

# Balance Sheet Trends

## 2017 Assets

The balance sheet total for 2017 was EUR 6,478,500,000. Compared with 2016, this was a 6.5 per cent increase, or EUR 393.2 million.

**Receivables from credit institutions** have grown by EUR 299.4 million or 14.0 per cent. At balance sheet date, receivables with the Raiffeisen Bankengruppe Vorarlberg totalled 57.9 per cent, or EUR 1,413,100,000 (2016: 71.0 per cent or EUR 1,522,300,000). Receivables with the Raiffeisen Bank International AG totalled EUR 593.7 million (2016: EUR 447.1 million). The share of foreign currency (especially in Swiss francs) totalled 39.2 per cent or EUR 965,500,000 (2016: EUR 1,014,700,000 or 47.3 per cent).

**Receivables from customers** increased by EUR 29.1 million or 2.0 per cent to EUR 1,472,500,000. 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 31/12/2017 was 10.0 per cent or EUR 147.0 million (2016: 14.3 per cent or EUR 205.8 million). Compared to the previous year, the share of foreign currencies of receivables from customers decreased by 4.3 per cent.

**Securities portfolios** decreased slightly by 84.2 million to EUR 2,114,600,000. At balance sheet date, the securities in question totalled 97.6 per cent or EUR 2,063,900,000 from debentures and other fixed-interest securities. The share of tenderable securities totalled EUR 2,034,500,000.

EUR 179.3 million. The highest participation is in the Raiffeisen Bank International AG with an accounting value of EUR 148.5 million.

**Other assets** include intangible fixed assets, fixed assets, other assets, prepaid expenses/accruals, deferred taxes, cash on hand and cash balances with central banks. Compared to the previous year, the change was mainly due to cash balances with central banks.

**Participations** remained almost the same at

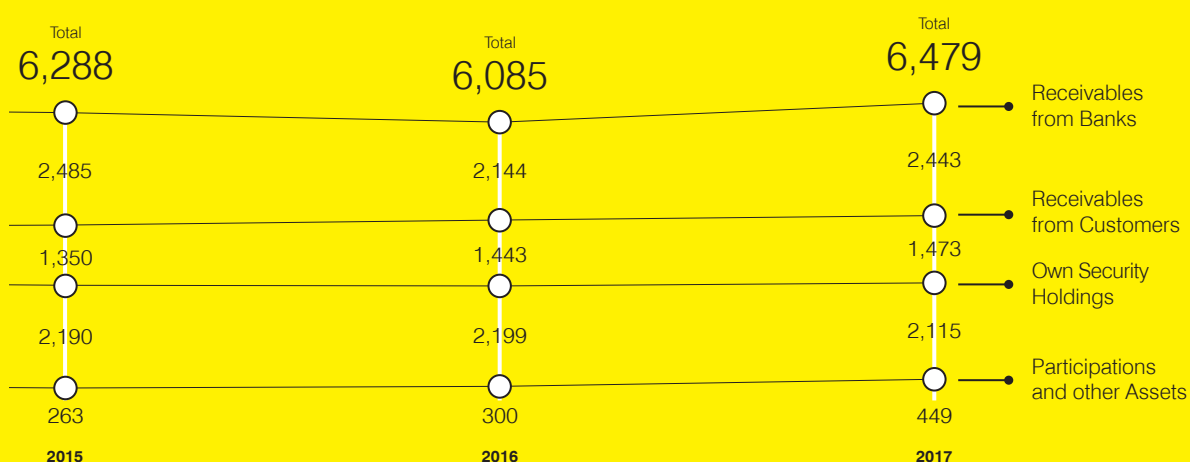
## Assets in EUR Million

(rounded)

	2017	2016	+ / -	in %
Balance Sheet Total	6,478.5	6,085.3	+393.2	+6.5
Receivables from Banks	2,442.5	2,143.1	+299.4	+14.0
Receivables from Customers	1,472.5	1,443.4	+29.1	+2.0
Fixed-Interest and Non-Fixed-Interest Securities	2,114.6	2,198.8	-84.2	-3.8
Participations	179.3	178.4	+0.9	+0.5
Other Assets	269.7	121.6	+148.1	+121.8

## Structure of Balance Sheet Assets in EUR Million

(rounded)



# Balance Sheet Trends

## 2017 Liabilities

**Liabilities with banks** increased by EUR 332.1 million or 9.6 per cent to EUR 3,776,400,000. At 31/12/2017, liabilities totalled 29.5 per cent or EUR 1,113,300,000 (2016: 31.4 per cent or EUR 1,082.5 million) with the RBGV, 0.1 per cent or EUR 3.1 million (2016: 1 per cent or EUR 35.6 million) with the Raiffeisen Bank International AG and 6.4 per cent or EUR 240.1 million (2016: 7.4 per cent or EUR 255.4 million) with the remaining Raiffeisen Bank sector in Austria. The share of liabilities in foreign currency totalled 7.9 per cent or EUR 299,300,000 (2016: 29.1 per cent or EUR 1,002.1 million).

