



Balance Sheet Trends 2016: Assets

The balance sheet total for 2016 was EUR 6,085,300,000. Compared with 2015, this was a slight 3.2 per cent decrease, or EUR 202.8 million.

Compared with 2015, receivables from credit institutions decreased by EUR 341.6 million or 13.7 per cent. At balance sheet date, receivables with the Raiffeisen Bankengruppe Vorarlberg totalled 71.0 per cent, or EUR 1,522,300,000 (2015: 67.5 per cent or EUR 1,676,200,000). Receivables with the Zentralinstitut der Raiffeisen Zentralbank Österreich AG totalled EUR 447.1 million (2015: EUR 565.4 million). The share of foreign currency (especially in Swiss francs) totalled 47.3 per cent or EUR 1,014,700,000 (2015: EUR 1,191,400,000 or 48.0 per cent).

Receivables from customers increased by EUR 93.2 million or 6.9 per cent to EUR 1,443,400,000. In spite of an economically challenging environment, loans to commercial and private customers increased. The share of this balance sheet item in foreign currency at 31.12.2016 was 14.3 per cent or EUR 205.8 million (2015: 16.6 per cent or EUR 224.5 million).

Securities portfolios remained almost unchanged at EUR 2,198,800,000. At balance sheet date, the securities in question totalled 97.9 per cent or EUR 2,153,200,000 from debentures and other fixed-interest securities. The share of tenderable securities totalled EUR 2,119,800,000.

Participations decreased by EUR 8.5 million to EUR 178.4 million. Among other things, the decrease was due to the sale of participations in the Raiffeisen Privatbank Liechtenstein AG.

Other assets included sundry assets, prepaid expenses/accruals, deferred taxes, cash on hand and cash balances with central banks. Compared with 2015, the change was due to the capitalisation of deferred taxes and changes in deferral and clearing accounts.



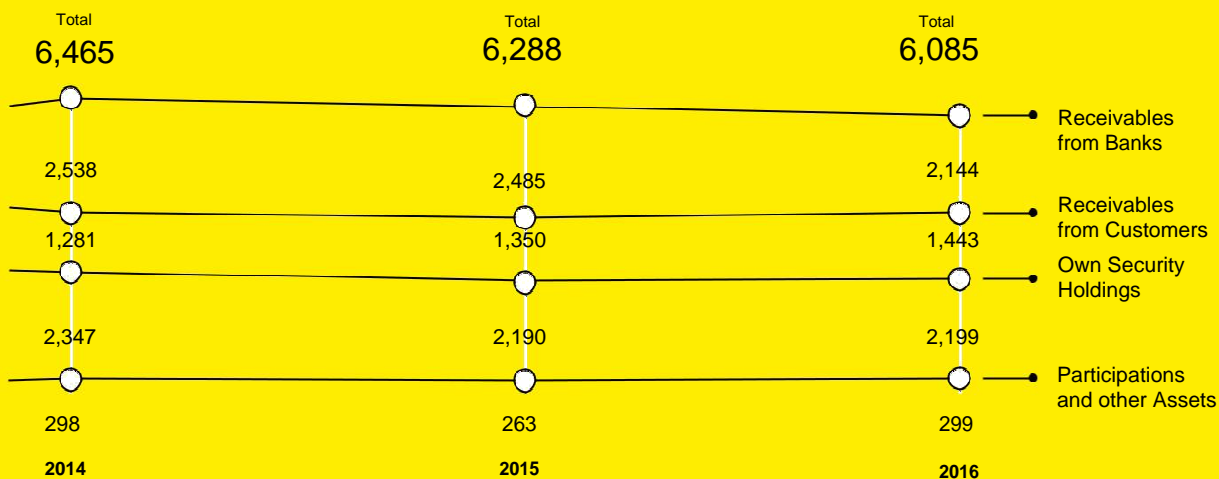
Assets in EUR Million

(rounded)

	2016	2015	+ / -	in %
Balance Sheet Total	6,085.3	6,288.1	- 202.8	- 3.2
Receivables from Banks	2,143.1	2,484.7	- 341.6	- 13.7
Receivables from Customers	1,443.4	1,350.2	+ 93.2	6.9
Fixed-Interest and Non-Fixed-Interest Securities	2,198.8	2,190.3	+ 8.5	0.4
Participations	178.4	186.9	- 8.5	- 4.5
Other Assets	121.6	76.1	+ 45.5	59.9

Structure of Balance Sheet Assets in EUR Million

(rounded)





