GROUP MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

ANNUAL REPORT 2016

Raiffeisenlandesbank Niederösterreich-Wien

Survey of Key Data

€m	2016	+/(–) Change	2015	2014*
Consolidated Income Statement				
Net interest income after impairment charges	191.7	0.9%	190.0	91.3
Net fee and commission income	52.3	(20.9)%	66.2	66.5
Net trading income	(2.0)	(99.6)%	(1.0)	3.9
Profit/(loss) from investments in entities accounted at equity	(98.7)	>100%	0.7	(185.0)
General administrative expenses	(206.0)	0.6%	(204.7)	(198.5)
Profit/(loss) for the year before tax	(59.9)	>100%	80.4	(262.5)
Consolidated profit/(loss) (attributable to equity holders of the parent)	(63.9)	>100%	65.4	(248.6)
Consolidated Balance Sheet				
Loans and advances to other banks	6,262	(17.4)%	7,583	7,937
Loans and advances to customers	11,818	(1.1)%	11,948	12,418
Deposits from other banks	7,628	(19.3)%	9,453	10,834
Deposits from customers	7,618	0.0%	7,622	7,478
Equity (incl. profit/(loss))	1,693	(3.3)%	1,751	1,799
Consolidated assets	25,405	(8.4)%	27,743	29,514
Regulatory Information**				
Risk-weighted assessment base	12,216	(5.2)%	12,887	14,485
Total qualifying capital	2,706	(6.5)%	2,894	3,166
Total capital requirement	1,062	(6.9)%	1,141	1,283
Capital surplus ratio	154.8%	1.0 PP	153.8%	146.7%
Common equity Tier 1 ratio	14.2%	0.5 PP	13.8%	12.2%
Total Tier 1 ratio	15.1%	0.1 PP	15.0%	13.8%
Total capital ratio	20.4%	0.1 PP	20.3%	19.7%
Performance Indicators				
Return on equity before tax	(3.5)%	(8.0) PP	4.5%	(12.6)%
Consolidated return on equity	(3.7)%	(7.4) PP	3.7%	(12.6)%
Consolidated cost:income ratio	64.3%	10.8 PP	53.5%	>100%
Return on assets after tax	(0.2)%	(0.5) PP	0.2%	(0.9)%
Risk:earnings ratio	(9.3)%	(8.3) PP	(1.0)%	48.0%
Additional Information				
Employees (average full-time equivalents)	1,176	(0.8)%	1,185	1,201
Branches and offices	41	(3)	44	50

Moody's ratings	*Long-term*	*Short-term*
	Baa2	P(2)

* The data for 2014 were adjusted in accordance with IAS 8. / ** Raiffeisenlandesbank NÖ-Wien AG does not represent a separate credit institution group as defined by the regulatory requirements. It is therefore not subject to the supervisory regulations for banking groups because it is a member company of the Raiffeisen-Holding NÖ-Wien credit institution group. The current amounts were determined for the Raiffeisen-Holding NÖ-Wien credit institution group in accordance with the requirements of the Capital Requirements Regulation (CRR) and the Austrian Banking Act.

Contents

MANAGEMENT REPORT

Overview of the 2016 Financial Year

The economic environment remained challenging throughout the 2016 financial year:

- The European Central Bank (ECB) announced a further package of measures on 10 March 2016, which calls for an increase in the monthly volume of bond purchases under the Quantitative Easing (QE) programme to EUR 80 billion and an increase in the purchase of investment grade EUR-corporate bonds. The deposit rate was cut to -0.4%.
- Political events that included the decision by Great Britain to leave the European Union (EU) and the election of Donald Trump as US president led to (short-term) turbulence on the financial markets.
- The stability of the Eurozone was threatened by speculative news from the banking sector and the bank crisis in Italy. The problems faced by the Italian institutes included, in particular, an insufficient capital buffer to absorb losses. The European Union (EU) approved public sector financial support for these banks in order to prevent the further spread of these difficulties to banks in other EU countries ern.
- Geopolitical tensions increased, above all, as the result of terrorist attacks and threats. Most of the countries directly affected introduced or extended a state of emergency.
- The crisis in Ukraine continued and had a significant influence on economic development, not only in that country but also in Russia.
- The ongoing refugee crisis has created significant political and social challenges for the involved countries and led to tensions within the European Union (EU).

An agreement in principle was reached with a large group of creditors of HETA ASSET RESOLUTION AG (HETA) through the signing of a memorandum of understanding on 18 May 2016. In the previous year, the imposed moratorium led to a massive loss of confidence, above all by German investors, in Austrian issuers. The access of RAIFFEISEN-LANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien) to this source of financing only improved towards the end of 2016.

The following major events had a significant influence on RLB NÖ-Wien during the 2016 financial year:

- Stable customer deposits continue to give RLB NÖ-Wien a sound liquidity position. Interbank liabilities as well as issuing activity were reduced in 2016.
- As a result of the ECB's policy, the interest result remained under pressure due to the negative interest rate level and flat interest rate curve. Negative money market rates led to a notable decrease in margins in the deposit business and, in total, to a decline in net interest income.
- Investments accounted for at equity were responsible for the major change in earnings compared with 31 December 2015. Slight positive results of EUR 0.7 million were reported as of 31 December 2015, but the results as of 31 December 2016 amounted to EUR -98.7 million. The reason was an impairment loss of EUR -192.3 million recognised to the carrying amount of the investment in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) based on an impairment test. In the end, this impairment loss was also responsible for the EUR -63.9 million loss reported by RLB NÖ-Wien for the 2016 financial year.
- The development of the cost structure was influenced by expenses for the project „One IT system for Raiffeisen Austria“, which was concluded in August 2016 with the migration to the new core bank system, and for consulting services to master the wide variety of new regulatory requirements.
- The sound development of the net risk result continued in 2016 and was reflected in the net release of EUR 17.8 million from the impairment allowance balance.
- With a common equity Tier 1 ratio of 14.2%, a total Tier 1 ratio of 15.1% and a total capital ratio of 20.4%, the financial institutions group of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung (Raiffeisen-Holding NÖ-Wien) – of which RLB NÖ-Wien is a part – significantly exceeded the legal minimum capital requirements as well as the ECB’s capital requirements.

- Settlement activities that involve a high degree of standardization (in particular securities services, market service liabilities and contract settlement for personal banking and commercial customers) were outsourced to RSC Raiffeisen

Service Center GmbH in the first half of 2016. This company is under the joint management of companies in the Raiffeisen sector. The resulting synergy effects will only be realized in the coming years.

The Economic Environment

The Global and European Economies

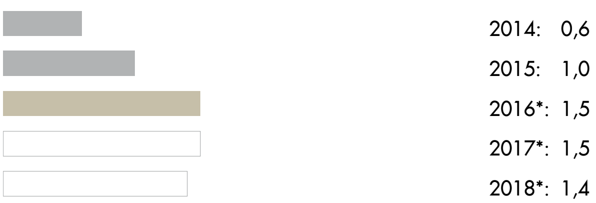
The central banks played a key role in 2016 through the long-awaited continuation of interest rate hikes in the USA, the extension of Quantitative Easing (QE) activities in the Eurozone, the resumption of bond purchases in Great Britain and interest curve controls in Japan.

However, economic developments were also influenced by political events: the Brexit referendum, the election of Donald Trump as the next US president and the Italian referendum. The EU will face the loss of an important partner with the exit of Great Britain, but an analysis of hard economic indicators has, surprisingly, shown that the feared negative economic effects are less painful than originally expected. The outcome of the US presidential election, which brought victory for US billionaire Donald Trump, was also one of the major political surprises of 2016. At the beginning of December, Italian voters rejected the Senate reform by nearly 60%. This led to the resignation of Prime Minister Renzi, and again endangered the political stability as well as the willingness and capacity for reform in this peripheral country. The Eurozone economy has developed remarkably well against all odds and, according to a flash estimate by Eurostat, the gross domestic product (GDP) grew by 1.7% in 2016.

The ECB again loosened its monetary policy in March and raised the monthly volume of the QE-programme from EUR 60 to 80 billion. The deposit rate was subsequently reduced to -0.4%, and the market was supplied with liquidity through new long-term tenders. The prime rate was cut from 0.05% to 0.0% in March. As expected, the ECB also extended its billion-euro bond purchase programme in December.

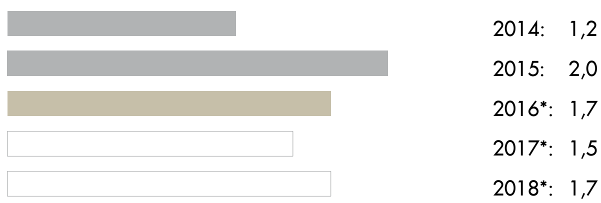
GDP Growth in Ausria in % vs. prior year

*Forecasts for 2016-2018: WIFO forecast dated 16 December 2016



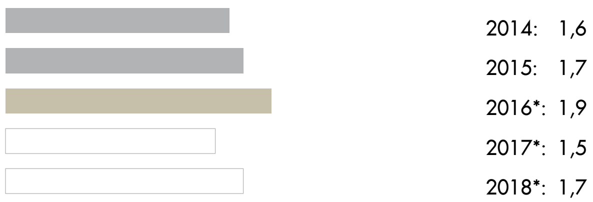
GDP Growth in the Eurozone in % vs. prior year

*Forecasts for 2016-2018: EU Commission, Autumn Forecast for 2016



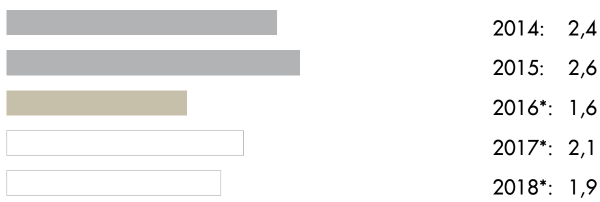
GDP Growth in Germany in % vs. prior year

*Forecasts for 2016-2018: EU Commission, Autumn Forecast for 2016



GDP Growth in the USA in % vs. prior year

*Forecasts for 2016-2018: EU Commission, Autumn Forecast for 2016



The Economy in Austria

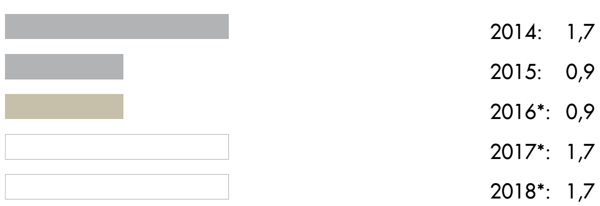
The Austrian economy gained momentum in 2016. With a solid plus towards the end of the year, GDP growth is projected to reach 1.5% and substantially exceed the 1% recorded in 2015.

Demand in Austria strengthened significantly during the past year. Private household consumption increased as a result of the tax reform and related income growth, while companies in many branches reported an improvement in business sentiment. This positive effect was, however, only transferred in part to the production of goods, in particular because purchases in 2016 primarily involved motor vehicles (which were generally in stock or imported). A decline was also registered in the demand for exports from the USA and neighbouring East European countries. Foreign trade was supported up to December 2016, above all, by exports to the Eurozone.

Notwithstanding the acceleration in autumn 2016, the average inflation rate in Austria reflected the 2015 level at a projected 0.9% in 2016 (national calculation method). This again placed Austria above the Eurozone average, but below 1% for the second year in succession in 2016. The unemployment rate continued to rise and, according to the Eurostat definition, equalled 6.1% in 2016.

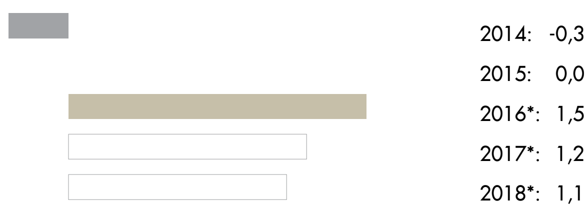
Inflation in Austria in %

*Forecasts for 2016-2018: WIFO forecast dated 16 December 2016



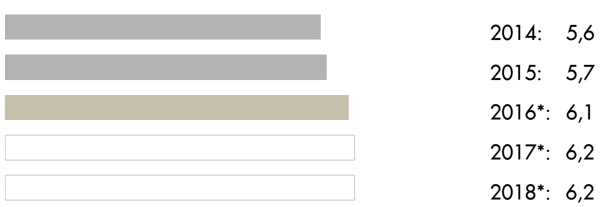
Private Consumption in Austria in % vs. prior year

*Forecasts for 2016-2018: WIFO forecast dated 16 December 2016



Unemployment in Austria in %

*Forecasts for 2016-2018: WIFO forecast dated 16 December 2016



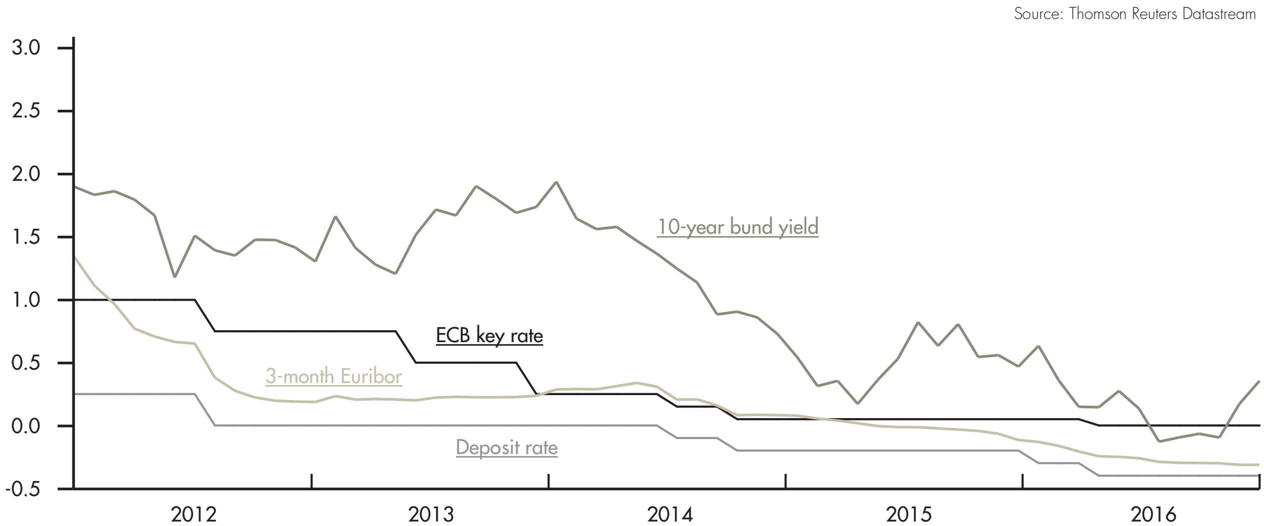
Overview of the Financial Markets

- The renewed loosening of the ECB's monetary policy (see above), declining inflationary expectations and political uncertainty after the Brexit referendum led to a decline in yields on financial markets across the globe. The yields on 10-year Germany bonds even dropped below zero during the summer. However, the surprising outcome of the US election brought a trend reversal in the fourth quarter.
- The new liquidity measures announced by the ECB in March played an important role in increasing the surplus liquidity on the market. These measures combined with the latest reduction in the deposit rate were responsible for a steady decline in money market rates.
- Donald Trump's victory in the US presidential election triggered a dollar rally, which led to a decline in the EUR/USD exchange rate to a 14-year low of less than 1.04 for a brief period in mid-December 2016.
- The stock markets fluctuated between concerns over political stability, on the one hand, and excitement over the abundant liquidity in 2016. All in all, 2016 was a positive year – most of the indexes closed with a plus.

Interest Rates

The first months of 2016 saw global yields significantly influenced by declining inflationary expectations as a result of the lower oil prices and rising concerns over the economy. The adjustment of the ECB's bond repurchase programme and the uncertainty caused by the Brexit referendum were reflected in a first-time decline in the yields for 10-year German federal bonds below zero during the summer. The expectations for inflation trends and, in turn, long-term yields only began to increase after the US presidential election in November. The yields on 10-year German federal bonds started the year at roughly 0.60% and dropped sharply to 0.17% at year-end. The annual low of -0.20% was reached on 8 July 2016. Short-term bonds failed to follow the increase in the long-term segment (which, in many cases, was explained by the high surplus liquidity and continuing high risk aversion), and the interest rate curve therefore steepened significantly towards the end of the year. The growing supply of surplus liquidity among the banks (which reached nearly EUR 1.2 trillion at the end of December 2016) and the reduction in the deposit rate to -0.4% led to a steady decline in money market rates. The 3-month Euribor was listed at -0.131% on the first trading day of the year and at only -0.319% on 30 December 2016.

Eurozone Interest rates in %



Currencies and Equity Markets

The USD weakened slightly during the first half of 2016 as a contrast to the massive appreciation in 2014 and 2015. The EUR/USD exchange rate rose from 1.09 at the start of the year to roughly 1.15 at the beginning of May. After a sideward movement during the summer, the election of Donald Trump, against all expectations, triggered a dollar rally. The EUR/USD exchange rate ended the year at approximately 1.05.

The British pound sterling was faced with a significant devaluation in 2016. This downward trend began before the exit referendum on 23/24 June and accelerated immediately following the outcome of voting that finalised Great Britain's decision to actually leave the EU. Despite a slight countermovement at year-end, the pound lost roughly 15% versus the euro during the year: the EUR/GBP exchange rate rose from 0.74 at the beginning of January to 0.85 at the end of December 2016.

The Swiss franc showed virtually no reaction to global events in 2016. This performance most likely reflects the strong commitment of the Swiss National Bank (SNB) to prevent a revaluation of the national currency: The SNB confirmed its intervention after the British referendum in June. In addition, the clearly negative interest rates in Switzerland (deposit rate: -0.75%) almost certainly play an important role in deterring potential investors. The EUR/CHF exchange rate quoted at 1.07 at year-end 2016, which is only slightly lower than the level at the beginning of the year (1.09).

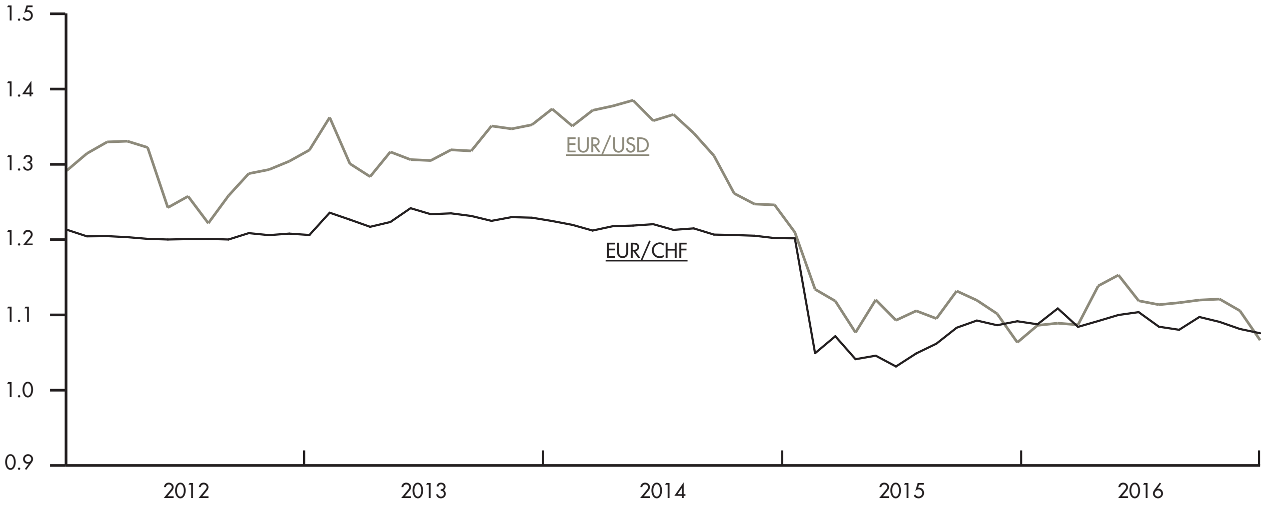
On the equity markets, 2016 was a turbulent but, in the end, positive year. Nearly all key indexes reported positive performance (FTSE +14.4%, Dow Jones +13.4%, ATX +9.2%, DAX +6.9%).

The beginning of the year saw shocks across the globe as the result of unfavourable economic reports from China and the strong decline in the oil price. Concerns over the future of the worldwide economy led to a sharp downturn on stock markets. In June, the unexpected "no" vote in Great Britain was followed by a massive drop in share prices on the international stock exchanges. The surprising election of Donald Trump as US president then served, after a short-term drop, as the trigger for a lively year-end rally. The development of worldwide share prices was driven by expectations of stimulating economic policies under the new Trump administration and, above all, by the abundant liquidity in the larger central banks. The US Federal reserve tightened the reins on monetary policy slightly at the end of 2016 with a 25-basis point increase in the key interest rate, but interest rates in the USA are still comparatively low. Monetary policy in Japan and the Eurozone grew even more expansive in 2016, which means substantial liquidity in the financial system that is looking for profitable investments.

Development of the EUR vs. USD and CHF

EUR/CHF and EUR/USD

Source: Thomson Reuters Datastream



Development of the Austrian Banking Sector

The balance sheet total of the Austrian credit institutions followed the downward trend that began in 2012 with a further decline during the first three quarters of 2016. However, the first signs of a trend reversal were noted in loans and advances to customers (non-banks): Numerous quarterly declines were followed by growth in three of the four monitoring periods (namely in the fourth quarter of 2015 and the second and third quarters of 2016). Loans and advances to other banks were 16.4% below the previous year.

Deposits from other banks were a substantial 18.6% lower year-on-year in the third quarter of 2016, but deposits from customers increased steadily - most recently by 3.5%. The earnings position of the Austrian banks weakened in 2016: Net interest income for the third quarter of 2016 was 4.4% below the comparable prior value and operating income 5.1% lower, while operating expenses rose by 8.1%, above all due to higher personnel expenses (plus 17.3%). Operating profit amounted to EUR 3.9 billion in the third quarter of 2016, for a year-on-year decline of EUR 1.5 billion.

Earnings, Financial and Asset Position

The consolidated financial statements of RLB NÖ-Wien are prepared in accordance with EU Directive (EC) 1606/2002 issued by the Commission on 11 September 2002 in connection with § 245a of the Austrian Commercial Code ("Unternehmensgesetzbuch") and § 59a of the Austrian Banking Act ("Bankwesengesetz") on the basis of the International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the EU. The consolidated financial statements reflect the legal regulations in effect and applicable as of 31 December 2016. RLB NÖ-Wien also prepares separate financial statements in accordance with the Austrian Banking Act in connection with the Austrian Commercial Code. The consolidated management report agrees with the consolidated financial statements and presents a true and fair view of the financial position, financial performance and cash flows of RLB NÖ-Wien.

Consolidated operating profit 2016 vs. 2015

€'000	2016	2015	Absolute +/(–) Change	Change in percent
Net interest income	173,857	188,059	(14,202)	(7.6)
Net fee and commission income	52,285	66,159	(13,875)	(21.0)
Net trading income	(2,009)	(1,002)	(1,007)	>100
Profit from investments in entities accounted for using the equity method	(98,692)	689	(99,381)	-
Other operating profit/(loss)	(13,833)	(27,177)	13,344	(49.1)
Operating income	***111,608***	*226,728*	***(115,121)***	***(50.8)***
Staff costs	(94,983)	(104,889)	9,906	(9.4)
Other administrative expenses	(107,038)	(95,869)	(11,169)	11.7
Depreciation/amortization/write-offs	(4,003)	(3,939)	(65)	1.6
General administrative expenses	***(206,024)***	*(204,697)*	***(1,328)***	***0.6***
Consolidated operating profit	**(94,417)**	22,031	**(116,448)**	-

Net interest income totalled EUR 173.9 million in 2016, which represents a year-on-year decline of 7.6%. Interest result remained under pressure as a result of the ECB's policy and the resulting negative interest rate level. The negative money market rates were reflected in substantially lower margins in the deposit business. In contrast, margins in the lending business increased slightly. The maturity transformation was lower than the previous year in 2016, but remained at a satisfactory level.

Net interest income in EUR million

Net fee and commission income was clearly below the previous year at EUR 52.3 million in 2016 (2015: EUR 66.2 million). This decline resulted from higher commission expenses related to the acceptance of loans that are eligible as cover funds as well as lower income in the core areas of the commission business (payment transactions, securities brokerage, building society and insurance contracts).

Net trading income declined by EUR 1.0 million to EUR -2.0 million.

Profit/(loss) from investments accounted for at equity - which is influenced by the earnings contribution of EUR 87.8 million from RZB and an impairment loss of EUR -192.3 million recognized to the carrying amount of the investment in RZB (see Note 6) - was negative at EUR -98.7 million in 2016 after a slightly positive earnings contribution of EUR 0.7 million in 2015.

Other operating profit/(loss) improved by EUR 13.3 million over the previous year, but was again negative at EUR -13.8 million. Included here, in particular, are costs of EUR 25.4 million for the stability levy and a contribution of EUR 12.9 million to the European resolution fund. The expenses for actual and potential damages arising from the customer business were reduced substantially from EUR 24.4 million in the previous year to EUR 5.2 million. The valuation of derivatives represented a positive factor.

Operating income in EUR million

General administrative expenses rose slightly by 0.6% to EUR 206.0 million in 2016 (2015: EUR 204.7 million).

In order to better utilize synergy potential, settlement activities that involve a high degree of standardization (in particular securities services, market service liabilities and contract settlement for personal banking and commercial customers) were outsourced to RSC Raiffeisen Service Center GmbH in the first half of 2016. This company is under the joint management of companies in the Raiffeisen sector. The outsourcing led to a shift from personnel expenses to general administrative expenses.

Personnel expenses totalled EUR 95.0 million in 2016 and were 9.4% lower than the previous year (EUR 104.9 million).

Other administrative expenses from EUR 95.9 million in the previous year to EUR 107.0 million in 2016, primarily due to the above-mentioned shift. A reduction in court and attorneys costs (EUR -3.0 million) and marketing expenses (EUR -1.3 million) was contrasted, above all, by higher expenses for consulting services (EUR 5.7 million) to manage the many new regulatory requirements. In addition, the cost structure was also negatively affected by expenses for the project „One IT system for Raiffeisen Austria“, which was concluded with the migration to the new core bank system in August 2016.

General administrative expenses in EUR million

The RLB NÖ-Wien Group recorded **consolidated operating profit** of EUR -94.4 million for the 2016 financial year (2015: EUR 22.0 million) due to the negative results from investments accounted for at equity.

€'000	2016	2015	Absolute +/(–) Change	Change in percent
Consolidated operating profit	(94,417)	22,031	(116,448)	-
Impairment charge on loans and advances	17,823	1,932	15,891	>100
Profit/(loss) from financial investments	16,691	56,417	(39,726)	(70.4)
Loss/(profit) for the year before tax	***(59,902)***	*80,380*	***(140,282)***	-
Income tax*	(4,016)	(14,986)	10,969	(73.2)
Loss/(profit) for the year after tax	**(63,919)**	65,394	**(129,313)**	-

Releases from the **impairment allowance balance** amounted to EUR 17.8 million in 2016 (2015: 1.9 million). Strict credit management supported the successful implementation of restructuring measures or reduced the actual default below original expectations in a number of endangered loans.

Profit/(loss) from financial investments totalled EUR 16.7 million based on proceeds from the sale of securities in connection with the restructuring of the portfolio. The substantially higher profit of EUR 56.4 million recorded in the previous year was influenced by a non-recurring effect.

The above factors led to **profit before tax** of EUR -59.9 million. After the deduction of income tax expense, **after-tax profit for the reporting year** amounted to EUR -63.9 million.

Profit/(loss) for the year after tax in EUR million

Other comprehensive income totalled EUR 49.8 million in 2016 (2015: EUR -71.8 million) and reflected the positive proportional share of other comprehensive income from the companies accounted for at equity, which equalled EUR 35.3 million. The year-on-year change resulted, above all, from the development of individual East European currencies and the related effects on the total comprehensive income of RZB. Another factor was the positive change of EUR 14.8 million in the available-for-sale reserve. **Total comprehensive income** for 2016 amounted to EUR -14.1 million.

Segment Report

The RLB NÖ-Wien Group is organized in several segments based on the various customer service areas. The basis for segment reporting in accordance with IFRS 8 is formed by the internal management reporting system of the RLB NÖ-Wien Group, which is classified under the following business areas:

- Sales Support Raiffeisen Banks Lower Austria/Personal and Business Banking Customers Vienna
- Corporate Clients
- Financial Markets/Organization
- Investments
- Other

Sales Support Raiffeisen Banks Lower Austria/Personal and Business Banking Customers Vienna covers the retail banking business in the Vienna branches, which service personal banking, trade and business and self-employed customers. The segment offers various banking products and services for these customer groups, in particular for investments and financing. The private banking teams provide professional advice to high net worth personal banking customers in Vienna, while small and medium-sized businesses are supported by the trade and business competence centre. This segment recorded profit before tax of EUR 12.8 million in 2016, compared with EUR 20.1 million in the previous year. The historically low interest rates continued to have a negative effect on margins in the deposit business. Net interest income after impairment losses rose to EUR 64.4 million (2015: EUR 61.1 million) based on an improvement in the impairment allowance balance. Net fee and commission income declined from EUR 43.8 million in 2015 to EUR 39.8 million. Consequently, the cost/income ratio deteriorated from 75.5% in the previous year to 83.8% in 2016. The return on equity before tax equalled 8.5% (2015: 11.8%).

Specially designed products and solutions as well as a clear-cut customer orientation are the decisive success factors for the **Corporate Clients Segment.** Net interest income generally reflected the prior year at EUR 122.8 million (2015: EUR 123.2 million) in spite of the difficult interest rate and market situation. The impairment allowance balance showed sound development with an increase to EUR +25.4 million (2015: EUR +10.5 million). Other operating profit/(loss) of EUR -18.0 million included the proportional share of the legally required bank levy and the contribution to the settlement fund. The Corporate Clients Segment recorded profit before tax of EUR 106.4 million in 2016, compared with EUR 77.3 million in the previous year. With capital employed of EUR 689.0 million, this segment generated a pre-tax return on equity of 15.4% (2015: 10.3%).

The **Financial Markets/Organization Segment** made a positive contribution to earnings in 2015. Net interest income after impairment charges reached EUR 29.1 million (2015: EUR 38.7 million) and was supported by the favourable development of the maturity transformation. The planned reduction of the securities portfolio was reflected in profit of EUR 16.4 million from financial investments (2015: EUR 34.3 million). Net trading income was negatively influenced by the measurement of customer swaps in the trading book and equalled EUR -7.3 million (2015: EUR 6.0 million). Other operating profit/(loss) improved to EUR -2.6 million (2015: EUR -15.0 million) despite the proportional share of the legally required bank levy and the contribution to the settlement fund. Profit before tax amounted to EUR 10.9 million in 2016 (2015: EUR 43.6 million).

The development of business in the **Investments Segment** is significantly influenced by the earnings contribution from RZB, which is accounted for at equity. Results from the equity-accounted investments also include the proportional share of results from Raiffeisen Informatik GmbH and were, in total, negative at EUR -98.7 million in 2016 due to the impairment loss recognised to the carrying amount of the investment in RZB. These results represent a decline from the slightly positive earnings contribution of EUR 0.7 million recorded in the previous year. After the inclusion of refinancing expenses, the Investments Segment recorded a loss of EUR -150.6 million in 2016 (2015: EUR -29.5 million).