**Liabilities with customers** remained almost the same at EUR 882.7 million. At balance sheet date liabilities consisted of savings of EUR 65.3 million (2016: EUR 67.3 million), fixed-term deposits of EUR 471.1 million (2016: EUR 514.5 million) and sight deposits.

**Securitised liabilities** increased by EUR 53.7 million or 3.9 per cent to EUR 1,430,700,000. This item includes the Bank's own securities as issued. The share of covered bonds totalled 36.8 per cent or EUR 527 million (2016: 25.8 per cent or EUR 355 million).

In the period under review, **provisions** decreased by EUR 1.1 million to EUR 25.3 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 31/12/2017 the **equity capital** shown in the balance sheet totalled EUR 310.0 million. The net income for the year 2017, which is included in this item, totalled EUR 16.4 million.

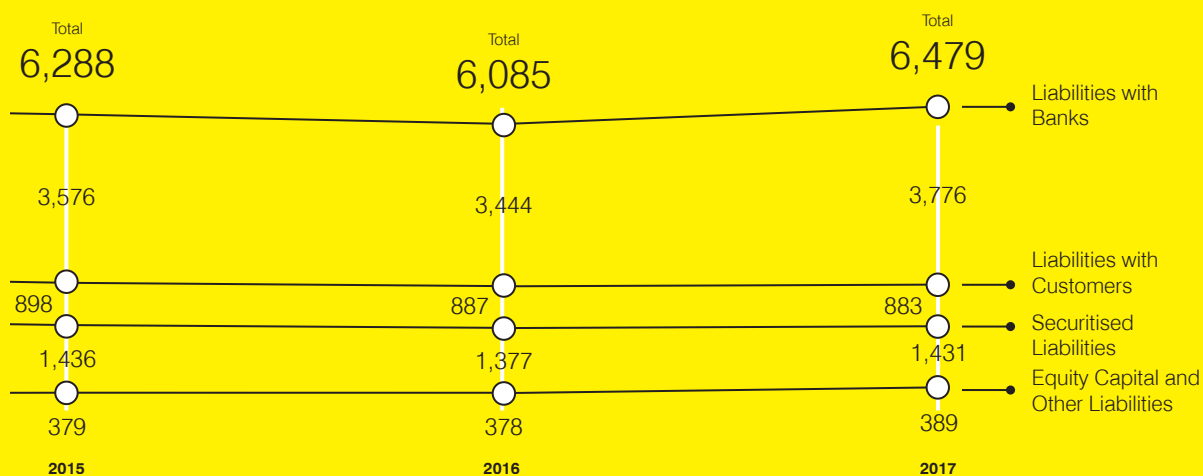
## Liabilities in EUR Million

(rounded)

	2017	2016	+ / -	in %
Balance Sheet Total	6,478.5	6,085.3	+393.2	+6.5
Liabilities with Banks	3,776.4	3,444.3	+332.1	+9.6
Liabilities with Customers	882.7	886.5	-3.7	-0.4
Securitised Liabilities	1,430.7	1,376.9	+53.7	+3.9
Provisions	25.3	26.4	-1.1	-4.2
Equity/Net Income for the Year	310.0	294.1	+15.9	+5.4
Other Liabilities	53.4	57.1	-3.7	-6.4

## Structure of Balance Sheet Liabilities in EUR Million

(rounded)



**Net interest income** earned in 2017 was EUR 31.1 million, 5.2 per cent higher than 2016. The share of the net interest income earned by the RLBV's own customer business (business divisions of the Raiffeisen-bank Bregenz and RLB's corporate customers) is 48.7 per cent (55 per cent in 2016). The interest result based on these business divisions was under ongoing pressure due to the negative money market rates. The margins of the savings deposit business were negative again (like 2016). On the other hand, loan rates showed a slight improvement. Interbanking and Treasury developed positively and resulted in clear improvements compared to the previous year.