Balance Sheet Trends 2016: Liabilities

Liabilities with banks decreased by EUR 131.8 million or 3.7 per cent to EUR 3,444,300,000. At 31.12.2016, liabilities totalled 31.4 per cent or EUR 1,082,500,000 (2015: 27.7 per cent or EUR 991.6 million) with the Raiffeisen Bankengruppe Vorarlberg (RBGV), 1 per cent or EUR 35.6 million (2015: 3.1 per cent or EUR 111.2 million) with the Raiffeisen Zentralbank Österreich AG and Raiffeisen Bank International AG, and 7.4 per cent or EUR 255.4 million (2015: 7.5 per cent or EUR 268.7 million) with the remaining Raiffeisen Bank sector in Austria. The share of liabilities in foreign currency totalled 29.1 per cent or EUR 1,002,100,000 (2015: 18.3 per cent or EUR 656 million).

Liabilities with customers decreased slightly to EUR 886.5 million. At balance sheet date liabilities consisted of savings of EUR 67.3 million (2015: EUR 70 million), fixed-term deposits of EUR 514.5 million (2015: EUR 549.8 million) and sight deposits. The decrease in liabilities was due mainly to the withdrawal of fixed deposits.

Securitised liabilities decreased by EUR 58.9 million or 4.1 per cent to EUR 1,376,900,000. This item includes the Bank's own securities as issued. The share of covered bonds totalled 25.8 per cent or EUR 355 million (2015: 23.3 per cent or EUR 335 million).

In the period under review, provisions decreased by EUR 1.6 million to EUR 26.4 million. The basic details on provisions are included in Point 1.3.2.11. "Provisions and Other Liabilities" in the Appendix to the annual financial statement.

At 31.12.2016 the equity capital shown in the balance sheet totalled EUR 294.1 million. The net income for the year 2016, which is included in this item, totalled EUR 13.5 million.



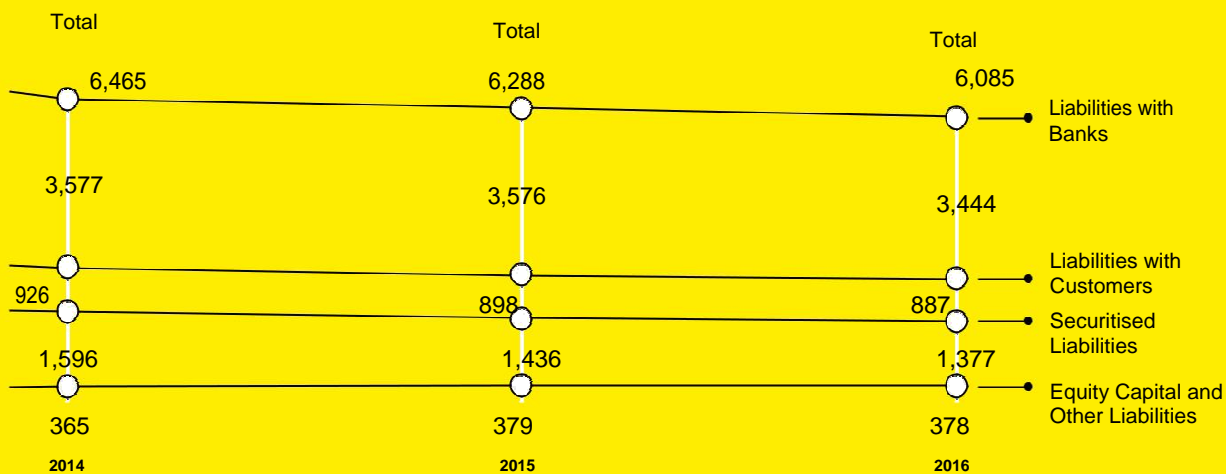
Liabilities in EUR Million

(rounded)

	2016	2015	+ / -	in %
Balance Sheet Total	6,085.3	6,288.1	- 202.8	- 3.2
Liabilities with Banks	3,444.3	3,576.1	- 131.8	- 3.7
Liabilities with Customers	886.5	897.5	- 11.0	- 1.2
Securitised Liabilities	1,376.9	1,435.8	- 58.9	- 4.1
Provisions	26.4	28.1	- 1.7	- 5.8
Equity/Net Income for the Year	294.1	295.3	- 1.2	- 0.4
Other Liabilities	57.1	55.4	1.7	3.1

Structure of Balance Sheet Liabilities in EUR Million

(rounded)





Net interest income earned in 2016 was EUR 29.6 million, 8.5 per cent less than 2015. Net interest income earned by the RLBV is from both RLBV's own commercial and private customer business and its Treasury division. In spite of the challenging underlying conditions, earnings increased again in commercial and private customer business. The share of profits from net interest income increased to 55 per cent (2015: 46 per cent). Over the last few years, this share has constantly increased and reflects the successful implementation by the RLBV of its own customer business strategy. Compared with 2015, the contribution to profits from interbank and Treasury business decreased slightly due to the difficult environment.