The **Other Segment** covers the activities of the RLB NÖ-Wien Group in its function as the leading institution in the Lower Austrian Raiffeisen organization. Also included here are the income and expenses from market-related activities to support the other segments as well as items that cannot be specifically allocated to another segment. Results in this segment are still negatively affected by implementation measures for regulatory projects and by the project "One IT system for Raiffeisen Austria“. Profit before tax totalled EUR -39.4 million (2015: EUR -31.1 million).

Consolidated Balance Sheet 2016

The balance sheet total of the RLB NÖ-Wien Group declined by EUR 2,337.8 million year-on-year to EUR 25,404.8 million. The decrease under assets reflected the scheduled reduction of loans and advances to other banks and selected securities as well as a lower volume of lending. The decline in liabilities reflects a decrease of EUR -1.8 billion in deposits by other banks and a reduction of EUR -0.4 billion in the group's own issues.

Assets

€m	31.12.2016	31.12.2015	Absolute +/(–) Change	Change in percent
Loans and advances to other banks	6,261	7,583	(1,322)	(17.4)
Loans and advances to customers	11,818	11,948	(130)	(1.1)
Securities and equity investments	3,890	4,384	(494)	(11.3)
Investments in entities accounted for using the equity method	1,771	1,839	(67)	(3.7)
Other assets	1,664	1,988	(325)	(16.3)
Consolidated assets	**25,405**	27,743	**(2,338)**	**(8.4)**

Loans and advances to other banks totalled EUR 6,261.5 million as of 31 December 2016 and were EUR 1,321.9 million lower than the previous year. This decline reflected, above all, the reduction of loans and advances to RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung (Raiffeisen-Holding NÖ-Wien) and other institutions in the Raiffeisen sector.

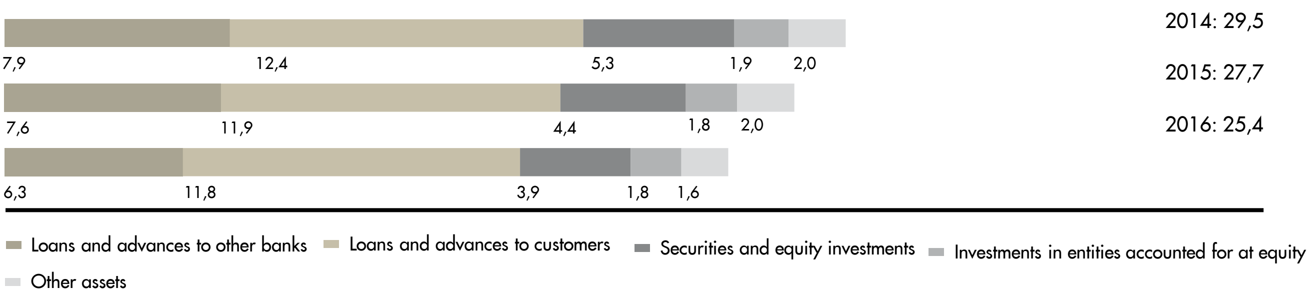
Loans and advances to customers amounted to EUR 11,818.3 million as of 31 December 2016 and nearly matched the previous year (EUR 11,948.1 million). Declines in loans and advances to leasing companies and the public sector were offset by an increase in business financing.

In connection with the restructuring of the portfolio, RLB NÖ-Wien sold securities with a nominal volume of EUR 293.7 million during the first half of 2016. This led to a decline of EUR 494.2 million in **securities and equity investments** to EUR 3,890.0 million in 2016.

Investments accounted for at equity declined by EUR 67.4 million year-on-year to EUR 1,771.5 million as of 31 December 2016 due to the impairment loss recognized to the carrying amount of the RZB investment.

Other assets totalled EUR 1,663.6 million, compared with EUR 1,988.1 million as of 31 December 2015. The decline compared with the previous year resulted, above all, from a lower volume of deposits with Oesterreichische Nationalbank (OeNB) and a reduction in trading assets.

Structure of assets on the consolidated balance sheet in EUR billion



Liabilities and Equity

€m	**31.12.2016**	31.12.2015	**Absolute +/(–) Change**	**Change in percent**
Deposits from other banks	7,628	9,453	(1,825)	(19.3)
Deposits from customers	7,618	7,622	(4)	0.0
Liabilities evidenced by paper	5,827	6,234	(407)	(6.5)
Equity	1,693	1,751	(57)	(3.3)
Other liabilities	2,638	2,683	(45)	(1.7)
Balance sheet equity and liabilities	**25,405**	27,743	**(2,338)**	**(8.4)**

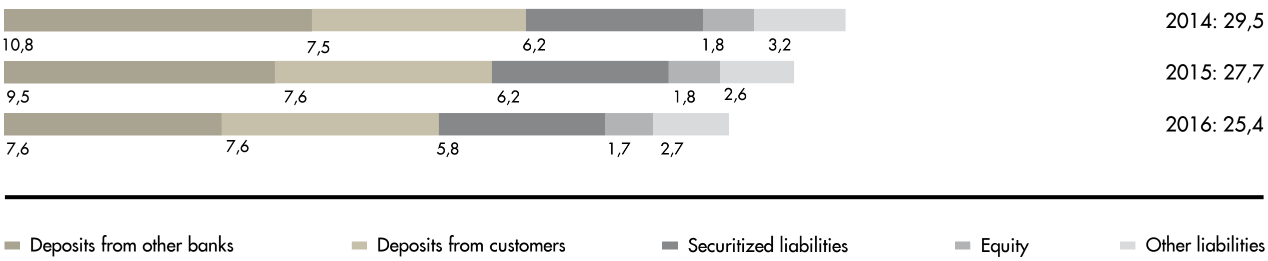
Deposits from other banks amounted to EUR 7,628.2 million as of 31 December 2016, compared with EUR 9,453.3 million in the previous year. The decline of EUR 1,825.1 million resulted from lower refinancing requirements.

Deposits from customers, including savings deposits, reflected the previous year at EUR 7,618.1 million as of 31 December 2016.

The good liquidity situation allowed for a reduction in issuing activities during 2016. **Securitized liabilities** therefore declined by EUR 407.0 million to EUR 5,827.4 million.

Equity totalled EUR 1,693.0 million and was EUR 57.5 million lower than in 2015 (EUR 1,750.5 million).

Structure of equity and liabilities on the consolidated balance sheet in EUR billion



Financial Performance Indicators

Performance Ratios

The **Group's cost/income ratio** – i.e. the ratio of operating expenses to operating income (incl. the profit (loss) from financial instrument and associates, and excl. impairment losses) – equalled 64.3% in 2016.

The **Group's return on equity after tax** – i.e. the return on equity based on average equity – equalled -3.7% in 2016, above all due to the negative effects from investments in entities accounted at equity (2015: 3.7%).

Regulatory Capital

RLB NÖ-Wien does not represent a separate credit institution group in the sense of regulatory requirements and, as a group, is not subject to the regulatory requirements for banking groups because it is part of the Raiffeisen-Holding NÖ-Wien credit institution group. The following indicators were determined in accordance with the provisions of the Capital Requirements Regulation (CRR) and the Austrian Banking Act for the Raiffeisen-Holding NÖ-Wien credit institution group.

The consolidated regulatory equity of the Raiffeisen-Holding NÖ-Wien credit institution group is presented below:

Eligible capital as defined in Art. 72 in connection with Art. 18 of the CRR totalled EUR 2,706.0 million (2015: EUR 2,894.2 million). At 20.4% (2015: 20.3%) the Tier 1 ratio (credit risk) substantially exceeded the 8.875% minimum requirement defined by the CRR.

Eligible capital comprises the following: The common equity Tier 1 ratio includes the superior credit institution's subscribed capital of EUR 116.5 million, appropriated capital reserves of EUR 373.7 million, retained earnings of EUR 1,076.8 million, non-controlling interests of EUR 303.6 million and various regulatory adjustments of EUR 22.6 million After deductions of EUR -6.6 million, common equity Tier 1 capital equalled EUR 1,886.6 million. The additional Tier 1 capital comprises an additional Tier 1 capital instrument of EUR 95.0 million and non-controlling interests of EUR 20.8 million, less deductions of EUR -4.2 million. Tier 1 capital, after deductions, therefore totalled EUR 1,998.2 million (2015: EUR 2,132.4 million).

Tier 2 capital of EUR 707.8 million (2015: EUR 761.8 million) comprises eligible Tier 2 instruments of EUR 614.1 million and an addition of EUR 93.2 million for amounts guaranteed as well as participation capital of EUR 0,5 million which no longer qualifies as CET 1 capital.

Tier 1 capital as a per cent of eligible capital equals 73.8% (2015: 73.7%).

The common equity Tier 1 ratio (CET1 ratio) equalled 14.2% as of 31 December 2016 (2015: 13.8%), and the Tier 1 capital ratio (T1 ratio) for the total risk of the Raiffeisen-Holding NÖ-Wien credit institution group equalled 15.1% (2015: 15.0%).

The Internal Control System for the Accounting Process

The Managing Board RLB NÖ-Wien has installed an effective and appropriate internal control system (ICS) for the accounting process. The Supervisory Board monitors the effectiveness of this system through its Audit Committee.

The ICS for the accounting process is designed to ensure reasonable reliability for the preparation and fair presentation of the published annual financial statements, consolidated financial statements and other financial information in agreement with legal regulations and the provisions of EU law contained in the Austrian Banking Act, the Austrian Commercial Code and IFRSs.

Control Environment

Precisely defined controls make the ICS of RLB NÖ-Wien an integral part of technical and organizational processes and link the topics of risk and compliance. The ICS also ensures that adequate controls are implemented and correctly executed to manage the defined risks. The design and framework for the ICS are specified in a separate manual that is approved by the Managing Board. The Supervisory Board and Managing Board rely on the support of experts for their work in this area, in particular the Overall Bank/Finance Department, which is responsible for financial reporting and the ICS together with the Overall Bank Risk Department as the ICS unit for RLB NÖ-Wien.

Risk Assessment

The most important risks, especially the risks related to the accounting process, are evaluated and monitored on a regular basis. Included here are the key business processes typical for RLB NÖ-Wien and the related specific risks for financial reporting. A scoping process was established within the framework of the internal ICS guideline and is responsible for focusing on the bank's material risks.

The accounting process is exposed to various types of risks that can result in material reporting errors. In particular, these risks include the estimates required to determine the fair value of financial instruments in cases where reliable market values are not available; the recognition of impairment allowances for loans and provisions; complex recognition and measurement rules; and the current challenging business environment.

Control Activities

The identification of risks is based on a variety of instruments, e.g. the risk map, operational risk assessments and scoping. The various risks are then aggregated by the Overall Bank Risk/Overall Group Risk Department. Control steps are taken and documented during process mapping in accordance with the rules defined by the internal ICS guideline. In particular, these steps include the specification of the following: the risks to be reduced, the processes requiring control activities; the design of these control activities; the person(s) responsible for the controls; and the control schedule.

Control activities are carried out during ongoing business processes to ensure that potential errors in financial reporting can be prevented or discovered and corrected. These control measures also cover the review of results for the various accounting periods by management. The processes and responsibilities are documented and easily understandable for all involved persons.

The control activities related to IT security represent a key element of the internal control system. Sensitive activities are separated through the restrictive granting of IT access. The core banking system GEBOS is generally used for accounting and financial reporting. The main ledger operates on GEBOS, which also supports the sub-ledger function for credit and deposit processing (GIRO). There are also a number of other sub-ledgers, e.g. GEOS (securities processing, nostro securities), Kondor (treasury) and SAP (accounts receivable and payable/asset accounting).

Information and Communication

The consolidated financial statements are prepared by the Finance Department in accordance with IFRSs and the applicable provisions of the Austrian Commercial Code and Banking Act. The Overall Bank Management/Controlling Department is responsible for the preparation of the Group management report, which includes the notes to the financial statements, in accordance with legal requirements. The Managing Board, which is responsible for the finalization of the consolidated financial statements, submits the consolidated financial statements after certification by the auditor to the Audit Committee of the Supervisory Board.

The shareholders and general public are supplied with information in the form of half-year and annual financial reports.

The Managing Board is provided with monthly reports and the Supervisory Board and its Audit Committee with at least quarterly reports to support their monitoring and control functions with respect to correct accounting and reporting. These reports contain financial information (balance sheet, income statement and comments on important developments) as well as analyses of the different types of risks. The Managing Board also receives treasury reports on a daily basis.

The accounting staff receive regular training on changes in the accounting rules under IFRSs, the Austrian Commercial Code and the Austrian Banking Act to allow for the early identification and avoidance of risks resulting from unintended accounting errors.

Monitoring

In addition to the overall responsibility of the Managing Board, the department heads are in charge of ongoing monitoring in their respective business areas.

The activities of the Internal Audit Department in connection with the risk controlling and risk management system also include an assessment of whether the internal control system installed by RLB NÖ-Wien is adequate. The main responsibility of this department with regard to the ICS involves the review and evaluation of the effectiveness of work procedures, processes and internal controls. The Internal Audit Department carries out its activities independently under the authority of the Managing Board of RLB NÖ-Wien.

Risk Report

Detailed information on the overall financial risks to which the RLB NÖ-Wien Group is exposed and on the goals and methods for risk management is provided in the notes to the consolidated financial statements (Note (30) Risks arising from financial instruments).

Significant Events after the Balance Sheet Date

Extraordinary general meetings were held by RZB and Raiffeisen Bank International AG (RBI) on 23 January and 24 January 2017 to vote on the merger of these two institutions. The corresponding resolutions on the merger required a minimum majority of three-fourths of the capital in attendance and was exceeded by far in both cases. RZB, as the transferring company, will transfer its entire assets to RBI for acceptance retroactively as of 30 June 2016. Based on the final statement of financial position prepared by RZB as of 30 June 2016, the company will be merged into RBI, as the legal successor and accepting company, with a capital increase. The merged entity will continue to operate as Raiffeisen Bank International AG – as was the case with RBI – and the RBI share will remain listed on the Vienna Stock Exchange.

The most important goals of this transaction are to ensure sustained concentration on the proven business model and to optimally position the organization for current challenges. The following three issues represent key focal points:

- An improvement in the capitalization of the key regulatory group
- Increased transparency for the group in both internal and external relations
- More targeted and more efficient decision processes throughout the entire organization through streamlined organizational and governance structures

The merger will result in the exchange of the RZB shares which are directly and indirectly held by RLB NÖ-Wien into shares of RBI based on the defined exchange ratio. Following the recording of the merger in the company register, RLB NÖ-Wien holds an investment of 22.6% in RBI and is therefore by far the largest shareholder of RBI.

Branches and Offices

The personal and business banking customers of RLB NÖ-Wien are currently serviced by roughly 500 account managers and sales assistants at 41 locations throughout Vienna. The branch and office structure was further streamlined in 2016: these 41 locations include 31 retail banking branches, a private banking office in Vienna's Loos Haus, five competence centres for trade and business customers and four locations for the Raiffeisen organization and its employees. Corporate clients are serviced by roughly 100 account managers and sales assistants at the Raiffeisen Haus on Friedrich-Wilhelm-Raiffeisen-Platz 1 in Vienna.

RLB NÖ-Wien has no branches or offices in foreign countries.

Research and Development

RLB NÖ-Wien has no material research or development activities due to the nature of its business.

Non-financial Performance Indicators

Services for the Austrian Raiffeisen Organization

In keeping with its responsibilities as a bank for the Austrian Raiffeisen organization, RLB NÖ-Wien provides support for the 60 independent Raiffeisen banks in Lower Austria through a broad range of advisory and other services. The planning for and handling of regulatory issues and individual support for regulatory audits and inquiries have played an increasing role for many years.

Nearly all of the Lower Austrian Raiffeisen banks are serviced by RLB NÖ-Wien's experts in their operational budgeting and earnings management and on compliance issues.

RLB NÖ-Wien provided additional support for restructuring projects in the Lower Austrian Raiffeisen banks during 2016. These projects focused on topics such as mergers or adjustments to the branch structure.

Shared service pilot operations started in three Lower Austrian Raiffeisen banks at the end of 2014 and involved the outsourcing of settlement activities to RLB NÖ-Wien. The relevant processes were standardized together with the Lower Austrian Raiffeisen banks in advance.

The shared services project was implemented in 2016 and settlement activities were outsourced to RSC within the framework of a partial business transfer. As a 29.7% subsidiary of RLB NÖ-Wien, RSC offers the following services for the Lower Austrian Raiffeisen banks: market service for deposits, customer master data management, standard loan processing for personal customers and trade and business customers, security management, cash logistics and securities services. Plans also call for the continuous expansion of this offering.

One IT system for Raiffeisen Austria

The final phase of "One IT system for Raiffeisen Austria", a joint project by the Raiffeisen sector, was completed in 2016 with successful conversion of the Raiffeisen banking groups in Lower Austria-Vienna, Burgenland and Vorarlberg to the new core bank system.

The Raiffeisen Climate Protection Initiative

RLB NÖ-Wien is a member of the Raiffeisen Climate Protection Initiative (RKI), which was founded in 2007. Its goal is to raise public awareness of the challenges created by climate change and to promote climate protection measures (recycling, use of renewable resources) throughout the Group. The Austrian Raiffeisen organizations have joined together in the RKI to bundle their climate protection activities, which are focused on the issues of sustainable financing and investment and on sustainable management.

Human Resources Report

A special measure in 2016 was the Raiffeisen-Banking Group Austria Human Resources Report for 2015, which was initiated by the RZB Group's sustainability management team. The analyses also covered investments in employee training and education, which amount to EUR 20 million annually. Each euro invested in training and education increases added value by EUR 3.60. The results of the Human Resources Report also give the Raiffeisen Banking Group Austria good marks in the area of apprenticeship training: for example, the Raiffeisen Banking Group makes an important contribution to apprenticeship programmes in Austria by training 40% of all bank apprentices.

Environmental Protection and Resource Conservation

RLB NÖ-Wien has introduced numerous initiatives in recent years to reduce the harmful impact of its operations on the environment and to optimize its use of resources. The sustainability weeks in Raiffeisen Haus, which highlight the advantages of regional food products, were again the focus of substantial interest in 2016.

Individual projects were launched and measures and events were supported to raise the general public's ecological awareness. One particular focal point is the annual Raiffeisen Energy Savings Day in Lower Austria, which includes numerous information events as well as free-of-charge meetings with energy advisors at the Raiffeisen locations. In cooperation with the Lower Austrian energy supplier EVN, the completion of a consultation at the Energy Savings Day was accompanied by an energy efficiency package to help residents improve energy efficiency. Energy experts provides the technical advice at this event, which covers energy savings on renovation, new construction and daily household activities. RaiffeisenWohnService experts supply information and assistance on subsidy and financing alternatives.

Security

In order to maintain the functional capability of RLB NÖ-Wien in a disaster situation - or to restore this capability as quickly as possible, a business continuity management system was developed and implemented in 2003. The system is upgraded regularly and expanded to reflect additional crisis and disaster scenarios. A number of training courses and practical exercises were held for the crisis staff in 2016.

Wide-ranging Social Commitment

RLB NÖ-Wien demonstrates its commitment to social responsibility in many ways and places special emphasis on the support for and advancement of socially disadvantaged people. Examples are the long-standing support for the "Licht ins Dunkel" campaign, the Concordia social projects and the Cardinal König sponsorship for the Gruft shelter.

RLB NÖ-Wien is a partner of KURIER AID AUSTRIA. This campaign was launched in 2005 after the Tsunami disaster and provides fast and efficient assistance in disaster situations.

Another special focal point is the “Aktion Lernhaus“ tutorial project, which provides free educational support for needy children at a number of locations in Vienna and Lower Austria. RLB NÖ-Wien has also been a sponsor of the Business for Integration Association ("Wirtschaft für Integration") since 2009.

Culture and Sport

The social commitment of RLB NÖ-Wien is also expressed in its support for cultural and sport organizations, in quite a few cases over many years. In the sport area, this includes assistance for various sport clubs. In the cultural area, support is provided for the Theater in der Josefstadt, Wiener Volksoper and Vienna's Jewish Museum as well as music events like the Classics under the Stars in Göttweig Abbey and the Grafenegg Festival. RLB NÖ-Wien also sponsors NÖ Kulturwirtschaft (NÖKU), which is a partner of cultural institutions like the St. Pölten Festival House and the Art Museum in Krems.

Employees

RLB NÖ-Wien had a total workforce of 1,159 at the end of 2016, which represents a year-on-year decline of 103 persons. The employee turnover rate equalled 12.5% for the reporting year. Nearly 110 new employees and eight former apprentices were hired, while eight new apprentices started their training with RLB NÖ-Wien. The decline in the workforce is also attributable to the shared services project, which involved the outsourcing of selected business areas from RLB NÖ-Wien to RSC.

Expenses for basic and advanced training totalled approximately EUR 1.09 million in 2016. The development and advancement of employees cover on-the-job training as well as seminars. The training programmes are organized by the Raiffeisen sector training institutes MODAL and Raiffeisen Campus and also by external providers.

Outlook on 2017

The Economic Environment

International purchasing managers' indexes (PMIs) pointed to an upturn in the economy at the beginning of the year, and even the downside risks for the emerging markets have declined. In agreement with the high level of many preliminary indicators, the OECD is forecasting global growth of 3.3% in 2017 and an increase to 3.6% in 2018.

Great expectations in den USA have been placed on Donald Trump, who was sworn in as the 45th US president on 20 January 2017. His election campaign included numerous – in part seemingly impossible – promises, but the American economy should, in any event, benefit from his tax reduction and economic stimulus programmes: The GDP forecasts for 2017 range from 2.1% to 2.3%. The announced measures – if implemented as roughly sketched in Trump's election programme – would lead to a massive increase in the public sector debt.

The moderate recovery in the Eurozone should continue during 2017, with average GDP growth expected to reach 1.5% (EU Commission forecast: November 2016). The slight slowdown in the Eurozone economy since 2016 appears to be a result of the negative interest rates and the related impact on the banking sector as well as the higher oil prices. The ECB's weak Quantitative Easing (QE) Programme will not be able to counter this situation. Impulses for growth will most likely come from a recovery in global trade and fiscal policies.

The established governments in the Netherlands, France and Germany are facing elections 2017. Consequently, there is a major risk of further political upheavals (as previously seen in Italy). If one or more of the extreme political groups should replace the governing elites, the continuation of the current system could be questioned.

Prices in the Eurozone are expected to be the subject of substantial interest din 2017. The inflation rate appears to have risen substantially during the first months of the new year due to crude oil-related basis effects, but subsequently stabilized slightly above 1%. The core inflation rates have not yet shown any excessive price pressure, and the ECB is expected to continue its bond purchase programme as planned. In its December meeting, the ECB extended bond purchases by nine months and will reduce the monthly purchase volume from EUR 80 to 60 billion beginning in April 2017. The central bank has also left numerous options for loosening monetary policy open for the new year.

In Austria, the momentum from 2016 (in part generated by the tax reform) will continue into the beginning of 2017 and support the domestic economy. The EU Commission is therefore projecting growth of 1.6% in its forecast for 2017, but points to the danger of global risks. Inflation could rise towards the 2%-mark during the first half of 2017 due to raw material price trends and the ongoing strong development of prices for selected services and rents. Inflation is expected to rise to 1.8% on average for the year, which would again place Austria near the top of the Eurozone ranking.

Outlook on the Group's Development

The continuing low level of interest rates, the challenging economic and regulatory environment and radical changes in the financial services sector will also influence the business strategy and development of the banking sector in 2017. Against this backdrop, the following strategic focal points have been defined for the coming years:

- Expansion of the high-quality commercial client business within the scope of the given capital limits
- Continued development of the personal customer business towards simplification and standardization
- Further intensification of the role as a synergy partner for the Lower Austrian Raiffeisen banks

In order to reach these goals, the digital offering for customers will be significantly expanded, internal processes will be optimized and investments will be made in further IT developments. The operating results of RLB NÖ-Wien will also come under pressure in 2017 if RBI again fails to pay a dividend in that year. Permanent and intensive cost management and a conservative risk policy will therefore also represent a focal point of activities in 2017.

Changes to existing regulations and new laws, EU guidelines and directives have generally led to the intensification of legal requirements in recent times and this trend is expected to continue in the future. This process will be accompanied by increased requirements and stricter decisions by the administrative and regulatory authorities and courts. Consequently, it cannot be excluded that RLB NÖ-Wien will also be involved in court cases and administrative proceedings in the future and that any possible future proceedings or their potential negative conclusion may have an adverse effect on RLB NÖ-Wien. As of the balance sheet date on 31 December 2016, all such recognizable risks had been taken into account.

Vienna, 27 March 2017
The Managing Board

Klaus BUCHLEITNER
CEO

Georg KRAFT-KINZ
Deputy CEO

Andreas FLEISCHMANN
Member of the Managing Board

Reinhard KARL
Member of the Managing Board

Michael RAB
Member of the Managing Board

CONSOLIDATED FINANCIAL STATEMENTS (IFRS) 2016

Consolidated Statement of Comprehensive Income

Consolidated Income Statement

€'000	Notes	2016	2015
Interest income	(1)	435,266	503,592
Interest expenses	(1)	(261,409)	(315,533)
Net interest income	***(1)***	***173,857***	***188,059***
Impairment allowance balance	(2)	17,823	1,932
Net interest income after impairment charges		***191,680***	***189,991***
Fee and commission income	(3)	77,401	94,540
Fee and commission expenses	(3)	(25,116)	(28,381)
Net fee and commission income	***(3)***	***52,285***	***66,159***
Net trading income	(4)	(2,009)	(1,002)
Profit/(loss) from financial investments	(5)	16,691	56,417
Profit/(loss) from investments in entities accounted at equity	(6)	(98,692)	689
General administrative expenses	(7)	(206,024)	(204,697)
Other operating profit/(loss)	(8)	(13,833)	(27,177)
Loss/(profit) for the year before tax		***(59,902)***	***80,380***
Income tax	(10)	(4,016)	(14,986)
Loss/(profit) for the year after tax		***(63,919)***	***65,394***
Of which attributable to equity holders of the parent		(63,919)	65,394
Of which non-controlling interests in profit		0	0

Reconciliation to Consolidated Comprehensive Income

€'000	2016 Attributable to equity holders of the parent	2016 Total	2015 Attributable to equity holders of the parent	2015 Total
Loss/(profit) for the year after tax	*(63,919)*	*(63,919)*	*65,394*	*65,394*
Items that will not be reclassified to profit or loss in later periods	*7,116*	*7,116*	*4,515*	*4,515*
Actuarial gains and losses on the revaluation of provisions for staff benefits	6,294	6,294	2,845	2,845
Deferred taxes on items not reclassified to profit and loss	(1,835)	(1,835)	(449)	(449)
Enterprise's interest in other comprehensive income of entities accounted for at equity, which will never be reclassified	2,657	2,657	2,119	2,119
Items that may be reclassified to profit or loss in later periods	*42,662*	*42,662*	*(76,303)*	*(76,303)*
Cash flow hedge reserve	*(1,549)*	*(1,549)*	*5,702*	*5,702*
Of which gains/(losses) reclassified to the income statement	(1,549)	(1,549)	5,702	5,702
Available-for-sale reserve	*14,809*	*14,809*	*(54,862)*	*(54,862)*
Of which unrealized gains/(losses in the period	31,385	31,385	8,479	8,479
Of which gains/(losses) reclassified to the income statement	(16,576)	(16,576)	(63,341)	(63,341)
Deferred tax	*(3,262)*	*(3,262)*	*12,619*	*12,619*
Of which unrealized gains/(losses	(7,406)	(7,406)	(2,120)	(2,120)
Of which gains/(losses) reclassified to the income statement	4,144	4,144	14,738	14,738
Enterprise`s interest in other comprehensive income of entities accounted for at equity (after tax)	*32,664*	*32,664*	*(39,761)*	*(39,761)*
Of which unrealized gains/(losses	32,664	32,664	(39,761)	(39,761)
Other comprehensive income	*49,778*	*49,778*	*(71,788)*	*(71,788)*
Consolidated comprehensive income	**(14,141)**	**(14,141)**	(6,394)	(6,394)

Consolidated Balance Sheet

Assets, €´000	Notes	2016	2015
Cash and balances with the central bank	(12)	384,707	536,671
Loans and advances to other banks	(13)	6,261,466	7,583,415
Loans and advances to customers	(14)	11,818,321	11,948,052
Impairment allowance balance	(15)	(242,705)	(301,963)
Trading assets	(16)	525,432	777,090
Securities and equity investments	(17)	3,889,952	4,384,192
Investments in entities accounted at equity	(53)	1,771,475	1,838,834
Intangible assets	(18)	5,627	3,757
Property and equipment	(19)	22,318	9,946
Thereof investment property	(19)	6,716	0
Other assets	(20)	968,191	962,632
Total assets		**25,404,784**	27,742,625

Equity and Liabilities, €´000	Notes	2016	2015
Total borrowed capital		***23,711,738***	*25,992,108*
Deposits from other banks	(21)	7,628,203	9,453,310
Deposits from customers	(22)	7,618,112	7,621,724
Securitized liabilities	(23)	5,827,385	6,234,402
Trading liabilities	(24)	496,573	578,604
Other liabilities	(25)	1,078,909	1,017,996
Thereof liabilities which are classified as held for sale and allocated to assets or asset groups	(25)	0	6,396
Provisions	(26, 27)	129,780	130,523
Tier 2 capital	(28)	932,776	955,551
Equity		***1,693,046***	*1,750,517*
Attributable to equity holders of the parent	(29)	1,693,022	1,750,517
Non-controlling interests	(29)	24	0
Total liabilities		**25,404,784**	27,742,625

Consolidated Statement of Changes in Equity

€'000	Attributable to equity holders of the parent							
	Subscribed capital	Participation capital	Capital reserves	Retained earnings	Net profit	Total	Non-controlling interests	Total
Equity at 01/01/2016	**214,520**	**76,500**	**432,688**	**961,414**	**65,394**	**1,750,517**	**0**	**1,750,517**
Consolidated comprehensive income	0	0	0	49,778	(63,919)	(14,141)	0	(14,141)
Loss/(profit) for the year	0	0	0	0	(63,919)	(63,919)	0	(63,919)
Other comprehensive income	0	0	0	49,778	0	49,778	0	49,778
Use of retained earnings	0	0	0	15,397	(15,397)	0	0	0
Capital increases	5,269	0	47,661	0	0	52,930	0	52,930
Withdrawal of participation capital	0	(76,500)	76,500	(52,749)	0	(52,749)	0	(52,749)
Distributions	0	0	0	0	(49,997)	(49,997)	0	(49,997)
Enterprise's interest in other changes in the equity of entities accounted for at equity	0	0	0	2,167	0	2,167	0	2,167
Changes in the scope of consolidation	0	0	0	4,295		4,295	24	4,319
Equity at 31/12/2016	**219,789**	**0**	**556,849**	**980,302**	**(63,919)**	**1,693,022**	**24**	**1,693,046**

€'000	Attributable to equity holders of the parent							
	Sub-scribed capital	Non-voting non-ownership 'participation' capital	Capital reserves	Retained earnings	Net profit	Total	Non-controlling interests	Total
Equity at 1/1/2015	214,520	76,500	432,688	1,323,883	(248,590)	1,799,002	0	1,799,002
Consolidated comprehensive income	0	0	0	(71,788)	65,394	(6,394)	0	(6,394)
Profit/(loss) for the year	0	0	0	0	65,394	65,394	0	65,394
Other comprehensive income	0	0	0	(71,788)	0	(71,788)	0	(71,788)
Use of retained earnings	0	0	0	(304,588)	304,588	0	0	0
Distributions	0	0	0	0	(55,998)	(55,998)	0	(55,998)
Enterprise's interest in other changes in the equity of entities accounted for at equity	0	0	0	3,865	0	3,865	0	3,865
Other changes	0	0	0	10,042	0	10,042	0	10,042
Equity at 31/12/2015	214,520	76,500	432,688	961,414	65,394	1,750,517	0	1,750,517

The share capital of RLB NÖ-Wien totals EUR 219,789,200.00 (2015: EUR 214,520,100.00). Subscribed capital comprises 2,197,892 (2015: 2,145,201) registered zero par value shares with a nominal value of EUR 219,789,200.00 (2015: 214,520,100.00). In 2008 RLB NÖ-Wien issued 765,000 bearer participation certificates as defined by § 23 (3) no. 8. in connection with (4) and (5) of the Austrian Banking Act (in the version published in Federal Gazette BGBl I 2013/184). One participation certificate represents a nominal value of EUR 100.00.