**Revenue from securities and participations** includes revenue from investment funds and other non-fixed-interest securities of EUR 0.9 million (2016: EUR 0.9 million) and dividends from participations of EUR 3.4 million (2016: EUR 3.0 million). The RBI, definitely being the most important participation, has paid dividends neither for 2017 nor 2016. The growth results from the other participations.

**Net commission income** decreased by EUR 0.4 million or 4.4 per cent compared with 2016. The core area of the commission business (procurement of securities, monetary transactions, building loan contracts and insurance contracts) showed positive development. On the other hand, higher commissions had to be paid in the treasury business.

**Other operating revenue** increased by EUR 0.9 million, which means a total of EUR 13.0 million. This results

on one hand from the sale of real estate property, on the other hand from the omission of a one-time earning based on derivative business ratings.

**Total operating revenue** increased, compared with 2016, by EUR 2.6 million or 4.6 per cent to EUR 58.7 million.

**Personnel expenses** decreased, compared with 2016, by EUR 1.0 million or 3.9 per cent. This decline was due to lower expenditures for person-

nel accruals as well as to reduced personnel costs.

**Expenditure on materials and value adjustments on tangible assets** decreased, compared with 2016, by 4.6 per cent and totalled EUR 11.7 million.

**Other operating expenses** decreased, compared with 2016, by EUR 0.6 million. The amounts in this position resulting from derivatives valuation were reduced significantly compared to the previous year.

#### Profit situation 2017

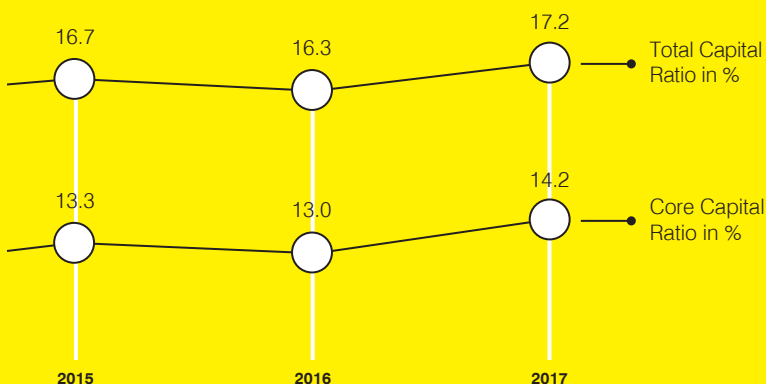
(rounded)

in EUR Million	2017	2016	+ / -	in %
Net Interest Income	31.1	29.6	+1.5	+5.2
Revenue from Securities and Participations	4.3	3.9	+0.4	+10.8
Commission Surplus	9.4	9.8	-0.4	-4.4
Revenue/Expenditure from Financial Transactions	0.9	0.8	+0.1	+9.9
Other Operating Revenue	13.0	12.1	+0.9	+7.9
<b>Operating Revenue</b>	<b>58.7</b>	<b>56.2</b>	<b>+2.6</b>	<b>+4.6</b>
Personnel Expenses	-24.1	-25.1	+1.0	-3.9
Material Expenses	-10.2	-10.9	+0.7	-6.4
Value Adjustments on Property, Plant & Equipment	-1.5	-1.3	-0.1	+10.5
Other Operating Expenses	-2.3	-2.9	+0.6	-19.6
<b>Operating Expenses</b>	<b>-38.1</b>	<b>-40.2</b>	<b>+2.1</b>	<b>-5.2</b>
<b>Operational Result</b>	<b>20.6</b>	<b>16.0</b>	<b>+4.7</b>	<b>+29.2</b>

This position contains the contribution to the Single Resolution Fund in the amount of EUR 1.8 million. Compared with 2016, operating expenses decreased by a total of EUR 2.1 million or 5.2 per cent. Higher operating earnings (EUR +2.6 million, or +4.6 per cent), reduced operating expenses (EUR -2.1 million or -5.2 per cent) led to a clearly improved result of EUR +4.7 million or +29.2 per cent. The total operating result is EUR 20.6 million.