Revenue from securities and participations includes revenue from investment funds and other non-fixed-interest securities of EUR 0.9 million (2015: EUR 1.4 million) and dividends from participations of EUR 3 million (2015: EUR 1.5 million).

Compared with 2015, net commission income decreased by EUR 0.5 million or 4.5 per cent. This difference is due in particular to a downward trend in the securities business.

Other operation revenue totalled EUR 12.1 million, which means a decrease of EUR 2.3 million (16.2 per cent) compared with 2015. One major factor contributing to this decrease

last year was the one-off effects included in this figure from derivative business. The revenue from services, customer support and advisory by the Raiffeisen Bankengruppe Vorarlberg increased by EUR 0.2 million over 2015. Reimbursement of costs from the Raiffeisen Austria organisation and revenue from renting and leasing real estate remained constant.

Compared with 2015, total operating revenue decreased by EUR 4.9 million or 8.1 per cent to EUR 56.2 million.

Compared with 2015, personnel expenses increased by EUR 1.6 million or 6.9 per cent. This rise

was due, among other things, to a one-off effect in 2015 resulting from the change in the methods used to calculate personnel provisions and accruals. An additional cost-increase was due to higher personnel costs in an IT project in the Raiffeisen Austria organisation ("One IT") and from collective agreement salary adjustments. Compared with 2015, there was a slight decrease in staff numbers (weighted according to activity level).

Expenditure on materials and value adjustments on tangible assets decreased slightly and totalled EUR 12.3 million.

in EUR Million	2016	2015	+ / -	in %
Net Interest Income	29.6	32.3	- 2.7	- 8.5
Revenue from Securities and Participations	3.9	2.9	+ 1.0	35.3
Commission Surplus	9.8	10.2	- 0.5	- 4.5
Revenue/Expenditure from Financial Transactions	0.8	1.3	- 0.4	- 33.7
Other Operating Revenue	12.1	14.4	- 2.3	- 16.2
Operating Revenue	56.2	61.1	- 4.9	- 8.1
Personnel Expenses	- 25.1	- 23.4	- 1.6	6.9
Material Expenses	- 10.9	- 11.1	+ 0.2	- 1.5
Value Adjustments on Property, Plant & Equipment	- 1.3	- 1.4	+ 0.1	- 4.2
Other Operating Expenses	- 2.9	- 5.4	+ 2.5	- 46.8
Operating Expenses	- 40.2	- 41.3	+ 1.1	- 2.7

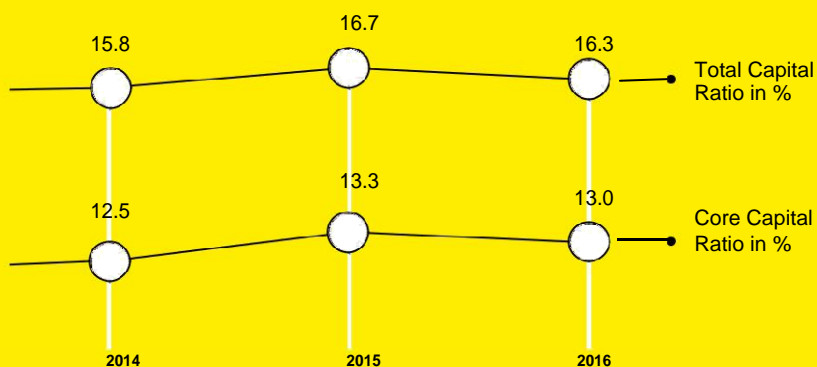
Compared with 2015, the other operating expenses decreased by EUR 2.5 million. The basic change was due to the allocation of valuation reserves for derivatives, which were considerably lower in 2016 than in 2015.

Compared with 2015, operating expenses decreased by a total of EUR 1.1 million or 2.7 per cent.

The operating result was EUR 16.0 million, EUR 3.8 million less than for 2015. In 2016, additions to/disposals of value adjustments to receivables and provisions for contingent claims and credit risks totalled EUR 13.9 million.

