

ANNUAL REPORT 2020



**Raiffeisen
Landesbank Kärnten**

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Here for each other and close to our customers: maintaining our profile even in challenging conditions.

"What you can't manage on your own, you can achieve with the support of others." This was the very first and also the most important guiding principle for Friedrich Wilhelm Raiffeisen. Never was this principle more pertinent than in the year we have just lived through. It has again proven itself to be true in these challenging times we are living through as a society, in a quite extraordinary way. And in 2020 we were particularly keen to uphold our founder's undertaking in spirit and in deed. That we were right to do so has been confirmed by business performance that we can be pleased about.

"The leading banking partner in Carinthia." We continue to aspire to this vision, now and in the years to come. The strategic thrust we derive from this provides the basis for the development we strive for. And our guiding principle, accordingly, continues to be that we work systematically to provide value and benefit to our customers and members. Our experience in recent years has been that the more all stakeholders are enthused by what we are doing, the more sustainable our growth and development will be. Underpinned by cutting-edge products, services and processes that improve our competitiveness. And with a common goal always in mind: namely, to ensure our viability and profitability; and thereby secure our independence. In so doing, we reflect both market requirements and our organisation's development.

With an operating result of 16 million euros we ended the year of the pandemic with a satisfactory result. Thanks to our customer orientation and our excellent products, we achieved very good results in individual areas, such as business banking, treasury and the entire services business. Overall, we were able to increase our own funds ratio and tier 1 ratio; these lie significantly above the minimum statutory requirement.

Awards and certifications from independent external bodies to us are not just a visible reward for our efforts; they are also a mandate for the future which we are glad to accept. In 2020 the Raiffeisen Data Centre was awarded ISO 27001 certification,

confirmation that the very highest standards of quality and security are upheld. Raiffeisen Landesbank Kärnten is in the top one per cent of employers in Austria. It received four employer awards from different institutions and was awarded the "berufundfamilie" ("family and job") seal of quality for the third time in a row, together with a supplementary certificate for "mobile working" for the first time.

As a successful organisation we have to keep permanently developing, and we do this on the basis of a large number of projects and initiatives. These include developing cutting-edge services for Raiffeisen Landesbank Kärnten and the Raiffeisen banks throughout Carinthia, the systematic digitalisation of internal processes, and the further development of the Raiffeisen "Mein ELBA" online banking services and the Raiffeisen app. Significant development work was undertaken for the banking group in Carinthia, operational services were further expanded and improved, and various organisational, legal and regulatory initiatives driven forward. For Raiffeisen Landesbank Kärnten, however, high-quality personal customer service will always be our number-one priority. Working together with the entire Raiffeisen banking group in Carinthia, our mission is to be a reliable banking partner for both individuals and businesses in Carinthia. By remaining close – in every sense of the word – to our customers, by demonstrating our expertise and benefiting from the resulting trust and confidence in us, we will be able to further reinforce the strong position Raiffeisen Landesbank Kärnten enjoys going forward. And so we work continuously to achieve – and maintain – long-lasting success.

The past year has been challenging, to say the least – but together we have mastered the challenges well. Thanks go to our employees, who adjusted rapidly to the changing situation and made it possible to provide our services seamlessly. And our thanks go equally to our customers, who remained loyal to us; to our partners, who have shared the challenges of the past year with us; and to our owners and the officials who have supported us.



Mag. Peter Gauper



Mag. Georg Messner



Mag. Gert Spanz

Corporate Management and Managing Board of Raiffeisen Landesbank Kärnten

The 2020 financial year for Raiffeisen Landesbank Kärnten was of course heavily influenced by the COVID pandemic.

Despite the challenges posed, Raiffeisen Landesbank Kärnten was able to generate a satisfactory result; and in times like these it is more apparent than ever that Raiffeisen Landesbank Kärnten acts as a strong partner for the Raiffeisen banks in Carinthia.

At each of its five meetings, the Supervisory Board received detailed reports from the Managing Board on business progression and developments within the organisation; and took all the decisions required of it. Additionally, it was briefed in detail on material facts and circumstances and discussed a range of special topics. The committees of the Supervisory Board dealt with the tasks and responsibilities allocated to them by law and as a result of the bank's articles of association. The audit committee and the personnel committee met three times and once respectively during the 2020 financial year.

