



Annual Report

Partner in the Success of a Prospering Region

The figures speak for themselves: the confidence of the people of Vorarlberg in the banks with the gable cross has grown once again. It is obvious that people are relying more than ever on the high-quality advice, innovative tools and attractive financial solutions offered by the cooperative banks. As a result, loans have grown again in recent months. More and more Vorarlbergians are borrowing more and more money from the local Raiffeisen Banks. They are taking advantage of the current interest rate situation and realising their wishes. Companies have, once again, also borrowed more money to make investments. They have started new businesses, expanded their portfolios, purchased new machines, boosted their export volume and, with all of this, created even more jobs in the region - for this very reason, a thoroughly gratifying development that Raiffeisen, as a partner, supports. At the other end of the balance sheet are the deposits - the money that people put aside and entrust to the Vorarlberg Raiffeisen Banks. This also developed positively last year. Savers in Vorarlberg are entrusting their assets to their local Raiffeisen Bank more and more often. At all banks, customers who want to save are currently facing the difficult situation regarding interest. However, Raiffeisen is able to convince people with the security of their invested

funds and the attractiveness of its products. And Raiffeisen has another argument on its side that others do not have: the money stays in the region. If a Vorarlbergian brings his money to his local Raiffeisen Bank, he can be sure that other Vorarlbergians will be able to use it to realise their own projects, because Raiffeisen leaves the money in the region and passes it on as loans to private individuals and companies - a functioning, local circulation of money.

The other business segments of the Raiffeisen Banking Group Vorarlberg also developed well in 2019: insurance, leasing, real estate, building society. They can all report positive figures and further consolidate their position as partners of the people. Despite all the positive figures, the Vorarlberg Raiffeisen Banks are also feeling high cost pressure: in order to continue to offer attractive, innovative solutions in all areas, high investments are necessary. At the same time, the current extreme interest rate situation in particular is creating major obstacles for the business model of stable regional banks. New providers, large international groups that take the best of the banking business but leave many people behind and of course the rapidly changing customer behaviour do nothing to ease the situation. This is where

Vorarlbergs Raiffeisen Banks benefit from their reasonable budgeting: the banks have continued their own strict cost management over the past twelve months. Raiffeisen is taking a sensible course here, weighing up investment and savings carefully, thereby ensuring the efficient use of available funds. The result of all this is the Raiffeisen Banking Group Vorarlbergs gratifying operating profit for 2019.

The Raiffeisenlandesbank and the Vorarlberg Raiffeisen Banks are part of the Austrian Raiffeisen Banking Group. This enables the independent, local banks to make a difference nationwide and to benefit from the strength of Austria's largest banking group. In 2019, this cooperation gained in quality and strength once again. The Raiffeisen Kooperationsgenossenschaft, which was founded just the year before and brings together all Raiffeisenlandesbanks, has started its work. It assumed more and more strategic responsibilities for the entire Raiffeisen organisation in 2019. The aim here is to identify similarities across state borders and to exploit them on the market. While the Raiffeisen Kooperationsgenossenschaft sets the essential guidelines, the various subordinate federal bodies consistently continue the work. A new wind

is blowing - the Austrian Raiffeisen Banks are very cautious in dealing with their own independence as this is an essential characteristic. But where opportunities for meaningful cooperation arise, these chances are increasingly being taken advantage of. A major example is the IT sector, where a lot of progress has been made in recent years and months. This was the only way to succeed in bringing «Mein ELBA» - the most-used online banking system in Austria - to the

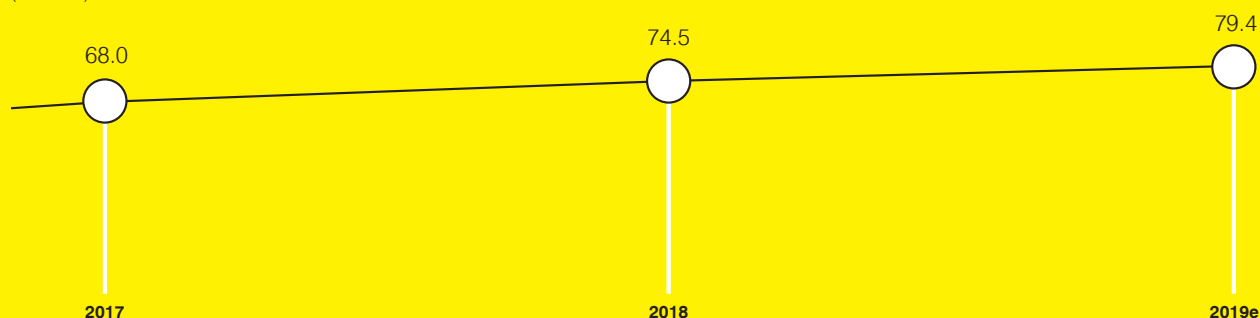
market and to present and establish numerous other innovations.

Raiffeisen Bank International is also developing well. It is operating very successfully in its core markets in Eastern Europe, which is reflected in a very good result. The stake in RBI will also result in the payment of a strong dividend for 2019, which will benefit the Raiffeisenlandesbank and, consequently, the local Raiffeisen Banks.

The figures for 2019 and previous years show the healthy profitability of the Raiffeisen Banking Group Vorarlberg. The status quo works. In order to maintain the status quo and ensure that Raiffeisen will remain the strongest bank in the state of Vorarlberg, a variety of measures were again taken last year - the Raiffeisenlandesbank and the Raiffeisen Banks in Vorarlberg also demonstrated foresight beyond the borders of the state. ■

Result of normal business operations in EUR Million

(rounded)



Key performance indicators of the Raiffeisen Banking Group Vorarlberg in EUR Million

(rounded)

	2019e	2018	+ / -	in %
Balance sheet total	12,530	12,331	+199	+1.6
Receivables from customers	8,794	8,163	+631	+7.7
Liabilities with customers	7,022	6,715	+307	+4.6
Operating result	70.3	65.9	+4.4	+6.7
Result of normal business operations	79.4	74.5	+4.9	+6.6
Cost-Income-Ratio	72.9%	73.2%	-0.3	-0.3

Achieving Goals through Ambition, Hard Work and Common Sense

With an operating result of EUR 24.9 million and a profit on normal business operations of EUR 25.5 million, the Raiffeisenlandesbank Vorarlberg looks back on the success of the past year with great satisfaction. The profit on normal business operations was able to be increased slightly compared to the previous year. The main reasons for this are, on the one hand, a favourable development on the earnings side and, on the other, very low risk costs.

