Company Type
RL-BETA Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-Delta Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-ETA d.o.o., Zagreb	HR	100.00	Other Company Type
RL-ETA Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-FONTUS Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-Fontus Sp.z.o.o., Warsaw	PL	100.00	Other Company Type
RLKG Raiffeisen-Leasing GmbH, Vienna	AT	12.50	Financial Institution
RL-Lux Ingatlan Kft., Budapest	HU	100.00	Other Company Type
RL-Opis Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-OPIS SPOLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA, Warsaw	PL	100.00	Other Company Type
RL-PROMITOR Holding GmbH, Vienna	AT	100.00	Other Company Type
RL-PROMITOR Spolka z.o.o., Warsaw	PL	100.00	Other Company Type
RL-Prom-Wald Sp. Z.o.o, Warsaw	PL	100.00	Other Company Type
RLRE Carina Property, s.r.o., Prague	CZ	100.00	Other Company Type

Company Name	Country Code	Share %	Type
RLRE Dorado Property, s.r.o., Prague	CZ	100.00	Other Company Type
RLX Dvorak S.A., Luxembourg	LU	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
RSAL Raiffeisen Steiermark Anlagenleasing GmbH, Graz	AT	19.00	Other Company Type
RSC Raiffeisen Service Center GmbH, Vienna	AT	66.90	Company with ancillary banking services
RSIL Immobilienleasing Raiffeisen Steiermark GmbH, Graz	AT	19.00	Other Company Type
RVS, a. s., 814.85 Bratislava	SK	0.70	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	5.20	Other Company Type
SASSK Ltd., 04053 Kiev	UA	88.70	Other Company Type
Scanviwood Co. Ltd., Ho Chi Minh City	VN	6.00	Other Company Type
SCTB Ingatlanfejlesztés Ingatlanhasznosító Kft., 1054 Budapest	HU	100.00	Other Company Type
SCTE Elsö Ingatlanfejlesztö és Ingatlanhasznosító Kft., Budapest	HU	100.00	Other Company Type
SCTP Biatorbágy Ingatlanfejlesztő és Ingatlanhasznosító Kft., Budapest	HU	75.30	Other Company Type
SCTS Kft., Budapest	HU	100.00	Other Company Type
Seilbahnleasing GmbH, Innsbruck	AT	33.30	Financial Institution
Selene Property, s.r.o., Prague	CZ	100.00	Other Company Type
SELENE Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	1.00	Financial Institution
Sky Solar Distribuce s.r.o., Prague	CZ	77.00	Other Company Type
Sky Tower Immobilien- und Verwaltung Kft, Budapest	HU	60.80	Other Company Type
Skytower Building SRL, Bucharest	RO	60.80	Other Company Type
Slovak Banking Credit Bureau, s.r.o., Bratislava	SK	33.30	Company with ancillary banking services
Societatea de Transfer de Fonduri si Decontari-TRANSFOND S.A, Bucharest	RO	3.40	Company with ancillary banking services
Society for Worldwide Interbank Financial Telekommunication scrl, La Hulpe	BE	0.50	Financial Institution
SORANIS Raiffeisen Portfolio Management GmbH, Vienna	AT	100.00	Other Company Type
St. Marx-Immobilien Verwertungs- und Verwaltungs GmbH, Vienna	AT	100.00	Other Company Type
Stadtpark Hotelreal GmbH, Vienna	AT	100.00	Other Company Type
Stadtpark Liegenschaftsbeteiligung GmbH, Vienna	AT	100.00	Other Company Type
Steirische Gemeindegebäude Leasing Gesellschaft m.b.H., Graz	AT	50.00	Financial Institution
Steirische Kommunalgebäudeleasing GmbH, Graz	AT	50.00	Financial Institution
Steirische Leasing für Gebietskörperschaften Ges.m.b.H., Graz	AT	3.60	Financial Institution
Steirische Leasing für öffentliche Bauten Ges.m.b.H., Graz	AT	50.00	Financial Institution
Stemcor Global Holdings Limited, St Helier	JE	3.20	Other Company Type
Studiengesellschaft für Zusammenarbeit im Zahlungsverkehr (STUZZA) GmbH, Vienna	AT	10.70	Other Company Type
STYRIA Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
SUPRIA Raiffeisen-Immobilien-Leasing Ges.m.b.H., Vienna	AT	50.00	Financial Institution
SWO Kommunalgebäudeleasing Gesellschaft m.b.H., Vienna	AT	50.00	Financial Institution
Syrena Immobilien Holding AG, Spittal an der Drau	AT	21.00	Other Company Type
Szentkiraly 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	2.90	Investment Firm
Theia Property, s.r.o., Prague	CZ	100.00	Other Company Type
Therme Amade Badbetriebsführungsgesellschaft mbH, Altenmarkt im Pongau, Salzburg	AT	0.00	Other Company Type
Therme Amade Errichtungs- und Betriebsgesellschaft m.b.H., Altenmarkt	AT	1.00	Other Company Type
Tiroler Kommunalgebäudeleasing Gesellschaft m.b.H., Innsbruck	AT	8.30	Financial Institution
Tiroler Landesprojekte Grundverwertungs GmbH, Innsbruck	AT	33.30	Financial Institution
TKL II. Grundverwertungsgesellschaft m.b.H., Innsbruck	AT	8.30	Financial Institution
TKL V Grundverwertungs GmbH, Innsbruck	AT	33.30	Financial Institution
TKL VI Grundverwertungs GmbH, Innsbruck	AT	33.30	Financial Institution