A "hybrid format" was adopted for the Annual General Meeting for the first time this year. This allowed members to attend the meeting digitally; and they used this option in large numbers. Ms Sabine Sternig and Mag. Dr. Klaus Karner were elected for the first time as members of the bank's Supervisory Board, and Mr Siegmund Sucher, MBA, was re-elected.

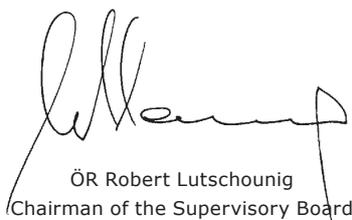
The financial statements for 2020 were audited by the Österreichischer Raiffeisenverband in its capacity as a statutory audit association; and an unqualified audit opinion was issued.

The audit committee of the Supervisory Board has reviewed in detail the financial statements for the 2020 financial year (including the Notes) and found them to be in order. The Supervisory Board also reviewed the annual financial statements and found that they were consistent with the organisation's ledgers and accounting records, which have been run in accordance with the regulations. The management report submitted by the Managing Board is consistent with the financial statements. The examination did not lead to any objections or criticisms.

The Supervisory Board would like to thank the Managing Board members and the employees for the work they have performed in these challenging times and for the excellent working environment. The Supervisory Board's confidence in the organisation and its officers has been reinforced; and it is sure that Raiffeisen Landesbank Kärnten will continue to tread a successful path, thanks to the hard work and ambition of all concerned.

Klagenfurt, 28.05.2021

Raiffeisenlandesbank Kärnten – Rechenzentrum und Revisionsverband,
registrierte Genossenschaft mit beschränkter Haftung



ÖR Robert Lutschounig
Chairman of the Supervisory Board

EXECUTIVE BODIES OF RAIFFEISEN LANDESBANK KÄRNTEN

Full-time Managing Board

Mag. Peter GAUPER, Board Spokesperson

Mag. Georg MESSNER, Board Director

Mag. Gert SPANZ, Board Director

Chairman of the Supervisory Board

ÖR Robert LUTSCHOUNIG, Chairman, RB Rosental

Members of the Supervisory Board

VDir. Claus ALTENHUBER, General Manager, RB Arnoldstein – Fürnitz

VDir. Stefan BRANDSTÄTTER, General Manager, RB Oberes Mölltal – Oberdrauburg

DI Maria GFRERER-ZAHRADNIK, Chairwoman of the Supervisory Board, RB Brückl-Eberstein-Klein St. Paul-Waisenberg

Mag. Thomas KOFFLER, General Manager, RB Ossiacher See

Ing. Mag. Michael LACKNER, Chairman of the Supervisory Board, Oberes Mölltal – Oberdrauburg

Christian LEEB, Supervisory Board member, RB Millstättersee (until 21.10.2020)

Sabine STERNIG, Supervisory Board member, Raiffeisenbank Hermagor (from 21.10.2020)

KR Alex NAPETSCHNIG, Chairman of the Supervisory Board, RB Völkermarkt

Ing. Blasius PIROUTZ, Chairman, Landw. Genossenschaft Klagenfurt-St. Veit-Rosental

VDir. Mag. Peter RUTTNIG, General Manager, RB Grafenstein-Magdalensberg

Ing. Reinhard SCHERZER, Chairman of the Supervisory Board, Kärntner Fleisch reg.Gen.m.b.H.

Dir. Günther STAUBER, MBA, General Manager, RB Lavamünd

Ing. Siegmund SUCHER, MBA, Deputy Chairman of the Supervisory Board, RBB St. Veit a. d. Glan-Feldkirchen

Mag. Elvira TRAAAR, Supervisory Board member, RB Villach (until 31.12.2019)

Mag. Dr. Klaus Jürgen KARNER, Chairman of the Supervisory Board, RB Villach (from 21.10.2020)

Supervisory Board members sent by the Works Council

Chairman of the Works Council: Ewald WALLENBÖCK, salaried employee

Employee representative Mag. Eveline CRNALIC, salaried employee

Employee representative Ing. Silvio ESTERL, salaried employee

Employee representative Dipl. Päd. Hans-Jörg LAIB, salaried employee

Employee representative Eva-Maria HIDALGO, salaried employee (from 04.11.2020)