A detailed look at the earnings side shows that it has turned out to be much more positive than expected after the already ambitious targets set at the beginning of the year. Above all, income from equity holdings and, in particular, the dividends of Raiffeisen Bank International are strong cornerstones of earnings. BayWa Vorarlberg also continues to develop very positively, which, in turn, allows it to invest massively in and expand its location in Lauterach.

In the past financial year, RLBV sold its previous shares in the Vorarlberger Mühlen und Mischfutterwerke to the former co-owning Rhomberg and Hagen families, who are now continuing the business as a pure family enterprise.

In addition to investments in the company building, RLBV again created interesting positions in the past financial year, positions which were filled with appropriately qualified employees. The jobs created are mainly the result of regulatory requirements which con-

tinue to increase sharply, but have also come about because more and more entrepreneurs from Vorarlberg and the neighbouring southern German region and many people from Bregenz are making RLBV and the Raiffeisenbank in Bregenz their bank. One of the reasons for this is probably because RLBV's services focus on customer needs and customer benefits. This is also the background to the fact that the Raiffeisen Banks in Vorarlberg are making increasing use of the continuously expanded services.

An important indicator of a bank's economic strength is its capital base. RLBV was again able to further expand this capital base in 2019. This was due in part to its own economic strength as a result of increased earnings and efficiency, but also to the capital increase carried out by its owners - the Vorarlberg Raiffeisen Banks. They have thus made a clear commitment to their state bank and have strengthened it on its path to the future. At the end of 2019, RLBV achieved a Core Tier 1 Capital Ratio of 14.9 per cent. It is thus very well positioned and has a good capital base by national and international standards. The other key economic figures are also encouraging. All these facts bear witness to the intelligent and high-quality work of the Raiffeisenlandesbank Vorarlberg and the excellent cooperation with the Vorarlberg Raiffeisen Banks.

The liquidity situation of the Raiffeisenlandesbank Vorarlberg and the entire Raiffeisen Banking Group Vorarlberg was again strength-

Business Development

ened by a major capital market transaction in November. The Raiffeisenlandesbank Vorarlberg issued a 15-year covered bond from its mortgage cover pool and placed a EUR 300 million issue. Following the highly successful placement of a EUR 500 million issue just the year before, this covered sub-benchmark bond also met with enormous interest. Shortly after the order books were opened, the bond was already oversubscribed. In the end, the book contained orders from eleven countries with a total volume of over EUR 700 million. In addition to investors from Austria, Germany and Switzerland, the Raiffeisenlandesbank also noticed interest from Scandinavia, France, Great Britain and the Benelux countries, amongst others.

The year 2019 was also marked by a major joint strategy process of the Raiffeisen Banking Group Vorarlberg, which was finalised last year: The Raiffeisen Banking Group Vorarlberg took a close look at its own structure and governance in the "Leadership in the Group" programme. In 2018, a committee consisting of functionaries and board members of the Raiffeisen banks and the Raiffeisenlandesbank was created for this purpose - this is the first time that cooperation in this form has taken place within the Raiffeisen sector in Vorarlberg. For nine months, this committee worked intensively in constructive openness and high mutual esteem. The current situation was analysed in detail and the question of Raiffeisen's future under constantly changing conditions was discussed. The results of the intensive exchange are four work packages,

three of which are now either being worked out in detail or are already being implemented step by step. The Raiffeisen Banking Group has thus set the course for its own further development and the continued existence of a successful regional Raiffeisen bank in 2019. In any case, the Raiffeisen Banking Group Vorarlberg moved even closer together in 2019. —



Balance Sheet Trends

2019 Assets

RLBV's balance sheet total declined slightly in the 2019 financial year and stood at EUR 6,422,600,000 as of 31 December 2019. Compared with 2018, this is a decrease of 2.7 per cent or EUR 181.0 million.

Receivables from banks amounted to EUR 2,628,900,000 as of 31 December 2019. Compared with 2018, this is an increase of EUR 13.1 million or 0.5 per cent. At balance sheet date, receivables with the Raiffeisen Banking Group Vorarlberg (RBGV) totalled 58.0 per cent, or EUR 1,523,700,000 (2018: 52.6 per cent or EUR 1,375,000,000). Receivables with the Raiffeisen Bank International AG totalled 19.2 per cent, or EUR 505.2 million (2018: 19.0 per cent or EUR 497.6 million). The share of foreign currency (especially in Swiss francs) totalled 30.0 per cent or EUR 789.5 million (2018: 35.5 per cent or EUR 927.7 million).

Compared with 2018, receivables from customers increased again, climbing by EUR 132.9 million or 8.7 per cent. In spite of a challenging environment, loans increased once again in the business divisions Raiffeisenbank in Bregenz and RLBV corporate clients/private banking. The share of this balance sheet item in foreign currency at 31/12/2019 was 7.3 per cent or EUR 121.8 million (2018: 8.5 per cent or EUR 129.5 million).

Securities portfolios decreased by 148.7 million or 7.8 per cent to EUR 1,759,800,000. At

balance sheet date, the securities in question totalled EUR 1,727,400,000 or 98.2 per cent from debentures and other fixed-interest securities. The share of tenderable securities totalled EUR 1,669,700,000.