#### Capital Base as of 2015

(rounded)



In million EUR (rounded)	2017	2016	+ / -	in %
<b>Operating Result</b>	<b>20.6</b>	<b>16.0</b>	<b>+4.7</b>	<b>+29.2</b>
Balance of additions to/disposals of value adjustments to receivables and provisions for contingent claims and credit risks	2.8	-13.9	+16.7	-120.4
Balance from additions to/disposals of value adjustments to securities valued as financial assets and to participations and shares in affiliated companies	1.5	7.9	-6.4	-80.8
<b>Result of normal business activities (EBT)</b>	<b>25.0</b>	<b>10.1</b>	<b>+14.9</b>	<b>+148.6</b>
Taxes before Income and Revenue	-5.0	17.6	-22.6	> 100.0
Other Taxes	-1.2	-16.8	+15.5	> 100.0
<b>Net Profit for the Year</b>	<b>18.8</b>	<b>10.9</b>	<b>+7.9</b>	<b>+72.2</b>

In 2017, valuation and sales revenue of the loans, securities and participations totalled EUR 4.4 million.

In 2017, **additions to/disposals of value adjustments** in the retail and corporate business sector totalled EUR 2.8 million. The actually identifiable risks of the Raiffeisenlandesbank Vorarlberg were assessed and adjusted in provisions for losses on loans. Compared with 2016, a clear improvement was achieved, resulting from a voluntary flat valuation adjustment in accordance with §57(1) of the Austrian Banking Act in the amount of EUR 14.8 million.

In 2017, the profit from **valuation, redemption and sales revenue of the securities** totalled EUR 0.8 million. The decrease compared with 2016 was due mainly to a one-off effect which was caused by the application of the Rechnungslegungsänderungsgesetz (RÄG 2014) which led to a strong upward revaluation of the securities portfolio.

The **valuation revenue of the participations** totalled EUR 0.8 million in 2017.

The **result of normal business activity** (EBT) in 2017 totalled EUR 25.0 million, which means an increase of 148.6 per cent or EUR 14.9 million compared with 2016.

**Income taxes** totalled EUR 5.0 million in 2017. The change compared to the previous year was due to special effects resulting in turn from the first application of the RÄG 2014 which led to the booking of deferred taxes.

The **other taxes** of EUR 1.2 million include the Stability Charge to the Austrian government in the amount of EUR 1.2 million.

The **annual net profit** minus taxes earned in 2017 was EUR 18.8 mil-

lion. Of this figure, EUR 13.1 million were allocated to the reserves. The annual net profit minus the allocation to the reserves plus a profit brought forward from 2016 of EUR 10.7 million showed net earnings for 2017 of EUR 16.4 million.

### Financial Performance Indicators

(rounded)

	2017	2016	+ / -
Core Capital Ratio	14.2	13.0	+1.2 PP
Total Capital Ratio	17.2	16.3	+1.0 PP
Leverage Ratio	4.2	4.1	+0.1 PP
Cost-Income Ratio	64.9	71.6	-6.7 PP
Return on Equity (ROE) before Tax	8.9	3.7	+5.2 PP
Return on Assets (ROA) before Tax	0.4	0.2	+0.2 PP
Liquidity Coverage Ratio (LCR) for the Li-Waiver-Group VLBG	177.3	124.5	+52.8 PP

### Moody's Rating

Bank Deposits	Baa1	Baa1
Baseline Credit Assessment	baa3	baa3
Outlook	Stable	Stable
Cover Funds	Aaa	Aaa







<b>ASSETS</b>		EUR	2016 in EUR'000
1. Cash on Hand, Balances at Central Banks and Post Office Banks		166,102,590.05	11,732
2. Public Sector Debt Instruments and Bills of Exchange eligible for Refinancing at Central Banks		734,632,990.00	784,161
a) public sector debt instruments and similar securities	734,632,990.00		784,161
b) bills of exchange eligible for refinancing at central banks	0.00		0
3. Receivables from Banks		2,442,488,116.49	2,143,098
a) due daily	739,440,470.18		391,318
b) other receivables	1,703,047,646.31		1,751,780
4. Receivables from Customers		1,472,538,659.07	1,443,403
5. Bonds and Other Fixed-Interest Securities		1,329,318,018.14	1,369,069
a) from public issuers	0.00		0
b) from other issuers	1,329,318,018.14		1,369,069
including:			
own debentures	0.00		0
6. Shares and other Non-Fixed-Interest Securities		50,614,353.92	45,544
7. Participations		170,802,247.92	169,941
including:			
in banks	158,804,786.26		157,955
8. Shares in Affiliated Companies		8,462,636.74	8,463
including:			
in banks	0.00		0
9. Intangible Assets		358,437.35	204
10. Tangible Fixed Assets		34,782,270.29	31,060
including:			
land and buildings used by the bank for its own activities	12,152,515.14		12,373
11. Shares in Companies with Controlling or Majority Holdings		0.00	0
including:			
nominal value	0.00		0
12. Other Assets		49,153,717.88	59,037
13. Subscribed Capital Called But Not Yet Paid		0.00	0
14. Prepaid Expenses and Accruals		1,020,671.35	1,263
including:			
Difference per Section 906, Subs, 33, Austrian Commercial Code	0.00		0
15. Deferred Taxes		18,257,654.84	18,309
<b>TOTAL ASSETS</b>		<b>6,478,532,364.04</b>	<b>6,085,284</b>