Capital Base as of 2014

(rounded)



In million EUR (rounded)	2016	2015	+ / -	in %
Operating Result	16.0	19.8	- 3.8	- 19.2
Balance of additions to/disposals of value adjustments to receivables and provisions for contingent claims and credit risks	- 13.9	- 13.6	- 0.3	1.9
Balance from additions to / disposals of value adjustments to securities valued as financial assets and to participations and shares in affiliated companies	7.9	27.9	- 20.0	- 71.5
Result of normal business activities (EBT)	10.1	34.1	- 24.0	- 70.5
Taxes before Income and Revenue	17.6	- 10.1	+ 27.7	> 100.0
Other Taxes	- 16.8	- 6.1	- 10.7	> 100.0
Net Profit for the Year	10.9	17.9	- 7.0	- 39.0

The actually identifiable risks of the Raiffeisenlandesbank Vorarlberg were assessed and adjusted in provisions for losses on loans. The new statutory evaluation provisions in the Austrian Accounting Changes Act 2014 (RÄG 2014) resulted in a positive one-off effect of EUR 6.6 million for the RLB Vorarlberg. The net amount of provisions for losses on loans includes a voluntary flat valuation adjustment in accordance with Section 57/1 of the Austrian Banking Act which was allocated EUR 14.8 million in expenses (2015: allocation EUR 9 million).

In 2016, valuation and sales revenue of the securities and participations totalled EUR 7.9 million. The major decrease of EUR 20 million was due mainly to a one-off effect in 2015 resulting from the sale of shares in companies in the industry as part of the Raiffeisen sector project "Zukunft Plus" ("Future Plus"). The net valuation, repayment and sales result from investment securities was due to a positive amount of EUR 7 million (2015: EUR 7.4 million).

The result of normal business activity (EBT) in 2016 was EUR 10.1 million. The EUR 24 million decrease was due mainly to the one-off effect (sale of companies in the industry) in 2015.

Due to special effects resulting in turn from legislative changes (RÄG 2014), income taxes totalled EUR 17.6 million.

The special effect was due to the recognition of deferred tax assets and liabilities resulting from the difference between corporate and tax-related valuations in assets, accruals, liabilities and prepaid expenses and income. The initial reporting in the balance sheet resulted in a deferred tax-reduction for the RLB Vorarlberg and hence deferred tax assets of EUR 19.4 million.

The other taxes of EUR 16.8 million (2015: EUR 6.1 million) include the Stability Charge to the Austrian

government. This includes a full, one-off special payment of EUR 10.8 million in accordance with Section 5, Subs. 1, Z. 4, of the Austrian Stability Charge Act.

The annual net profit earned in 2016 was EUR 10.9 million. Of this figure, EUR 6.9 million were allocated to the reserves. The annual net profit minus the allocation to the reserves plus a profit brought forward from 2015 of EUR 9.6 million showed net earnings for 2016 of EUR 13.5 million.

Financial Performance Indicators

(rounded)

	2016	2015	+ / -
Core Capital Ratio	13.0	13.3	- 0.4 PP
Total Capital Ratio	16.3	16.7	- 0.4 PP
Leverage Ratio	4.1	4.0	+ 0.1 PP
Cost-Income Ratio	71.6	67.6	+ 4.0 PP
Return on Equity (ROE) before Tax	3.7	12.5	- 8.8 PP
Return on Assets (ROA) before Tax	0.2	0.5	- 0.4 PP
Liquidity Coverage Ratio (LCR) for the Li-Waiver-Group VLBG	124.5	112.1	+ 12.4 PP

Moody's Rating

Bank Deposits	Baa1	Baa1
Baseline Credit Assessment	Baa3	Baa3
Outlook	Stable	Negative
Cover Funds	AAA	-