Equity holdings remained the same at EUR 179.6 million. The highest equity holding 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 decrease was mainly due to credit balances with central banks. ■

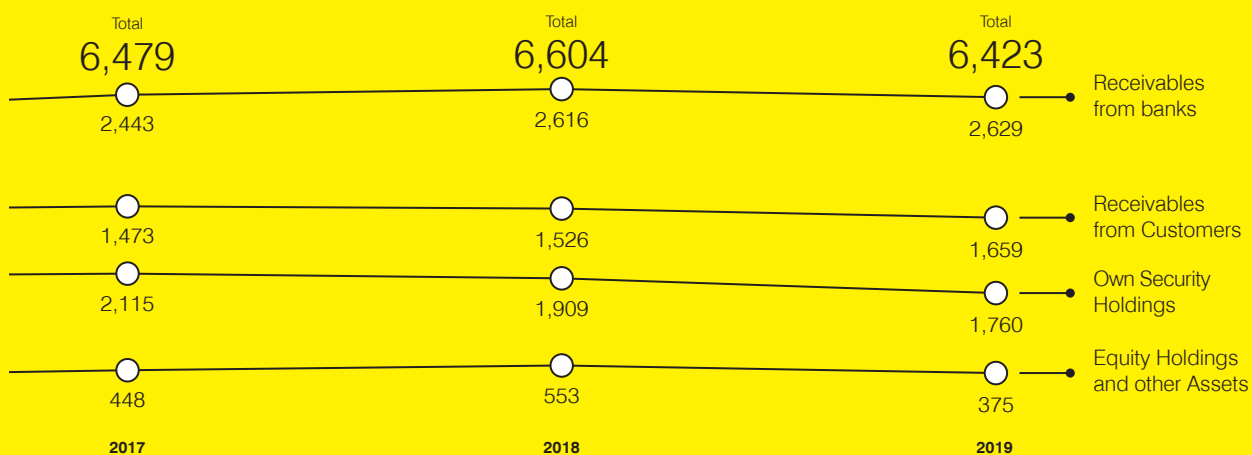
Assets in EUR Million

(rounded)

	2019	2018	+ / -	in %
Balance Sheet Total	6,422.6	6,603.6	-181.0	-2.7
Receivables from banks	2,628.9	2,615.7	+13.1	+0.5
Receivables from Customers	1,659.1	1,526.2	+132.9	+8.7
Fixed-Interest and Non-Fixed-Interest Securities	1,759.8	1,908.5	-148.7	-7.8
Equity Holdings	179.6	179.7	-0.1	-0.1
Other Assets	195.3	373.5	-178.2	-47.7

Structure of Balance Sheet Assets in EUR Million

(rounded)



Balance Sheet Trends

2019 Liabilities

The volume of **liabilities with banks** decreased by EUR 346.9 million or 10.8 per cent to EUR 2,869,600,000. At balance sheet date, liabilities totalled 41.7 per cent or EUR 1,197,100,000 (2018: 36.4 per cent or EUR 1,171,900,000) with the RBGV, EUR 0.1 million (2018: 0.1 per cent or EUR 3.3 million) with the Raiffeisen Bank International AG and 0.5 per cent or EUR 13.9 million (2018: 0.5 per cent or EUR 14.7 million) with public development banks. The share of liabilities in foreign currency was 9.6 per cent or EUR 275.0 million (2018: 10.0 per cent or EUR 320.2 million).

Liabilities with customers decreased by EUR 100.6 million or 12.5 per cent to EUR 706.4 million. As of 31/12/2019, liabilities consisted of savings of EUR 62.4 million (2018: EUR 63.0 million), fixed-term deposits of EUR 242.1 million (2018: EUR 368.3 million) and sight deposits of EUR 401.9 million (2018: EUR 375.8 million).

Compared to 2018, **securitised liabilities** increased again, climbing by EUR 241.2 million or 11.1 per cent to EUR 2,416,600,000. This item includes the Bank's own securities as issued. The share of covered bonds totalled 74.7 per cent or EUR 1,798,500,000 (2018: 65.7 per cent or EUR 1,428,500,000). Retail customers were holding EUR 184.0 million (2018: EUR 254.6 million) of the issued securities.

In the period under review, **provisions** increased by EUR 3.1 million to EUR 25.0 million. The main details on provisions can be found in the appendix to the annual financial statement, section 1.3.2.11. Provisions and other liabilities are included.

At balance sheet date, RLBV's **equity capital** shown in the balance sheet totalled EUR 362.7 million. The net income for the year 2019, which is included in this item, totalled EUR 8.2 million. —

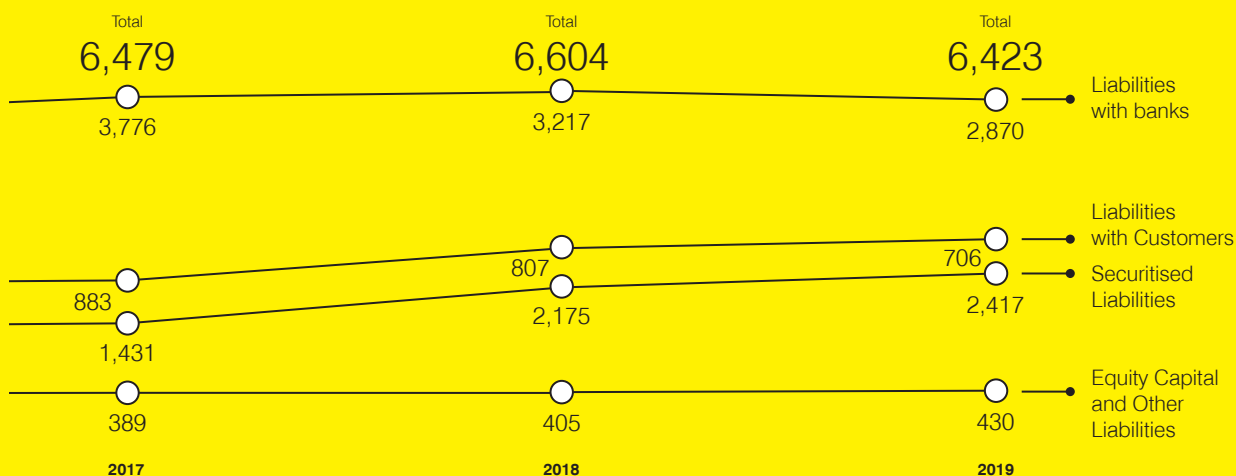
Liabilities in EUR Million

(rounded)

	2019	2018	+ / -	in %
Balance Sheet Total	6,422.6	6,603.6	-181.0	-2.7
Liabilities with Banks	2,869.6	3,216.5	-346.9	-10.8
Liabilities with customers	706.4	807.1	-100.6	-12.5
Securitised Liabilities	2,416.6	2,175.4	+241.2	+11.1
Provisions	25.0	21.9	+3.1	+14.2
Equity/Net Income for the Year	362.7	323.3	+39.4	+12.2
Other Liabilities	42.3	59.5	-17.2	-28.9

Structure of Balance Sheet Liabilities in EUR Million

(rounded)



Net interest income earned in 2019 was EUR 31.5 million, 4.0 per cent lower than 2018.