LIABILITIES		EUR	2016 in EUR '000
<b>1. Bank Liabilities</b>		<b>3,776,414,724.40</b>	<b>3,444,289</b>
a) due daily	1,020,580,533.03		1,000,163
b) with an agreed maturity or notice period	2,755,834,191.37		2,444,126
<b>2. Liabilities with Customers</b>		<b>882,718,988.73</b>	<b>886,466</b>
a) savings deposits	65,295,199.16		67,301
including:			
aa) due daily	0.00		0
bb) with an agreed maturity or notice period	65,295,199.16		67,301
b) other liabilities	817,423,789.57		819,165
including:			
aa) due daily	346,297,073.20		304,642
bb) with an agreed maturity or notice period	471,126,716.37		514,522
<b>3. Securitised Liabilities</b>		<b>1,430,677,866.55</b>	<b>1,376,936</b>
a) bonds issued	346,652,196.55		410,319
b) other securitised liabilities	1,084,025,670.00		966,617
<b>4. Other Liabilities</b>		<b>51,260,340.64</b>	<b>54,154</b>
<b>5. Prepaid Expenses.Accruals</b>		<b>2,156,040.34</b>	<b>2,942</b>
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		0
<b>6. Provisions</b>		<b>25,322,363.00</b>	<b>26,442</b>
a) provisions for severance payments	4,974,057.91		4,879
b) provisions for pensions	6,818,723.62		7,279
c) tax accruals	5,316,964.14		215
d) other	8,212,617.33		14,069
<b>6a. Funds for General Banking Risks</b>		<b>0.00</b>	<b>0</b>
<b>7. Supplementary Capital per Part 2 Title I Chapter 4 of Regulation (EU) No, 575.2013</b>		<b>0.00</b>	<b>0</b>
<b>8. Additional Core Capital per Part 2 Title I Chapter 3 of Regulation (EU) No, 575.2013</b>		<b>0.00</b>	<b>0</b>
including:			
Compulsory Convertible Bonds per Section 26a Austrian Banking Act (BWG)	0.00		0
<b>8b. Financial Instruments with no Voting Rights per Section 26a Austrian Banking Act (BWG)</b>		<b>55,832,667.68</b>	<b>55,833</b>
<b>9. Subscribed Capital</b>		<b>22,108,936.00</b>	<b>22,109</b>
<b>10. Capital Reserves</b>		<b>19,383,078.32</b>	<b>19,383</b>
a) fixed	19,383,078.32		19,383
b) not fixed	0.00		0
<b>11. Profit &amp; Loss Reserves</b>		<b>161,269,111.81</b>	<b>148,200</b>
a) statutory reserves	0.00		0
b) reserves prescribed by Articles of Association	5,004,550.24		5,005
c) other reserves	156,264,561.57		143,195
<b>12. Liability Reserves per Section 57 Subs, 5 Austrian Banking Act (BWG)</b>		<b>35,006,202.28</b>	<b>35,006</b>
<b>13. Net Income for the Year.Net Loss for the Year</b>		<b>16,382,044.29</b>	<b>13,524</b>
<b>TOTAL LIABILITIES</b>		<b>6,478,532,364.04</b>	<b>6,085,284</b>

<b>ASSETS</b>		EUR	2016 in EUR '000
Below-the-Line Items			
1. Foreign Assets		1,726,069,965.51	1,588,441