BALANCE SHEET AT 31 DECEMBER 2016

ASSETS		EUR	2015 in EUR'000
1. Cash on Hand, Balances at Central Banks and Post Office Banks		11,731,569.25	6,217
2. Public Sector Debt Instruments and Bills of Exchange eligible for Refinancing at Central Banks		784,160,744.65	812,398
a) public sector debt instruments and similar securities	784,160,744.65		812,398
b) bills of exchange eligible for refinancing at central banks	0.00		0
3. Receivables from Banks		2,143,098,420.47	2,484,681
a) due daily	391,318,212.73		499,792
b) other receivables	1,751,780,207.74		1,984,888
4. Receivables from Customers		1,443,402,651.00	1,350,223
5. Bonds and Other Fixed-Interest Securities		1,369,069,299.62	1,333,728
a) from public issuers	0.00		0
b) from other issuers	1,369,069,299.62		1,333,728
including:			
own debentures	0.00		0
6. Shares and other Non-Fixed-Interest Securities		45,543,834.39	44,160
7. Participations		169,941,416.36	179,070
including:			
in banks	157,954,786.26		24,480
8. Shares in Affiliated Companies		8,462,636.74	7,782
including:			
in banks	0.00		0
9. Intangible Assets		204,126.96	107
10. Tangible Fixed Assets		31,059,504.84	30,088
including:			
land and buildings used by the bank for its own activities	12,372,657.74		12,929
11. Shares in Companies with Controlling or Majority Holdings		0.00	0
including:			
nominal value	0.00		0
12. Other Assets		59,037,907.38	38,086
13. Subscribed Capital Called But Not Yet Paid		0.00	0
14. Prepaid Expenses and Accruals		1,262,845.63	1,569
including:			
Difference per Section 906, Subs. 33, Austrian Commercial Code	0.00		
15. Deferred Taxes		18,308,815.00	
TOTAL ASSETS		6,085,283,772.29	6,288,109

LIABILITIES		EUR	2015 in EUR '000
1. Bank Liabilities		3,444,288,766.58	3,576,056
a) due daily	1,000,162,710.37		1,156,044
b) with an agreed maturity or notice period	2,444,126,056.21		2,420,012
2. Liabilities with Customers		886,465,799.27	897,496
a) savings deposits	67,301,275.51		70,024
including:			
aa) due daily	0.00		0
bb) with an agreed maturity or notice period	67,301,275.51		70,024
b) other liabilities	819,164,523.76		827,471
including:			
aa) due daily	304,642,416.82		277,640
bb) with an agreed maturity or notice period	514,522,106.94		549,832
3. Securitised Liabilities		1,376,936,245.93	1,435,848
a) bonds issued	410,318,728.23		490,964
b) other securitised liabilities	966,617,517.70		944,884
4. Other Liabilities		54,154,446.97	52,122
5. Prepaid Expenses/Accruals		2,942,098.58	3,261
including:			
revaluation reserves per Section 906, Subs. 32, Austrian Commercial Code	0.00		0
Difference per Section 906 Subs. 34 Austrian Commercial Code	0.00		
6. Provisions		26,442,362.40	28,076
a) provisions for severance payments	4,879,015.73		4,571
b) provisions for pensions	7,278,837.49		7,380
c) tax accruals	215,291.09		5,829
d) other	14,069,218.09		10,296
6a. Funds for General Banking Risks		0.00	0
7. Supplementary Capital per Part 2 Title I Chapter 4 of Regulation (EU) No. 575/2013		0.00	0
8. Additional Core Capital per Part 2 Title I Chapter 3 of Regulation (EU) No. 575/2013		0.00	0
including:			
Compulsory Convertible Bonds per Section 26a Austrian Banking Act (BWG)	0.00		0
8b. Financial Instruments with no Voting Rights per Section 26a Austrian Banking Act (BWG)		55,832,667.68	55,833
9. Subscribed Capital		22,108,736.00	22,109
10. Capital Reserves		19,383,078.32	19,383
a) fixed	19,383,078.32		19,383
b) not fixed	0.00		0
11. Profit & Loss Reserves		148,199,721.37	141,262
a) statutory reserves	0.00		0
b) reserves prescribed by Articles of Association	5,004,550.24		5,005
c) other reserves	143,195,171.13		136,258
12. Liability Reserves per Section 57 Subs. 5 Austrian Banking Act (BWG)		35,006,202.28	35,006
13. Net Income for the Year/Net Loss for the Year		13,523,646.91	21,657
TOTAL LIABILITIES		6,085,283,772.29	6,288,109

BALANCE SHEET AT 31 DECEMBER 2016

ASSETS	EUR	2015 in EUR '000
Below-the-Line Items		
1. Foreign Assets	1,588,441,016.73	1,642,975