A positive development was achieved in RLBV's own customer business (business divisions Raiffeisenbank in Bregenz and RLBV's corporate clients) due to volume increases in the lending business. Negative money market interest rates continue to burden the deposit business with retail customers. RLBV's own customer business took a share of 56.4 per cent (2018: 48.9 per cent) on the net interest income. The profit contribution from Treasury was below the previous year's level, mainly due to special effects in the previous year.

Revenue from securities and equity holdings includes revenue from investment funds and other non-fixed-interest securities of EUR 0.7 million (2018: EUR 1.1 million), as well as dividends from equity holdings in the amount of EUR 12.7 million (2017: EUR 10.2 million).

The significance of **net commission income** for RLBV's economic success is growing due to the persistently low interest rate environment. The positive year-on-year development is due, among other things, to increases in securities commissions.

Other operating revenue increased, compared with 2018, by EUR 3.5 million to EUR 18.6 million. This increase is mainly due to the integration of the Raiffeisen Rechenzentrum reg. GenmbH & Co KG (RRZ KG) into RLBV and the resulting higher income from services, support and consulting for the Raiffeisen Banking Group Vorarlberg.

Total operating revenue increased, compared with 2018, by EUR 4.5 million, or 6.5 per cent, to EUR 73.8 million.

Personnel expenses increased, compared with 2018, by EUR 5.8 million. This rise was mainly due to the integration of the RRZ KG into the RLBV. In addition, there were also cost increases resulting from the annual collective-agreement-based salary adjustments

Expenditure on materials and value adjustments on tangible assets in-

creased, compared with 2018, by 9.5 per cent and totalled EUR 13.9 million.

Other operating expenses fell, compared with 2018, by EUR 0.1 million. Amongst others, this position includes the contribution to the European Single Resolution Fund in the amount of EUR 2.2 million (2018: EUR 2.2 million).

Compared with 2018, **operating expenses** increased by a total of EUR 6.9 million or 16.4 per cent, mainly due to the integration of the RRZ KG into the RLBV.

Profit Situation 2019

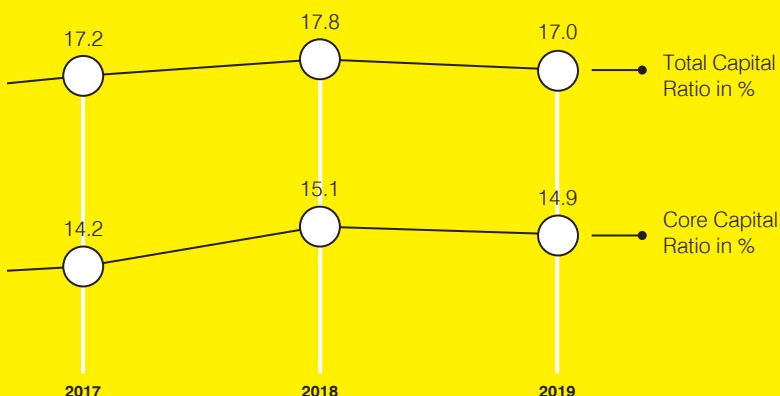
(rounded)

in EUR Million	2019	2018	+ / -	in %
Net Interest Income	31.5	32.8	-1.3	-4.0
Revenue from Securities and Equity Holdings	13.4	11.3	+2.1	+18.4
Commission Surplus	9.7	9.6	+0.1	+0.7
Revenue/Expenditure from Financial Transactions	0.6	0.4	+0.1	+28.9
Other Operating Revenue	18.6	15.1	+3.5	+23.4
Operating Revenue	73.8	69.2	+4.5	+6.5
Personnel Expenses	-32.2	-26.4	-5.8	+21.9
Material Expenses	-11.6	-11.2	-0.5	+4.3
Value Adjustments on Fixed Assets	-2.3	-1.6	-0.7	+46.3
Other Operating Expenses	-2.7	-2.8	+0.1	-3.7
Operating Expenses	-48.9	-42.0	-6.9	+16.4
Operational Result	24.9	27.3	-2.4	-8.7

The **operating result** amounts to EUR 24.9 million and is 8.7 per cent below the result of 2018. The effects of the integration of the RRZ KG into the RLBV have only a minor impact on the operating result due to the balanced result of this division. —

Capital Base as of 2017

(rounded)



In EUR Million (rounded)	2019	2018	+ / –	in %
Operating Result	24.9	27.3	–2.4	–8.7
Balance of additions to/disposals of value adjustments to receivables and provisions for contingent claims and credit risks	–1.9	–2.4	+0.5	–21.8
Balance from additions to/disposals of value adjustments to securities valued as financial assets and to equity holdings and shares in affiliated companies	2.5	–0.1	+2.5	>100
Result of normal business activities (EBT)	25.5	24.8	+0.7	+2.8
Taxes on Income	–1.6	–5.0	+3.4	–68.3
Other Taxes	–1.4	–1.3	–0.2	+12.3
Net Profit for the Year	22.5	18.5	+4.0	+21.4

The balance of **additions to/disposals of value adjustments** in the retail and corporate customer business shows a value adjustment of EUR 1.9 million in 2019. The actually identifiable risks of the Raiffeisenlandesbank Vorarlberg were assessed and adjusted in the loan loss provision.

The net total of **additions to/disposals of value adjustments to securities and equity holdings** shows a profit of EUR 2.5 million. This includes the profit from valuation, redemption and sales revenue of the securities which totalled EUR 2.1 million. The valuation result of equity holdings

showed a profit of EUR 0.4 million due to disposals of equity investments.

The **result of normal business activity (EBT)** in 2019 totalled EUR 25.5 million, which is EUR 0.7 million or 2.8 per cent above the result of the previous year.

Income taxes totalled EUR 1.6 million in 2019. The **other taxes** of EUR 1.4 million mainly include the Stability Charge to the Austrian government in the amount of EUR 1.3 million.