Employee representative Mag. Ralph RAUTER, salaried employee (until 04.11.2020)

Employee representative Daniela SPRINGER, salaried employee

Employee representative Werner TRUPPE, salaried employee

Management

VDir. Mag. Peter GAUPER

VDir. Mag. Georg MESSNER

VDir. Mag. Gert SPANZ

State Commissioner

Hofrat Hans Georg KRAMER, MBA CFP

Dr. Michael MANHARD, deputy

FACTS AND FIGURES

Overview Carinthian Raiffeisen Banks	2020	2019
Number of Raiffeisen banks (including RLB Kärnten)	34	37
Number of bank branches	133	133
Number of employees	1.534	1.548
Number of other Raiffeisen cooperatives	94	95
of which Lagerhaus cooperatives	20	20
of which dairies	7	7
of which livestock breeding and pasturing cooperatives	31	32
of which electricity and district heating cooperatives	29	29
Other	7	7

Performance indicators Carinthian Raiffeisen Bank Group	2020*	2019	Change (%)
Cumulative total assets (EUR thousands)	9.799.491	9.043.311	8,36%
Money under management (EUR thousands)	14.021.033	13.084.625	7,16%
of which initial deposits	6.369.780	5.873.127	8,46%
of which customer securities	1.315.631	1.242.485	5,89%
of which financing activities	4.780.170	4.489.899	6,46%
Operating revenue (EUR thousands)	222.657	227.027	-1,93%
Operating expenses (EUR thousands)	173.791	169.573	2,49%
Operating result (EUR thousands)	48.865	57.454	-14,95%
Results of ordinary business activities (EUR thousands)	41.017	50.577	-18,90%
Own resources pursuant to BWG (Austrian Banking Act) (EUR thousands)	844.262	836.008	0,99%
in % of measurement basis	15,86%	16,21%	-2,16%
Number of customers	279.668	280.492	-0,29%
Number of current accounts	216.009	212.559	1,62%
Number of "Mein ELBA" users	123.284	116.259	6,04%
Number of securities accounts	38.713	36.089	7,27%
Number of building society savings contracts	72.579	76.230	-4,79%
Number of capital insurance policies (life insurance)	61.787	63.890	-3,29%
Number of property insurance policies (incl. accident insurance)	42.704	42.969	-0,62%

* Preliminary values

Financial Statements 2020

Balance sheet for the year ended 31 December 2020 Assets		31.12.2020 EUR		31.12.2019 EUR thousands
1	Cash reserves, balances with central banks and in post office giro accounts	357.371.723,99		322.703
2	Public sector debt instruments and bills of exchange eligible for rediscounting by the central bank:	413.068.209,39		305.400
a)	Public sector debt instruments and similar securities	413.068.209,39	305.400	
b)	Bills of exchange eligible for rediscounting by the central bank	0,00	0	
3	Receivables from credit institutions	701.290.970,19		651.715
a)	Payable daily	402.809.700,58	334.481	
b)	Other receivables	298.481.269,61	317.234	
4	Customer receivables	1.264.310.100,41		1.252.451
5	Debenture bonds and other fixed interest securities	611.088.832,76		567.593
a)	Issued by public sector entities	0,00	0	
b)	Issued by other institutions	611.088.832,76	567.593	
	Of which: Issued by the bank	0,00	0	
6	Shares and other variable-interest securities	30.577.979,54		23.850
7	Participating interests	194.057.403,44		194.006
	Of which: In credit institutions	193.176.306,76	193.124	
8	Participating interests in affiliated companies	45.631.083,63		45.633
	Of which: In credit institutions	0,00	0	
9	Intangible fixed assets	428.207,55		444
10	Tangible fixed assets	17.950.329,11		17.991
	Of which: Real estate and buildings used by the bank within the scope of its own activities	10.384.701,93	10.336	
11	Treasury shares and shares in companies in which the bank has a controlling or majority interest	0,00		0
	Of which: Nominal value	0,00	0	
12	Other assets	43.594.520,86		35.518
13	Subscribed capital (called, but not yet paid)	0,00		0
14	Prepaid expenses and deferred charges	264.741,77		253
15	Deferred tax assets	8.809.011,66		8.235
	Total assets	3.688.443.114,30		3.425.792