LIABILITIES		EUR	2015 in EUR'000
Below-the-Line Items			
1. Contingent Liabilities		175,420,797.36	177,205
including:			
a) acceptances and endorsement liabilities on negotiated bills	0.00	0	
b) liabilities from financial guarantees and liability from provision of collateral	175,403,704.76		177,189
2. Credit Risks		418,403,086.00	325,088
including:			
liabilities from pension repurchase agreements	0.00		0
3. Liabilities with Trust Transactions		0.00	0
4. Attributable Equity Capital per Part 2 of Regulation (EU) No. 575/2013		345,864,766.09	339,976
including:			
a) Supplementary Capital per Part 2 Title I Chapter 4 der Regulation (EU) No. 575/2013	70,811,678.58		69,014
5. Capital Requirements per Art. 92 of Regulation (EU) No. 575/2013		2,123,766,334.10	2,033,507
including:			
a) Capital Requirements per Art. 92 Subs. 1 (a) of Regulation (EU) No. 575/2013 (core Tier 1 ratio in %)		12.95	13.32
b) Capital Requirements per Art. 92 Subs. 1 (b) of Regulation (EU) No. 575/2013 (core capital ratio in %)		12.95	13.32
c) Capital Requirements per Art. 92 Subs. 1 (c) of Regulation (EU) No. 575/2013 (total capital ratio in %)		16.29	16.72
6. External Liabilities		2,167,800,133.24	2,791,192



ANNUAL FINANCIAL STATEMENTS		EUR	2015 in EUR '000
1. Interest and Similar Income		86,297,103.47	92,308
including:			
from fixed-interest securities	44,422,873.61		48,654
2. Interest and Similar Expenses		- 56,725,420.65	- 60,003
I. NET INTEREST INCOME		29,571,682.82	32,305
3. Income from Securities and Participations		3,906,491.41	2,888
a) income from shares, other equity interests and non-fixed-interest securities	945,847.25		1,350
b) income from participations	2,798,703.51		1,538
c) income from shares in affiliated companies	161,940.65		0
4. Commission Income		14,344,757.96	24,056
5. Commission Expenses		- 4,561,853.03	- 13,810
6. Revenue from / Expenditure on Financial Transactions		840,934.35	1,269
7. Other Operating Income		12,058,569.00	14,384
II. OPERATING INCOME		56,160,582.51	61,092
8. General Administrative Expenditure		- 35,986,393.93	- 34,542
a) personnel expenses	- 25,053,400.59		- 23,443
including:			
aa) wages and salaries	- 18,325,620.23		- 17,804
bb) expenses for statutorily-prescribed social security charges and pay-related charges and compulsory contributions	- 4,581,475.36		- 4,572
cc) other social security expenditure	- 237,540.67		- 260
dd) expenditure on pensions and other support	- 1,185,654.69		- 1,228
ee) allocations to pensions reserve	101,234.99		600
ff) expenditure on severance payments and payments to company pension funds	- 824,344.63		- 178
b) other administrative expenditure (material expenses)	- 10,932,993.34		- 11,099
9. Adjustments to Assets in Asset Items 9 and 10		- 1,335,953.12	- 1,395
10. Other Operating Expenses		- 2,861,238.78	- 5,382
III. OPERATING EXPENSES		- 40,183,585.83	- 41,318
IV. OPERATING RESULT		15,976,996.68	19,774

ANNUAL FINANCIAL STATEMENTS		EUR	2015 in EUR '000
IV. OPERATING RESULT – Brought Forward		15,976,996.68	19,774
11./ Balance of Releases of/Allocations to the		- 13,870,549.37	- 13,614
12. Value Adjustments to Liabilities and to Provisions for Contingent Liabilities			
13./ Balance of Releases of/Allocations to the		7,949,639.48	27,917
14. Value Adjustments to Securities Valued as Financial Assets and to Participations			
V.RESULT OF NORMAL BUSINESS OPERATIONS		10.056,086.79	34,077
15.Extraordinary Income		0.00	0
including:			
drawings from the Fund for General Banking Risks	0.00		0
16.Extraordinary Expenditure		0.00	0
including:			
allocations to the Fund for General Banking Risks	0.00		0
17.Extraordinary Result		0.00	0
(sub-total of Items 15 and 16)			
18. Taxes on Income		17,621,053.02	- 10,110
including:			
from deferred taxes	19,396,751.91		0
19. Other Taxes Unless Shown in Item 18		- 16,775,211.52	- 6,096
VI. ANNUAL NET PROFIT/LOSS		10,901,928.29	17,871
20. Movements in Reserves		- 6,937,563.51	- 1,785
including:			
allocation to liability reserve	0.00		0
dissolution of the liability reserve	0.00		0
VII. ANNUAL PROFIT/LOSS		3,964,364.78	16,086
21. Profit/Loss Brought Forward		9,559,282.13	5,571
VIII. NET PROFIT/NET LOSS		13,523,646.91	21,657