The 756,000 participation certificates in RLB NÖ-Wien which were held by Raiffeisen-Holding NÖ-Wien as of 31 December 2015 were withdrawn by RLB NÖ-Wien as of 21 September 2016 in exchange for a cash payment of EUR 52,749,002.00. In accordance with § 26b (8) of the Austrian Banking Act, the withdrawal of this participation capital was recognised as a reduction of retained earnings.

The withdrawal of the participation capital was subsequently followed by the issue of 52,691 registered shares with a total nominal value of EUR 5,269,000.00. This issue was based on a resolution of the Annual General Meeting on 12 August 2016, which authorised the Managing Board to increase share capital by 3 May 2018, with the consent of the Supervisory Board, by up to EUR 25,000,000.00 through the issue of up to 250,000 new registered shares in exchange for cash or contributions in kind.

The following table shows the development of the following items, which were recorded under retained earnings: the cash flow hedge reserve (before the deduction of deferred taxes), the available-for-sale reserve (before the deduction of deferred taxes) and the deferred taxes recognised in other comprehensive income:

€'000	Cash flow hedge reserve	Available-for-sale reserve	Total
At 1 January 2016	*8,771*	*60,270*	*69,041*
Net changes in the financial year	(1,549)	14,809	13,260
Of which unrealized gains/(losses in the period	0	31,385	31,385
Of which gains/(losses) reclassified to the income statement	(1,549)	(16,576)	(18,125)
At 31 December 2016	**7,222**	**75,079**	**82,301**

€'000	Cash flow hedge reserve	Available-for-sale reserve	Total
At 1 January 2015	*3,069*	*115,132*	*118,201*
Net changes in the financial year	5,702	(54,862)	(49,160)
Of which unrealized gains/(losses in the period	0	8,479	8,479
Of which gains/(losses) reclassified to the income statement	5,702	(63,341)	(57,639)
At 31 December 2015	8,771	60,270	69,041

The amounts derecognized from the cash flow reserve through profit or loss were reported under net interest income. The amounts derecognized from the available-for-sale reserve were recorded under profit/(loss) from financial investments.

The changes in the deferred taxes recorded in other comprehensive income are classified as follows:

€'000	**2016**	**2015**
Deferred taxes arising from the cash flow hedge reserve	440	(1,097)
Deferred taxes arising from the available-for-sale reserve	(3,702)	13,715
Deferred taxes arising from actuarial gains and losses on the revaluation of provisions for staff benefits	(1,835)	(449)
Total	**(5097)**	**12169**

Consolidated Cash Flow Statement

€'000	Notes	2016	2015
Loss/(profit) for the year after tax		*(63,919)*	*65,394*
Reconciliation to cash flow from operating activities			
Write-downs/(write-ups) of property and equipment, financial investments and equity investments		2,241	(1,674)
Revaluation (gains)/losses on investments in entities accounted for using the equity method		98,692	(689)
Release of/addition to provisions and impairment allowances	(2,15,26)	5,654	964
(Gains)/losses on disposals of property and equipment and financial investments		(7,958)	(52,581)
Other adjustment (net)		(161,124)	(179,199)
Subtotal		*(126,413)*	*(167,784)*
Change in assets and liabilities arising from operating activities after corrections for non-cash items:			
Loans and advances to other banks and customers		1,387,685	777,669
Trading assets		251,462	(169,159)
Securities (except financial investments		176,772	292,713
Other assets		(29,713)	622,190
Deposits from customers and other banks		(1,816,259)	(1,236,233)
Securitized liabilities		(398,641)	43,107
Trading liabilities		(82,024)	150,138
Other liabilities		(10,040)	(656,550)
Other provisions		(16,484)	(10,903)
Interest received		460,936	578,333
Dividends received		9,437	91,504
Interest paid		(279,531)	(356,937)
Income taxes paid		7,257	2,720
Cash flow from operating activities		*(465,556)*	*(39,191)*
Cash receipts from sales of:			
Financial and equity investments		770,973	1,809,129
Property and equipment and intangible assets		7	11
Derecognition of equity investments		0	0
Cash paid for:			
Financial and equity investments		(371,484)	(1,226,058)
Property and equipment and intangible assets		(5,662)	(3,850)
Cash flow from investing activities		*393,834*	*579,231*
Cash inflows from capital injection		181	0

€'000	Notes	2016	2015
Cash inflows from Tier 2 capital		16,864	5,178
Cash outflows from Tier 2 capital		(47,296)	(13,197)
Distributions		(49,997)	(55,998)
Cash flow from financing activities		*(80,248)*	*(64,018)*

€'000	2016	2015
Cash and cash equivalents at end of previous year	*536,671*	*60,682*
Cash flow from operating activities	(465,556)	(39,191)
Cash flow from investing activities	393,834	579,231
Cash flow from financing activities	(80,248)	(64,018)
Effect of exchange rate changes	0	(36)
Addition to the scope of consolidation	6	0
Cash and cash equivalents at end of year	**384,707**	**536,671**

Cash and cash equivalents represent cash and balances with the central bank.

Notes

The Company

RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien) is the regional central institution of Raiffeisen Bankengruppe (RBG) NÖ-Wien. It is recorded in the company register of the Vienna commercial court under FN 203160s. The company's address is Friedrich-Wilhelm-Raiffeisen-Platz 1, 1020 Vienna.

RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung (Raiffeisen-Holding NÖ-Wien) holds the majority stake of 79.09% (2015: 78.58%) in RLB NÖ-Wien. The consolidated financial statements of Raiffeisen-Holding NÖ-Wien are filed with the company register in accordance with Austrian disclosure regulations and also published in the Raiffeisen newspaper. The remaining shares of RLB NÖ-Wien are held by the Raiffeisen banks in Lower Austria, which are provided with support and a complete range of banking services by RLB NÖ-Wien as the central institution.

RLB NÖ-Wien is a regional bank whose core business covers professional advising and optimal banking products for its home market of eastern Austria and, consequently, for the "Centrope region". Through its investment in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) RLB NÖ-Wien also participates in the activities of RBG in Central and Eastern Europe.

The cornerstones of the RLB NÖ-Wien banking business are formed by personal, business and corporate banking as well as the proprietary business. Retail banking products and services are offered in the Vienna branches under the slogan "Raiffeisen in Wien. Meine BeraterBank". Participation in syndicated financing and equity investments in banks and other banking-related operations round out the core strategy of RLB NÖ-Wien.

Principles of Accounting under IFRS

Principles

The consolidated financial statements for the 2016 financial year, including the comparable prior year data for 2015, were prepared in accordance with EU Directive (EC) No. 1606/2002 issued by the Commission on 11 September 2002 in connection with § 245a of the Austrian Commercial Code and § 59a of the Austrian Banking Act in the version applicable as of the respective balance sheet date. All International Financial Reporting Standards (IFRS) and IFRIC interpretations that were adopted by the EU and required mandatory application were applied in preparing the consolidated financial statement.

The consolidated financial statements are based on the separate financial statements of all fully consolidated companies (see the “Scope of consolidation” below), which were prepared in accordance with uniform Groupwide standards and the provisions of IFRSs. The criteria for inclusion in the consolidated financial statements reflect the definition in section QC11 of the IFRS Conceptual Framework, above all with regard to the materiality of the balance sheet total, the contribution to Group earnings and other qualitative criteria.

The effect of the unconsolidated subsidiaries on the Group’s assets, liabilities, financial position and profit or loss is immaterial.

The balance sheet date for the Group is 31 December. All amounts are stated in thousands of euros (TEUR), unless indicated otherwise under a specific position. The tables and charts may include rounding errors. The changes shown in the tables are based on underlying data that is not rounded.

Basis of consolidation

The consolidation process involves the elimination of intragroup investments and equity, liabilities, interim profits, and income and expenses.

In accordance with IFRS 3 Business Combinations, the acquisition method of accounting is used to eliminate the investment and equity in acquired companies. This method requires the recognition of the acquired assets and assumed liabilities at their fair value on the acquisition date. A positive difference between the acquisition cost and the fair value of the acquired net assets is recorded as goodwill after the offset of available undisclosed reserves and other assets.

In accordance with IAS 36.10, goodwill is not reduced through scheduled amortization, but is tested annually for evidence of impairment (triggering events). Any negative differences remaining after reassessment are recognized immediately to profit or loss as required by IFRS 3.34-36.

The consolidation of liabilities includes the offset of intragroup receivables and liabilities.

Interim profits are eliminated if they are material for the respective income statement positions. Banking transactions between the individual Group companies are conducted at ordinary market conditions.

The income and expenses resulting from transactions with companies included in the scope of consolidation are eliminated.

Material investments in associates and joint ventures are accounted for at equity and reported on the balance sheet under "entities accounted for using the equity method". The proportional share of annual results from these entities is reported under "profit/(loss) from investments in entities accounted for using the equity method". The proportional share of other comprehensive income from these entities is recorded under other comprehensive income at the Group level. Equity accounting follows the same rules (initial consolidation date, calculation of goodwill or negative difference) applied to subsidiaries and is based on the separate financial statements of the entities included at equity. The necessary adjustments are made if an entity included at equity applies accounting methods that differ materially from the Group policies.

Investments in subsidiaries that are not included in the consolidated financial statements for materiality reasons and investments in associates and joint ventures that are not accounted for at equity are carried at their fair value and reported on the balance sheet under "securities and equity investments". If the fair value is not available or cannot be reliably determined, the investments are carried at cost less any necessary impairment charges.

Scope of consolidation

The scope of consolidation of the RLB NÖ-Wien Group includes all material subsidies over which RLB NÖ-Wien exercises direct or indirect control. Material investments in associates, i.e. entities over which RLB NÖ-Wien can directly or indirectly exercise significant influence, are accounted for at equity.

As of 31 December 2015, the scope of consolidation, excluding RLB NÖ-Wien as the parent company, comprised 10 (2015: 2) fully consolidated companies. The registered headquarters of all Group companies are located in Austria.

The number of consolidated subsidiaries and entities accounted for using the equity method changed as follows:

Number of Entities	2016	2015 Consolidated	2016	2015 Equity Method
At 1 January	2	2	2	2
Included for the first time in the reporting year	8	0	0	0
Derecognized during the reporting year	0	0	0	0
At 31 December	**10**	2	**2**	2

The following companies were initially consolidated in 2016:

Name	Direct investment in equity	Date of initial consolidation	Fact
"BARIBAL" Holding GmbH, Vienna (A)	100.00%	31 December 2016	Materiality
"PRUBOS" Beteiligungs GmbH, Vienna (A)	99.80%	31 December 2016	Materiality
NAWARO ENERGIE Betrieb GmbH, Zwettl (A)	100.00%	31 December 2016	Materiality
RAIFFEISEN IMMOBILIEN VERMITTLUNG GES.M.B.H., Vienna (A)	98.75%	31 December 2016	Materiality
Raiffeisen Liegenschafts- und Projektentwicklungs GmbH, Vienna (A)	100.00%	31 December 2016	Materiality
Raiffeisen Vorsorge Wohnung GmbH (previously: Raiffeisen Vorsorgewohnungserrichtungs GmbH), Vienna (A)	100.00%	31 December 2016	Materiality
RBE Raiffeisen Beratungs- und Entwicklungs GmbH, Vienna (A)	95.00%	31 December 2016	Materiality
RLB Businessconsulting GmbH, Vienna (A)	100.00%	31 December 2016	Materiality

Eight companies were initially included through full consolidation for materiality reasons as of 31 December 2016. The difference resulting from the initial consolidation was offset against retained earnings.

RLB NÖ-Wien carried out a capital increase from authorized capital as of 15 September 2016. A total of 52,511 shares were subscribed by Raiffeisen-Holding NÖ-Wien, which thereby increased its investment in RLB NÖ-Wien from 78,58% to 79.09%. In addition, 180 shares were subscribed by Raiffeisenkasse Retz-Pulkautal registrierte Genossenschaft mit beschränkter Haftung.

RLB NÖ-Wien holds a direct investment of 0.53% (2015: 0.53%) in RZB as well as an indirect investment of 34.21% (2015: 34.21%) through RLB NÖ-Wien Holding GmbH. The investment held by RLB NÖ-Wien in Raiffeisen Informatik GmbH equals 47.35% (2015: 47.35%).

The balance sheet date for all companies included in the consolidated financial statements through full consolidation or at equity is 31 December 2016, with the exception of the subsidiary NAWARO ENERGIE Betrieb GmbH (balance sheet date: 30 September 2016).

The effects of major transactions and other events occurring between the subsidiaries' balance sheet date and 31 December 2016 were included if they were material.

The scope of consolidation did not include any financial statements prepared in a foreign currency. A list of consolidated companies, investments in entities accounted for at equity and other equity investments is provided in the Overview of Equity Investments.

Significant Accounting Policies

Financial instruments

A financial instrument is essentially a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In accordance with IAS 39, all financial instruments must be recognized on the balance sheet and measured at their fair value as of the acquisition date. Fair value represents the price received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between knowledgeable, willing parties. For listed financial instruments, fair value represents the market price. If market prices are not available, the future cash flows from a financial instrument are discounted by means of financial methods and the interest rate curve applicable to the valuation date. If fair value cannot be reliably determined, the financial instrument is carried at cost less any necessary impairment losses.

Financial instruments must be classified under the categories defined by IFRS and subsequent measurement is dependent on this classification.

The categories used for classification and measurement are as follows:

- Financial assets or financial liabilities at fair value through profit or loss:

Included here are financial instruments classified by the company as held for trading or designated as at fair value through profit or loss upon initial recognition.

Financial assets and financial liabilities classified as held for trading are intended to generate gains from short-term fluctuations in market prices or the dealer's margin. Trading instruments are carried at fair value, with changes in this value recognized to profit or loss. This measurement category is also used for liabilities that are held for trading.

Financial assets, financial liabilities or a group of financial instruments (financial assets, financial liabilities or a combination of both) can be initially designated as at fair value through profit or loss upon initial recognition based on the fair value option if this method provides more relevant information. The classification requirement is met when this designation prevents or significantly reduces a measurement or recognition inconsistency (i.e. an accounting mismatch).

Financial assets and/or financial liabilities (including derivatives) can also be assigned to this category based on a documented risk management strategy or an investment strategy for a portfolio of instruments that is managed and evaluated on a fair value basis and whose performance is regularly reported to the Managing Board. Financial instruments with embedded derivatives can also be designated as at fair value through profit or loss if the derivatives have a substantial economic effect. If the derivatives embedded in a financial instrument cannot be measured separately, the entire financial instrument is assigned to this category.

Financial instruments are assigned to one of the above categories as of the acquisition date. This irrevocable designation is documented through the aggregation in portfolios, each of which is intended to demonstrate separate risk monitoring and, above all, defined result-oriented management. The responsibilities for individual portfolios are regulated by specific guidelines and the related risk is restricted by monitored lines and limits.

Financial assets and liabilities initially designated as at fair value through profit or loss must be subsequently measured at fair value, and any changes in fair value must be recognized to profit or loss. The decisive criterion for assignment to this category is irrevocable designation as of the acquisition date or the date of initial application of this standard in the applicable version. Excluded from the designation as at fair value through profit or loss are financial investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably determined. Another exclusion involves derivatives whose value is dependent on and which must be settled through these types of equity instruments. These financial investments are classified as available for sale and measured at cost less any necessary impairment charges.

- Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not classified as held for trading, designated as at fair value through profit or loss or classified as available for sale. These financial instruments result from the provision of money, goods or services and are carried at amortized cost based on the effective interest rate method and the deduction of any necessary impairment charges.

Amortized cost represents the historical acquisition price less repayments, adjusted for any previously recognized amortisation of a premium or discount and less any deductions for impairment or uncollectability.

- Financial investments held to maturity:

This category covers financial assets with fixed or determinable payments, which the company has the intention and ability to hold to maturity. They are measured at amortized cost by applying the effective interest rate method. Premiums and discounts are recognized on a proportional basis. An impairment loss is recognized to reflect any deterioration in the credit rating. If the reasons for impairment cease to exist, the carrying amount of the financial asset is increased up to the applicable amortized cost with recognition through profit or loss.

- Financial assets available for sale:

Available-for-sale financial assets are non-derivative financial assets that are classified as available for sale and not as loans or receivables, held-to-maturity investments or financial assets designated as at fair value through profit or loss.

These assets are carried at fair value, and any changes resulting from measurement are accumulated in other comprehensive income as a separate item under equity – the available-for-sale reserve – until the asset is sold or an impairment loss must be recognized through profit or loss. If the fair value increases, an impairment loss to a debt instrument is reversed through profit or loss, while an impairment loss to an equity instrument is reversed under other comprehensive income without recognition through profit or loss.

Equity instruments and debt instruments are assigned to the category of available-for-sale assets and valued at cost when they do not meet the criteria for classification as financial investments held to maturity or as loans and receivables, when they do not have a quoted market price and when their fair value cannot be reliably determined.

- Financial liabilities at amortized cost:

Financial liabilities are measured at amortized cost based on the effective interest rate method, unless they are designated as at fair value through profit or loss or classified as held for trading.

Securities issued and subsequently repurchased by the company are deducted from liabilities. Embedded derivative financial instruments not classified as held for trading are separated from the host contract and accounted for as an independent derivative financial instrument if the following applies: the entire financial instrument is not measured at fair value; changes in fair value are not recorded to profit or loss; the economic characteristics and risks of the embedded derivative are not closely connected with the economic characteristics and risks of the host contract; and the embedded derivative meets the criteria for classification as a derivative financial instrument. The host contract is then accounted for in accordance with the appropriate categorization. Changes in the value of the separated derivative measured at fair value are recognized to profit or loss. If the measurement of an embedded derivative is not possible at the time of purchase or on a subsequent balance sheet date, the entire structured product is classified as at fair value through profit or loss.

In accordance with IAS 32, treasury shares are not recognized as assets but deducted from equity.

A financial assets or a financial liability is recognized on the balance sheet when a Group company becomes a party to the contractual provisions of the financial instrument and, consequently, holds the right to receive or the legal obligation to pay cash. The trade date represents the starting point for initial recognition on the balance sheet, measurement through profit or loss and derecognition of a financial instrument. Foreign exchange and money market transactions in the treasury department are recognized on the respective value or settlement date.

A financial asset is derecognized when control over or the contractual rights to the asset is/are lost.

Non-performing loans are reduced through impairment charges and derecognized in full or in part when insolvency proceedings have been concluded or waiver agreements take legal effect. Loans and advances to customers are also derecognized when there are no realistic expectations of repayment. Minor loans and advances receivable up to TEUR 1 are derecognized when they are 90 days overdue.

Derivatives

Financial derivatives that are not part of a designated hedge relationship or accounted for using the fair value option described above are carried on the balance sheet at fair value. Changes in fair value are recognized to profit or loss on the income statement.

Derivatives acquired for hedging purposes are classified under the following categories in accordance with IAS 39 based on the different characteristics of the relationship between the hedged item and the derivative:

- Fair value hedge:

A fair value hedge is intended to protect an existing asset or liability against changes in fair value that result from a particular risk and could affect profit or loss. A hedge that meets the criteria for hedge accounting is accounted for at fair value, whereby the gains and losses on fair value measurement are recognized in profit or loss. The carrying amount of the hedged item is adjusted to reflect the remeasurement gain or loss attributable to the hedged risk (basis adjustment). The hedges are formally documented, assessed as of each balance sheet date and classified as highly effective. Therefore, it can be assumed that changes in the fair value of the hedged item will be nearly completely offset by changes in the fair value of the hedging instrument throughout the entire term of the hedge and that actual results will range from 80% to 125%.

- Cash flow hedge:

A cash flow hedge is intended to cover the exposure to volatility in cash flows which are attributable to a recognized asset, liability or forecast transaction and could affect profit or loss. In these cases, derivatives are used to hedge future interest rate flows. Future variable interest rate payments on variable rate receivables and liabilities are exchanged for fixed interest payments, generally through interest rate swaps.

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income and reported in a separate position under equity (cash flow hedge reserve).

The cash flow hedge reserve is released through profit or loss in the periods when the cash flows of the hedged item affect profit or loss.

The Managing Board of RLB NÖ-Wien discontinued the use of the cash flow hedge designation as of 31 December 2013. The cash flow hedge reserve will be released through profit or loss over the remaining term of the previously hedged items.

Classes of financial instruments (IFRS 7)

The formation of classes is based on the assignment of financial instruments to the individual balance sheet positions because the nature of the financial instruments is best represented by this classification. Balance sheet items that include financial instruments from different valuation categories as defined by IAS 39 are appropriately taken into account. The classes of financial instruments under assets include cash and balances with the central bank, loans and advances to other banks, loans and advances to customers, trading assets, securities and equity investments as well as the derivative financial instruments and derivatives from hedging transactions included under other assets. The classes of financial instruments under liabilities include deposits from other banks, deposits from customers, securitized liabilities, trading liabilities and Tier 2 capital as well as the derivative financial instruments and derivatives from hedging transactions included under other liabilities.

Receivables

Receivables are measured at amortized cost without the deduction of impairment losses. Accrued interest is reported under the relevant balance sheet position. Premiums and discounts are accrued over the term of the receivable.

Purchased receivables are also classified as loans and receivables.

For receivables that represent the hedged item for a fair value hedge, the gain or loss on measurement is included and the carrying amount of the receivable is adjusted accordingly (basis adjustment). Receivables that are not attributable to a core banking relationship are classified under loans and receivables and reported under other assets.

Impairment allowance balances

Risks arising from the credit business are reflected in the recognition of individual impairment allowances.

The identifiable credit risks associated with loans and advances to customers and other banks are reflected in the recognition of impairment allowances based on Group standards at the amount of the expected default. These impairment allowances are released when the credit risk ceases to exist or used when the loan or advance is classified as uncollectible and derecognized.

In accordance with IAS 39.58, all receivables that have an effect on expected future cash flows from a financial instrument are tested quarterly for objective evidence of impairment as defined in IAS 39.59.

A financial asset or group of financial assets is considered impaired and an impairment loss is considered to have occurred when:

- There is objective evidence of impairment as the result of a loss event that occurred between the initial recognition of the financial instrument and the balance sheet date,
- The loss event has an influence on the estimated future cash flows from the financial asset or group of financial assets, and
- The amount of the loss can be reliably estimated.

The requirements of IAS 39 concerning impairment are reflected in internal processes and guidelines. The risk content of a commitment is entered in an extensive rating system that includes various models for the different customer segments. For the risk assessment process, customers are assigned to one of nine active credit classes based on these rating and scoring models. Default cases are assigned to one of three classes according to CRR definitions. Classification in one of the two last default classes leads to the recognition of an impairment loss. The rating systems include quantitative factors from the financial statements as well as qualitative factors (soft facts).

A number of the rating/scoring systems also have an automated component that deals with performance patterns.

RLB NÖ-Wien has installed a database to handle the documentation and ongoing management of default cases. This database documents all default cases as well as the related costs and payments received.

The amount of each loan or advance at risk of default is calculated according to the discounted cash flow method. The amount of the impairment charge equals the difference between the carrying amount and the present value of the expected future cash flows. For significant receivables, this calculation is performed at the individual financial instrument level. For immaterial receivables, the calculation can be performed at the portfolio level.

A portfolio impairment allowance is recognized for losses that occurred, but were not known before the balance sheet date (incurred but not reported loss (IBNR loss)). The aggregation by risk category is based on historical data series for default probabilities. The receivables are aggregated in homogeneous portfolios, whereby the calculation generally includes all types of receivables that fall under the scope of application of IAS 39 - i.e. loans and advances, guarantees, available credit lines and securities. A weighting factor is used for off-balance sheet transactions. Derivatives are not included in the calculation of IBNR losses. The credit risk for these transactions is assessed via the credit value adjustment (CVA).

The total amount of the impairment allowance for recognized receivables is disclosed as a separate position after receivables on the balance sheet. The impairment allowance for off-balance sheet transactions is recognized as a provision.

Direct write-offs are, as a rule, only recognized when a debt waiver has been agreed with a borrower or when an unexpected loss has occurred.

Trading assets

Trading assets are held to utilize short-term fluctuations in market prices.

The securities and derivative instruments held for trading are measured at fair value. The market price represents the fair value for quoted products, while near-market rates (Bloomberg, Reuters) are used to value non-quoted products. If these rates are not available, primary financial instruments and forwards are measured using internal prices based on present value calculations and options are measured with appropriate option pricing models. Derivatives held for trading are also recognized as part of the trading portfolio. Positive fair values are allocated to trading assets and negative fair values are reported on the balance sheet under trading liabilities. The fair values of derivatives are calculated without accrued interest (clean prices). Positive and negative fair values are not offset.

Receivables arising from the accrued interest on derivatives held for trading are also reported under trading assets. Changes in the clean prices are recognized through profit or loss under net trading income.

Gains and losses on the sale and measurement of trading assets and the interest income and expenses from derivatives held for trading are reported on the income statement under net trading income. Interest and dividend income and the refinancing interest from securities held for trading are included under net interest income.

Securities and equity investments

Securities and equity investments comprise financial investments held-to-maturity and available-for-sale financial assets as well as equity investments not consolidated for materiality reasons and other equity investments classified as available-for-sale financial assets. This position also includes securities designated as at fair value through profit or loss based on the fair value option. In addition, deferred interest on these types of financial instruments is accounted for under this position.

The financial investments in the held-to-maturity portfolio are subsequently measured at amortized cost. Available-for-sale financial assets are carried at their market price as of the balance sheet date if they are listed, but carried at fair value in all other cases. If fair value cannot be reliably determined, measurement is based on cost less any necessary impairment losses. When a financial asset is classified as available for sale, revaluation gains and losses are recorded under other comprehensive income in a special reserve (available-for-sale reserve) as part of equity. Gains and losses on sale are reported under profit/(loss) from financial investments. The available-for-sale reserve is released through profit or loss when the asset is disposed. Impairment charges as defined in IAS 39 are recognized through profit or loss and reported under profit/(loss) from financial investments.

Gains and losses on sale and measurement are reported on the income statement under profit/(loss) from financial investments, while interest and current income is included in net interest income.

Investments in entities accounted for at equity

Investments in entities accounted for using the equity method are presented under a separate position. The proportional share of earnings and measurement results are reported separately on the income statement under profit/(loss) from investments in entities accounted for using the equity method. This position also includes any impairment losses recognized to the investments in entities accounted for using the equity method. In accordance with IAS 36, an impairment loss must be recognized when the carrying amount exceeds the recoverable amount as soon as there is evidence of impairment as defined in IAS 39. The recoverable amount represents the higher of fair value less costs to sell and the value in use of an asset. If the reasons for impairment cease to exist in a later period, the carrying amount is increased to the recoverable amount in accordance with IAS 36. However, the amount of the increase is limited to the carrying amount (less amortization or depreciation) that would have resulted if an impairment loss had not been recognized in a previous year. The proportional share of other comprehensive income from investments in entities accounted for at equity is recorded under other comprehensive income. Profit/(loss) from financial investments includes the gains and losses on the sale of these items as well as the termination of equity accounting.

Intangible assets

Purchased intangible assets with a finite useful life are measured at cost less ordinary straight-line amortization. Straight-line amortization is based on expected useful lives of three to 50 years.

In accordance with IAS 36, an impairment loss must be recognized when the carrying amount exceeds the recoverable amount as soon as there is evidence of impairment. If the reasons for impairment cease to exist in a later period, the carrying amount is increased to the recoverable amount in accordance with IAS 36. However, the amount of the increase is limited to amortized cost. Impairment losses recognized to goodwill are never reversed.

As of the balance sheet date on 31 December 2016, RLB NÖ-Wien held no internally generated intangible assets whose production cost could be reliably determined and which were likely to generate future benefits.

Useful life	**Years**	**in %**
Intangible assets	1 - 50	2,0 - 100,0

Property and equipment

Property and equipment are carried at purchase or production cost less scheduled depreciation.

Straight-line depreciation is based on the following useful lives:

Useful life	Years	in %
Buildings	25 - 50	2,0 - 4,0
Technical equipment and machinery	1 - 33	3,3 - 100,0
Office furniture and equipment	2 - 20	5,0 - 50,0
Investment property	33 - 50	2,0 - 3,0

Installations in leased premises are depreciated on a straight-line basis over the term of the respective lease or their shorter expected useful life. The useful life normally equals 20 years.

In accordance with IAS 36, an impairment loss must be recognized when the carrying amount exceeds the recoverable amount as soon as there is evidence of impairment. If the reasons for impairment cease to exist in a later period, the carrying amount is increased to the recoverable amount in accordance with IAS 36. However, the amount of the increase is limited to depreciated cost.

Investment property

Land and buildings held as investment property are measured at depreciated cost in accordance with the cost method defined in IAS 40 and reported separately under property and equipment since they are of minor significance. Borrowing costs are capitalized as part of the acquisition or production cost of qualified assets in accordance with IAS 23. Straight-line depreciation is based on the ordinary useful lives (see Property and equipment). The results from investment property are reported on the income statement under other operating profit/(loss), while the related depreciation is shown separately under general administrative expenses.

Other assets

Other assets consists mainly of receivables not resulting from core banking relationships (primarily receivables from the provision of goods and services), tax assets, coins and inventories as well as the positive fair values of derivatives not held for trading and receivables arising from accrued interest on these derivatives.

Inventories are measured at the lower of cost and net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business less the expected costs to sell.

Liabilities

Financial liabilities not designated as at fair value through profit or loss or classified as held for trading are carried at amortized cost. Accrued interest is reported under the respective balance sheet position. Premiums and discounts are accrued over the term of the respective liabilities.

In cases where the interest rate risk on a liability is covered by a fair value hedge, the carrying amount is adjusted to reflect the changes in value arising from the interest rate risk.

Securitized liabilities

The difference between the issue price and the settlement amount for securitized liabilities carried at amortized cost is distributed over the term of the liability as a write-up or write-down.

Securitized liabilities are presented after the deduction of securities previously issued by the company and subsequently repurchased. In cases where the interest rate risk on a securities issue is covered by a fair value hedge, the carrying amount is adjusted to reflect the changes in value arising from the interest rate risk. The classification of securitized liabilities as at fair value through profit or loss is intended to prevent an accounting mismatch by measuring these instruments in the same way as derivative financial instruments, i.e. based on the fair value option.

Trading liabilities
Trading liabilities are held to utilize short-term fluctuations in market prices.

Derivative instruments held for trading are carried at fair value. The market price or near-market rates (Bloomberg, Reuters) represents the fair value for quoted products. If these rates are not available, forwards are measured using internal prices based on present value calculations and options are measured with appropriate option pricing models. The instruments are recorded under trading assets when the fair value is positive and under trading liabilities when the fair value is negative. The fair values of derivatives without accrued interest are used for this purpose. Positive and negative fair values are not offset.

The liabilities arising from accrued interest on derivatives held for trading are also reported under trading liabilities. The change in the value of the clean price is recognized through profit or loss and included under net trading income.