Balance sheet for the year ended 31 December 2020 Liabilities		31.12.2020 EUR		31.12.2019 EUR thousands
1 Liabilities to credit institutions		2.073.855.801,12		1.848.748
a) Payable daily	919.454.527,26		793.329	
b) With agreed term or period of notice	1.154.401.273,86		1.055.419	
2 Liabilities to customers		1.094.833.986,11		1.019.318
a) Saving deposits	409.805.935,72		441.613	
Of which:				
aa) Payable daily	166.520,76		420	
ab) With agreed term or period of notice	409.639.414,96		441.193	
b) Other liabilities	685.028.050,39		577.705	
Of which:				
ba) Payable daily	552.494.077,65		552.164	
bb) With agreed term or period of notice	132.533.972,74		25.541	
3 Documentary liabilities		148.353.323,49		193.196
a) Issued debenture bonds	0,00		0	
b) Other documentary liabilities	148.353.323,49		193.196	
4 Other liabilities		31.436.420,13		30.408
5 Deferred items		175.702,67		180
6 Provisions		27.218.733,35		27.494
a) Provisions for severance payments	10.928.031,00		10.863	
b) Provisions for pensions	2.840.952,00		2.930	
c) Provisions for taxes	552.000,00		299	
d) Other	12.897.750,35		13.402	
6A Funds for general banking risks		3.815.868,84		3.816
7 Supplementary capital pursuant to Part 2, Title I, Chapter 4 of Regulation (EU) No. 575/2013		0,00		0
8 Additional core capital pursuant to Part 2, Title I		0,00		0
8a Mandatory convertible bonds pursuant to Article 26 of the Austrian Banking Act (BWG)		0,00		0
8b Non-voting instruments pursuant to Article 26a BWG		0,00		0
9 Subscribed capital		6.930.100,00		6.930
10 Capital reserves		0,00		0
a) Committed	0,00		0	
b) Uncommitted	0,00		0	
11 Revenue reserves		263.740.165,14		257.662
a) Reserves provided for by the articles of association	30.476.110,83		29.986	
b) Other reserves	233.264.054,31		227.676	
Of which: Committed reserves	94.292,49		94	
12 Liability reserves pursuant to Article 57 (5) BWG		35.989.677,00		35.990
13 Balance sheet profit		2.093.336,45		2.050
Total liabilities		3.688.443.114,30		3.425.792

Off-balance sheet items Assets	31.12.2020 EUR	31.12.2019 EUR thousands
1 Foreign assets	481.482.514,31	509.325

Off-balance sheet items Liabilities	31.12.2020 EUR	31.12.2019 EUR thousands
1 Contingent liabilities	206.803.097,81	176.332
Of which:		
a) Acceptances and liabilities arising from bills endorsed by the bank	0,00	0
b) Liabilities from guarantees and liabilities from the provision of collateral	206.803.097,81	176.332
2 Credit risks	316.623.196,59	317.089
Of which:		
Liabilities under repurchase agreements	0,00	0
3 Liabilities from fiduciary transactions	39.055.003,33	20.865
4 Eligible own funds pursuant to Part 2 of Regulation (EU) No. 575/2013	307.584.866,61	305.418
Of which:		
Supplementary capital pursuant to Part 2, Title I, Chapter 4 of Regulation (EU) No. 575/2013	5.198.025,00	7.797
5 Capital requirements pursuant to Art. 92 of Regulation (EU) No. 575/2013	1.757.100.089,25	1.850.672
Of which:		
a) Capital requirements pursuant to Art. 92 (1) letter a of Regulation (EU) No. 575/2013 (hard tier 1 ratio in %)	17,21	16,08
b) Capital requirements pursuant to Art. 92 (1) letter b of Regulation (EU) No. 575/2013 (tier 1 ratio in %)	17,21	16,08
c) Capital requirements pursuant to Art. 92 (1) letter c of Regulation (EU) No. 575/2013 (total capital ratio in %)	17,51	16,50
6 Foreign liabilities	106.876.715,62	171.511