The **annual net profit** minus taxes earned in 2019 was EUR 22.5 million.

Of this figure, EUR 14.4 million were allocated to the reserves. The annual net profit minus the allocation to the reserves plus profit brought forward from 2018 of EUR 0.2 million showed net income for 2019 in the amount of EUR 8.2 million. ■

Financial Performance Indicators

(rounded)

	2019	2018	+ / -
Tier 1 Capital Ratio	14.9	15.1	-0.1 PP
Total Capital Ratio	17.0	17.8	-0.7 PP
Leverage Ratio	5.0	4.3	+0.7 PP
Cost-Income-Ratio	66.0	60.6	+5.4 PP
Return on Equity (ROE) before tax	8.1	8.5	-0.3 PP
Return on Assets (ROA) before tax	0.4	0.4	0.0 PP
Liquidity Coverage Ratio (LCR) for the Li-Waiver-Group VLBG	164.9	180.3	-15.4 PP

Rating Moody's

Bank Deposits	Baa1	Baa1
Baseline Credit Assessment	baa3	baa3
Outlook	Stable	Stable
Cover Pool	AAA	AAA



The selective acceptance of risks or risk transformation is a key component of the banking business. Under the clear guideline of exercising due diligence, the aim is to identify, measure and optimally manage these risks. In other words, to monitor, limit and manage these risks in a systematic manner using functioning systems and procedures.

In line with these requirements, risk management at RLBV uses appropriate control procedures and systems to identify, monitor, limit and communicate current and, where foreseeable, future risks. This is based on a clear organisational and operational structure. RLBV's risk strategy and the principles of risk management are documented in the Raiffeisenlandesbank's Risk Management Manual, detailing individual risks in terms of identification, assessment, measurement, limitation, monitoring and the respective responsibilities.

The primary focus of RLBV's risk management is on ensuring sufficient risk-bearing capacity. In addition to maintaining banking operations and protecting creditors, the focus is also on compliance with the legal requirements of the Austrian Banking Act (BWG), the CRR guidelines and the Financial Market Authority (FMA) Regulation on Credit Institution Risk Management (KI-RMV). Another important factor is the management of risks in terms of the allocation of the risk capital made available. The tool for this purpose is the risk-bearing capacity analysis (RTFA).

This also provides the basis for the early identification of risk potential and is therefore of high importance for bank auditors, security systems

and supervisory authorities. The Management Board manages and limits the risk-bearing capacity on the basis of the extreme case.

Thus, the economic capital requirement per control unit is allocated in a budget calculation. This allocated economic capital is then monitored quarterly to determine its level of utilisation.

For a better overview, limit compliance, pre-warning level and exceeding of limits in the gone-concern control case are highlighted with a traffic light. However, all of this is done under the mandatory compliance with regulatory requirements in the going-concern case. A systematic stress test with regard to the income statement completes the risk-bearing capacity analysis.

The risk-bearing capacity analysis is a key decision-making basis for the management and an important component of the quarterly risk report to the Management Board and the Supervisory Board. Once a quarter, this risk report is reviewed by the Risk Committee (RiKo). This body, which is made up of the Management Board, the Head of Financial/Capital Markets and representatives of Credit and Risk Management, primarily deals with issues relating to risk strategy, risk distribution, risk-bearing capacity and the risk management systems, processes and procedures. Risk Controlling is responsible for the ongoing monitoring of risk limits.

The following general risk policy principles apply to RLBV's risk strategy:

- The achievement of economic success requires the conscious and controlled taking of risks.
- A strong risk awareness encompassing all areas and a corresponding risk culture, in particular through transparent information and the use of adequate instruments, are fostered and are essential for business success. This also means that the principle of prudence is given preference in the event of a non-transparent, unmanageable risk situation. Only such risks as can be assessed are taken. This means that they can be understood and verified and that the main factors causing the risk can be assessed and measured.
- No decision or action may entail a significant risk or risk to the company's survival. Such a risk or action is defined as the possible loss of 25 per cent of liable equity within one year.
- All risks are to be controlled using the risk management instruments. With regard to the main types of risk, the Bank aims to achieve a level of risk management appropriate to the structure, complexity, size and staffing of the Bank, based on best practice principles. All risk management processes are in line with the complexity of the business activities (proportionality and materiality). In order to ensure high-quality risk management, the procedures used for measurement and management are continuously being developed and are adapted to changing market conditions.

- The objective of the risk strategy considerations is to permanently ensure the risk-bearing capacity of the Raiffeisenlandesbank, thereby, on the one hand, securing the continued existence of the company (going-concern), where the regulatory minimum capital requirement is a strict lower limit, and, on the other hand, protecting creditors (liquidation approach).
- In addition to a risk-oriented perspective, a further premise for business activities is that sufficient earnings can be generated to ensure risk-bearing capacity and a good equity capital base. RLBV aims to achieve a return on equity of at least 5 per cent in the medium term.
- For the purpose of risk mitigation and limitation, all significant risks are limited. The limits are derived from the Bank's risk-bearing capacity calculation and are also intended to prevent "multiple use" of equity capital.
- In order to limit possible cluster risks in the lending business, consideration is also given to the portfolio perspective (diversification) and, if necessary, hedging measures (e.g. business on joint account, loan syndication) are considered.
- New products are only introduced after the standardised product launch process (PEP). Only the Management Board can grant an exemption.