Gains and losses on the sale and measurement of trading liabilities and interest income and expenses from trading derivatives are reported on the income statement under net trading income.

Other liabilities
Other liabilities consist primarily of liabilities that do not result from a core banking relationship, i.e. primarily accounts payable, taxes payable and other liabilities. The negative fair values of derivative financial instruments that are not held for trading and the liabilities arising from accrued interest on these derivatives are also reported under this position.

IFRS 5 5 applies to non-current assets or disposal groups if their carrying amounts will be recovered principally through a sale transaction and not through continuing use in the company. Disposal groups can consist of non-current assets, current assets and liabilities. However, plans must call for their sale in a single transaction. The assets included in a disposal group must be reported in a separate position under assets. The same applies to the liabilities attributable to the disposal group – they must be reported in a separate position under other liabilities.

Provisions
Provisions are created when there is a legal or constructive obligation to a third party arising from past events whose settlement is expected to result in a future outflow of resources. In addition, it must be possible to reliably estimate the amount of the obligation. A provision is not created if a reliable estimate is not possible. The amount of the recognized obligation is based on the best possible estimate of the future outflow of resources, which is derived from a range of possible outcomes for the fulfilment of the obligation under the best possible objective viewpoint. The obligation must be considered highly probable (i.e. more likely than not) to permit the recognition of a provision. Since the preparation of financial statements involves the use of estimates – above all with respect to the evaluation of provisions – provisions are generally connected with a high degree of uncertainty. Consequently, the actual expenses can deviate from the amount of the recognized provisions. Non-current provisions are only discounted when the present value differs materially from the nominal value and when the estimate of the factors required for the calculation is reliable.

All employee-related provisions (post-employment, termination and jubilee benefits as well as part-time work by older staff) are calculated in accordance with IAS 19 (2011) – Employee Benefits – based on the projected unit credit method.

In connection with post-employment benefits, a distinction is made between two types of plans:

- Defined contribution plans:

Contributions are made to a pension fund on behalf of a group of employees. The fund administers the contributions and distributes the pensions. There are no further obligations for the company, and employees carry the risk associated with the pension fund's investments. The company only commits to making a certain contribution to the fund and not to paying a specific pension in the future. Payments to the pension fund under such plans are recognized as current expenses.

• Defined benefit plans:

The RLB NÖ-Wien Group has legally and irrevocably committed to providing a group of employees with defined benefit plans (pension statute, special agreements) that specify the amount of the future pension. These plans are partly unfunded, i.e. the funds required to cover the obligations remain in the company, and partly funded, i.e. the funds are accumulated through a pension fund or insurance. Statutory pension commitments were last made to employees of the former RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung on 30 June 1990 and to employees of the former RAIFFEISENBANK WIEN AG on 31 January 1996. The benefit entitlements under the pension statues that are financed by the pension fund are established at retirement and then transferred to a defined contribution plan. No further contributions are required for these beneficiaries. This elimination from the actuarial calculations is reported separately. The company has an unlimited contribution obligation for the remaining employees with pension fund commitments, i.e. additional contributions must be made during the benefit phase if the payments are not covered.

The calculation of the pension provision does not include a factor for employee turnover because the agreements are based on individual contracts and irrevocable commitments with respect to the post-employment benefits.

The termination benefit obligations for employees who joined the company up to and including 2002 – which comprise the present value of the total obligation and the entitlements earned during the period – are calculated according to the projected unit credit method. The company is required to pay termination benefits in accordance with the collective agreement for salaried employees in the Raiffeisen organization's auditing associations and provincial banks and in accordance with individual contractual commitments. The termination benefit obligations for employees who joined the company after 1 January 2003 are transferred to an employee benefit fund based on a defined contribution system. The company makes contributions to the employee benefit fund based on legal requirements. The company's obligation ends with these contributions.

In addition to invalidity rates, mortality rates and factors arising in connection with the termination of employment at retirement, the risk that the company would be required to pay premature termination benefits is reflected in annual turnover rates based on the length of service. These rates are derived from internal statistics for the early end of the employment relationship. The latest actuarial parameters are used to counter the longevity risk for the pension fund and the calculation of the related provisions.

The same applies analogously to the jubilee provision. Under the collective agreement for the salaried employees of the Raiffeisen organization's auditing associations and regional banks and by company agreement, employees are entitled to jubilee benefits when they reach 25 and 35 years of service.

Individual agreements were concluded for part-time work by older staff, which provide for regulated part-time work within the framework of § 27 of the Austrian Unemployment Insurance Act ("Arbeitslosenversicherungsgesetz"). The amount of compensation during part-time work by older staff equals a percentage of the gross monthly salary for full-time employment. In accordance with legal regulations, the employer also commits to making compensatory salary payments and social insurance contributions based on the monthly salary for full-time employment. The provision for part-time work by older staff is calculated according to the length of each commitment. Turnover rates are not included.

All changes in the value of the net obligations are recognized during the applicable reporting period. Actuarial gains and losses are recorded under other comprehensive income. The net interest cost and service cost are reported on the income statement under general administrative expenses.

The actuarial parameters used to calculate provisions for termination and post-employment benefits are described in detail under note (26) Provisions.

Tier 2 capital

Tier 2 capital reflects the requirements defined in Part 2 Section I Article 4 of Regulation (EU) No. 575/2013 concerning prudential requirements for credit institutions and investment firms (Capital Requirements Regulation (CRR)). All Tier 2 capital and subordinated bonds that do not meet the CRR requirements for Tier 2 capital are reported under securitized liabilities. The recognized amount reflects the deduction of securities previously issued and subsequently repurchased by the company. In cases where the interest rate risk on an issue is covered by a fair value hedge, the carrying amount is adjusted by the change in value resulting from the interest rate risk (basis adjustment). The related accrued interest is also reported under this position.

Tier 2 capital is also classified as at fair value through profit or loss when it is measured in the same way as interest rate-based derivative financial instruments or a specific portfolio of assets, i.e. using the fair value option, and this classification is intended to prevent an accounting mismatch.

Equity

Equity comprises paid-in capital (i.e. capital provided to the company in the form of subscribed capital, participation capital as defined in § 23 (4) of the Austrian Banking Act, in the version published in Federal Gazette BGBL I 2013/184, and capital reserves) and earned capital. Earned capital consists of retained earnings, liability reserves, profit carried forward, net profit for the year and other comprehensive income, i.e. the results not recorded through profit or loss from cash flow hedge accounting, the available-for-sale reserve, the revaluation reserve for actuarial gains and losses on employee-related provisions, the proportional share of other comprehensive income from investments in entities accounted for using the equity method and the deferred taxes recognized under other comprehensive income.

Non-controlling interests in the equity of fully consolidated subsidiaries are reported separately under this item.

Income tax

Income tax is calculated and recognized according to the balance sheet liability method in agreement with IAS 12. Deferred taxes are recognized on temporary differences between the recognized carrying amounts and the respective tax bases which will reverse in subsequent periods. Deferred taxes are also recognized to adjust the current tax expense reported on the consolidated income statement to profit/(loss) for the year as if the consolidated financial statements had formed the tax base. The recognition of deferred tax assets and deferred tax liabilities anticipates the future tax consequences of present and past events. Deferred tax assets and deferred tax liabilities are offset for each taxable unit. Deferred taxes are recognized on tax loss carryforwards and other deferred tax assets when it is probable that the respective tax unit will generate sufficient taxable income in the future.

Since the 2005 assessment year, RLB NÖ-Wien has been a member of a corporate tax group established in accordance with § 9 of the Austrian Income Tax Act ("Körperschaftsteuergesetz") with Raiffeisen-Holding NÖ-Wien as the head of the group. A tax contribution agreement was concluded between RLB NÖ-Wien and the head of the group. The corporate tax group with Raiffeisen-Holding NÖ-Wien as the head of the group comprised RLB NÖ-Wien and 57 (2015: 57) other group members during the 2016 assessment year. The tax base for the entire group equals the total income of the head of the group plus the allocated taxable income of the group members after the maximum allowable deduction of the tax loss carryforwards held by the head of the group. RLB NÖ-Wien is charged a proportional share of group corporate income tax, which is assessed at the level of the head of the group, Raiffeisen-Holding NÖ-Wien. A tax charge based on the contractually agreed rate is payable to the head of the group, Raiffeisen-Holding NÖ-Wien, on the untaxed portion of the taxable income recorded by RLB NÖ-Wien. A loss recorded by RLB NÖ-Wien for the year results in a negative tax contribution.

Deferred taxes are calculated at the current corporate tax rate of 25%. The valuation reserve included under equity (cash flow hedge reserve, available-for-sale reserve, revaluation reserve for actuarial gains and losses on employee-related provisions) is also adjusted to reflect the proportional share of deferred taxes.

Income tax assets and liabilities are recorded under other assets or other liabilities. Deferred tax assets and deferred tax liabilities are recorded under other assets or provisions. Current and deferred income-based taxes are reported on the income statement under income tax, while non-income-based taxes are reported under other operating profit/(loss). Deferred taxes are not discounted.

Income statement

Net interest income includes interest income and expenses as well as all similar recurring and non-recurring income and expenses. Interest and similar income, respectively expenses, are calculated according to the effective interest rate method and accrued accordingly. This position also includes all interest and dividend income from securities and the profit/(loss) from non-consolidated companies and investments. Dividends are recognized when the company is legally entitled to payment. Negative interest on loans and advances to customers and other banks are included under interest and similar expenses, while positive interest on non-derivative financial liabilities from the banking business are included under interest and similar income and reported under (1) net interest income.

The impairment allowance balance includes all income and expenses related to the recognition of impairment losses to loans and advances to other banks and customers and in connection with other credit risks that are reflected in provisions.

Net fee and commission income covers the income and expenses connected with the provision of services to which the company is legally entitled.

Net trading income includes all realized gains, losses and valuation results from trading in securities, currencies and derivatives as well as the interest income and interest expenses arising from derivatives held for trading. The interest and dividend income from securities held for trading and the related refinancing costs is reported under net interest income.

Profit/(loss) from financial investments includes all realized gains and losses and valuation results from other securities. Revaluation gains and losses on derivatives that are measured in the same way as securities and securitized and subordinated liabilities designated as at fair value through profit or loss, i.e. based on the fair value option, are also reported here to avoid an accounting mismatch. In addition, this position includes the revaluation results from held-to-maturity financial instruments and available-for-sale financial assets, which were recognized for reasons of impairment or the reversal of impairment.

Profit/(loss) from investments in entities accounted for using the equity method makes a significant contribution to consolidated profit and is presented as a separate line item.

General administrative expenses include staff costs, other administrative expenses and depreciation and amortization of intangible assets and property and equipment.

Other operating profit/(loss) includes all revaluation gains and losses on other derivatives in the banking book as well as the Group’s other operating profit/(loss).

Repo transactions

Under "genuine" repurchase transactions (repo transactions), the RLB NÖ-Wien Group sells assets to a contract partner and, at the same time, agrees to repurchase these assets on a specific date at a specific price. The assets remain on the Group's balance sheet and are generally measured according to the rules for the respective valuation category. An obligation equal to the amount of the payments received is recognized as a liability at the same time.

A reverse repo transaction involves the purchase of an asset with a parallel commitment to sell the asset at a future date in return for payment. These types of transactions are reported on the balance sheet under loans and advances to other banks or loans and advances to customers. Interest expense on repo transactions and interest income from reverse repo transactions are accrued over the applicable term and recorded under net interest income.

Under "non-genuine" or "pseudo" repo transactions, the seller is required to repurchase the asset, but does not have the right to demand its return. The buyer has the sole right to decide over the return transfer of the asset. This right to retransfer the asset represents a put option for the buyer, in which the seller acts as the writer of the option. If the put option is deeply in the money, the seller does not derecognize the securities because the related opportunities and risks are retained. If the put option is deeply out of the money, repurchase is highly unlikely and the security must be derecognized. If the put option is neither deeply in nor out of the money, an assessment must be made as to whether the transferring company (seller) continues to retain control over the asset. If the security is traded on an active market, the transfer of control can be assumed and the security is derecognized. Financial assets that are not traded on an active market remain on the seller's balance sheet.

Securities lending
This type of transaction involves the transfer of securities by a lender to a borrower with the obligation to retransfer the same type, quality and volume of securities at the end of the agreed term or on termination of the agreement. The principles for genuine repo transactions apply analogously to securities lending transactions. The loaned securities remain on the lender's balance sheet and are measured in accordance with IAS 39. Borrowed securities are neither recognized nor measured.

Trust activities
Transactions involving the management or placement of assets for third party accounts are not recognized on the balance sheet. Commission payments arising from such transactions are recognized under net fee and commission income.

Leasing
RLB NÖ-Wien is not active in the leasing business as a lessor, but only holds leases in which the Group acts as the lessee. The relevant leases for the Group, namely motor vehicle and real estate leasing, are recognized and measured as operating leases in accordance with IAS 17. The resulting lease payments are recorded on the income statement under general administrative expenses.

Foreign currency translation
Foreign currency translation is based on the rules defined by IAS 21. Accordingly, non-euro monetary assets and liabilities are translated at the applicable market exchange rates (generally, the ECB reference rate) as of the balance sheet date. Non-monetary assets and liabilities that are not measured at fair value are translated at the rates in effect on the acquisition date. Non-monetary assets and liabilities measured at fair value are translated at the market rates (generally, the ECB reference rate) in effect on the balance sheet date.

Income statement positions are immediately translated into the functional currency at the exchange rate in effect on the date the items arise.

Judgments and estimates
The preparation of the consolidated financial statements involves the exercise and appropriate use of judgments in the application of accounting policies and assumptions that influence the recognition of assets and liabilities, the disclosure of contingent liabilities as of the balance sheet date and the presentation of income and expenses during the reporting period.

The exercise of judgment by management in applying the various accounting policies is also based on the goal defined for the consolidated financial statements, which is to provide meaningful information on the company's asset, financial and earnings position as well as changes in the asset and financial position.

Judgments and estimates are used primarily in the determination of the fair value of selected financial instruments, the recognition of impairment allowances for future credit default cases and interest rebates, and the creation of provisions for pensions, termination benefits and similar obligations. They are also used in the recognition and measurement of deferred tax assets, the determination of discounted cash flows in connection with impairment testing and the determination of the useful life of non-current assets. The actual recognized amounts may differ from these estimates.

Fair value of financial instruments

The fair value of financial instruments that are not traded on an active market is established with a valuation method or pricing model. In general, valuation methods and models involve estimates that are dependent on the instrument's complexity and the availability of market-based data. The valuation categories and valuation models are described in the section on financial instruments. Additional information is provided in note (32) Fair value of financial instruments.

Impairment allowance for credit default cases and interest rebates

Financial assets measured at amortized cost are tested for impairment as of each balance sheet date to determine whether the recognition of an impairment loss through profit or loss is required. In particular, this testing is intended to determine whether there is objective evidence of impairment due to loss events that occurred after initial recognition. The determination of the amount of the impairment allowance also requires estimates for the amount and timing of future cash flows. A more detailed description and presentation of the impairment allowances is included in notes (2) Impairment allowance balance, (15) Impairment allowance balance and (30) Risks arising from financial instruments.

Provisions for pension, termination benefits and similar obligations

The costs of defined benefit plans are determined by means of actuarial methods. The actuarial valuation is based on assumptions for the discount rates, the future level of salaries, the theoretical retirement age, life expectancy and future increases in pensions. The assumptions and estimates used to calculate the long-term employee benefit obligations are explained in the section on provisions. Quantitative information is provided in note (26) Provisions.

Non-financial assets

Non-financial assets such as investments in entities accounted for at equity, property and equipment and intangible assets with finite useful lives are tested for impairment when there is evidence of a loss in value. This is the case, above all, when events or a change in general conditions – for example, the deterioration of the economic climate – point to a possible decline in the value of assets. The determination of the recoverable amount in connection with impairment testing requires judgements and estimates by management. Changes in the underlying conditions and assumptions can lead to significant differences in the carrying amounts.

The RLB NÖ-Wien Group has no goodwill or intangible assets with an indefinite useful life that are subject to annual impairment testing.

Deferred tax assets

Deferred tax assets are recognized when it is probable that sufficient taxable profit will be available in the future to utilize the tax loss carryforwards or deductible temporary differences. The related assessments require significant judgements and assessments by management.

The scope of consolidation of the RLB NÖ-Wien Group includes RLB NÖ-Wien as well as ten other subsidiaries. These subsidiaries include four operating companies as well as six non-operating intermediate holding companies, which, in part, had no deductible temporary differences. Deferred tax assets are not recognized on deductible temporary differences for these subsidiaries because there will be no taxable profits in the future.

The reportable amounts of deferred tax assets in the RLB NÖ-Wien Group are based on information for forecasted business results which was approved by the Managing Board and on historical data for taxes and profitability.

Deferred taxes are not shown separately on the income statement or balance sheet. Details are provided in notes (10) Income tax and (20) Other assets and on the consolidated statement of changes in equity.

New standards and interpretations

The following new or revised standards and interpretations are effective for financial years beginning on or after 1 January 2016 and were applied in preparing these consolidated financial statements:

New Provisions		Effective for Financial Years Beginning on or After	Adopted by the EU
New Standards			
Amendments to Standards			
IAS 1	Presentation of Financial Statements	1 January 2016	Yes
IAS 16	Property, Plant and Equipment – Clarification of acceptable depreciation methods (changes to IAS 16 and IAS 38)	1 January 2016	Yes
IAS 16	Agriculture: biological assets (changes in IAS 16 and IAS 41)	1 January 2016	Yes
IAS 19	Employee contributions	1 February 2015	Yes
IAS 27	Separate Financial Statements (amended in 2011) – Application of the equity method in separate financial statements	1 January 2016	Yes
IAS 28	Investments in Associates and Joint Ventures - Consolidation exemption for investment entities (changes in IFRS 10, IFRS 12 and IAS 28)	1 January 2016	Yes
IAS 38	Intangible assets - clarification of acceptable amortization methods (changes in IAS 16 and IAS 38)	1 January 2016	Yes
IAS 41	Agriculture: biological assets (changes in IAS 16 and IAS 41)	1 January 2016	Yes
IFRS 10	Consolidated Financial Statements - Consolidation exemption for investment entities (changes in IFRS 10, IFRS 12 and IAS 28)	1 January 2016	Yes
IFRS 12	Disclosure of Interests in Other Entities - Consolidation exemption for investment entities (changes in IFRS 10, IFRS 12 and IAS 28)	1 January 2016	Yes
IFRS 11	Joint Arrangements - Accounting for the acquisition of shares in a joint operation	1 January 2016	Yes
Various	Improvements to the International Financial Reporting Standards 2010(2012)	1 February 2015	Yes
Various	Improvements to the International Financial Reporting Standards 2012(2014)	1 January 2016	Yes

The company did not elect to use the option for the premature application of individual new or amended standards and interpretations.

The changes to IAS 1 are intended to eliminate hurdles for the exercise of judgment in the presentation of financial statements.

The changes to IAS 16 and I AS 38 present guidelines for the methods that can be used to depreciate property, plant and equipment and to amortize intangible assets, above all with respect to revenue-based depreciation methods.

The amendments to IAS 16 and IAS 41 reclassify fruit-bearing plants that are not subject to further significant biological changes to the scope of application of IAS 16. This harmonizes the accounting treatment with property, plant and equipment.

The changes to IAS 19 – Employee Benefits – Defined benefit plans: employee contributions – clarify the classification of contributions by employees and third parties during the service period and also provide relief when the amount of the contributions is independent of the length of service.

IAS 27 was amended to again permit the application of the equity method as an accounting option for shares in subsidiaries, joint ventures and associates in the separate financial statements of an investor.

The acquirer of shares in a jointly controlled operation that represents a business operation as defined in IFRS 3 must apply all principles from IFRS 3 and other IFRSs related to the accounting treatment of business combinations as long as these principles do not contradict the IFRS 11 guidelines.

The amendments to IFRS 10, IFRS 12 and IAS 28 address the circumstances arising in connection with the application of the consolidation exemption for investment entities.

The annual improvements to IFRS – Cycle 2010-2012 (EU endorsement on 17 December 2014) and Cycle 2012-2014 (EU endorsement on 15 December 2015) – include a number of minor changes and clarifications to IFRS.

The above changes in accounting requirements do not have any effect on the presentation of the asset, financial or earnings position of the RLB NÖ-Wien Group.

The following new or revised standards and interpretations had been issued by the IASB or IFRIC, but are not yet fully effective in the EU:

New Provisions		Effective for Financial Years Beginning on or After	Adopted by the EU
New Standards			
IFRIC 22	Foreign Currency Transactions and Advance Consideration	1 January 2018	No
IFRS 9	Financial Instruments – Classification and Measurement, accounting treatment of financial liabilities and derecognition	1 January 2018	Yes
IFRS 14	Regulatory Deferral Account	1 January 2016	No
IFRS 15	Income from contracts with customers	1 January 2018	Yes
IFRS 15	Revenue from Contracts with Customers: Clarification	1 January 2018	No
IFRS 16	Leases	1 January 2019	No
Amendments to Standards			
IAS 7	Cash Flow Statement	1 January 2017	No
IAS 12	Income taxes	1 January 2017	No
IAS 28	Investments in Associates and Joint Ventures - Sale or contribution of assets between an investor and an associate or joint ventures (changes in IFRS 10 and IAS 28)	*	No
IAS 40	Investment property	1 January 2018	No
IFRS 2	Share-based Payment	1 January 2018	No
IFRS 4	Insurance Contracts	1 January 2018	No
IFRS 10	Consolidated Financial Statements - Sale or contribution of assets between an investor and an associate or joint ventures (changes in IFRS 10 and IAS 28)	*	No
Various	Improvements to International Financial Reporting Standards, Cycle 2014(2016) (IFRS 12)	1 January 2017	No
Various	Improvements to International Financial Reporting Standards, Cycle 2014(2016) (IFRS 1, IAS 28)	1 January 2018	No

* The effective date was postponed for an indefinite period.

The company did not elect to use the option for the premature application of individual new or amended standards and interpretations.

IFRIC 22

This interpretation is intended to clarify the accounting treatment of transactions which involve the receipt or payment of consideration in a foreign currency.

IAS 7

The changes to IAS 7 requires companies to disclose information that enables the users of financial statements to evaluate changes in liabilities from financing activities.

IAS 12

The primary objective of the amendments to IAS 12 is to clarify the accounting treatment of deferred tax assets arising from unrealized losses on assets carried at fair value and to eliminate the different methods currently applied.

IAS 40

The changes to IAS 40 clarify the rules for transfers to or from investment property. One of the main issues is whether property under construction or development, which was previously classified as inventories, can be reclassified to investment property when there has been an obvious change in the use.

IFRS 2

The changes to IFRS 2 involve individual issues related to the accounting treatment of share-based payment transactions with cash settlement. The most important change involves the addition to IFRS 2 of rules for determining the fair value of the obligations resulting from share-based remuneration n.

IFRS 4

The changes to IFRS 4 are intended to reduce the effects arising from the different initial application dates of IFRS 9 and the successor standard to IFRS 4, above all for companies with extensive insurance activities. Two optional approaches were introduced which can be used when insurers meet specific requirements: the overlay approach and the deferral approach.

IFRS 9

IFRS 9 is applicable to the first reporting period of the financial year which begins on or after 1 January 2018, whereby earlier application is permitted. At this point in time, the group plans to initially apply IFRS 9 as of 1 January 2018.

The new standard requires the group to adjust its accounting processes and internal controls related to the presentation of financial instruments, and these adjustments are still in progress. However, the group has made a preliminary assessment of the effects arising from the application of IFRS 9 based on its positions as of 31 December 2016. This assessment was based on the information available at the present time.

Classification and measurement of financial assets

IFRS 9 defines new classification and measurement approaches for financial assets, which reflect the business model in which the assets are held as well as the characteristics of their cash flows.

The standard differentiates between three business models:

- "Hold“: The goal of this business model is to hold the debt instruments and collect the contractual cash flows. Subsequent measurement is based on amortized cost ("AC“).
- "Hold and sell“: The debt instruments are held within a business model whose goal is to collect the contractual cash flows or to sell the debt instruments. The debt instruments are measured at fair value, and changes in this fair value are recorded under equity (fair value through other comprehensive income - FVOCI).
- "Sell“: Debt instruments which are held primarily for the purpose of realizing short-term gains are allocated to this business model and are measured at fair value through profit and loss ("FVTPL“).

IFRS 9 defines the following categories for the classification of financial assets:

- Debt instruments measured at amortized cost t
- Debt instruments measured at fair value through comprehensive income, whereby the accumulated gains and losses are reclassified to profit or loss when the financial asset is derecognized
- Debt instruments, derivatives and equity instruments measured at fair value through profit or loss
- Equity instruments classified at fair value through comprehensive income, whereby gains and losses remain in other comprehensive income (without reclassification)

This standard eliminates three categories previously defined by IAS 39: held to maturity, loans and receivables and available for sale.

IFRS 9 prohibits the separate recognition of derivatives which are embedded in contracts whose basis is a financial asset covered by this standard. The hybrid financial instrument is instead evaluated as a whole with respect to its classification.

Based on a preliminary assessment, the group does not believe the new classification and measurement requirements will have a material effect on the balance sheet or equity. Loans and advances to customers and other banks will be assigned to the "hold" business model. The Commercial Client Segment is currently analyzing the additional implementation of a "hold and sell“ business model. This latter case would involve the recording of all changes in fair value under other comprehensive income, which could lead to a slight increase in the volatility of Group equity. All loans and advances are currently undergoing a final evaluation of the characteristics of contractual cash flows ("solely payment of principal and interest“ – SPPI test). The volume of the loans and advances which would be carried at fair value through profit or loss appears to be immaterial from the present point of view.

The Group has not yet taken a decision concerning the debt instruments held as financial assets or equity instruments. The debt instruments currently classified as available for sale will be allocated to the AC, FVOCI or FVTPL category based on the respective business model and characteristics of the contractual cash flows. Equity instruments are generally measured at fair value. The Group has the possibility to recognize fluctuations in fair value through profit or loss or directly in equity. The option provided by IAS 39 to carry equity instruments (among others, investments in other companies) at cost when fair value cannot be reliably determined will be discontinued.

Classification and measurement of financial liabilities

IFRS 9 generally retains the requirements of IAS 39 for the classification of financial liabilities. However, measurement at fair value (fair value option) requires the recognition under equity ("other comprehensive income“) of all changes in fair value resulting from the Group's own credit risk.

The Group has classified an immaterial volume of financial liabilities at fair value through profit or loss. A preliminary assessment therefore shows no material effects from the application of IFRS 9 on the classification of financial liabilities as of 31 December 2016.

Impairment

IFRS 9 replaces the model of “incurred losses“ defined by IAS 39 with a forward-looking model of “expected credit losses“. The new impairment model is applicable to financial assets carried at amortized cost or measured at FVOCI – with the exception of equity instruments held as financial assets – and is also applicable to contractual assets.

Impairment is measured according to one of the following criteria under IFRS 9:

- "12 month expected losses“: This represents the expected losses arising from potential de-fault incidents during the 12 months following the balance sheet date.
- "Lifetime expected loss“: This represents the expected losses arising from all potential default incidents during the expected lifetime of a financial instrument.

Measurement must be based on lifetime credit losses when there has been a significant increase in the credit risk of a financial asset between initial recognition and the balance sheet date. In all other cases, measurement should be based on the concept of 12-month credit losses.

The Group sees a probable increase and greater volatility in the impairment losses for assets that fall within the scope of application of the impairment model defined by IFRS 9.

Hedge accounting

The initial application of IFRS 9 includes an option which allows the Group to decide whether to retain the accounting rules for hedges defined in IAS 39 instead of adopting the requirements of IFRS 9. The Group has not yet decided whether to apply the new requirements of IFRS 9.

IFRS 9 requires the group to ensure that the accounting treatment of hedges reflects the goals and strategy of corporate risk management and to also ensure the use of a more qualitative and forward-looking approach in evaluating the effectiveness of hedges. In addition, IFRS 9 introduces new requirements for the weighting of hedge relationships and prohibits the voluntary termination of hedge accounting.

Disclosures
IFRS 9 requires extensive new disclosures, in particular on hedge accounting, credit risk and expected credit default. The Group's preliminary assessment included an analysis to identify any possible data gaps compared with the current procedure. The Group plans system and monitoring changes which it believes will guarantee the necessary data collection.

Transition
The group intends to utilize the option not to restate comparative information from prior periods on the changes in classification and measurement (including impairment). Differences between the carrying amounts of financial assets and financial liabilities resulting from the application of IFRS 9 will principally be recognized in retained earnings and other reserves as of 1 January 2018.

Information on the IFRS 9 Project
The Group carried out a preliminary study in 2012 to evaluate the effects resulting from the application of IFRS 9. The implementation project was started in autumn 2015 with the necessary evaluation of and decisions on software and will be completed by the initial application of this standard in January 2018.

In addition to the definition and treatment of technical issues related to impairment, categorization, measurement, hedge accounting and recording logic, work has focused on the necessary adjustment/implementation of the required systems and interfaces since the beginning of 2016.

The current project plan calls for the finalization of all technical issues no later than mid-2017. In the second half of 2017, a parallel calculation based on IFRS 9 will analyze the effects on the Group's balance sheet and equity in due time before the initial application and allow for the definition of necessary measures.

Calculations and impact assessments for specific subjects are already in progress and will form the basis for decisions ranging from the methods/models to be applied to necessary adjustments to existing processes and customer contracts.

IFRS 10 and IAS 28

The changes to IFRS 10 and IAS 28 clarify that the amount of the proceeds recognized on transactions with an associate or joint venture depends on whether the sold or contributed assets constitute a business operation. The effective date of these changes was postponed indefinitely.

IFRS 14

The amendments to IFRS 14 have no effect on the consolidated financial statements because the RLB NÖ-Wien Group is not a first-time IFRS adopter.

IFRS 15

IFRS 15 regulates when and at what amount revenue is to be recognized and replaces IAS 18 – Revenue, IAS 11 – Construction Contracts and a number of revenue-based interpretations. The application of IFRS 15 is mandatory for all IFRS reporters and applies to all contracts with customers – in general, with the exception of contracts for leasing arrangements, financial instruments and insurance policies. The version of IFRS 15 published on 28 May 2014 required initial application for financial years beginning on or after 1 January 2017. On 11 September 2015 the IASB approved the effective date for IFRS 15 and thereby postponed the date for the initial mandatory application of this standard to 1 January 2018. The IASB also published a clarification to IFRS 15 on 12 January 2016. The changes address three of the five identified issues (identification of performance obligations, principal/agent considerations and licenses) and involve transitional relief for modified contracts and concluded contracts.

In order to analyze the probable effects from the initial application of the new IFRS 15 in the RLB NÖ-Wien Group, a survey of existing customer contracts will be carried out in both the banking and service areas.

IFRS 16

IFRS 16 regulates the accounting treatment of leases and will replace the previous IAS 17 as well as three leasing-related interpretations. The application of IFRS 16 is mandatory for all IFRS reporters and generally covers all leases. However, there are exemptions for contracts covering the exploration for minerals, oil, gas and similar non-regenerative resources; licensed rights for films, video recordings, plays, manuscripts, patents and copyrights l within the scope of application of IAS 38; leases for biological assets within the scope of application of IAS 41; service agreements within the scope of application of IFRIC 12 and license agreements for intellectual property arising from a lease covered by IFRS 15.

The RLB NÖ-Wien Group has concluded leasing agreements for motor vehicles and real estate, which are classified as operating leases under IAS 17. The related lease payments are recorded on the income statement under general administrative expenses. The recognition of rights of use and corresponding liabilities for all these leases will presumably lead to an increase in the balance sheet total which, in turn, will have an influence on the Group's financial indicators. IFRS 16 will have no influence on future cash flows. The exact effects of IFRS 16 in the RLB NÖ-Wien Group are still under analysis because a reasonable reliable estimated would otherwise not be possible.