Company Name	Country Code	Share %	Type
TKL VII Grundverwertungsgesellschaft m.b.H., Innsbruck	AT	33.30	Financial Institution
TKL VIII Grundverwertungs GmbH, Innsbruck	AT	33.30	Financial Institution
Top Vorsorge-Management GmbH, Vienna	AT	25.00	Other Company Type
TRABITUS Grundstücksvermietungs Ges.m.b.H., Vienna	AT	25.00	Financial Institution
Transilvania LEASING SI CREDIT IFN S.A., Brasov	RO	0.60	Financial Institution
UMBRA Handels- und Beteiligungsgesellschaft m.b.H., Vienna	AT	100.00	Other Company Type
UNDA Grundstücksvermietungs Gesellschaft m.b.H., St. Pölten	AT	25.00	Financial Institution
UNIQA Immobilien-Projekterrichtungs GmbH, Vienna	AT	0.00	Financial Institution
UNIQA Raiffeisen Software Service Kft., Budapest	HU	1.00	Other Company Type
VALET Grundstücksverwaltungsges.m.b.H., St. Pölten	AT	24.50	Financial Institution
Valida Consulting GmbH, Vienna	AT	100.00	Other Company Type
Valida Industrie Pensionskasse AG, Vienna	AT	57.40	Other Company Type
Valida Pension AG, Vienna	AT	57.40	Other Company Type
VALOG Vorsorge Systementwicklung GmbH, Vienna	AT	76.00	Other Company Type
VERMREAL Liegenschaftserwerbs- und -betriebs GmbH, Vienna	AT	17.00	Other Company Type
Viktor Property, s.r.o., Prague	CZ	53.20	Other Company Type
Villa Atrium Bubenec, s.r.o., Prague	CZ	100.00	Other Company Type
Viminal Grundstückverwaltungs Gesellschaft m.b.H., Vienna	AT	25.00	Financial Institution
VINAGRIUM Borászati és Kereskedelmi Kft., Budapest	HU	100.00	Other Company Type
VINDOBONA Immobilienleasing GmbH, Eschborn	DE	100.00	Other Company Type
Visa Inc., San Francisco	US	0.00	Company with ancillary banking services
VKL II Grundverwertungs GesmbH, Dornbirn	AT	33.30	Financial Institution
VKL III Gebäudeleasing-Gesellschaft m.b.H., Dornbirn	AT	0.00	Financial Institution
VKL IV Leasinggesellschaft mbH, Dornbirn	AT	0.00	Financial Institution
VKL V Immobilien Leasinggesellschaft m.b.H., Dornbirn	AT	0.00	Financial Institution
VN-Industrie Immobilien GmbH, Vienna	AT	74.00	Other Company Type
VN-Wohn Immobilien GmbH, Vienna	AT	74.00	Other Company Type
Vorarlberger Kommunalgebäudeleasing Ges.m.b.H., Dornbirn	AT	33.30	Financial Institution
VUWG Verwaltung und Verwertung von Gewerbeimmobilien GmbH, Vienna	AT	100.00	Other Company Type
W 3 Errichtungs- und Betriebs-Aktiengesellschaft, Vienna	AT	20.00	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
Zentrum Puntigam" Errichtungs- und Betriebsgesellschaft m.b.H., Vienna	AT	50.00	Other Company Type
Zhytomyr Commodity Agroindustrial Exchange, Zhitomir	UA	3.10	Other Company Type
Ziloti Holding S.A., Luxembourg	LU	0.90	Other Company Type
ZRB 17 Errichtungs GmbH, Vienna	AT	100.00	Other Company Type

Annex 3

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