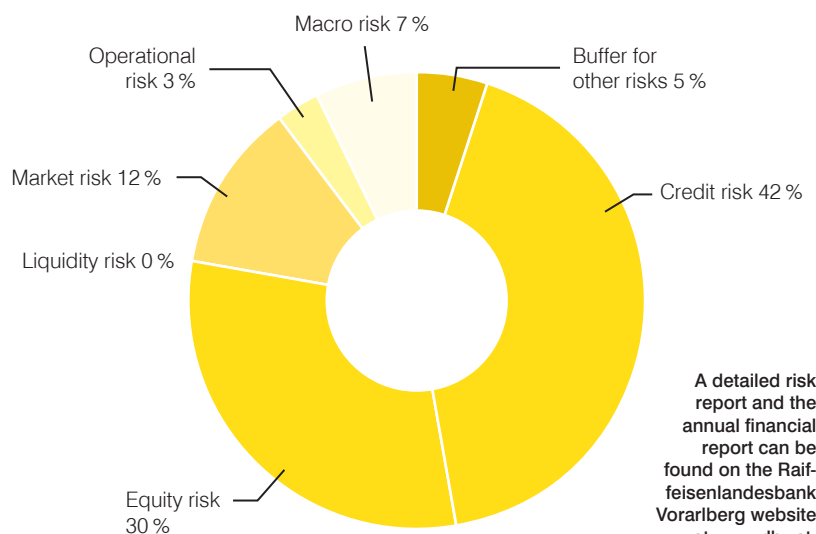
- RLBV is committed to cooperation in the Raiffeisen sector and the joint development of risk systems. This means that sector standards are preferable to inhouse developments. Any deviations from these risk policy principles must be argued and documented accordingly.

In order to avoid conflicts of interest in risk management, functions are separated. This means that risk disposition, risk assessment and risk monitoring are separated in organisational terms. The Bank's risk agendas are assigned to a separate Chief Risk Officer (CRO) for all levels up to the Management Board.

With due diligence, risks are examined for materiality against the background of the nature, scope and complexity of the banking transactions conducted. In this context, explicit reference should again be made to the proportionality principle. In our opinion, the appropriateness of the procedures should not be overstretched. In other words, there is a lower limit to the simplification of the methods and procedures for measuring risk. Below that, the risk must not be taken. On the other hand, importance must be attached to the simplicity and comprehensibility of the methods. In this way, transparency and thus management relevance can be achieved. ■

Risk portfolio of the Raiffeisenlandesbank Vorarlberg (December 31, 2019)

The chart shows the risk portfolio in extreme cases (gone-concern).



It's About the Future

2019 is history and we're already well into 2020. We are tackling this year the same way we did last year. With quality and agility, with a sense of proportion and foresight, Raiffeisen will continue to do everything in its power to be the financial partner of Vorarlberg's citizens.

What the current year will bring cannot be predicted today. There are too many uncertainties along the way: the geopolitical situation has its share of question marks. The situation is marked by the further development of the European Union and its nation states, the worldwide trade conflicts, especially between the USA and China, and the conflicts in the Middle East and in other areas. And, of course, the climate change remains the most acute problem facing humanity. What the world urgently needs are answers and measures for dealing with the finite nature of resources in a sustainable manner and for showing more respect for nature. In February 2020, the coronavirus, coming from China, arrived in Europe. In addition to the social and health effects, COVID-19 is also having a significant impact on the economy: over a longer period of time, people around the world, as employers, employees and consumers, will be concerned with the acute handling of the virus and the consequences thereof. Austria, Vorarlberg and also the local Raiffeisen banks are not unaffected by these developments in this globalised age in which we live. However, the people of Vorarlberg and their economy have proven themselves to be so robust in recent years that they may be influenced, but by no means defined, by global, even unforeseeable

developments. Our economic region and Raiffeisen as its partner can therefore face the future with courage and confidence.

The economic goals of the Raiffeisenlandesbank Vorarlberg for 2020 are ambitious. The cooperative bank has big plans for the current year and has set itself very high targets. The conditions which the RLBV itself can influence have been set in order to actually achieve this. Firstly, the cooperation with the Raiffeisen Banks is constantly being intensified and refined - in the interests of the Raiffeisenlandesbank itself and in the interests of the Raiffeisen Banks as its owners. Secondly, the financial services are constantly being optimised: digital services are being expanded and improved, products are becoming more attractive and consulting is being intensified. And thirdly, behind all this, there is an outstanding team of highly trained and motivated employees: they will do everything in their power to achieve the ambitious return targets and relevant key figures, thus continuing the success of the Raiffeisenlandesbank Vorarlberg in 2020. The present difficult times underscore the high level of responsibility that a regional bank bears for each individual and for everyone involved (Mit.Einander). They show what some banks achieve and others do not. It is and will be motivating to see how our current and many future customers perceive this difference. As a cooperative bank, these times push us to make full use of our possibilities in order to further advance the living environment and economic area of Vorarlberg. ■

ASSETS		EUR	Previous year in EUR '000
1. Cash on Hand, Balances at Central Banks and Post Office Banks		95,492,509.90	271,677
2. Public Sector Debt Instruments and Bills of Exchange eligible for Refinancing at Central Banks		545,809,470.13	671,592
a) public sector debt instruments and similar securities	545,809,470.13		671,592
b) bills of exchange eligible for refinancing at central banks	0.00		0
3. Receivables from Banks		2,628,850,928.23	2,615,702
a) due daily	629,856,390.60		726,181
b) other receivables	1,998,994,537.63		1,889,521
4. Receivables from Customers		1,659,115,112.47	1,526,183
5. Bonds and Other Fixed-Interest Securities		1,181,619,576.16	1,208,931
a) from public issuers	0.00		0
b) from other issuers	1,181,619,576.16		1,208,931
including:			
own debentures	0.00		0
6. Shares and other Non-Fixed-Interest Securities		32,348,875.74	27,930
7. Equity Holdings		171,323,117.54	170,865
including:			
in banks	158,757,286.26		158,805
8. Shares in Affiliated Companies		8,247,569.23	8,850
including:			
in banks	0.00		0
9. Intangible Assets		327,304.10	218
10. Tangible Fixed Assets		39,395,468.95	35,081
including:			
land and buildings used by the bank for its own activities	16,926,684.82		11,840
11. Shares in Companies with Controlling or Majority Holdings		0.00	0
including:			
nominal value	0.00		0
12. Other Assets		30,171,206.58	41,108
13. Subscribed Capital Called But Not Yet Paid		0.00	0
14. Prepaid Expenses and Accruals		10,130,950.61	6,130
including:			
difference per Section 906, Subs. 33, Austrian Commercial Code	0.00		0
15. Active Deferred Taxes		19,798,179.40	19,324
TOTAL ASSETS		6,422,630,269.04	6,603,591