Other changes

The annual improvements IFRS – Cycle 2014 – 2016 (EU endorsement still outstanding) include a number of minor changes and clarifications to IFRS.

Effects

With the exception of IFRS 9, the above changes in accounting requirements are not expected to have a significant effect on the presentation of the asset, financial or earnings position.

Details on the Consolidated Income Statement

(1) Net interest income

€'000	2016	2015
Interest income	*419,649*	*499,205*
from loans and advances to other banks	41,799	57,168
from loans and advances to customers	219,523	242,404
from trading assets and liabilities	1,593	1,484
From other variable-yield securities	85,226	100,375
from derivative financial instruments	68,030	97,189
Interest income from non-derivative financial liabilities	3,478	584
Current income	*13,579*	*4,377*
from shares and variable-yield securities	1,368	1,889
from equity investments in subsidiaries	10,144	296
from other equity investments	2,067	2,192
Other interest-equivalent income	2,038	10
Total interest and similar income	*435,266*	*503,592*
Interest expenses	*(252,493)*	*(315,533)*
on deposits from other banks	(53,801)	(67,751)
on deposits from customers	(34,126)	(40,059)
on securitized liabilities	(109,029)	(128,938)
on subordinated debt capital	(42,015)	(45,032)
from derivative financial instruments	(9,570)	(30,786)
Interest expense on receivables	(3,952)	(2,909)
Other interest-equivalent expenses	(8,916)	(58)
Total interest expenses and similar charges	*(261,409)*	*(315,533)*
Net interest income	**173,857**	188,059

Interest and similar income and expenses are recognized on an accrual basis.

Interest income includes interest income (unwinding) of TEUR 4,298 (2015: TEUR 3,626) from impairment-adjusted loans and advances to customers and other banks.

The following table shows the total interest income from and interest expenses for financial assets and liabilities which were not designated as at fair value through profit or loss and were measured using the effective interest rate method.

€'000	2016	2015
Interest income	340,553	385,469
Interest expenses	(249,286)	(280,723)

(2) Impairment allowance balance

€'000	**2016**	**2015**
Individual impairment allowances	***10,491***	*(2,207)*
Addition to impairment allowances	(34,502)	(53,666)
Release of risk allowances	43,276	50,202
Direct write-offs	(408)	(817)
Recoveries of loans and advances previously written off	2,125	2,074
Collective impairment allowances to the portfolio	***(1,224)***	*1,247*
Addition to impairment allowances	(4,195)	(1,118)
Release of risk allowances	2,971	2,365
Off-balance sheet obligations	***8,556***	*2,893*
Addition to impairment allowances	(7,739)	(2,718)
Release of risk allowances	16,294	5,611
Total	**17,823**	1,932

Detailed information on the impairment allowance is provided in note (15) Impairment allowance.

(3) Net fee and commission income

€'000	2016	2015
Fee and commission income	***77,401***	*94,540*
Payment services	27,328	33,770
Loan processing and guarantee operations	7,954	11,175
Securities operations	25,798	26,977
Foreign exchange, notes-and-coin and precious-metals business	5,139	5,172
Other banking services	11,182	17,446
Fee and commission expenses	***(25,116)***	*(28,381)*
Payment services	(7,689)	(14,731)
Loan processing and guarantee operations	(9,885)	(8,029)
Securities operations	(4,685)	(3,969)
Foreign exchange, notes-and-coin and precious-metals business	(2,555)	(1,088)
Other banking services	(302)	(563)
Total	**52,285**	66,159

(4) Net trading income

Net trading income includes the interest income from and interest expenses on derivatives held for trading as well as realized and unrealized changes in the fair value of trading portfolios. Interest and dividend income and the interest cost of funding securities held for trading are reported under net interest income.

€'000	2016	2015
Interest rate contracts	***(8,556)***	*(10,136)*
Of which from securities	4,138	78
Of which from derivative contracts	(12,694)	(10,213)
Currency contracts	***4,215***	*7,263*
Equity and index contracts	***478***	*191*
Of which from securities	650	187
Of which from derivative contracts	(172)	5
Other contracts	***1,854***	*1,679*
Total	**(2,009)**	(1,002)

(5) Profit/(loss) from investments in entities accounted for at equity

€'000	2016	2015
Net gains/(losses) on financial instruments classified as held to maturity	***6,272***	***(6,411)***
Of which revaluation gains and losses	0	(6,411)
Of which gains and losses on disposal	6,272	0
Net gains/(losses) on financial instruments classified as available for sale and measured at fair value	***20,638***	***66,320***
Of which revaluation gains and losses	(123)	1,956
Of which gains and losses on disposal	20,761	64,365
Net gains/(losses) on financial instruments classified as available for sale and measured at cost	***(799)***	***(1,941)***
Of which revaluation gains and losses	(799)	(2,515)
Of which gains and losses on disposal	0	574
Net gains/(losses) on investments in entities accounted for at equity	***0***	***0***
Of which gains and losses on disposal	0	0
Net gains/(losses) from unlisted securities classified as loans and receivables	***859***	***2,013***
Of which revaluation gains and losses	0	2,013
Of which gains and losses on disposal	859	0
Net gains/(losses) on financial instruments designated at fair value through profit or loss	***(993)***	***(1,796)***
Of which revaluation gains and losses	1,986	10,570
Of which gains and losses on disposal	(2,979)	(12,366)
Gain/(loss) on liabilities measured at amortized cost	***(9,286)***	***(1,769)***
Of which realized gain/(loss)	(9,286)	(1,769)
Total	**16,691**	56,417

Net gains/(losses) on financial instruments designated at fair value through profit or loss include the profit or loss from financial instruments designated at fair value through profit or loss based on the fair value option. Consequently, the revaluation results from derivatives and securitized and subordinated liabilities designated at fair value through profit or loss based on the fair value option are also reported under this position to avoid an accounting mismatch.

The revaluation gains and losses on financial instruments designated as at fair value through profit or loss represent the net amount of the positive and negative changes in value. The net gains/(losses) on financial instruments classified as available for sale do not include any increases in value (2015: TEUR 4,993). All other valuation results represent impairment losses.

The year-on-year decline of EUR 39.7 million in the profit from financial investments resulted primarily from the restructuring of the securities portfolio in 2016. In addition, 2015 also includes a non-recurring effect of EUR 18.3 million from the sale of the shares in Raiffeisen Bausparkasse Gesellschaft m.b.H.

(6) Profit/(loss) from financial investments

€'000	2016	2015
Group interest in annual profits or losses	93,637	99,989
Revaluation gains and losses	(192,329)	(99,300)
Total	**(98,692)**	689

The negative valuation results of TEUR -192,329 (2015: TEUR 99,300) resulted from an impairment loss recognized to the RZB Group. The investment in the RZB Group, which is accounted for at equity, was tested for impairment because of triggering events (above all due to the sale of a significant investment to UNIQA and the unsuccessful efforts to sell Raiffeisen Polbank). In accordance with IAS 36.30, the recoverable amount was determined as the value in use based on the present value of the expected cash flows (discounted cash flow method) of the RZB Group. These cash flows were derived from the five-year plans for the RZB Group, which were valid at the time of the impairment test and had been approved by management. The cash flows realizable from the valuation object were discounted at an average risk-adjusted capitalization rate of 9.8%. For RBI, the most important asset of the RZB Group, a 10.5% (2015: 11.0%) cost of capital was applied. The resulting value in use led to an impairment loss of TEUR 192,329 (2015: TEUR 99,300). Possible valuation uncertainties related to the discount rate - e.g. foreign exchange rate assumptions, risk costs, cost-income ratio, sustainable earnings expectations and valuation parameters - were analyzed by management through best estimate sensitivity analyses and reviewed for plausibility with external market data where available.

(7) General administrative expenses

€'000	2016	2015
Staff costs	***(94,982)***	*(104,889)*
Of which wages and salaries	(70,855)	(76,290)
Of which social security costs	(16,948)	(19,904)
Of which voluntary fringe benefits	(2,649)	(1,739)
Of which expenditure on termination and post-employment benefits	(4,530)	(6,957)
Other administrative expenses	***(107,038)***	*(95,869)*
Of which building rental, maintenance and operating costs	(16,436)	(17,120)
Of which IT costs	(36,558)	(35,451)
Of which advertising and entertainment expenses	(9,131)	(10,690)
Of which other expenses	(44,912)	(32,607)
Write-downs of property, equipment and intangible assets	***(4,004)***	*(3,939)*
Of which of property and equipment	(1,845)	(1,960)
Of which intangible assets	(2,159)	(1,979)
Total	**(206,024)**	(204,697)

Rental and leasing expenses of TEUR 13,891 (2015: TEUR 14,593) are included under other administrative expenses.

Other administrative expenses also include the fees paid to the auditors of the Group companies, which are classified as follows:

€'000	KPMG Austria GmbH	Österreichischer Raiffeisenverband
Audit of the Annual Financial Statements and Consolidated Financial Statements	232	643
Other auditing services	17	177
Other services	241	80
Total	**489**	**900**

2015 €'000	KPMG Austria GmbH	Österreichischer Raiffeisenverband
Audit of the Annual Financial Statements and Consolidated Financial Statements	228	644
Other auditing services	17	141
Other services	138	55
Total	384	840

(8) Other operating profit/(loss)

Other operating profit/(loss) comprises, among others, the income and expenses resulting from the following: nonbanking activities, the bank levy, expenses for damages and actual and uncertain obligations arising from compensation for damages related to potential customer complaints. This position also includes the income and expenses resulting from the disposal of property and equipment and intangible assets. Changes in the value of derivatives recognized through profit or loss in accordance with the rules for hedge accounting are also included here. Other operating profit/(loss) contains revaluation gains and losses on derivative financial instruments that are not held for trading or accounted for as hedging instruments as defined in IAS 39.

€'000	**2016**	**2015**
Effect of hedge accounting	***683***	*(3,432)*
Of which revaluation gains and losses on hedging instruments in fair value hedges	5,907	4,815
Of which revaluation gains and losses on hedged items in fair value hedges	(5,224)	(8,247)
Net gains/(losses) from other derivatives	***10,063***	*10,878*
Of which from interest rate derivatives	9,926	8,891
Of which from currency derivatives	156	1,998
Of which from equity and index contracts	(19)	(11)
Other operating income	***23,577***	*25,472*
Of which income from services and reimbursed costs	8,138	14,840
Of which other items	15,439	10,633
Other operating expenses	***(48,156)***	*(60,095)*
Of which damages and compensation for damages	(5,165)	(24,360)
Of which arising from the solidarity association (Solidaritätsverein)	(2,617)	(1,980)
Of which Bank levy	(25,414)	(25,710)
Of which Resolution fund	(10,288)	(6,616)
Of which other items	(4,672)	(1,429)
Total	**(13,833)**	(27,177)

(9) Profit/(loss) from financial instruments

€'000	2016	2015
Net gains/(losses) on financial instruments designated at fair value through profit or loss	***18,272***	*22,275*
Of which from financial instruments held for trading	17,283	19,970
Of which from financial instruments designated at fair value through profit or loss	989	2,305
Net gains/(losses) on financial instruments classified as available for sale	***98,619***	*141,567*
Of which reclassified from other comprehensive income to profit or loss for the financial year	16,576	63,341
Of which recognized to profit or loss for the financial year	82,043	78,226
Net gains/(losses) on financial instruments classified as held to maturity	***14,533***	*5,341*
Net gains/(losses) on financial instruments classified as loans and receivables	***274,926***	*301,208*
Net gains/(losses) on liabilities measured at cost	***(241,363)***	*(282,433)*
Total	**164,987**	187,958

The net gains/(losses) from each valuation category defined in IFRS 7.20(a) comprise the gains and losses from valuation and sale, interest income and expenses, dividends and other distributions. The revaluation gains and losses on available-for-sale financial instruments which are recorded under other comprehensive income are disclosed in the reconciliation to total comprehensive income.

(10) Income tax

in TEUR	2016	2015
Current income tax	(9,113)	(2,817)
Of which tax contribution	0	(2,809)
Of which current domestic tax	(9,113)	(4)
Of which current foreign tax	0	(4)
Deferred taxes	5,097	(12,169)
Total	**(4,016)**	(14,986)

Detailed information on deferred taxes is presented under note (20) Other assets.

The following reconciliation shows the relationship between profit for the year and actual tax expense:

€'000	2016	2015
Loss/(profit) for the year before tax	***(59,902)***	*80,380*
Theoretical income tax expense based on the domestic tax rate of 25 per cent	14,976	(20,095)
Effect of the lower tax contribution rate 1	495	5,054
Tax reduction based on tax-exempt income from equity investments and other tax-exempt income	26,468	27,018
Increase in taxes based on non-tax deductible expenses	(48,172)	(27,520)
Use of tax loss carryforwards and remeasurement of deferred tax items	4,330	(5,097)
Other	(2,113)	5,654
Actual tax burden	**(4,016)**	(14,986)

* The tax contribution rates agreed defined by the group taxation agreement are lower than the Austrian corporation tax rate. This line item shows the resulting effect on the actual income tax burden.

(11) Segment reporting

Segment reporting is based on internal management performance calculations in the form of a multi-level contribution margin income statement. Income and expenses are allocated on the basis of origin. Income includes net interest income, net fee and commission income, net trading income and other operating profit/(loss). Net interest income is calculated on a market interest rate basis

The interest income from equity is determined on the basis of a theoretical interest rate, allocated to the segments in accordance with regulatory capital requirements and presented under net interest income. The impairment allowances in the credit business include the net new creation of impairment allowances for credit risks and direct write-offs as well as the income from loans and advances previously written off. General administrative expenses include direct and indirect costs. Direct costs (staff costs and other administrative expenses) are the responsibility of the individual business segments, while indirect costs are assigned according to predefined allocation keys.

The segments are presented as independent companies with a separate capital base and profit responsibility.

The basis for the definition of the individual segments is their responsibility for servicing the various customer groups of RLB NÖ-Wien.

The following segments were defined for reporting purposes:

- The Sales Support Segment for Raiffeisen Banking Lower Austria/Personal and Business Banking Customers Vienna covers the Group's retail operations in Vienna.

This segment's target group includes private individuals, small and medium-sized businesses and self-employed persons. The RLB NÖ-Wien branches and offices in Vienna include retail banking branches, offices for high net worth personal banking customers (Private Banking Vienna) and specialized competence centres for trade and business customers.

The offering for personal and business banking customers consists primarily of standardized products like passbook accounts, savings deposits, time deposits, current and salary accounts, personal loans, overdrafts, mortgages and other special purpose loans.

- The Corporate Clients Segment covers business with corporate customers in the Centrope region, the public sector, institutional clients and international operations.

This segment provides traditional credit services for corporate customers, corporate finance (project and investment financing, acquisition financing and property financing), trade and export financing, documentation services and financing for local authorities and financial institutions.

Traditional credit services include working capital, investment and trade financing with a wide variety of financing instruments (e.g. current account loans, cash advances, direct loans, factoring, venture capital).

International Operations and Sales Management – a head office department – is responsible for processing export loans and foreign investments (e.g. export loans from export funds and Oesterreichische Kontrollbank (OeKB) and OeKB equity loans) as well as the structuring and settlement of letters of credit, collections and guarantees for Austrian and international clients. In addition, this department handles relations with correspondent banks (financial institutions) and international corporate customers.

The activities of the Corporate Finance Department cover project and investment financing (specially tailored financing for specific business projects) in the Group's core market and a full range of subsidized credit products. Transactions are also carried out jointly with the European Investment Bank (EIB) and Kreditanstalt für Wiederaufbau (KfW).

- The Financial Markets and Organization Segment is responsible for the Group's treasury activities, above all earnings from the management of the banking book (profit from maturity transformation) and trading book as well as the results of liquidity management.

The Treasury Department manages the Group's positions in on-balance sheet (e.g. money market deposits) and off-balance sheet interest rate- and currency-based products (forwards, futures and options). Included here are interest rate and foreign currency contracts, liquidity management and asset liability management (maturity transformation). This department is also responsible for managing the RLB NÖ-Wien portfolios of bonds, funds and short-term and long-term alternative investments (combinations of securities products and derivatives).

Financial instrument trading is organized centrally and subject to strictly controlled limits. All proprietary trading is reported in this segment, while profit contributions from treasury transactions for customers are allocated to the other segments. The portion of the earnings contribution that exceeds the market price is allocated to the customer segments.

- The Investments Segment includes the banking-related equity investments, in particular the investment in RZB.

This segment consist primarily of the portfolio of equity investments in banks and other financial institutions. It also includes the investment in the RZB Group, which is carried at equity, with its related activities in Central and Eastern Europe. The results from the shares held directly in Raiffeisen Informatik GmbH are also reported here.

- As shown on the organizational chart, the Other Segment includes the directorate general and risk management/finance.

This segment provides various services to support the other segments in their market efforts. The services provided for the Raiffeisenkasse banks within the scope of the Austrian Raiffeisen organization are reported under this segment. Also included here are the income and expenses that could not be allocated to another segment.

The RLB NÖ-Wien Group uses two central management benchmarks:

Return on equity represents the ratio of profit before tax to the average capital employed and shows the return on the capital used by the respective segment.

The cost:income ratio shows the cost efficiency of the individual segments. It is calculated by dividing general administrative expenses by operating profit/(loss) (incl. profit/(loss) from financial investments and associates and excl. impairment losses and impairment allowances).

The RLB NÖ-Wien Group operates primarily in the Centrope region and here, above all, in the greater Vienna area.

2016 €'000	Sales Support Raiffeisen Banks Lower Austria/Personal and Business Banking Customers Vienna	Corporate Customers	Financial Markets	Investments	Other	Total
Net interest income	69,468	122,810	29,246	(44,382)	(3,285)	173,857
Impairment allowance balance	(5,080)	25,355	(164)	(1,994)	(294)	17,823
Net interest income after impairment charges	64,388	148,165	29,082	(46,376)	(3,579)	191,680
Net fee and commission income	39,813	15,351	(8,565)	0	5,686	52,285
Net trading income	2,202	2,237	(7,289)	0	841	(2,009)
Profit/(loss) from investments in entities accounted at equity	0	0	0	(98,692)	0	(98,692)
Profit/(loss) from financial investments	586	1,702	16,372	(1,969)	0	16,691
General administrative expenses	(92,536)	(43,070)	(16,070)	(3,224)	(51,123)	(206,024)
Of which staff costs	(49,121)	(24,643)	(5,851)	(517)	(14,852)	(94,983)
Of which other administrative expenses	(41,566)	(18,037)	(9,002)	(2,664)	(35,768)	(107,037)
Of which amortization	(1,850)	(389)	(1,216)	(44)	(503)	(4,003)
Other operating profit/(loss)	(1,673)	(17,998)	(2,595)	(308)	8,741	(13,833)
Profit/(loss) for the year before tax	**12,780**	**106,387**	**10,935**	**(150,569)**	**(39,434)**	**(59,902)**
Average risk-weighted assets, €m	1,522	6,947	436	1,831	87	10,823
Average allocated equity, €m	151	689	43	129	710	1,722
Return on equity before tax (%)	8.5%	15.4%	25.4%	(116.7)%	(5.6)%	(3.5)%
Cost:income ratio	83.8%	34.7%	59.1%	6.9%	426.6%	64.3%

In the Corporate Clients Segment, other operating profit/(loss) includes the results of damage events.

The Investments Segment includes impairment charges to the profit/(loss) from investments in entities accounted for at equity. Additional information is provided in note (6) Profit/(loss) from investments in entities accounted for at equity.

2015 €'000	Sales Support Raiffeisen Banks Lower Austria/Personal and Business Banking Customers Vienna	Corporate Customers	Financial Markets	Investments	Other	Total
Net interest income	69,085	123,178	39,375	(44,643)	1,064	188,059
Impairment allowance balance	(7,955)	10,541	(654)	0	0	1,932
Net interest income after impairment charges	61,130	133,719	38,721	(44,643)	1,064	189,991
Net fee and commission income	43,821	18,888	(7,189)	0	10,639	66,159
Net trading income	1,645	(10,490)	6,030	0	1,813	(1,002)
Profit/(loss) from investments in entities accounted at equity	0	0	0	689	0	689
Profit/(loss) from financial investments	(471)	773	34,250	17,089	4,776	56,417
General administrative expenses	(86,320)	(40,630)	(13,138)	(2,670)	(61,939)	(204,697)
Of which staff costs	(51,263)	(25,539)	(6,123)	(935)	(21,030)	(104,889)
Of which other administrative expenses	(33,138)	(14,725)	(5,941)	(1,694)	(40,371)	(95,869)
Of which amortization	(1,920)	(366)	(1,074)	(41)	(538)	(3,939)
Other operating profit/(loss)	275	(24,976)	(15,035)	55	12,504	(27,177)
Profit/(loss) for the year before tax	20,080	77,285	43,639	(29,480)	(31,144)	80,380
Average risk-weighted assets, €m	1,716	7,526	507	1,843	186	11,778
Average allocated equity, €m	170	747	50	183	625	1,775
Return on equity before tax (%)	11.8%	10.3%	87.3%	(16.1)%	(5.0)%	4.5%
Cost:income ratio	75.5%	37.8%	22.9%	3.7%	> 100 %	53.5%

* In order to improve the quality of information on operating profit/(loss), an adjustment was made beginning in 2016. The calculation of income for the cost-income ratio no longer includes the valuation results from impairment losses to the carrying amount of investments or reversals and additions to the impairment allowance balances (the prior year was adjusted accordingly).

Details on the Consolidated Balance Sheet

(12) Cash and balances with central banks

€'000	2016	2015
Cash	43,586	45,627
Balances with central banks	341,121	491,044
Total	**384,707**	536,671

(13) Loans and advances to other banks

€'000	2016	2015
Demand deposits	2,078,662	2,553,190
Time deposits	2,855,188	2,991,958
Other loans and advances	1,220,080	1,895,743
Debt instruments	107,536	107,567
Other	0	34,956
Total	**6,261,466**	7,583,415

Loans and advances to other banks are classified by region as follows:

€'000	2016	2015
Austria	5,806,987	7,044,478
Foreign countries	454,479	538,937
Total	**6,261,466**	7,583,415

With the exception of loans and advances hedged against interest rate risk through a fair value hedge, the above loans and advances to other banks are classified as loans and receivables.

(14) Loans and advances to customers

Loans and advances to customers are classified as follows:

€'000	2016	2015
Cash advances	1,090,855	1,280,357
Current accounts	1,076,785	1,224,945
Loans	9,575,712	9,292,210
Debt instruments	74,969	76,815
Other	0	73,726
Total	**11,818,321**	11,948,052

Loans and advances to customers are classified as follows in accordance with the CRR definition:

€'000	2016	2015
Public sector exposures	1,541,110	1,820,398
Retail exposures	1,884,137	1,771,211
Corporate customers	7,008,408	8,356,440
Other	1,384,666	3
Total	**11,818,321**	11,948,052

Loans and advances to customers are classified by region as follows:

€'000	2016	2015
Austria	10,462,856	10,617,784
Foreign countries	1,355,465	1,330,267
Total	**11,818,321**	11,948,052

With the exception of loans and advances hedged against interest rate risk through a fair value hedge, the above loans and advances to customers are classified as loans and receivables.

(15) Impairment allowance balance

€'000	Stand 01.01.2016	Added	Released	Used	Reclassified	Stand 31.12.2016
Individual impairment allowances	*284,261*	*34,502*	*(43,276)*	*(51,707)*	*0*	*223,779*
Loans and advances to other banks	*1,239*	*1,197*	*(100)*	*0*	*0*	*2,336*
Of which in Austria	1,139	1,197	0	0	0	2,336
Of which in foreign countries	100	0	(100)	0	0	0
Loans and advances to customers	*283,022*	*33,304*	*(43,176)*	*(51,707)*	*0*	*221,443*
Of which in Austria	230,396	29,488	(28,761)	(38,796)	0	192,328
Of which in foreign countries	52,626	3,816	(14,416)	(12,912)	0	29,115
Collective impairment allowances to the portfolio	*17,702*	*4,195*	*(2,971)*	*0*	*0*	*18,926*
Loans and advances to other banks	1,100	333	0	0	0	1,432
Loans and advances to customers	16,602	3,862	(2,971)	0	0	17,493
*Impairment allowance balance (loans and advances)**	*301,963*	*38,696*	*(46,247)*	*(51,707)*	*0*	*242,705*
Risks arising from off-balance sheet liabilities **	22,229	7,739	(16,294)	0	762	14,436
Total	324,192	46,435	(62,541)	(51,707)	762	257,140

* Risks arising from the credit business are reported under the impairment allowance balance.
** Risks arising from off-balance sheet obligations are reported under provisions. The reclassifications in 2016 included an allocation correction.

2015 €'000	At 1 January 2015	Added	Released	Used	At 1 January 2016
Individual impairment allowances	*317,812*	*53,666*	*(50,202)*	*(37,015)*	*284,261*
Loans and advances to other banks	*770*	*1,139*	*(670)*	*0*	*1,239*
Of which in Austria	670	1,139	(670)	0	1,139
Of which in foreign countries	100	0	0	0	100
Loans and advances to customers	*317,042*	*52,527*	*(49,532)*	*(37,015)*	*283,022*
Of which in Austria	273,546	42,746	(49,458)	(36,438)	230,396
Of which in foreign countries	43,496	9,781	(74)	(577)	52,626
Collective impairment allowances to the portfolio	*18,949*	*1,118*	*(2,365)*	*0*	*17,702*
Loans and advances to other banks	1,034	66	0	0	1,100
Loans and advances to customers	17,915	1,052	(2,365)	0	16,602
Impairment allowance balance (loans and advances)*	*336,761*	*54,784*	*(52,567)*	*(37,015)*	*301,963*
Risks arising from off-balance sheet liabilities **	31,003	2,718	(5,611)	(5,881)	22,229
Total	367,764	57,502	(58,178)	(42,896)	324,192

* Risks arising from the credit business are reported under the impairment allowance balance.
** Risks arising from off-balance sheet obligations are reported under provisions.

(16) Trading assets

Trading assets include the following held-for-trading securities and derivative financial instruments:

€'000	**2016**	2015
Bonds and other fixed-interest securities	***35,044***	*199,853*
Of which bonds and other securities from other issuers	35,044	199,853
Positive fair values of derivative contracts	***449,950***	*528,427*
Of which interest rate derivatives	437,573	500,671
Of which currency derivatives	12,377	27,742
Of which equity and index derivatives	0	14
Accruals arising from derivatives	***40,438***	*48,809*
Of which interest rate derivatives	40,438	48,809
Total	**525,432**	777,090

(17) Securities and equity investments

€'000	**2016**	**2015**
Bonds and other fixed-interest securities	**3,831,588**	4,317,610
Classified as held to maturity	***211,744***	*347,779*
Of which public-sector debt instruments eligible for rediscounting	130,077	182,080
Of which bonds and other securities from other issuers	81,667	165,700
Classified as available for sale, measured at fair value	***3,273,675***	*3,443,098*
Of which public-sector debt instruments eligible for rediscounting	2,003,885	2,119,370
Of which other debt instruments issued by the public sector	155,403	288,746
Of which bonds and other securities from other issuers	1,114,387	1,034,981
Designated as at fair value through profit or loss	***346,169***	*526,733*
Of which public-sector debt instruments eligible for rediscounting	44,260	45,457
Of which other debt instruments issued by the public sector	9,619	7,895
Of which bonds and other securities from other issuers	292,290	473,382
Shares and other variable-yield securities	**36,399**	40,713
Classified as available for sale, measured at fair value	***28,487***	*28,288*
Designated as at fair value through profit or loss	***7,912***	*12,425*
Of which units in investment funds	3,270	9,201
Of which other variable-yield securities	4,642	3,225
Equity investments	**21,965**	25,868
Classified as available for sale, measured at cost	***21,965***	*25,868*
Of which equity investments in unconsolidated subsidiaries*	5,146	13,786
Of which equity investments in associates and joint ventures not accounted for at equity	9,034	4,365
Of which other equity investments	7,785	7,717
Total	**3,889,952**	4,384,192

* This position includes participation capital of TEUR 277 (2015: TEUR 277) in Raiffeisen-Holding NÖ-Wien.

Securities and equity investments are assigned to the following valuation categories:

€'000	2016	2015
Designated as at fair value through profit or loss	***354,081***	***539,159***
Bonds and other fixed-interest securities	346,169	526,733
Shares and other variable-yield securities	7,912	12,425
Classified as available for sale	***3,324,127***	***3,497,254***
Measured at fair value	3,302,162	3,471,386
Bonds and other fixed-interest securities	3,273,675	3,443,098
Shares and other variable-yield securities	28,487	28,288
Measured at cost	21,965	25,868
Equity investments	21,965	25,868
Classified as held to maturity	***211,744***	***347,779***
Bonds and other fixed-interest securities	211,744	347,779
Total	**3,889,952**	4,384,192

(18) Intangible assets

€'000	2016	2015
Acquisition costs at 1 January	*51,182*	*51,333*
Changes in the scope of consolidation	240	0
Currency translation differences	(225)	0
Additions	4,029	166
Disposals	(2)	(317)
Acquisition costs at 31 December	*55,224*	*51,182*
Depreciation at 1 January	*(47,425)*	*(45,550)*
Changes in the scope of consolidation	(171)	0
Additions to current amortization	(2,1518)	(1,979)
Additions	157	0
Disposals	0	104
Depreciation at 31 December	*(49,598)*	*(47,425)*
Carrying accounts at 1 January	*3,757*	*5,783*
Carrying accounts at 31 December	**5,626**	*3,757*

* This amount includes subsequent changes to purchase or production cost.

Intangible assets consist primarily of software. The elimination of intragroup investments and equity during the consolidation did not result in any goodwill.

(19) Property and equipment

€'000	2016 Land and buildings used by the Group for its own purposes	2015	2016 Investment property	2015	2016 Other property and equipment	2015
Acquisition costs at 1 January	*4,685*	*2,393*	*0*	*0*	*28,572*	*29,462*
Changes in the scope of consolidation	818	0	8,215	0	10,831	0
Currency translation differences	(29)	0	0	0	(7)	0
Additions	0	2,331	0	0	1,633	1,353
Disposals	(5)	(38)	0	0	0	(2,243)
Acquisition costs at 31 December	*5,469*	*4,685*	*8,215*	*0*	*41,029*	*28,572*
Depreciation at 1 January	*(1,948)*	*(1,882)*	*0*	*0*	*(21,363)*	*(21,669)*
Changes in the scope of consolidation	(169)	0	(1,500)	0	(5,813)	0
Additions to current amortization	(161)	(105)	0	0	(1,684)	(1,855)
Additions	0	0	0	0	242	0
Disposals	0	38	0	0	0	2,161
Depreciation at 31 December	*(2,278)*	*(1,948)*	*(1,500)*	*0*	*(28,618)*	*(21,363)*
Carrying accounts at 1 January	*2,736*	*510*	*0*	*0*	*7,210*	*7,793*
Carrying accounts at 31 December	**3,191**	2,736	**6,715**	0	**12,412**	7,210

* This amount includes subsequent changes to purchase or production cost.

Land and buildings used by the Group for its own purposes consist solely of investments (structural adaptations) in properties owned by third parties.

The fair value of the investment property was determined on the basis of an expert appraisal and totalled TEUR 8,576.

Obligations arising from the use of property and equipment not reported on the balance sheet total TEUR 14.773 (2015: TEUR 14,817) for the next financial year and TEUR 72.864 (2015: TEUR 71,977) for the next five financial years.