LIABILITIES		EUR	2016 in EUR'000
<b>Below-the-Line Items</b>			
<b>1. Contingent Liabilities</b>		<b>137,045,940.96</b>	<b>175,421</b>
including:			
a) acceptances and endorsement liabilities on negotiated bills of exchange	0.00	0	
b) liabilities from financial guarantees and liability from provision of collateral	137,028,848.36	175,404	
<b>2. Credit Risks</b>		<b>365,870,278.37</b>	<b>418,403</b>
including:			
liabilities from pension repurchase agreements	0.00	0	
<b>3. Liabilities with Trust Transactions</b>		<b>0.00</b>	<b>0</b>
<b>4. Attributable Equity Capital per Part 2 of Regulation (EU) No, 575/2013</b>		<b>348,939,468.80</b>	<b>345,865</b>
including:			
a) Supplementary Capital per Part 2 Title I Chapter 4 of Regulation (EU) No, 575/2013	62,534,311.28	70,812	
<b>5. Capital Requirements per Art, 92 of Regulation (EU) No, 575/2013</b>		<b>2,023,502,464.37</b>	<b>2,123,766</b>
including:			
a) Capital Requirements per Art, 92 Subs, 1 (a) of Regulation (EU) No, 575/2013 (core Tier 1 ratio in %)		14.15	12.95
b) Capital Requirements per Art, 92 Subs, 1 (b) of Regulation (EU) No, 575/2013 (core capital ratio in %)		14.15	12.95
c) Capital Requirements per Art, 92 Subs, 1 (c) of Regulation (EU) No, 575/2013 (total capital ratio in %)		17.24	16.29
<b>6. External Liabilities</b>		<b>2,187,816,711.48</b>	<b>2,167,800</b>

ANNUAL FINANCIAL STATEMENTS		EUR	2016 in EUR '000
1. Interest and Similar Income		70,322,784.37	86,297
including:			
from fixed-interest securities	38,688,483.33		44,423
2. Interest and Similar Expenses		-39,206,389.74	-56,725
<b>I. NET INTEREST INCOME</b>		<b>31,116,394.63</b>	<b>29,572</b>
3. Income from Securities and Participations		4,329,257.37	3,906
a) income from shares, other equity interests and non-fixed-interest securities	883,004.34		946
b) income from participations	2,618,742.79		2,799
c) income from shares in affiliated companies	827,510.24		161
4. Commission Income		14,623,754.45	14,345
5. Commission Expenses		-5,272,817.94	-4,562
6. Revenue from . Expenditure on Financial Transactions		924,530.52	841
7. Other Operating Income		13,005,337.85	12,059
<b>II. OPERATING INCOME</b>		<b>58,726,456.88</b>	<b>56,161</b>
8. General Administrative Expenditure		-34,312,849.11	-35,986
a) personnel expenses	-24,082,711.87		-25,053
including:			
aa) wages and salaries	-18,058,821.73		-18,326
bb) expenses for statutorily-prescribed social security charges and pay-related charges and compulsory contributions	-4,562,882.14		-4,581
cc) other social security expenditure	-208,147.76		-238
dd) expenditure on pensions and other support	-1,168,871.25		-1,186
ee) allocations to pensions reserve	460,113.87		101
ff) expenditure on severance payments and payments to company pension funds	-544,102.86		-823
b) other administrative expenditure (material expenses)	-10,230,137.24		-10,933
9. Adjustments to Assets in Asset Items 9 and 10		-1,475,884.92	-1,336
10. Other Operating Expenses		-2,300,247.20	-2,862
<b>III. OPERATING EXPENSES</b>		<b>-38,088,981.23</b>	<b>-40,184</b>
<b>IV. OPERATING RESULT</b>		<b>20,637,475.65</b>	<b>15,977</b>

ANNUAL FINANCIAL STATEMENTS

EUR

2016 in  
EUR '000

<b>IV. OPERATING RESULT – Brought Forward</b>		<b>20,637,475.65</b>	<b>15,977</b>
11./ Balance of Releases of/Allocations to the Value Adjustments		<b>2,832,457.18</b>	-13,871
12. to Liabilities and to Provisions for Contingent Liabilities			
13./ Balance of Releases of/Allocations to the Value Adjustments		1,525,985.44	7,950
14. to Securities Valued as Financial Assets and to Participations			
<b>V. RESULT OF NORMAL BUSINESS OPERATIONS</b>		<b>24,995,918.27</b>	<b>10,056</b>
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		-4,989,250.68	17,621
including:			
from deferred taxes	-51,160,16		19,397
19. Other Taxes Unless Shown in Item 18		-1,239,082.97	-16,775
<b>VI. ANNUAL NET PROFIT/LOSS</b>		<b>18,767,584.62</b>	<b>10,902</b>
20. Movements in Reserves		-13,069,390.44	-6,938
including::			
allocation to liability reserve	0,00		0
dissolution of the liability reserve	0,00		0
<b>VII. ANNUAL PROFIT/LOSS</b>		<b>5,698,194.18</b>	<b>3,964</b>
21. Profit/Loss Brought Forward		10,683,850.11	9,560
<b>VIII. VIII. NET PROFIT/NET LOSS</b>		<b>16,382,044.29</b>	<b>13,524</b>