LIABILITIES		EUR	Previous year in EUR '000
1. Bank Liabilities		2,869,625,904.38	3,216,487
a) due daily	1,078,500,828.80		1,053,257
b) with an agreed maturity or notice period	1,791,125,075.58		2,163,230
2. Liabilities with Customers		706,423,846.34	807,063
a) savings deposits	62,370,004.77		62,958
including:			
aa) due daily	0.00		0
bb) with an agreed maturity or notice period	62,370,004.77		62,958
b) other liabilities	644,053,841.57		744,105
including:			
aa) due daily	401,950,614.48		375,817
bb) with an agreed maturity or notice period	242,103,227.09		368,288
3. Securitised Liabilities		2,416,615,828.29	2,175,401
a) bonds issued	954,139,153.04		663,003
b) other securitised liabilities	1,462,476,675.25		1,512,398
4. Other Liabilities		32,865,727.84	53,557
5. Prepaid Expenses/Accruals		9,442,223.49	5,949
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
6. Provisions		24,958,919.72	21,854
a) provisions for severance payments	6,061,256.26		4,964
b) provisions for pensions	7,413,214.12		7,164
c) tax accruals	0.00		194
d) other	11,484,449.34		9,532
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 Tier 1 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)		61,800,367.68	55,833
9. Subscribed Capital		23,540,736.00	22,109
total nominal value of shares	23,540,736.00		22,109
uncalled outstanding equity share capital	0.00		
10. Capital Reserves		35,853,930.32	19,383
a) fixed	35,853,930.32		19,383
b) not fixed	0.00		0
11. Profit & Loss Reserves		198,268,598.17	183,457
a) statutory reserves	0.00		0
b) reserves prescribed by Articles of Association	5,004,550.24		5,005
c) other reserves	193,264,047.93		178,452
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		8,227,984.53	7,492
TOTAL LIABILITIES		6,422,630,269.04	6,603,591

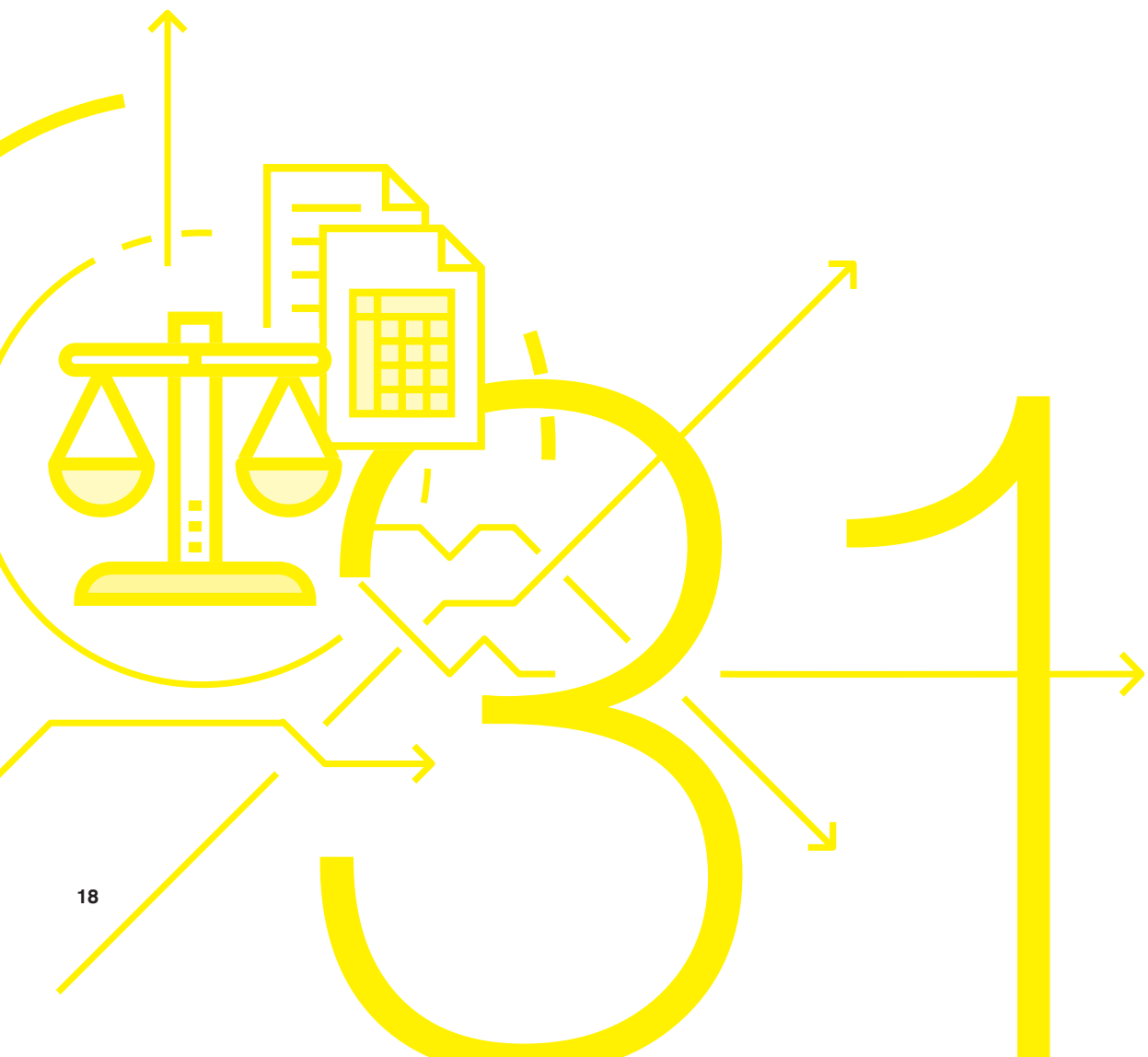
ASSETS

EUR

Previous year
in EUR '000

Below-the-Line Items

1. Foreign Assets	1,457,959,273.65	1,645,382
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LIABILITIES		EUR	Previous year in EUR '000
Below-the-Line Items			
1. Contingent Liabilities		162,642,820.41	141,457
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	162,625,727.81	141,440	
2. Credit Risks		482,894,874.30	435,061
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		392,580,725.13	362,267
including:			
a) Supplementary Capital per Part 2 Title I Chapter 4 of Regulation (EU) No. 575/2013	48,303,305.98	54,716	
5. Capital Requirements per Art. 92 of Regulation (EU) No. 575/2013		2,304,730,157.67	2,038,212
including:			
a) Capital Requirements per Art. 92 Subs. 1 (a) of Regulation (EU) No. 575/2013 (Core Tier 1 Capital Ratio in %)		14.94	15.09
b) Capital Requirements per Art. 92 Subs. 1 (b) of Regulation (EU) No. 575/2013 (Tier 1 Capital Ratio in %)		14.94	15.09
c) Capital Requirements per Art. 92 Subs. 1 (c) of Regulation (EU) No. 575/2013 (Total Capital Ratio in %)		17.03	17.77
6. Foreign Liabilities		1,809,358,919.60	2,088,117