(20) Other assets

€'000	**2016**	**2015**
Tax receivables	***320***	*1*
Of which current tax receivables	91	1
Of which deferred tax assets	229	0
Positive fair values of derivative hedging instruments in fair value hedges	***447,787***	*373,966*
Of which interest rate derivatives	447,662	373,492
Of which equity and index derivatives	125	474
Positive fair values of derivative financial instruments designated as at fair value through profit or loss	***6,848***	*6,982*
Of which interest rate derivatives	6,848	6,982
Positive fair values of other derivative financial instruments	***298,060***	*341,580*
Of which interest rate derivatives	289,134	333,498
Of which currency derivatives	8,926	8,063
Of which equity and index derivatives	0	19
Interest accruals arising from derivative financial instruments	***114,848***	*143,801*
Of which interest rate derivatives	113,893	143,102
Of which currency derivatives	952	689
Of which equity and index derivatives	3	10
Other assets	***100,328***	*96,303*
Total	**968,191**	962,632

Derivative financial instruments that meet the requirements of IAS 39 for hedge accounting are reported as hedges. The fair value of these derivatives is stated here without accrued interest (clean price).

In accordance with IAS 39, this position also includes the positive fair values of derivative financial instruments that are not held for trading and do not represent a hedging instrument for a fair value hedge or cash flow hedge as defined in IAS 39.

The derivative financial instruments designated as at fair value through profit or loss are measured in the same way as securities, securitized liabilities and subordinated liabilities, i.e. based on the fair value option.

Deferred tax assets

Deferred taxes are classified as follows:

€'000	2016	2015
Deferred tax assets	229	0
Less provisions for deferred taxes	0	0
Net deferred tax assets	**229**	0

The net total of deferred taxes results from the following balance sheet positions:

€'000	2016	2015
Impairment allowance balance	4,731	4,425
Trading assets	8,989	19,387
Property and equipment	4	0
Deposits from other banks	13,710	17,175
Deposits from customers	25,471	21,597
Securitized liabilities	34,580	12,353
Other liabilities	200,408	196,044
Provisions	15,912	11,941
Tier 2 capital	18,004	15,296
Loss carryforwards	145	0
Deferred tax assets	***321,954***	*298,218*
Loans and advances to other banks	4,796	6,778
Loans and advances to customers	15,571	16,156
Securities and equity investments	103,088	82,823
Other assets	183,155	174,216
Other balance sheet items	240	348
Deferred tax liabilities	***306,850***	*280,321*
Impairment of deferred tax assets	***14,875***	*17,897*
Net deferred tax assets	**229**	0

* Temporary differences were presented in greater detail in 2016. The prior year data were adjusted accordingly.

RLB NÖ-Wien recorded tax losses in recent years. In accordance with IAS 12.35, the recognition of deferred tax assets in such cases is only permitted when there is convincing evidence that sufficient taxable profit will be available in the future. Since the forecasts are based on parameters that can be significantly influenced by regulatory framework conditions which are still uncertain at the present time, the Managing Board does not believe the evidence for future taxable profit is sufficiently substantial and the estimated deferred tax assets were not recognized.

Deferred taxes of approximately TEUR 64,552 (2015: TEUR 57,845) were not recognized in the consolidated financial statements for unused tax loss carryforwards and deductible temporary differences because their realization does not appear possible within a reasonable period. In addition, deferred taxes were not recognised on temporary differences of EUR 701 million (2015: EUR 759 million) in accordance with IAS 12.39.

(21) Deposits from other banks

These deposits are classified as follows:

€'000	2016	2015
Demand deposits	3,799,510	3,096,451
Time deposits	2,827,427	5,862,536
Borrowed funds	1,001,266	494,323
Total	**7,628,203**	9,453,310

€'000	2016	2015
Austria	6,865,305	8,515,485
Foreign countries	762,898	937,825
Total	**7,628,203**	9,453,310

With the exception of the deposits that are hedged against interest rate risk through a fair value hedge, the deposits reported here are carried at amortized cost.

(22) Deposits from customers

The following table shows the classification of deposits from customers by product group:

€'000	2016	2015
Sight deposits	5,267,811	5,021,490
Time deposits	818,506	974,916
Savings deposits	1,531,795	1,625,318
Total	**7,618,112**	7,621,724

The deposits from customers are classified as follows based on the CRR definition:

€'000	2016	2015
Public sector exposures	578,027	555,842
Retail exposures	3,982,416	3,772,155
Corporate customers	1,851,146	2,465,497
Other	1,206,523	828,230
Total	**7,618,112**	7,621,724

The regional classification of these deposits is shown below:

€'000	2016	2015
Austria	6,510,353	6,521,071
Foreign countries	1,107,759	1,100,653
Total	**7,618,112**	7,621,724

With the exception of the deposits that are hedged against interest rate risk through a fair value hedge, the deposits reported here are carried at amortized cost.

(23) Securitized liabilities

€'000	2016	2015
Measured at amortized cost	***5,827,385***	*6,220,900*
Issued bonds	4,700,177	5,057,608
Other securitized liabilities	1,127,208	1,163,292
Designated as at fair value through profit or loss	***0***	*13,502*
Issued bonds	0	13,502
Total	5,827,385	6,234,402

The securitized liabilities designated as at fair value through profit or loss are measured in the same way as the interest rate-based derivative financial instruments, i.e. based on the fair value option, to avoid an accounting mismatch and were repaid in 2016. The other liabilities reported under this position are carried at amortized cost, with the exception of liabilities that are hedged against interest rate risk in a fair value hedge. Also included here are securities that are listed on the Vienna Stock Exchange.

(24) Trading liabilities

Trading liabilities comprise the following derivative instruments held for trading purposes:

€'000	2016	2015
Negative fair values of derivative contracts	*457,316*	*530,910*
Of which interest rate derivatives	444,946	504,273
Of which currency derivatives	12,370	26,637
Accruals arising from derivatives	*39,257*	*47,693*
Of which interest rate derivatives	39,257	47,693
Total	496,573	578,604

(25) Other liabilities

€'000	2016	2015
Tax liabilities	*11,648*	*13,154*
Of which current tax liabilities	11,648	13,154
Trade payables (non-banking activities)	*1,766*	*0*
Negative fair values of derivative hedging instruments in fair value hedges	*496,855*	*420,863*
Of which interest rate derivatives	496,855	420,863
Negative fair values of derivative financial instruments designated as at fair value through profit or loss	*21,836*	*27,834*
Of which interest rate derivatives	21,836	27,834
Negative fair values of other derivative financial instruments	*318,114*	*369,305*
Of which interest rate derivatives	317,487	368,268
Of which currency derivatives	627	1,037
Interest accruals arising from derivative financial instruments	*77,096*	*87,462*
Of which interest rate derivatives	76,668	87,162
Of which currency derivatives	428	299
Liabilities which are classified as held for sale and allocated to assets or asset groups	*0*	*6,396*
Other liabilities	*151,594*	*92,982*
Total	1,078,909	1,017,996

Derivative financial instruments are reported as hedging instruments when the requirements of IAS 39 for hedge accounting are met. The fair value of the above derivatives does not include accrued interest (clean price). In accordance with IAS 39, this position also includes the negative fair values of derivative financial instruments that are not held for trading or designated as a hedging instrument for a fair value hedge or a cash flow hedge in accordance with IAS 39. The derivative financial instruments classified at fair value through profit or loss are measured in the same way as securities or securitized and subordinated liabilities, i.e. using the fair value option.

Liabilities attributable to disposal groups which were classified as available for sale in the previous year included provisions related to the shared services project that was implemented in 2016. The goal of this project was to optimize back office processes through the centralization of standardized settlement activities.

(26) Provisions

€'000	2016	2015
Termination benefits	28,118	29,305
Post-employment benefits	31,122	37,182
Jubilee benefits and part-time work by older staff	6,009	6,519
Other	64,531	57,517
Total	**129,780**	130,523

Employee-related provisions

The following tables show the individual parameters for the calculation of the post-employment provision:

2016	Discount rate in the entitlement phase	Discount rate in the benefit phase	Salary increase for active employees	Future pension increases	Turnover discounts
Beneficiary with STATUT, resp. KV6 commitment	1.6%	4.0%	2.0% - 4.5%*	0.0%	0.0%
Other beneficiaries	1.6%	1.6%	2.0% - 4.5%*	2.5%	0.0%

2015	Discount rate in the entitlement phase	Discount rate in the benefit phase	Salary increase for active employees	Future pension increases	Turnover discounts
Beneficiary with STATUT, resp. KV6 commitment	1.9%	4.0%	3.0% - 4.5%*	0.0%	0.0%
Other beneficiaries	1.9%	1.9%	3.0% - 4.5%*	2.5%	0.0%

* Detailed information on the salary increases for active employees: Employees not entitled to automatic periodic raises: 2.0% (2015: 2.5%), employees paid outside the scope of collective agreements: 2.5% (2015: 3.0%); employees paid within the scope of collective agreements: 4.0% (2015: 4.0%), employees paid under a transition collective agreement: 4.5% (2015: 4.5%), Managing Board: individual.

The biometric basis for the calculation of the employer-related provisions is formed by "AVÖ 2008-P-Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler" in the version for salaried employees. The calculation reflects the earliest possible retirement age for men and women. With respect to the provision for part-time work by older staff, the financing period represents the time from the actual commitment to the start of the retirement phase.

Similar to the previous year, the preliminary investment results for 2016 and the related estimates indicate that no subsequent contributions will be required.

The development of the termination benefit obligations is as follows:

€'000	2016	2015
Present value of termination benefits (DBO) at 1 January	29,305	32,222
Service cost	1,261	1,448
Interest cost	402	401
Termination benefit payments	(2,370)	(921)
Net amount transferred	496	(2,798)
Actuarial (gain)/loss for the financial year	(1,214)	(1,047)
Due to experience-based adjustments	(1,326)	(661)
Due to change in demographic assumptions	(42)	27
Due to Change in Financial Assumptions	154	(413)
Changes in the scope of consolidation	238	0
Present value of termination benefits (DBO) at 31 December	**28,118**	29,305

The development of the post-employment obligations is as follows:

€'000	2016	2015
Present value of post-employment benefits (DBO) at 1 January	71,034	74,109
Service cost	1,305	1,444
Interest cost	1,295	1,306
Payments	(2,621)	(2,738)
Net amount transferred	(3,608)	(998)
Actuarial (gain)/loss for the financial year	(4,815)	(2,088)
Due to experience-based adjustments	(2,251)	(1,390)
Due to Change in Financial Assumptions	(2,564)	(699)
Changes in the scope of consolidation	17	(1)
Present value of post-employment benefits (DBO) at 31 December	**62,607**	71,034

The following table shows the development of plan assets:

€'000	2016	2015
Fair value of the plan assets at 1 January	33,852	34,493
Expected return on the plan assets	617	617
Contributions to plan assets	1,155	1,262
Taxes and costs for employer contributions	(44)	(73)
Retirement benefits paid from plan assets	(993)	(990)
Net amount transferred	(3,363)	(1,167)
Actuarial gain/(loss) for the financial year	265	(290)
Due to experience-based adjustments	265	(290)
Other changes and adjustments	(4)	0
Fair value of the plan assets at 31 December	**31,485**	33,852

Reconciliation of the present value of the post-employment obligations and the fair value of the plan assets to recognized provisions:

€'000	2016	2015
Present value of post-employment benefits (DBO) at 31 December	62,607	71,034
Fair value of the plan assets at 31 December	31,485	33,852
Net obligation (as per balance sheet on 31.12.)	**31,122**	37,182

Classification of the post-employment obligations by category of beneficiary:

€'000	2016	2015
Present value of post-employment benefits (DBO) at 31 December	62,607	71,034
Of which obligations to active eligible employees	20,509	23,513
Of which obligations to former eligible employees	0	2,506
Of which obligations to retirees	42,097	45,015

The structure of the plan assets is as follows:

in %	2016	2015
Bonds and other fixed-interest securities	43.47	49.73
Shares and other variable-yield securities	33.74	23.34
Property	4.24	3.90
Other	18.55	23.03
Total	**100.00**	100.00

€'000	Active market		No active market	
	2016	2015	2016	2015
Bonds and other fixed-interest securities	15,019	17,637	1,018	1,127
Shares and other variable-yield securities	11,291	9,238	37	17
Property	0	0	1,295	1,236
Other	0	0	2,824	4,597
Total	**26,310**	26,875	**5,174**	6,977

In 2016 the plan assets included TEUR 0 of financial instruments issued by RLB NÖ-Wien (2015: TEUR 279).

The following sensitivity analysis for the post-employment and termination benefit obligations shows the effect on the present value of the defined benefit obligation (DBO) caused by a change in the major actuarial assumptions. For these calculations, one major measurement parameter was changed at a time while the other parameters were left unchanged ("ceteris paribus"). Correlations between the parameters were not taken into account.

Financial year 2016	**Change in the parameter**	**Effect on DBO**	**Change in the parameter**	**Effect on DBO**
Provisions for post-employment benefits				
Discount rate	0.75%	(9.92)%	(0.75)%	11.77%
Retirement age	1 year	(0.79)%	(1) year	0.79%
Assumption for increase in the entitlement phase	0.25%	0.68%	(0.25)%	(0.66)%
Assumption for increase in current benefits	0.25%	3.01%	(0.25)%	(2.88)%
Remaining life expectancy	1 year	3.95%	(1) year	(4.12)%
Provisions for termination benefits				
Discount rate	0.75%	(6.25)%	(0.75)%	6.93%
Retirement age	1 year	(0.08)%	(1) year	0.60%
Assumption for increase in the entitlement phase	0.25%	2.17%	(0.25)%	(2.11)%
Turnover	1.00%	(4.34)%	(1.00)%	1.36%

Financial year 2015	**Change in the parameter**	**Effect on DBO**	**Change in the parameter**	**Effect on DBO**
Provisions for post-employment benefits				
Discount rate	0.75%	(10.57)%	(0.75)%	12.66%
Retirement age	1 year	(0.72)%	1 year	0.73%
Assumption for increase in the entitlement phase	0.25%	0.80%	(0.25)%	(0.78)%
Assumption for increase in current benefits	0.25%	3.13%	(0.25)%	(3.00)%
Remaining life expectancy	1 year	3.99%	1 year	(4.16)%
Provisions for termination benefits				
Discount rate	0.75%	(6.61)%	(0.75)%	7.38%
Retirement age	1 year	(0.15)%	1 year	0.64%
Assumption for increase in the entitlement phase	0.25%	2.31%	(0.25)%	(2.24)%
Turnover	1.00%	(4.59)%	(1.00)%	1.59%

The weighted remaining term of the obligations is as follows:

in years	2016	2015
Termination benefits	8.8	9.3
Post-employment benefits	12.4	13.2

The following table shows the changes in the provisions for jubilee benefits and part-time work by older staff:

€'000	2016	2015
Present value of obligations (DBO) at 1 January	6,519	6,596
Obligations transferred without recognition through profit or loss	7	(14)
Service cost	537	974
Interest cost	89	81
Payments	(796)	(660)
Actuarial (gain)/loss for the financial year	(359)	(457)
Changes in the scope of consolidation	12	0
Present value of obligations (DBO) at 31 December	**6,009**	6,519

Estimate of the amounts that will be paid into the plan in the following year (adjusted for the amount of payments from plan assets):

€'000	2017
Post-employment benefits	(6)

The expenses for defined contribution plans are classified as follows:

€'000	2016	2015
Expenditure on defined contribution plans	**1,688**	1,690
Of which on defined contribution plans (pension fund)	1,074	1,086
Of which on staff benefit fund ("Mitarbeitervorsorgekasse")	614	603

(27) Other provisions

The other provisions changed as follows:

€'000	2016	2015
Other provisions at 1 January	57,517	68,693
Changes in the scope of consolidation	808	0
Added	30,567	15,509
Used	(7,833)	(10,903)
Released	(16,527)	(12,152)
Reclassification to held for sale, liabilities allocated to disposal groups	0	(3,630)
Other provisions at 31 December	**64,531**	57,517

The other provisions represent provisions for guarantees and credit commitments of TEUR 14.436 (2015: TEUR 22,229), provisions for restructuring costs of TEUR 0 (2015: TEUR 658) and provisions for damages and uncertain obligations arising from compensation for damages of TEUR 18.653 (2015: TEUR 23,042), which could result from customer complaints or from pending legal proceedings.

(28) Tier 2 capital

€'000	2016	2015
Measured at amortized cost	881,868	906,823
Designated as at fair value through profit or loss	50,908	48,727
Total	**932,776**	955,551

Tier 2 capital is classified at fair value through profit or loss when this designation prevents or substantially reduces accounting mismatches.

This applies to Tier 2 capital that is measured in the same way as interest rate-based derivative financial instruments, i.e. using the fair value option. Of the total changes in the fair value of these liabilities TEUR -435 are related to changes in the default risk during 2016 (2015: TEUR -146). The comparable cumulative amount is TEUR 699 (2015: TEUR 1,119). The carrying amount of these liabilities is TEUR 4,413 (2015: TEUR 6,588) lower than the contractually agreed repayment amount. With the exception of the liabilities hedged against interest rate risks in a fair value hedge, the other liabilities included in this position are measured at amortized cost.

Tier 2 capital comprises 26 bonds (incl. 24 Tier 2 capital bonds as defined in Part 2 Section I Chapter 4 of the CRR) and four promissory note loans that were issued in euros. The terms of the bonds range from seven to 19 years, and the terms of the promissory note loans from nine to 19 years.

The following bonds held by RLB NÖ-Wien exceed 10% of the total amount of the above-mentioned Tier 2 capital:

	Currency	Amount in €'000	Interest rate	Maturing on	Special cancellation rights
Subordinated bonds 2013(2023) issued by RLB NÖ-Wien	EUR	300,000	5.875%	27/11/2023	No

(29) Equity

€'000	2016	2015
Attributable to equity holders of the parent	***1,693,022***	***1,750,517***
Subscribed capital	219,789	214,520
Participation capital	0	76,500
Capital reserves	556,849	432,688
Retained earnings	980,302	961,414
Net profit for the year	(63,919)	65,394
Non-controlling interests	***24***	***0***
Total	**1,693,046**	**1,750,517**

A resolution passed by the Annual General Meeting on 12 August 2016 authorized the Managing Board, with the consent of the Supervisory Board, to increase share capital by up to EUR 25,000 by 3 May 2018 through the issue of up to 250,000 new registered shares in exchange for cash or contributions in kind. In 2008, RLB NÖ-Wien issued 765,000 registered participation certificates pursuant to § 23 (3) no. 8. in connection with (4) and (5) of the Austrian Banking Act (in the version published in Federal Gazette BGBL I 2013/184). One participation certificate represents a nominal value of EUR 100.00. The 765,000 participation certificates in RLB NÖ-Wien which were held by Raiffeisen-Holding NÖ-Wien as of 31 December 2015 were withdrawn by RLB NÖ-Wien as of 21 September 2016. The withdrawal of this participation capital was recognised as a reduction of retained earnings in accordance with § 26b (8) of the Austrian Banking Act. In addition, TEUR 23,751 were reclassified to unappropriated capital reserves. The withdrawal of this participation capital was followed by the subsequent issue of 52,691 registered shares with a nominal value of TEUR 5,269 n. A resolution passed by the Annual General Meeting on 8 May 2015 authorized the Managing Board, with the consent of the Supervisory Board, to issue special dividend rights as defined in § 174 (3) of the Austrian Stock Corporation Act through the issue of CET1 instruments in accordance with Art. 28 CRR. This authorization is valid for five years beginning on the date the resolution was passed and covers a total volume of up to EUR 30 million in one or more tranches. This authorization has not been utilized to date.

The capital management of the RLB NÖ-Wien Group represents an important part of medium-term planning, which is regularly reviewed and updated. Its goal is to ensure compliance with all legal and regulatory requirements at all times in accordance with the development of business and the protection of an appropriate buffer. The definition of capital is based on the applicable regulatory requirements. In accordance with § 39a of the Austrian Banking Act, the legal due diligence obligations of financial institutions include maintaining a capital base that guarantees protection for all major banking transactions and banking risks (also see the comments on overall bank management – risk capacity in note (30) Risks arising from financial instruments (Risk Report)). The capital indicators of RBG NÖ-Wien were optimized by the IPS (Institutional Protection Scheme) in the sense of Art. 49 (3) and 113 (79) of the CRR. The legal minimum requirements for capital defined by the Austrian Banking Act were met by Raiffeisen-Holding NÖ-Wien at all times during the 2016 financial year at both the bank level and the credit institution group level of Raiffeisen-Holding NÖ-Wien.

RLB NÖ-Wien is part of the credit institution group of Raiffeisen-Holding NÖ-Wien which, as the ultimate parent company, is responsible for compliance with regulatory requirements at the credit institution group level. The central management of the regulatory capital requirements for the credit institution group therefore take place primarily at the level of the credit institution group, i.e. in Raiffeisen-Holding NÖ-Wien. RLB NÖ-Wien defines the requirements for its capital management based on the management circumstances of the credit institution group.

Notes on Financial Instruments

(30) Risks arising from financial instruments (Risk Report)

The following section explains the disclosures on the nature and extent of risks arising from financial instruments as required by IFRS 7.B6:

Risk policy

The volatile economic environment in recent years has increased the importance of overall bank risk management, above all the capability of a credit institution to identify, measure, monitor and manage all material risks on a timely basis. RLB NÖ-Wien therefore views risk management as an active corporate function and an integral part of overall bank management. The focus lies primarily on the optimization of risks and earnings (returns) to manage opportunities and risks.

Risk management at RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien is based on the Group's perspective and is guaranteed by joining the risk management lines in both institutions together to create a single integrated Group risk management framework.

This integrated risk management organisation is characterized by the assignment of the related responsibilities to a single Managing Board member and director for both companies and by the creation of departments that service both companies. Accordingly, an Overall Bank/Group Risk Management Department and a subordinate Overall Group Risk/Overall Bank Risk Department were installed in Raiffeisen-Holding NÖ-Wien and RLB NÖ-Wien. A further substantial step to ensure the consistency of risk management was taken with the merger of the committee structures.

The risk management units and the Managing Board level are separated organizationally from the front office units to ensure independent, effective risk management. The basis for the integrated risk management of the financial institution group, and therefore also for the individual institutions, is formed by the risk policy defined by the management of Raiffeisen-Holding NÖ-Wien and the Managing Board of RLB NÖ-Wien together with the accompanying strategies.

This risk policy includes, among others, the following elements:

- Principles of risk management, risk strategy and risk appetite
- Risk systems and models to identify, record and quantify risks
- Limits for all relevant risks
- Procedures to monitor risks

Disclosure

The disclosures required by Art. 431ff. of the CRR are provided on the homepage of Raiffeisen-Holding NÖ-Wien (www.rhnoew.at/eBusiness).

Risk management

RLB NÖ-Wien uses conventional risk management and controlling methods to safeguard the bank's profitability and security in the interest of its customers and owners. The Managing Board of RLB NÖ-Wien and the management of Raiffeisen-Holding NÖ-Wien are supported by the independent Risk Management Overall Bank/Group Department and by various committees in performing their risk-related duties.

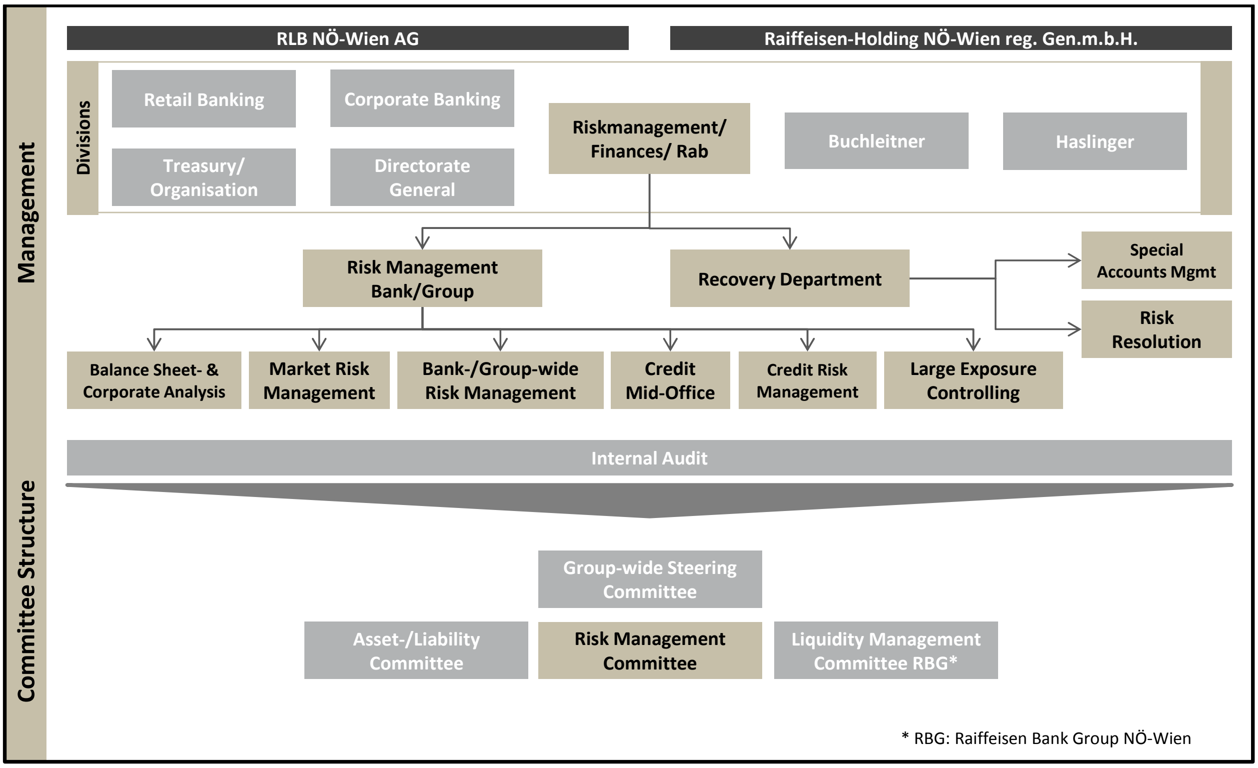
The goal of the Overall Bank Management Committee of the Raiffeisen-Holding financial institution group is to ensure the optimal management of the Group as well as RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien as individual institutions and RBG NÖ-Wien (with respect to liquidity). This goal is met through the regular, institutionalized, systematic and measure-oriented analysis of profitability, capital, liquidity and risk. This cross-institutional committee includes the management of Raiffeisen-Holding NÖ-Wien and the Managing Board of RLB NÖ-Wien. The heads of the Risk Management Overall Bank/Group, Finance, Overall Bank Management/Finance and Treasury Departments are also involved as required. The Overall Bank Management Committee meets once each quarter.

A Group-wide Risk Committee was installed by the Raiffeisen-Holding financial institution group as an addition to the Overall Bank Management Committee. This Risk Committee communicates the risk situation and the decisions taken by the Overall Bank Management Committee to the heads of the Front Office, Rehabilitation and Restructuring and Internal and Group Audit Departments. In addition, the Risk Committee is responsible for risk management. The committee therefore represents a key element of the bank's overall management and control. Market, liquidity and credit spread risks are reported to and managed by a separate committee in the Raiffeisen Holding financial institution group, the asset/liability committee.

In accordance with the legal requirements of the Austrian Banking Act and CRR regulations as well as the Credit Institution Risk Management Directive issued by the Austrian Financial Market Authority ("Kreditinstitut-Risikomanagement Verordnung", KI-RMV), the financial institution group - and therefore also both institutions - have set a goal to safeguard the bank's profitability and security in the interest of its customers and owners through the use of efficient risk management and controlling methods.

Risk management in the Raiffeisen-Holding NÖ-Wien Group relies on the regular analysis of risk capacity as the basis for integrated management (in the sense of linking the management of earnings and risk in all business segments). All relevant risks are strategically optimized and quantified in line with capital and the use of appropriate limit systems. The financial institution group has oriented its organization and processes on the requirements of the Internal Capital Adequacy Assessment Process (ICAAP). RLB NÖ-Wien calculates its regulatory capital requirements based on the standard approach defined by Art. 111 CRR.

The organizational structure of the risk management units in the Risk Management and Finance Division is shown below:



The Risk Management Overall Bank/Group Department and its supporting units (see the above graph) are integrated in the Risk Management/Finance Segment and report directly to the responsible member of the Managing Board. This structure ensures that the Risk Management Overall Bank/Group Department remains independent of the front office units.

Risk analyses are prepared by the responsible units in the head office departments within the scope of the internal risk controlling process. The Risk Management Overall Bank/Group Department is responsible for aggregated risk analyses in the following areas: credit, market, credit spread, liquidity and equity investments as well as operational, macroeconomic and other risks. The second organizational level in the risk process is formed by the Rehabilitation and Restructuring Department with the Special Workout and Risk Administration Units, which also report to the Managing Board member responsible for Risk Management and Finance.

The bank's risk appetite is defined by the overall bank risk limits set by the Managing Board. The Overall Bank Risk/ Overall Group Risk Department continuously monitors risks and adherence to limits at the overall bank level on the basis of the risk capacity analysis.

The ICAAP Manual (Internal Capital Adequacy Assessment Process) of the Raiffeisen-Holding NÖ-Wien Group defines and describes the duties, organizational units, committees, reports, procedures and methods used for the identification, recording, quantification, monitoring and limitation of the relevant risks in the risk management process. This information is updated annually by the Overall Bank Risk/Overall Group Risk Department and approved by the Managing Board of RLB NÖ-Wien and the management of Raiffeisen-Holding NÖ-Wien. All risks to which the credit institution group is exposed are analyzed and assessed for their relevance as part of a risk assessment-process and transferred to a Group-wide risk map. The resulting risk map is part of the ICAAP Manual. This procedure guarantees a coordinated process for identifying, measuring, limiting, reporting and documenting risks and creates a uniform understanding of the risk situation in the Raiffeisen-Holding NÖ-Wien Group.

The Internal Audit Department of RLB NÖ-Wien and the Internal and Group Audit Department of Raiffeisen-Holding NÖ-Wien review the effectiveness of the internal control system and working procedures, processes and the related internal controls at RLB NÖ-Wien as an integral part of the risk controlling and risk management system.

Management of overall bank risk – risk capacity

The central analysis of the bank's overall risk situation, including all relevant risks, takes place in the form of a risk capacity analysis that is the responsibility of the Overall Bank Risk/Overall Group Risk Department. The coverage potential and risks are presented in two scenarios: a going concern scenario (extreme case: confidence interval of 95%) which is based on the assumption that the company's continued existence is guaranteed; and a gone concern scenario (liquidation) based on regulatory requirements which has a confidence level of 99.9% and guarantees that sufficient capital would be available to protect creditors after the deduction of all risks. This scenario also represents the management scenario for RLB NÖ-Wien. The risk capacity analysis has been based on IFRS values since 31 March 2016 (2015: based on the Austrian Commercial Code). This change reduced the confidence level in the extreme case scenario from 99% to 95%, but also resulted in harmonization with the deposit security early warning system used by Raiffeisen sector.

In keeping with the business strategy of RLB NÖ-Wien, the following risks are defined as material:

- Credit risk
- Credit value adjustment (CVA) risk
- investment risk
- Market risk
- Credit spread risks
- Liquidity risk
- Operational risks
- Macroeconomic risks
- Other risks

The CVA risk was added to the risk analysis as a separate category in 2016. A methodical approach is used to calculate the CVA risk for the respective confidence levels based on the positive expected exposures. The calculation is performed with a separate tool (Sungard Adaptiv Analytics). The risk analysis and the usage analysis of the related limit system (risk appetite) also represent an information and decision tool for the Managing Board on issues involving the management of risk activities to protect the going concern status and to optimally utilize earnings potential. In this way the risk analysis creates a quantitative summary of the risk appetite, which is derived from risk policy by limiting risk activities to an appropriate level for the bank.

