

Report on inducements accepted and granted in 2019

Raiffeisen Bank International AG (RBI) has issued guidelines for handling conflicts of interest. These guidelines are to prevent that a conflict of interest arising between a customer on the one hand and RBI or one of its employees or a company controlled by RBI on the other hand, or also between RBI customers is detrimental to customer interests.

A general description of the main features of these guidelines can be found in the document “General Information on Transactions in Financial Instruments” that is available on RBI’s website www.rbinternational.com/generalinformationontransactionsinfinancialinstruments. Further information regarding the handling of conflicts of interest will be made available to RBI customers as required or on request.

The guidelines for handling conflicts of interest also include the topic of granting and accepting benefits (inducements) within the meaning of the Austrian Securities Supervision Act. RBI receives monetary inducements (i.e. fees and commissions) and/or non-monetary inducements from certain partners in connection with transactions in financial instruments and/or the provision of investment services.

Monetary inducements

In 2019, RBI received fees and commissions in the form of trailer fees paid by investment fund companies related to fund units held by RBI’s customers on their deposit accounts with RBI. RBI forwards completely any such fees and commissions to its professional and retail clients. Accordingly, trailer fees are forwarded by quarterly payments or credits to the account of the respective client. Nevertheless, RBI will separately disclose to its clients the fees and commissions received in 2019 together with client information on costs and charges related to (ancillary) investment services (cost transparency).

Non-monetary inducements

In addition, RBI also receives certain non-monetary inducements. Such inducements, however, are predominantly considered as minor as they are acceptable, reasonable and small in size so that they are unlikely to impair RBI’s duty to act in clients’ best interest.

Such minor non-monetary benefits can be grouped as follows:

- (i) Research: Information or documents relating to financial instruments and/or markets, esp. financial analyses or other analyses from which an investment strategy can be derived;
- (ii) Events: educational and training events, esp. invitations to conferences on product or capital market related topics;
- (iii) Invitations: invitations for food and drink at moderate price levels during business meetings or events as described under item (ii) above.

In 2019, RBI only received inducements with regard to “events” and “invitations” referred to under items (ii) and (iii) that qualify as being minor.

Any non-monetary inducements received by RBI that are not considered to be minor will be appraised applying market prices and criteria. For such purposes, RBI administers and maintains records on an ongoing basis. Accordingly, in 2019, RBI received a benefit of EUR 13,313 regarding “research” as described under item (i) above.

Any non-monetary inducements will be accepted by RBI for the sole purpose of enhancing the quality of services provided to the customers.

The benefit received in the form of “research” as described under item (i) above in the amount of EUR 13,313 has been justified on basis of the information and knowledge gained from such research material and the enhancement of the quality of services to clients in the segments “Institutional Clients” and “Corporate Customers” in at least the same amount.

Finally, with regard to granting of non-monetary inducements it is held that RBI exclusively grants such inducements that qualify as minor in line with the abovementioned criteria.