ANNUAL FINANCIAL STATEMENTS		EUR	Previous year in EUR '000
1. Interest and Similar Income		37,923,697.47	67,652
including:			
from fixed-interest securities	30,765,709.76		35,500
2. Interest and Similar Expenses		-6,450,423.53	-34,870
I. NET INTEREST INCOME		31,473,273.94	32,782
3. Income from Securities and Equity Holdings		13,428,367.55	11,343
a) income from shares, other equity interests and non-fixed-interest securities	689,875.04		1,149
b) income from equity holdings	10,953,742.66		9,389
c) income from shares in affiliated companies	1,784,749.85		805
4. Commission Income		12,217,304.89	15,283
5. Commission Expenses		-2,557,066.70	-5,694
6. Revenue from / Expenditure on Financial Transactions		563,794.45	437
7. Other Operating Income		18,627,911.61	15,095
II. OPERATING INCOME		73,753,585.74	69,246
8. General Administrative Expenditure		-43,866,843.36	-37,602
a) personnel expenses	-32,221,404.36		-26,441
including:			
aa) wages and salaries	-23,881,724.63		-19,528
bb) expenses for statutorily-prescribed social security charges and pay-related charges and compulsory contributions	-5,917,153.39		-4,830
cc) other social security expenditure	-273,250.98		-206
dd) expenditure on pensions and other support	-1,196,712.45		-1,156
ee) allocations to pensions reserve	265,481.54		-81
ff) expenditure on severance payments and payments to company pension funds	-1,218,044.45		-640
b) other administrative expenditure (material expenses)	-11,645,439.00		-11,161
9. Adjustments to Assets in Asset Items 9 and 10		-2,268,774.58	-1,551
10. Other Operating Expenses		-2,718,629.37	-2,824
III. OPERATING EXPENSES		-48,854,247.31	-41,977
IV. OPERATING		24,899,338.43	27,269

ANNUAL FINANCIAL STATEMENTS		EUR	Previous year in EUR '000
IV. OPERATING RESULT – Brought Forward		24,899,338.43	27,269
11. Balance of additions to/disposals of value adjustments to liabilities		-1,890,777.25	-2,419
/12. and to provisions for contingent liabilities			
13. Balance of additions to/disposals of value adjustments to securities		2,473,326.14	-57
/14. valued as financial assets and to equity holdings			
V. RESULT OF NORMAL BUSINESS OPERATIONS		25,481,887.32	24,793
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		-1,586,557.53	-5,013
including:			
from deferred taxes	-474,542.43		1,066
19. Other Taxes Unless Shown in Item 18		-1,443,839.03	-1,285
VI. ANNUAL NET PROFIT/LOSS		22,451,490.76	18,495
20. Movements in Reserves		-14,417,219.94	-12,188
including:			
allocation to liability reserve	0.00		0
dissolution of the liability reserve	0.00		0
VII. ANNUAL PROFIT/LOSS		8,034,270.82	6,307
21. Profit/Loss Brought Forward		193,713.71	1,185
VIII. NET PROFIT/NET LOSS		8,227,984.53	7,492

BALANCE SHEET GROUP 07

Status 31/12/2019 in EUR '000

Share

Raiffeisen Bank International AG, Wien	148,480	2.92 %
Walser Privatbank Aktiengesellschaft, Hirschegg	10,277	9.88 %
POSojlnica Bank eGen, Klagenfurt	0	1.63 %
CEESEK Aktiengesellschaft, Wien	47	0.38 %
BayWa Vorarlberg HandelsGmbH, Lauterach	4,078	49.00 %
Raiffeisen Rehazentrum Schruns Immobilienleasing GmbH, Wien	65	49.00 %
VKL III Gebäudeleasing-Gesellschaft m.b.H., Dornbirn	14	33.33 %
MIRA Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H., Wien	9	50.00 %
Hobex AG, Wals-Siezenheim	253	3.67 %
AIL Swiss-Austria Leasing AG, Glattbrugg	5,067	49.99 %
KAURI Handels und Beteiligungs GmbH, Wien	896	8.00 %
Raiffeisen & Hinteregger Holding GmbH, Bregenz	604	50.00 %
ländleticket marketing gmbh, Dornbirn	18	50.00 %
Other equity holdings	1,515	

171,323



BALANCE SHEET GROUP 07

Status 31/12/2019 in EUR '000

Share

Including Banks

Raiffeisen Bank International AG, Wien	148,480	2.92 %
Walser Privatbank Aktiengesellschaft, Hirschegg	10,277	9.88 %
POSOfilnica Bank eGen, Klagenfurt	0	1.63 %
	158,757	

Bilanzgruppe 08 – Anteile an verbundenen Unternehmen

Raiffeisen Direkt Service Vorarlberg GmbH, Bregenz	36	100.00 %
RRZ Dienstleistungs- und Beteiligungs reg.gen.m.b.H. & Co KG, Bregenz	1,421	100.00 %
RVB Verwaltungs- und Beteiligungsgesellschaft m.b.H., Bregenz	6,228	100.00 %
„RBH“ Beteiligungsholding Vorarlberg GmbH, Bregenz	82	100.00 %
Raiffeisen Versicherungsmakler Vorarlberg GmbH, Bregenz	481	100.00 %
	8,248	

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In accordance with § 281 (2) of the Austrian Commercial Code (UGB), we would like to point out that this annual report is an extract from the audited and confirmed annual financial statement prepared in accordance with the law. The annual financial statement will be published in the Raiffeisenzeitung in the future.

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