The central activities of overall risk management not only include risk capacity analyses, but also stress tests, scenario analyses and capital planning and allocation.

RLB NÖ-Wien carries out the following stress tests as part of its regular stress evaluation programme:

- Integrated overall bank stress test
- Credit risk stress test
- Market risk stress test
- Liquidity risk stress test
- Reverse stress test

The goal of stress tests is to develop a forward-looking view of risk management, strategic planning and capital planning. Stress tests quantify the effects of possible future shocks and extreme events, and thereby analyze the institute's vulnerability. Through its forward-looking perspective, the stress test serves as an early warning indicator and is therefore suitable for the proactive management of risks.

The Austrian Act on the Reorganization and Resolution of Banks ("Bundesgesetz über die Sanierung und Abwicklung von Banken", BaSAG) requires financial institutions to prepare and regularly update a recovery plan. The Raiffeisen-Holding NÖ-Wien Group met this requirement by preparing a recovery plan in 2014 and substantially expanding it in 2015 and 2016. The plan covers the Raiffeisen-Holding NÖ-Wien Group in total as well as RLB NÖ-Wien as the most important sub-institution.

In agreement with the EBA Guideline (EBA GL) 2014-06 on the range of scenarios to be used in recovery plans, the preparation of this plan also involved a macroeconomic stress test that covered the entire bank. This stress test evaluated the effectiveness and feasibility of the various restructuring options and the appropriateness of the early warning and recovery indicator sets. The Raiffeisen-Holding NÖ-Wien Group selected a set of four stress scenarios which cover two speeds and three forms (fast/slow and idiosyncratic/systemic/combined).

The early warning and recovery indicators included in the recovery plan are designed to identify a potential crisis at an early point in time and allow for the implementation of appropriate measures (see EBA GL 2015-02 Guidelines on the minimum list of qualitative and quantitative recovery plan indicators). The recovery plan developed by the financial institution group includes an extensive set of measures which would take effect to restore financial stability.

The Group-wide Risk Committee is responsible for the monitoring of the early warning and recovery indicators.

Raiffeisen-Holding NÖ-Wien-Group was again reviewed under the ECB's Supervisory Review and Evaluation Process (SREP) in 2016, based on the methodology defined by the EBA GL 2014/13 for the euro zone. This review covered the monitoring of key indicators and the analysis of the business model as well as an evaluation of internal governance, institutional controls and capital, liquidity and financial risks. An official decision on 8 December 2016 defined an adjusted P2R (Pillar 2 Requirements) and P2G (Pillar 2 Guidance) for the Raiffeisen-Holding NÖ-Wien Group for the first time.

Credit risk

RLB NÖ-Wien defines credit risk as the risk that a borrower might only make contractually required payments in part or not at all.

The largest risk category for RLB NÖ-Wien is formed by the credit risks arising from loans and advances to other banks, corporate customers, provinces and personal and business banking customers. Credit risk covers the results of traditional lending operations (losses through loan defaults and the resulting loan management due to a decline in creditworthiness) as well as the risks arising from trading in and acquiring market risk instruments (counterparty default risk on derivatives).

Credit risk also includes the country or transfer risk caused by distressed sovereign states and the counterparty risk arising from derivative transactions. Country and transfer risk involves the inability of a debtor to discharge an obligation because of a country's sovereign actions. Transfer risk also includes the risk that a distressed country's debt might be rescheduled (i.e. deferred for several years) under an intergovernmental agreement. This risk is limited separately.

RLB NÖ-Wien controls counterparty risk through individual limits and incorporates these risks in credit risk measurement and management. The risk arising from these transactions is minimized with offsetting procedures (offsetting of receivables and liabilities) and collateral agreements (exchange of collateral).

In keeping with the risk policy, risk strategy and risk capacity of RLB NÖ-Wien (including all related risks), economic capital is allocated to the individual types of risk. Economic capital therefore represents the capital required to cover the respective risks based on the defined risk appetite of RLB NÖ-Wien. Economic capital is restricted to the risk category level, while credit risk involves limits and management at the business segment level. Concentration risks in the credit business are minimized by a detailed line and limit system.

The strategic credit management process covers the formulation and implementation of appropriate risk-related strategic goals and measures by the Managing Board. This represents an integral part of the company and segment strategies and is integrated with all (sub-)strategies. The process also defines which segments are authorized to make loans and which products can be used for this purpose.

Credit risk is the most important category of risk for RLB NÖ-Wien. The risk management process includes accompanying support by the Risk Management Overall Bank/Group Department during the approval process and the term of the loan. This support is provided by the Credit Mid-Office, Credit Risk Management, Balance Sheet and Enterprise Analysis Departments and, for customer commitments requiring special assistance, by the Rehabilitation and Restructuring Department through its Special Workout and Risk Administration Departments. The primary responsibilities of the Risk Management Department include support and control during the initial evaluation, assessment and management of credit risk as well as reorganization and restructuring and, under certain circumstances, the liquidation of problem loans.

The credit risk to which RLB NÖ-Wien is exposed is monitored and analyzed at both the individual customer loan and portfolio level. Credit risk management and credit decisions are based on the strategic principles approved by the Managing Board of RLB NÖ-Wien, which cover credit checks, the evaluation of sub-risks (including country risk, special consideration of banking risk), collateral and risk/return requirements.

The counterparty default risks arising from derivative transactions are accounted for through a credit value adjustment (CVA) which represents the costs for hedging this risk on the market.

RLB NÖ-Wien has installed an extensive credit limit system at the overall bank level and at the individual bank, country and corporate customer level. The evaluation of individual commitments is also designed to ensure that the bank's approval ceilings remain below regulatory limits. This means commitments greater than or equal to 7.5% of total capital must be submitted to the Supervisory Board for approval, even though this is not required by law.

The risk content of a commitment is recorded in an extensive rating system which includes various models for the different customer segments. For the risk assessment process, all customers are assigned to nine active credit classes based on these rating and scoring models. Default cases are classified in three classes according to the provisions of CRR/CRD IV. RLB NÖ-Wien validates all rating systems at least once each year and implements performance improvement measures where necessary. New rating systems are developed by means of statistical methods and only used after extensive initial validation. The rating systems include quantitative factors from the financial statements as well as qualitative factors (soft facts). A number of the rating/scoring systems also have automated components that deal with performance patterns.

The rating systems classify customers in nine active credit classes (0.5 risk-free – 4.5 high risk of non-performance). The default probabilities for the individual customers are mapped onto the nine steps of each rating model. Consequently, the ratings of the various customer groups are not comparable with regard to their risk content. A project to develop a master scale is currently in progress. In addition to the nine rating classes for active customers, there are three default cases (5.0-5.2). The assignment to a particular class is based on the degree or severity of the default. Rating class 5.0 includes all default cases that are 90 days overdue; class 5.1 consists primarily of customer loans which have been adjusted through individual impairment charges; and class 5.2 represents insolvency cases. Customers may be reassigned from one default class to another. All customers are assigned to a default class starting with the first euro individual impairment charge. All loans and advances (with the exception of derivatives and positions measured at fair value) in the active credit classes are included in the portfolio impairment test as required by IAS 39. Both an individual impairment charge and a portfolio-based impairment charge are not recognized to the same receivable.

The credit process and the involvement of experts from the Risk Management Overall Bank und Market Services Assets/Liabilities Departments cover all necessary monitoring measures that are directly or indirectly integrated in the related work processes. As part of the credit risk management process, the analysis of risky loans includes the pre-approval involvement of the Credit Risk Management Department and the Balance Sheet and Enterprise Management Department. The special reviews of banks and exposures involving country risk remain the responsibility of the Country and Bank Analysis Unit, which is integrated in the Credit Risk Management Department.

In addition to the determination of internal ratings during the loan approval process, all collateral received is appraised and checked according to a special assessment catalogue that includes defined risk discounts. This catalogue is regularly reviewed and updated. Collateral is recorded in a separate data management system and reassessed on a regular basis. A central collateral management group, which was established within the Credit Risk Management Department, is responsible for preparing and monitoring valuation guidelines and processes. Mortgage-backed collateral is appraised by specially trained staff members or certified external appraisers. Collateral management in connection with derivative transactions is carried out on a daily basis by the Financial Services Department.

RLB NÖ-Wien uses an early warning system which defines the criteria under which a commitment must be placed under detailed supervision because of its risk content. Early warning in connection with loans is understood, above all, to mean the handling and special monitoring of credit transactions with a negative change in the risk assessment as the result of specific circumstances, but does not include classification as non-performing. The goal is to quickly identify problem exposures in order to introduce suitable measures as early as possible. The Risk Management Department prepares a quarterly report for the Managing Board on the loan portfolio that is under detailed management, which also shows the changes in its composition.

The periodic updating of ratings and the evaluation of collateral also include the regular recognition of any necessary impairment allowances. Impairment losses are recognized to loans that are expected to become uncollectible, taking any collateral received into account, and provisions are created for off-balance sheet receivables. In identifying and calculating impairment losses, RLB NÖ-Wien follows the requirements defined by IAS 39.58ff. The discounted cash flow (DCF) method is used to calculate all material credit receivables. The receivables not reduced through impairment losses are included in the calculation of the portfolio impairment allowances. The risk parameters used in the calculation are validated at least once each year.

RLB NÖ-Wien uses a default database to identify default cases and to manage loans. All default cases are documented in this database, which also records the related costs and incoming payments. RLB NÖ-Wien applies the CRR definition of default in full, whereby all loans and advances to a customer are considered involved (customer point of view). The information in this database represents an important factor for the calculation and validation of risk parameters (PDs and LGDs). Special crisis cases are handled and settled as required by designated problem loan committees.

The Credit Mid-Office Department is responsible for credit risk controlling and prepares regular reports and ad-hoc analyses for this purpose. These reports provide different scenarios for the transactions exposed to credit risk. In addition to the portfolio data, the credit risk reports also show the changes in the portfolio and, together with the results of the risk capacity analysis, form the basis for appropriate management impulses and measures.

The measurement of credit risk includes both expected and unexpected losses. The expected loss is calculated with validated risk parameters and forms the basis for the standard risk costs used in pre-calculations and follow-up calculations (management performance calculations). This procedure ensures that pricing is in line with the respective risks.

The unexpected loss (economic capital) arising from credit risk is measured and managed at the overall portfolio level using an internal portfolio model. RLB NÖ-Wien calculates its credit value at risk with a market valuation model, whereby the distribution of losses is generated by a Monte Carlo simulation. The risk parameters are consistent with the calculation of the expected losses. The resulting credit value at risk flows into the bank's risk capacity analysis for the extreme case and liquidation scenarios (95% and 99.9% confidence level, respectively). In connection with risk capacity, RLB NÖ-Wien bases its credit value at risk calculations on a horizon of one year. The standard calculations for unexpected losses are supplemented by the calculation and review of sensitivity analyses and stress scenarios. Internal models are used to analyze and simulate changes in macroeconomic factors with respect to their influence on the risk parameters.

The credit exposure presented below was derived from the following balance sheet items:

- Cash and balances with the central bank
- Loans and advances to other banks
- Loans and advances to customers
- Trading assets
- Securities and equity investments
- Other assets
- Contingent liabilities
- Credit commitments

The credit exposure represents the gross amount, excluding impairment allowances or collateral and therefore equals the maximum value of the receivables. It includes both on-balance sheet and off-balance sheet credit exposures before the application of weighting factors. This definition also forms the basis for the following tables in the risk report – unless expressly indicated otherwise.

The following table reconciles the balance sheet positions to the credit exposure:

€´000 Balance sheet items	2016 Balance sheet items	2016 Credit exposure	2015 Balance sheet items	2015 Credit exposure
Cash and balances with the central bank	384,707	341,121	536,671	491,044
Loans and advances to other banks	6,261,466	6,261,466	7,583,415	7,583,415
Loans and advances to customers	11,818,321	11,818,321	11,948,052	11,948,052
Trading assets	525,432	525,432	777,090	777,090
Financial assets (securities)	3,889,952	3,867,750	4,384,192	4,358,324
Intangible assets	5,627	0	3,757	0
Other assets	968,191	867,542	962,632	865,826
Contingent liabilities	881,518	892,796	930,201	948,863
Credit commitments	4,804,566	4,807,725	4,862,788	4,866,355
Total	**29,539,779**	**29,382,153**	**31,988,796**	**31,838,967**

Off-balance sheet credit exposures are presented at their gross amount (i.e. before the deduction of provisions) in contrast to note (40) Contingent liabilities.

The detailed analysis of the credit portfolio takes place through a classification in rating levels, whereby a separate customer rating is prepared for each category of receivables. Centrally validated, internal risk classification processes (rating and scoring models) are used to determine the credit rating. The default probability for the various rating levels is determined separately for each business segment. Therefore, the probabilities assigned to the same rating classification in the various business segments (e.g. 1.5 for corporate customers, 1.5 for credit institutions and 1.5 for sovereign entities) are not directly comparable. The classification of receivables in the following tables reflects the CRR logic and divides the credit portfolio into the following groups: Corporates (corporate customers), Retail (personal banking customers, small and medium-sized businesses), Banks and Sovereigns (states and public institutions).

Credit portfolio – Corporates

The corporate customer portfolio is rated by means of a corporate customer rating model which includes both quantitative and qualitative factors. This rating model has a statistical base and is validated at least once each year. In order to better differentiate the risk content of the customer group, the rating model for SMEs was modified slightly according to the size of the customer. Project financing is also integrated in the corporate customer segment. Separate project rating is used for these customers, but the ratings are also mapped to the default probability of the corporate customers.

The following tables shows the credit exposure for corporate customers according to the nine performing rating classes 0.5 - 4.5, respectively the three default classes. Collateral is presented after internal haircuts:

€´000 Internal rating		2016	in %	Collateral	Item-by-item allowances for impairment	2015	in %	Collateral	Item-by-item allowances for impairment
0.5	Minimal Risk	27,627	0.2	15,336	0	0	0.0	0	0
1	Excellent credit standing	1,741,523	13.4	374,858	0	1,752,453	13.2	348,749	0
1.5	Very good credit standing	2,498,116	19.3	1,183,312	0	3,390,813	25.5	1,266,268	0
2	Good credit standing	4,001,894	30.9	1,506,979	0	4,314,440	32.5	1,425,292	0
2.5	Average credit standing	2,581,757	19.9	1,279,838	0	2,230,351	16.8	1,267,195	0
3	Mediocre credit standing	1,325,911	10.2	783,710	0	758,367	5.7	460,414	0
3.5	Weak credit standing	300,372	2.3	235,678	0	205,976	1.6	171,293	0
4	Very weak credit standing	144,881	1.1	138,128	0	155,204	1.2	143,340	0
4.5	Doubtful/high default risk	33,436	0.3	31,103	0	42,407	0.3	37,626	0
5	Default	846	0.0	0	0	4,010	0.0	3,884	0
5.1	Default	200,606	1.5	78,479	85,895	328,744	2.5	104,032	156,814
5.2	Default	59,257	0.5	3,912	51,513	66,941	0.5	8,816	56,960
	Unrated	33,810	0.3	505	0	37,938	0.3	29,064	0
	Total	**12,950,036**	**100.0**	**5,631,837**	**137,408**	13,287,644	100.0	5,265,974	213,773

The impairment allowances shown in the above table include only the individual impairment losses recognized to non-performing exposures (NPE). In addition to these individual impairment losses, an overall portfolio impairment allowance for the performing portfolio corporates has been prepared since 2015. This impairment allowance equalled TEUR 18,346 as of 31 December 2016 (2015: TEUR 17,504).

Therefore, nearly 84% of the credit exposure of the corporate customer group is in the investment grade range (credit rating: 0.5 - 2.5).

The following table shows the corporate customer portfolio classified by branch:

€´000 Branch	2016	in %	2015	in %
Real estate and housing	3,472,716	26.8	3,403,553	25.6
Manufacturing	2,052,184	15.8	1,986,683	15.0
Construction	1,320,179	10.2	1,122,851	8.5
Retail	1,117,022	8.6	1,262,593	9.5
Finance and insurance	1,026,525	7.9	1,191,139	9.0
Energy supply	573,711	4.4	710,507	5.3
Other business services	551,827	4.3	805,463	6.1
Public administration	542,081	4.2	548,108	4.1
Freelance professionals/techn. services	443,686	3.4	377,913	2.8
Information and communication	313,181	2.4	381,980	2.9
Water supply and waste disposal	288,235	2.2	272,314	2.0
Hotel trade and gastronomy	275,769	2.1	185,471	1.4
Transportation	214,695	1.7	194,017	1.5
Art, entertainment and wellness	175,603	1.4	8,938	0.1
Healthcare and social services	165,939	1.3	194,311	1.5
Other	416,683	3.2	641,802	4.8
Total	**12,950,036**	**100.0**	13,287,644	100.0

Most of the loans in the real estate and housing category were used for residential construction (subsidized and privately financed). RLB NÖ-Wien has adapted its internal organization (incl. risk management) to this area of business through a focus on real estate financing and also monitors this concentration separately.

The classification of the corporate customer portfolio by region is shown below:

€´000 Country/Region	2016	in %	2015	in %
Austria	11,077,093	85.5	11,349,656	85.4
EU-remainder	1,711,329	13.2	1,657,256	12.5
Non-EU	161,614	1.2	280,732	2.1
Total	**12,950,036**	**100.0**	13,287,644	100.0

Most of the corporate customer exposure is generated with corporate customers in Austria. The corporate customer portfolio is supplemented by foreign commitments, primarily in the EU (above all in the Czech Republic, Slovakia and Hungary).

Credit portfolio – Retail

The retail portfolio covers personal banking customers as well as small- and medium-sized businesses. Small- and medium-sized businesses are ranked by way of a corporate customer rating system. Personal banking customers are rated with a statistical scoring process that includes both an application and a performance component. All rating models have a statistical base and are validated at least once each year.

The following table shows the credit exposure for retail customers according to the individual rating classes. Collateral is presented after internal haircuts:

€´000 Internal rating		2016	in %	Collateral	Item-by-item allowances for impairment	2015	in %	Collateral	Item-by-item allowances for impairment
0.5	Minimal Risk	0	0.0	0	0	0	0.0	0	0
1	Excellent credit standing	183,833	8.8	99,764	0	181,671	8.9	98,306	0
1.5	Very good credit standing	328,842	15.8	184,995	0	316,200	15.5	178,671	0
2	Good credit standing	346,428	16.6	204,424	0	332,017	16.3	191,276	0
2.5	Average credit standing	483,521	23.2	270,467	0	463,384	22.8	264,697	0
3	Mediocre credit standing	381,400	18.3	229,586	0	369,865	18.2	214,829	0
3.5	Weak credit standing	152,707	7.3	88,611	0	178,742	8.8	103,714	0
4	Very weak credit standing	46,015	2.2	29,148	0	49,711	2.4	33,287	0
4.5	Doubtful/high default risk	25,140	1.2	16,166	0	15,762	0.8	9,813	0
5	Default	7,057	0.3	3,260	0	8,848	0.4	4,747	0
5.1	Default	74,527	3.6	20,045	50,272	70,009	3.4	19,112	46,676
5.2	Default	50,731	2.4	9,134	41,526	47,172	2.3	8,623	38,605
	Unrated	1,552	0.1	408	0	1,729	0.1	31	0
	Total	**2,081,754**	**100.0**	**1,156,009**	**91,798**	2,035,109	100.0	1,127,107	85,281

The retail portfolio is classified according to small- and medium-sized businesses and personal banking customers as follows:

€´000 Segment	2016	in %	2015	in %
Personal banking customers	1,162,291	55.8	1,136,130	55.8
Small- and medium-sized businesses	919,463	44.2	898,979	44.2
Total	**2,081,754**	**100.0**	2,035,109	100.0

The share of foreign currency financing in the retail customer group is shown below:

€´000 Currency	2016	in %	2015	in %
Euro	1,881,417	90.4	1,813,441	89.1
Swiss franc	189,966	9.1	211,608	10.4
Japanese yen	8,377	0.4	7,486	0.4
US dollar	983	0.0	1,309	0.1
Czech krone	701	0.0	892	0.0
Other currencies	310	0.0	373	0.0
Total	**2,081,754**	**100.0**	2,035,109	100.0

Foreign currency credits in Swiss francs declined by a further TEUR 21,642 in 2016. New foreign currency credits to consumers are generally not granted. RLB NÖ-Wien monitors the foreign exchange risk and the risk arising from repayment vehicles very closely.

Credit portfolio – Credit institutions

The credit portfolio for credit institutions is rated in accordance with a standard sector-wide measurement and rating procedure for banks which is based on the RBI/RZB model. In RLB NÖ-Wien, these ratings are managed and reviewed by a separate group in the Risk Management/Finance (Country and Bank Analysis) Department.

The following table shows the credit exposure for credit institutions according to the individual rating classes. Collateral is presented after internal haircuts:

€´000 Internal rating		2016	in %	Collateral	Item-by-item allowances for impairment	2015	in %	Collateral	Item-by-item allowances for impairment
0.5	Minimal Risk	241,798	2.7	121,755	0	249,282	2.3	131,672	0
1	Excellent credit standing	422,684	4.7	19,996	0	252,917	2.4	19,995	0
1.5	Very good credit standing	610,160	6.8	0	0	655,157	6.1	0	0
2	Good credit standing	7,417,136	83.2	0	0	9,277,729	86.5	0	0
2.5	Average credit standing	188,279	2.1	0	0	158,188	1.5	0	0
3	Mediocre credit standing	9,794	0.1	0	0	31,509	0.3	0	0
3.5	Weak credit standing	17,714	0.2	0	0	67,981	0.6	0	0
4	Very weak credit standing	3,872	0.0	0	0	818	0.0	0	0
4.5	Doubtful/high default risk	0	0.0	0	0	0	0.0	0	0
5	Default	0	0.0	0	0	0	0.0	0	0
5.1	Default	5,864	0.1	0	3,134	21,293	0.2	0	1,139
5.2	Default	0	0.0	0	0	109	0.0	0	100
	Unrated	10	0.0	0	0	8,111	0.1	0	0
	Total	**8,917,310**	**100.0**	**141,751**	**3,134**	10,723,095	100.0	151,667	1,239

The large concentration in credit rating class 2 is caused primarily by the three-level organization of the Raiffeisen sector and the related liquidity drawdown. This credit rating class consists primarily of RBI/RZB and loans to Raiffeisen banks in Lower Austria.

The following table shows the distribution of the credit exposure arising from credit institutions by country:

€´000 Top 5 countries financials	2016	in %	2015	in %
Austria	7,143,292	80.1	8,859,023	82.6
Great Britain	512,306	5.7	583,238	5.4
Germany	485,827	5.4	477,987	4.5
France	405,151	4.5	347,130	3.2
Poland	70,263	0.8	70,375	0.7
EU	239,740	2.7	250,702	2.3
Non-EU	60,731	0.7	134,639	1.3
Total	**8,917,310**	**100.0**	10,723,095	100.0

Additional information on the country exposure is provided in the section on "Country risk“.

Credit portfolio – Public sector

The credit portfolio for public institutions (states, provinces, municipalities and other public institutions) is rated in accordance with a standard sector-wide measurement and rating procedure for banks which is based on the RBI/RZB model. In RLB NÖ-Wien, these ratings are managed and reviewed by a separate group in the Risk Management/Finance (Country and Bank Analysis) Department.

The following table shows the credit exposure for public sector institutions according to the individual rating classes. Collateral is presented after internal haircuts:

€´000 Internal rating		2016	in %	Collateral	Item-by-item allowances for impairment	2015	in %	Collateral	Item-by-item allowances for impairment
0.5	Minimal Risk	3,550,405	65.3	0	0	3,976,724	68.6	0	0
1	Excellent credit standing	1,668,488	30.7	69,067	0	1,472,055	25.4	76,945	0
1.5	Very good credit standing	28	0.0	0	0	13	0.0	0	0
2	Good credit standing	16,216	0.3	0	0	39,668	0.7	0	0
2.5	Average credit standing	168,745	3.1	0	0	170,034	2.9	0	0
3	Mediocre credit standing	161	0.0	0	0	102,506	1.8	99,402	0
3.5	Weak credit standing	0	0.0	0	0	0	0.0	0	0
4	Very weak credit standing	0	0.0	0	0	0	0.0	0	0
4.5	Doubtful/high default risk	15	0.0	0	0	44	0.0	0	0
5	Default	0	0.0	0	0	0	0.0	0	0
5.1	Default	28,993	0.5	0	0	32,072	0.6	0	0
5.2	Default	0	0.0	0	0	0	0.0	0	0
	Unrated	3	0.0	0	0	3	0.0	0	0
	Total	**5,433,052**	**100.0**	**69,067**	**0**	5,793,119	100.0	176,346	0

The major part of the exposure arising from public institutions is held within a liquidity buffer in Austrian and German government bonds (rating: 0.5).

€´000 Top 5 countries sovereigns	2016	in %	2015	in %
Austria	3,227,408	59.4	3,808,618	65.7
Germany	618,545	11.4	499,315	8.6
Luxembourg	495,053	9.1	381,275	6.6
Finland	276,848	5.1	258,245	4.5
Italy	168,731	3.1	168,222	2.9
EU-remainder	513,884	9.5	550,363	9.5
Non-EU	132,583	2.4	127,080	2.2
Total	**5,433,052**	**100.0**	5,793,119	100.0

Additional information on the country exposure is provided in the section on "Country risk“.

Problem loans

The problem loan portfolio is continuously monitored and managed by the Rehabilitation and Restructuring Department, which is part of the Risk Management/Finance Group. This department distinguishes between reorganization cases (going concern) and settlement cases (gone concern). Support on legal issues is provided internally by the Legal Department and by external experts. The reorganization and settlement staff are specially trained and experienced in the restructuring or settlement of problem loan commitments. They make an important contribution to the presentation and analysis as well as the recognition of impairment allowances (write-offs, impairment charges or provisions) and can generally reduce the losses on problem loans through their early involvement.

The length of the payment delay is an important factor for estimating the collectability of receivables. The following table shows the volume of overdue receivables in each customer group for various time periods:

2016 €'000 Receivables categories	**Not overdue**					**Overdue**	**Total**
		Up to 31 days	**31 to 90 days**	**91 to 180 days**	**181 to 360 days**	**Over 360 days**	
Financials	8,917,310	0	0	0	0	0	8,917,310
Corporates	12,688,515	166,600	7,237	5,651	9,075	72,959	12,950,036
Retail Customers	1,921,700	53,755	13,321	5,721	10,126	77,131	2,081,754
Sovereigns	5,433,052	0	0	0	0	0	5,433,052
Total	**28,960,577**	**220,355**	**20,557**	**11,372**	**19,202**	**150,090**	**29,382,153**

2015 €´000 Receivables categories	**Not overdue**					**Overdue**	**Total**
		Up to 31 days	**31 to 90 days**	**91 to 180 days**	**181 to 360 days**	**Over 360 days**	
Financials	10,723,095	0	0	0	0	0	10,723,095
Corporates	12,824,067	344,283	25,986	10,326	4,687	78,294	13,287,644
Retail Customers	1,857,838	70,636	15,976	5,860	7,525	77,275	2,035,109
Sovereigns	5,439,132	322,654	0	0	0	31,332	5,793,119
Total	30,844,132	737,574	41,962	16,186	12,212	186,901	31,838,967

The following table shows the receivables that are overdue, but not impaired. According to the regulatory default criteria, receivables are classified as overdue beginning on the 91st day.

A total exposure of EUR 237 million is overdue up to and including 90 days and therefore not in default. A credit exposure of EUR 10.5 million is overdue more than 90 days, but has not been reduced through an impairment loss (2015: EUR 14.2 million).

€´000 Receivables categories	Up to 90 days 2016	2015	91 to 180 days 2016	2015	181 to 360 days 2016	2015	Over 360 days 2016	2015
Financials	0	0	0	0	0	0	0	0
Corporates	173,836	331,018	0	733	250	97	2,337	3,971
Retail Customers	62,774	80,739	1,631	1,798	885	1,172	5,361	6,506
Sovereigns	0	322,654	0	0	0	0	0	0
Total	**236,610**	734,411	**1,631**	2,531	**1,135**	1,269	**7,697**	10,477

The following table shows the share of non-performing exposures. The definition of non-performing exposure for both reporting dates was based on the EBA Technical Standard "On Supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No. 575/2013“:

€´000 Receivables categories	NPE 2016	2015	NPE Ratio in % 2016	2015	NPE Coverage Ratio I in % 2016	2015	NPE Coverage Ratio II in % 2016	2015
Financials	5,864	21,403	0.1	0.2	53.5	5.8	53.5	5.8
Corporates	296,282	452,779	2.3	3.4	46.4	47.3	80.9	80.7
Retail Customers	147,207	146,718	7.1	7.2	62.4	58.1	90.5	89.1
Sovereigns	28,993	32,072	0.5	0.6	0.0	0.0	0.0	0.0
Total	**478,346**	652,973	**1.6**	2.1	**48.6**	46.0	**78.6**	76.2

The non-performing exposure (NPE) ratio for the total credit exposure equalled 1.6% as of 31 December 2016 (2015: 2.1%). The standard NPL ratio based on the customer receivables reported on the balance sheet equalled 3.7% in 2016 (2015: 4.8%).

RLB NÖ-Wien has implemented processes to identify customers with payment problems at an early point in time and to restructure loans with a positive outlook. Restructured receivables are classified as "performing“ as long as the restructuring is not carried out because of the customer's credit standing. Contract amendments not related to the credit standing are not designated as forbearance. Borrowers are classified as non-performing if restructuring measures lead to a debt reduction or if an economic loss is expected. All restructuring measures recognized for solvency reasons are classified as such in the system. These receivables are marked with a forbearance flag and monitored constantly. The new EBA standard "On Supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No. 575/2013“ has been implemented in full.

Coverage Ratio I is defined as the impairment allowance (individual) based on the NPE in relation to the total NPE, while Coverage Ratio II equals the individual impairment allowance plus collateral (after haircuts) based on the NPE in relation to the total NPE. Coverage Ratio I equalled 48.6% (2015: 46.0%) and Coverage Ratio II equalled 78.6% (2015: 76.2%).

The following tables show the share of solvency-related restructuring by customer group and within the performing and non-performing exposures. The balance of individual impairment allowances on the non-performing exposures and the balance of the portfolio impairment allowances for the performing exposures are also shown.