Profit and loss account			31.12.2020 EUR		31.12.2019 EUR thousands
1 Interest and similar income			31.287.674,78		30.499
Of which: From fixed-interest securities	14.707.365,03			16.009	
2 Interest paid and similar expenses			-2.186.270,25		-3.947
I. NET INTEREST INCOME			29.101.404,53		26.552
3 Income from securities and participating interests			2.631.152,23		13.581
a) Income from shares, other equity and variable-interest securities	663.825,27			665	
b) Income from participating interests	147.533,20			9.133	
c) Income from shares in affiliated companies	1.819.793,76			3.783	
4 Commission income			24.115.135,56		21.015
5 Commission expenditure			-7.073.417,58		-5.623
6 Income/expenditure from financial transactions			1.016.151,10		1.001
7 Other operating income			21.743.266,80		23.004
II. OPERATING INCOME			71.533.692,64		79.530
8 General administration expenditure			-50.218.808,27		-50.963
a) Personnel costs	-35.494.843,21			-35.810	
Of which:					
aa) Wages and salaries	-26.097.368,55			-26.266	
ab) Expenses for statutory social security contributions and mandatory contributions based on compensation	-6.998.484,04			-6.872	
ac) Other social security costs	-652.483,09			-679	
ad) Costs for retirement benefits and assistance	-919.489,44			-924	
ae) Allocations to pensions reserve	89.464,73			296	
af) Costs for severance payments and payments to employee retirement funds	-916.482,82			-1.365	
b) Other administrative expenditure (expenditure on materials)	-14.723.965,06			-15.153	
9 Impairment of assets listed under asset items 9 and 10			-2.498.110,59		-2.495
10 Other operating expenditure			-2.698.456,82		-2.048
III. OPERATING EXPENDITURE			-55.415.375,68		-55.506
IV. OPERATING RESULT			16.118.316,96		24.024
11 Impairment of doubtful accounts receivable and allocations to provisions for contingent liabilities and lending risks			-10.828.671,53		-15.523
12 Balance from reversals of/allocations to allowances for doubtful accounts receivable and provisions for contingent liabilities and lending risks			3.753.288,61		5.202
13 Impairment of securities valued as financial assets, as well as on participating interests and shares in affiliated companies			-330.847,02		-80
14 Balance from reversals of/allocations to allowances for securities valued as financial assets, as well as on participating interests and shares in affiliated companies			294.196,63		1.601
V. RESULT FROM ORDINARY ACTIVITIES			9.006.283,65		15.224
15 Extraordinary income			0,00		0
Of which: Withdrawals from the fund for general banking risks	0,00			0	
16 Extraordinary expenses			-2.500.000,00		-2.500
Of which: Allocations to the fund for general banking risks	0,00			0	
17 Extraordinary result (Subtotal of items 15 and 16)			-2.500.000,00		-2.500
18 Taxes on income and earnings			218.959,16		566
Of which: From deferred taxes	574.186,78			290	
19 Other taxes not required to be shown under item 18			-603.769,10		-629
VI. NET INCOME			6.121.473,71		12.661
20 Balance of movements in reserves	Allocation (-)	Retransfer (+)	-4.028.137,26		-10.611
a) Tax reserves					
pursuant to Article 4 (7) of the Austrian Income Tax Act (EStG)	0,00			0	
pursuant to Article 9 EStG	0,00			0	
pursuant to Article 10 EStG	0,00			0	
pursuant to Article 11 EStG	0,00			0	
pursuant to Article 12 EStG	0,00	0,00		0	
b) Free reserves	-2.700.000,00			-9.354	
IPS retained earnings	-1.433.918,46	105.781,20		-1.257	
VII. ANNUAL PROFIT			2.093.336,45		2.050
21 Profit carried forward			0,00		0
VIII. BALANCE SHEET PROFIT			2.093.336,45		2.050

Carinthian Raiffeisen Banks



- Raiffeisen Banks
- Branches

As at 12/2020

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Gender-neutral terms were used where possible for easier readability and improved text flow. Possible male designations automatically also include the female gender.

The German version is the authentic version that is of relevance for all legal aspects. English-language reports are translations of the original German text. We have prepared this report with the utmost care and have verified the data contained in the report. Rounding, transmission, typographical or printing errors cannot be excluded, however.

The name Raiffeisen Landesbank Kärnten is used synonymously with the exact company name Raiffeisenlandesbank Kärnten – Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung (Data Centre and Audit Association, registered cooperative with limited liability).