2016 €'000 Receivables categories	Total exposure	Performing			Non-performing			Total foreborne
		Exposure	Of which foreborne	Portfolio impairment allowance	Exposure	Of which foreborne	Item-by-item allowances for impairment	
Financials	8,917,310	8,911,446	0	1,528	5,864	0	3,134	0
Corporates	12,950,036	12,653,754	188,769	18,346	296,282	181,908	137,408	370,676
Retail Customers	2,081,754	1,934,547	30,238	4,900	147,207	46,724	91,798	76,961
Sovereigns	5,433,052	5,404,059	150	26	28,993	0	0	150
Total	**29,382,153**	**28,903,807**	**219,156**	**24,800**	**478,346**	**228,631**	**232,340**	**447,788**

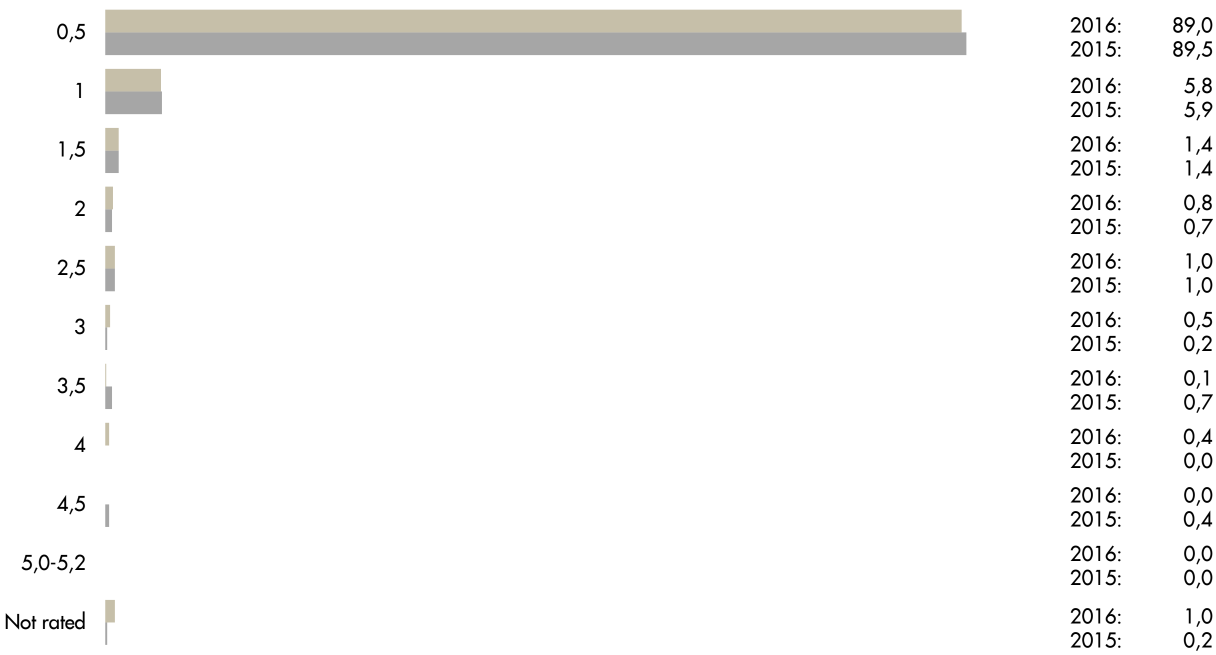
2015 €´000 Receivables categories	Total exposure	Performing			Non-Performing			Total foreborne
		Exposure	Of which foreborne	Portfolio impairment allowance	Exposure	Of which foreborne	Item-by-item allowances for impairment	
Financials	10,723,095	10,701,692	0	1,264	21,403	0	1,239	0
Corporates	13,287,644	12,834,865	186,200	17,504	452,779	281,804	213,773	468,003
Retail Customers	2,035,109	1,888,391	22,121	5,112	146,718	43,662	85,281	65,783
Sovereigns	5,793,119	5,761,046	191	19	32,072	0	0	191
Total	31,838,967	31,185,994	208,511	23,899	652,973	325,465	300,293	533,977

Country risk

Country risk covers transfer and convertibility risk as well as political risk. RLB NÖ-Wien actively manages country risk by means of an extensive country limit system, which assigns total limits for individual countries and sub-limits for various types of transactions based on country analyses. The monitoring of the country limits is the responsibility of a separate unit (country and bank analysis) in the Credit Risk Management Department.

The following graph shows the distribution of exposure by internal country rating for the 2016 and 2015 financial years:

Exposure by Internal Country Rating in %



The risk concentration at RLB NÖ-Wien is also monitored in connection with country risk and controlled by separate country limits. At year-end 2016, 95.1% (2015: 93.9%) of the approved country limits were within the investment grade range and 82.9% (2015: 81.9%) within the three best rating classes of 0.5 to 1.5. The assignment of country limits by rating class remained generally stable in year-on-year comparison during 2016.

RLB NÖ-Wien reacted to the economic changes in Europe and specific countries on a timely basis with a massive reduction of the country limits and the complete suspension of individual lines. The granting of new loans to customers in Russia was virtually discontinued in mid-2014.

The credit exposure by region is analyzed below based on the following graph, which shows the distribution for 2016 and 2015. The position "Top rated non-EU countries" includes countries like the USA, Japan and Singapore.

Exposure by Region in %

Country risk is included in the evaluation of the risk associated with individual loans by RLB NÖ-Wien. Country risk at the overall bank level is managed and controlled by a country limit system that is based on internal country ratings. As part of its sector cooperation, RLB NÖ-Wien also draws, among others, on the following resources of RBI for the analysis of the country risks covered by the credit risk assessment:

- the Analysis FI & Countries Department
- access to the country and bank rating pool database

Collateral management

In order to minimize credit risks, the risk strategy for loans and advances to customers includes collateral as an important element. Real collateral (property, cash, securities etc.) and personal collateral in the form of guarantees are used to reduce risk. The value of the collateral represents an important part of the credit decision as well as the ongoing credit management. The assets acceptable as collateral are listed in a separate Group catalogue and related valuation guidelines. Standardized methods defined centrally by the Risk Management Department are used to calculate the value of the collateral. This value includes any internal haircuts for the type, quality and liquidity of the collateral as well as the realization period and related costs. The operations of the Risk Management Department are supported by a central Collateral Management Department.

The following table shows the collateral received from customers at the respective internal values (after haircuts):

€´000 Collateral category	2016	in %	2015	in %
Land register	4,283,497	61.2	4,078,902	60.7
Securities	134,731	1.9	293,158	4.4
Savings/current/deposit accounts	148,911	2.1	173,888	2.6
Insurance	134,516	1.9	153,363	2.3
Other rights and claims	720,550	10.3	729,656	10.9
Guarantees	1,576,458	22.5	1,292,127	19.2
Total	**6,998,663**	**100.0**	6,721,094	100.0

Most of the collateral represents mortgages on property, which consist primarily of buildings used for residential or commercial purposes. These assets are appraised regularly by the risk management staff or external experts. Most of the properties are located in the core market of Vienna and Lower Austria. RLB NÖ-Wien does not directly purchase any collateral provided by customers. In cases where collateral cannot be realized immediately, the bank has holdings that can carry out these types of transactions. Any proceeds from the realization of collateral are offset against the outstanding loan balance. These loan segments are treated as secured before realization.

Market risk

Market risk represents the threat of a loss caused by fluctuations in market prices and any related rates and parameters. RLB NÖ-Wien differentiates between the following sub-risks:

- Interest rate risks
- Foreign currency risks
- Price risks
- Volatility risks
- Credit spread risks

The Treasury Department of RLB NÖ-Wien maintains a trading book that is used to record stock, interest rate and foreign currency transactions. Transactions in the medium- to long-term range are settled through the banking book. The market risk arising from customer transactions is transferred to and managed centrally by the Treasury Department.

The market risk arising from the trading and banking books is determined by the value at risk (VaR – the potential loss at a given probability over a specified holding period) as well as a number of sensitivity indicators, e.g. changes in foreign exchange and interest rates (delta, gamma, vega).

VaR is calculated by the "SAS Risk Management for Banking" system based on historical simulation. Daily management (limitation) is based on the going concern scenario defined by IFRS, with a one-sided confidence level of 99%. Trading book portfolios are calculated for a holding period of one day and banking book portfolio for a holding period of one year (250 trading days). Monthly management (limitation) is also based on the going concern scenario with a one-sided confidence interval of 99.9% and a general holding period of one year (250 trading days).

The following table shows the VaR calculated for the risk capacity analysis over the entire market risk of RLB NÖ-Wien classified by the type of risk (excl. credit spread risk):

€'000	VaR at 31/12/2016	Average-VaR	VaR at 31/12/2015
Currency risk	2,909	3,034	3,838
Interest rate risk	60,822	61,543	52,496
Price risk	9,242	9,809	11,699
Volatility risk	17,341	16,879	17,515
Total	**53,517**	**54,036**	55,273

The VaR analysis includes the following assumptions and limits:

- The VaR calculation uses historical data to simulate future changes in market conditions. Therefore, it cannot simulate events that are possible but were not observed during the designated period.
- The VaR allows for correlations between individual risk factors, but these risk factors can be negatively affected by difficult market conditions.
- The VaR does not provide any information on the possible amount of a loss over and above the applied confidence interval.
- The VaR is estimated for longer holding periods on the basis of daily observations. The underlying assumptions are that the composition of the portfolio will remain constant and there will be no autocorrelation in the risk factors.
- The VaR is calculated on the basis of positions at the end of the day and does not take any positions during the day into account.

The reliability of the VaR approach, which is based on historical data, is verified by daily backtesting and supplemented and continuously refined by daily stress tests.

Since the VaR only quantifies the maximum possible loss of a portfolio under normal market conditions, stress tests are used to examine the effects of extreme market fluctuations that cannot be covered by the VaR methodology.

The stress tests serve as a supplement to the VaR calculations and expose the portfolio to unlikely but plausible events. These types of events can be expressed by a series of strong fluctuations on the financial markets. The scenarios reflect assumptions by RLB NÖ-Wien and include the following:

- Interest rate movements (reversals, shifts and combinations of reversals and shifts)
- Price movements (shares, FX)
- Changes in credit spreads
- Interest rate and price volatilities

RLB NÖ-Wien therefore uses a comprehensive risk management approach for the entire trading and banking book. Market risks are managed consistently across all trading and banking books.

The market risk for the individual portfolios and for the entire bank are limited as follows:

- VaR limits
- Sensitivity limits
- Stop/loss and reporting limits

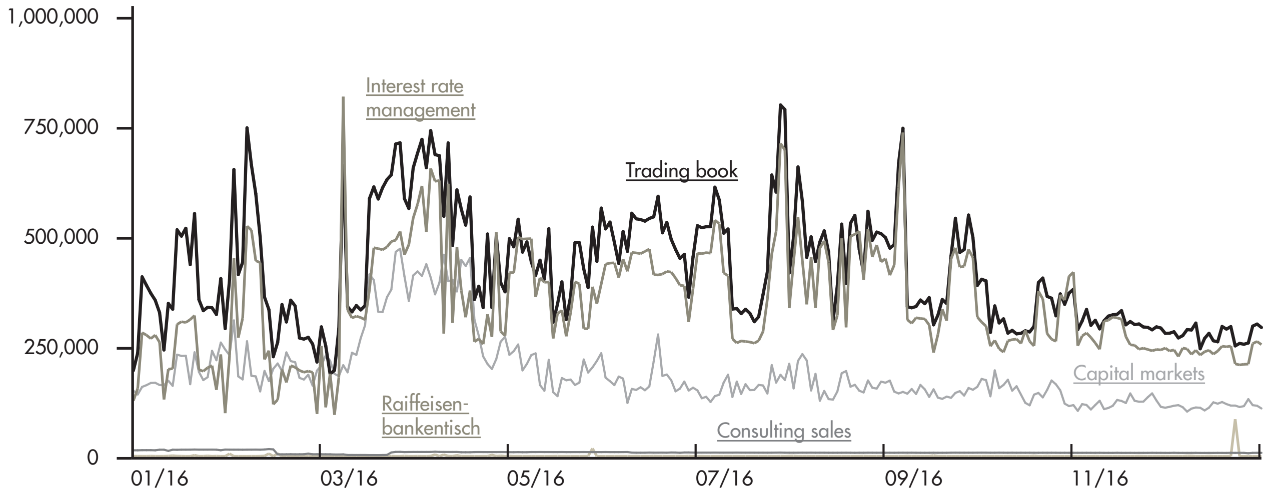
The market risk limit structure is recommended by the Risk Management Overall Bank Department and approved by the Managing Board.

In addition to the market risk limit structure, risks arising from treasury transactions are regulated by an extensive system of position, product and counterparty limits. Compliance with these limits is monitored by the Market Risk Management Department. This department is also responsible for the daily evaluation of the positions managed by the Kondor+ front office system and for analyses and reporting for the trading and bank book.

Market risk in the trading book

The Managing Board of RLB NÖ-Wien and the portfolio managers receive a daily VaR and profit & loss report that shows the utilization of limits in the trading book as a whole and for the included sub-portfolios.

Value at Risk in the Trading Book in 2016 €´000



The above graph shows the daily risk of the trading book and the sub-portfolios for interest rate management, capital markets, consulting sales and the "Raiffeisenbankentisch". The calculation is based on a VaR of 99% and a holding period of one day.

The VaR for the trading book is managed primarily by the Interest Rate Management and Capital Markets (foreign exchange, securities and share trading) Departments. The Consulting Sales and "Raiffeisenbankentisch" Departments concentrate on intermediary transactions and therefore do not contribute to risk.

As shown on the above graph, the VaR for the trading book remained within the defined limit throughout the 2016 financial year. The average VaR utilization of the trading book limit remained low during the entire year with a maximum utilization of 37.5%. An analysis by quarter shows the maximum utilization at an average of 23.2% in the third quarter and the minimum utilization at an average of 10.2% in the fourth quarter.

The following table shows the VaR (99%, 1 day) for the market risk in the trading book, classified by the type of risk:

€'000	VaR at 31/12/2016	Average-VaR	VaR at 31/12/2015
Currency risk	88	124	149
Interest rate risk	269	329	134
Price risk	105	144	90
Volatility risk	245	225	89
Credit spread risk	93	n.a.	n.a.
Total	**294**	**411**	182

Market risk in the banking book

The Managing Board of RLB NÖ-Wien and the portfolio managers receive a daily VaR report that shows the utilization of the going concern limits in the banking book portfolios managed by the Treasury Department. Interest rate risk is managed centrally by the Interest Rate Management Department, which is part of the Treasury Department. For the gone concern scenario, the management of the banking book is based on a monthly GAP analysis. The results of this analysis flow into the VaR and scenario analyses prepared by the Market Risk Management Department. The VaR calculation for the entire banking book reflects a gone concern scenario and, consequently, a one-sided confidence level of 99.9%. The market risks in the banking book are reported at the monthly meetings of the Asset/Liability Committee, which establishes the bank's interest rate projections and interest rate positioning. The following interest rate gaps reflect the structure of the bank's interest-dependent operations and, therefore, the Asset/Liability Committee's interest rate projections. Positions with a positive value indicate an asset-based fixed interest risk (i.e. an overhang of asset items), while a negative value represents a liability overhang.

The following table shows the interest rate gaps on the commitments held by RLB NÖ-Wien as of 31 December 2016 in TEUR:

Interest rate gap	> 6 to 12 months	1 to 2 years	2 to 5 years	> 5 years
€	(157,097)	417,313	(725,720)	(112,030)
US$	(51,340)	(1,984)	229,501	(38,267)
¥	1,147	0	0	0
SFr	(148,137)	703	3,440	(556)
Other	43	13	0	0

The following table shows the interest rate gaps on the commitments held by RLB NÖ-Wien as of 31 December 2015 in TEUR:

Interest rate gap	> 6 to 12 months	1 to 2 years	2 to 5 years	> 5 years
€	(31,785)	29,965	(572,700)	(266,889)
US$	(146,726)	(92,141)	132,832	1
¥	769	0	0	0
SFr	54,481	30,623	2,781	145
Other	(220)	(45)	154,022	0

Risk is managed in accordance with interest rate projections. The performance and risk analysis of the banking book is based on total return, which means the results from maturity transformation and the present value of the change in the RLB NÖ-Wien banking book are monitored to ensure the long-term flexibility and profitability of maturity transformation activities. For the presentation of the present value risk, gaps like fixed interest bonds and refinancing are handled and measured. Positive values are viewed as bonds, while negative values are seen as refinancing. A VaR calculation is used to show the present value of the banking book. Non-linear products like interest rate options are also taken into account at the individual position level.

The following table shows the gone concern VaR (99.9%, VaR 250 days) for the market risk in the banking book, classified by the type of risk (excl. credit spread risk):

€'000	VaR at 31/12/2016	Average-VaR	VaR at 31/12/2015
Currency risk	727	1,083	2,093
Interest rate risk	62,915	64,601	50,988
Price risk	9,843	7,630	11,191
Volatility risk	15,817	15,658	15,869
Total	**54,334**	**55,253**	54,324

The following table shows the change in the present value of the banking book of RLB NÖ-Wien in TEUR as of 31 December 2016 that would have resulted from a parallel increase of one basis point in the interest rate (a positive sign signifies a present value gain from the interest rate increase, while a negative sign represents the theoretical loss). This change in present value corresponds to the basis point value:

Interest rate gap	> 6 to 12 months	1 to 2 years	2 to 5 years	> 5 years
€	10.99	(97.69)	242.22	(156.91)
US$	4.52	0.34	(86.10)	41.13
¥	(0.08)	0.00	0.00	0.00
SFr	8.91	(0.11)	(1.28)	3.88
Other	0.00	0.00	0.00	0.00

The change in the present value of the banking book of RLB NÖ-Wien in TEUR as of 31 December 2015 that would have resulted from a parallel increase of one basis point in the interest rate:

Interest rate gap	> 6 to 12 months	1 to 2 years	2 to 5 years	> 5 years
€	4.32	2.25	194.86	172.73
US$	9.14	12.74	(56.74)	0.00
¥	(0.06)	0.00	0.00	0.00
SFr	(4.14)	(4.40)	(1.01)	2.83
Other	0.01	0.01	(50.92)	0.00

Regulatory standards require the monthly simulation of the effects of interest rate shocks on the economic capital requirements for the banking book and trading book. The stress test is based on a sudden and unexpected parallel shift of +200 basis points in interest rates.

The derivatives used to manage interest rate risk in the banking book are aggregated in functional units. The risk content of these units is calculated every day and is part of the daily reporting to the Managing Board. A detailed overview of the structure of these transactions is provided in note (31) Derivative financial instruments.

Credit spread risk

Credit spread risks can result from the credit standing as well as the risk premium. The part related to the customer's credit standing is reflected in credit risk through inclusion in the credit value at risk (CVaR) calculation. The component related to the risk premium is determined by the Market Risk Management Department.

In accordance with the requirements of the supplement to the ICAAP guideline, the risk modelling for securities in the banking book generally excludes the traditional lending business. The relevant risk factors for the calculation of the credit spread risk include the following:

- Rating
- Currency
- Issuer‘s sector

- Guarantees
- Collateral
- Subordination level
- Remaining term of the product
- Issuer's country

The credit spread VaR calculation is based on a historical simulation with equally weighted time series and includes daily changes in value. The credit spread risk is calculated on a monthly basis according to a gone concern scenario for a holding period of one year. Most of the credit spread risk is related to investments in Austrian government bonds and bonds issued by European banks and other European governments. In line with the conservative approach, securities issued by RLB NÖ-Wien are not included in the credit spread risk calculation. The credit spread risk in the gone concern scenario is calculated and limited independent of other market risks, and correlation effects are therefore not taken into account

Stress tests are also carried out as a supplement to the VaR model.

€'000	VaR at 31/12/2016	Average-VaR	VaR at 31/12/2015
Credit spread risk	258,497	318,760	342,904

Foreign currency risk

The foreign currency risk of RLB NÖ-Wien is managed centrally by the Treasury Department. The resulting foreign currency risk is minimized by a detailed limit system included in the market risk limit structure (VaR limit, sensitivity limits and stop-loss limit). The volume of reportable open currency positions is also monitored. Consequently, all foreign currency positions are continuously monitored, controlled and managed.

Liquidity risk

Liquidity risk represents the risk that the bank may not be able to meet its current and/or future financial obligations in full and/or on time and, in the event of insufficient market liquidity, transactions may not be possible or may only be possible on less favourable terms.

Liquidity risk comprises the following sub-risks:

- Insolvency risk (liquidity risk in the narrow sense of the term)
- Liquidity maturity transformation risk (liquidity risk in the broader sense of the term)

Insolvency risk includes maturity risk (an unplanned extension of the capital commitment period for loans and advances) and withdrawal risk (the premature withdrawal of deposits, unexpected drawdowns on committed credit lines). Liquidity maturity transformation risk comprises market liquidity risk (assets cannot be sold at all or only on less favourable terms) and refinancing risk (follow-up funding is impossible or only possible on less favourable terms).

The central focus of RLB NÖ-Wien is to ensure financial solvency at all times. In order to meet this goal, RLB NÖ-Wien together with Raiffeisen-Holding NÖ-Wien and the Raiffeisen banks in Lower Austria have implemented an appropriate limit system.

Compliance with limits at the credit institution group level is reported to and monitored by the Asset/Liability Committee on a monthly basis. This committee deals with the issue of liquidity risk as reflected in the following content:

- Funding strategy
- Liquidity costs
- Liquidity returns
- Liquidity report and its results
- Recommendations to the Managing Board
- Cooperation with the LIMA committee

The Liquidity Management Committee (LIMA Committee) serves as the central management committee for RBG NÖ-Wien (Raiffeisen-Holding NÖ-Wien, RLB NÖ-Wien and the Lower Austrian Raiffeisen banks). RLB NÖ-Wien has taken over liquidity management for RBG NÖ-Wien and prepares regular liquidity profiles. The measurement procedures for liquidity risk are based on the aggregated data for RBG NÖ-Wien, and the appropriate amounts are included in the risk capacity analysis for the Raiffeisen-Holding NÖ-Wien Group and RLB NÖ-Wien. RBG NÖ-Wien has concluded a liquidity management agreement that meets legal requirements and uses a liquidity risk model which reflects this agreement. The risk calculation meets the terms of the Capital Requirements Regulation and Directive (CRR/CRD IV), the Implementing Technical Standards of the EBA and the Credit Instituting Risk Management Directive, which implements the CRD IV in Austrian law. Activities in 2016 included the introduction of additional liquidity monitoring tools (ALMM) and the implementation of the directive on the liquidity coverage ratio (LCR). The net stable funding ratio (NSFR) is still in the monitoring phase, and the asset encumbrance has been reported quarterly since the first report as of 31 December 2014.

Liquidity management, including funds planning and issuing activities, takes place centrally in the Treasury Department for the entire RBG NÖ-Wien. Liquidity risk is calculated by the Market Risk Management Department based on a scenario analysis that covers the following situations:

- Normal case
- Reputation crisis
- System crisis
- Combined crisis

Under the normal case, the capital maturity statement is presented within the current market environment (going concern approach). This presentation is changed in crisis cases through different assumption for the market environment and the resulting effects on the capital maturity statement (on- and off-balance sheet positions). The assumption under the reputation crises is that the Raiffeisen name would be damaged (e.g. negative media reporting). A system crisis represents a general crisis without the direct involvement of Raiffeisen in a particular emergency situation. The combined crisis is a combination of the reputation and system crises.

The underlying assumption for all scenarios is that no new business will be carried out due to the current situation.

The risk analysis involves comparing the existing liquidity gaps (inflow and outflow overhangs) for each of the defined maturity bands with the respective liquidity buffer – which comprises a pool of highly liquid assets (fungible securities, credit claims, etc.) – in light of the defined scenarios.

In general, a strong focus is placed on safeguarding liquidity over a defined survival period. This period must be covered by the available liquidity buffer of RLB NÖ-Wien and is derived from the existing limit system. The minimum survival period equals one month (CEBS Guidelines on Liquidity Buffers & Survival Periods, Guideline 3).

The measurement model is regularly revised and adapted to reflect changing circumstances. An extensive catalogue of daily early warning indicators for liquidity is also used.

RLB NÖ-Wien has installed a detailed limit system to manage liquidity risk. In line with EBA requirements, it distinguishes between three liquidity ratios:

- Operational liquidity maturity transformation
- Structural liquidity maturity transformation
- Gap over assets

Operational liquidity maturity transformation (O-LFT) describes operational liquidity from one to 18 months. It represents the ratio of assets to liabilities in the accumulated maturity bands within this period. The calculation of assets for the O-LFT ratio also includes off-balance sheet items and the liquidity buffer. This indicator shows whether a bank will be able to meet its short-term payment obligations without new business (funding rollovers).

The second model, structural liquidity maturity transformation (S-LFT), represents the long-term liquidity position of all participants in RBG NÖ-Wien for maturities of 18 months and longer. It equals the ratio of assets to liabilities for maturity bands from 18 months to over 15 years on a band-by-band basis and in aggregated form. The calculation of assets for the S-LFT ratio also includes off-balance sheet items and the liquidity buffer. This indicator shows the matched maturity refinancing of long-term assets.

The third indicator used to monitor liquidity risk is the GBS ratio, which represents the gap over assets. It compares the net positions in each maturity band to balance sheet assets and shows the potential refinancing risk within a specific maturity band.

In addition to these indicators, the short-term funding limit is also calculated and reported for RLB NÖ-Wien on a daily basis by the Market Risk Management Department. It compares the daily refinancing requirements in the interbank market with the available fungible securities.

The stronger focus on operating liquidity by RLB NÖ-Wien is also reflected in weekly liquidity reports to the Austrian National Bank. Expected incoming payments are compared with expected outgoing payments and with the available liquidity buffer (dynamic approach).

An appropriate emergency plan was also prepared to deal with potential crises and will implemented by the LIMA Committee if necessary.

The liquidity coverage ratio (LCR) of RLB NÖ-Wien equalled 123.6% as of 31 December 2016. The legal minimum requirement of 70% defined by Article 460 of Regulation (EU) No. 575/2013 was therefore met.

The following table shows the quantitative data as of 31 December 2016:

LIQUIDITY COVERAGE RATIO - CALCULATION (€'000)			**All currencies**
1	Liquidity buffer		5,485,972,663
2	Net liquidity outflow		4,439,063,934
MINIMUM LIQUIDITY RATIO (LIQUIDITY COVERAGE RATIO LCR)			**123.58%**
		Total unweighted amount	**Total weighted amount**
HIGH-QUALITY LIQUID ASSETS			
1	Level 1 - assets excl. extremely high quality covered bonds	7,578,524,469	5,356,129,084
1	Level 1 - extremely high quality covered bonds	75,268,251	69,999,473
2a	Level 2A - assets	6,158,100	5,234,385
2b	Level 2B - assets	109,219,441	54,609,720
LIQUIDITY BUFFER		**7,769,170,261**	**5,485,972,663**
CASH OUTFLOWS			
1	Outflows from unsecured transactions/deposits	13,974,717,625	5,967,366,131
	1.1 Personal banking customer deposits	3,940,749,887	369,286,292
	1.2 Operational deposits	3,322,780,258	2,497,491,603
	1.3 Non-operational deposits	3,381,206,921	1,811,893,547
	1.4 Additional outflows (i.e. outflows from derivatives)	988,248,300	988,248,300
	1.5 Committed facilities	1,349,663,195	198,716,686
	1.6 Other products and services	903,208,000	12,868,640
	1.7 Other liabilities	88,861,063	88,861,063
2	Outflows from secured lending and capital market-driven transactions	0	0
TOTAL OUTFLOWS		**13,974,717,625**	**5,967,366,131**

CASH INFLOWS				
1	Inflows from unsecured transactions/deposits		2,080,556,927	1,528,302,198
	1.1	monies due from non-financial customers (except for central banks)	909,011,114	454,613,350
	1.2	monies due from central banks and financial customers	289,764,946	191,912,021
	1.3	inflows corresponding to outflows in accordance with promotional loan commitments	0	0
	1.4	monies due from trade financing transactions	0	0
	1.5	monies due from securities maturing within 30 days	56,824,054	56,824,054
	1.6	assets with an undefined contractual end date	5,050	1,010
	1.7	monies due from positions in major index equity instruments provided that there is no double counting with liquid assets	1,666,224	1,666,224
	1.8	inflows from undrawn credit or liquidity facilities and any other commitments provided by central banks provided that there is no double counting with liquid assets	0	0
	1.9	inflows from the release of balances held in segregated accounts in accordance with regulatory requirements for the protection of customer trading assets	0	0
	1.10	inflows from derivatives	823,285,538	823,285,538
	1.11	inflows from undrawn credit or liquidity facilities provided by members of a group or an institutional protection scheme where the competent authorities have granted permission to apply a higher inflow rate	0	0
	1.12	Other inflows	0	0
2	Inflows from secured lending and capital market-driven transactions		0	0
TOTAL INFLOWS			**2,080,556,927**	**1,528,302,198**
	Inflows subject to 75% Cap			1,528,302,198
	Fully exempt inflows			0
NET LIQUIDITY OUTFLOW				**4,439,063,933**

For comparative purposes, following are the quantitative data as of 31 December 2015. (Note: a comparison between the 2016 and 2016 financial years is limited due to the enactment of the delegated regulation to the LCR in accordance with Art. 460 of the CRR and the related reporting requirements which took effect on 30 September 2016):

in EUR		Total unweighted amount	Total weighted amount
HIGH-QUALITY LIQUID ASSETS			
1	High-quality liquid assets (HQLA) total		5,963,964,320
CASH OUTFLOWS			
2	Personal banking customer deposits and small business deposits, of which:	4,376,544,081	344,198,576
3	Stable deposits	2,583,510,597	164,895,227
4	Less stable deposits	1,793,033,484	179,303,348
5	Unsecured wholesale funding, of which:	6,805,764,185	5,767,867,801
6	Operational deposits (all counterparties) and deposits in cooperative banking networks	2,005,747,422	2,005,747,422
7	Non-operational deposits (all counterparties)	4,637,131,560	3,599,235,176
8	Unsecured debt	162,885,203	162,885,203
9	Secured wholesale funding		
10	Additional requirements, of which:	4,417,157,374	1,852,020,924
11	Cash outflows related to derivative positions and other collateral requirements	1,333,126,374	1,333,126,374
12	Cash outflows related to the loss of funding on debt	0	0
13	Credit and liquidity facilities	3,084,031,000	518,894,550
14	***Other contractual funding liabilities***	**341,889,936**	**207,076,582**
15	***Other contingent funding liabilities***	**2,845,846,234**	**142,292,312**
16	**CASH OUTFLOWS (TOTAL)**		**8,313,456,194**
CASH INFLOWS			
17	Secured lending (e.g. reverse repo transactions)	0	0
18	Cash inflows from fully performing receivables	1,653,357,962	1,036,318,547
19	Other cash inflows	1,331,213,307	1,331,213,307
20	**CASH INFLOWS (TOTAL)**	**2,984,571,268**	**2,367,531,854**
			Total adjusted amount
21	**HQLA TOTAL**		**5,963,964,320**
22	**NET CASH OUTFLOWS (TOTAL)**		**5,945,924,340**
23	**MINIMUM LIQUIDITY RATIO (in %)**		100.3%

The following table shows the structural liquidity of RLB NÖ-Wien as of 31 December 2016:

€'000 Maturity band	Gap (absolute)	GoA	GoA limit	Accumulated from behind	S-LFT	S-LFT limit
18 months	(34,441)	(0.1)%	(10.0)%	(3,520,254)	128.6%	> 80%
2 years	258,241	1.1%	(10.0)%	(3,485,812)		
3 years	325,238	1.4%	(10.0)%	(3,744,054)	137.1%	> 70%
5 years	(1,675,268)	(7.2)%	(10.0)%	(4,069,292)	148.9%	> 60%
7 years	(1,415,042)	(6.0)%	(10.0)%	(2,394,024)		
10 years	(1,453,542)	-	-	(978,981)	122.2%	> 50%
15 years	466,233	-	-	474,561		
20 years	58,213	-	-	8,328		
30 years	323,840	-	-	(49,885)		
> 30 years	(373,725)	-	-	(373,725)		

The following table shows the structural liquidity of RLB NÖ-Wien as of 31 December 2015:

€'000 Maturity band	Gap (absolute)	GoA	GoA limit	Accumulated from behind	S-LFT	S-LFT limit
18 months	466,837	1.8%	(10.0)%	(3,441,288)	125.2%	> 80%
2 years	(518,605)	(2.0)%	(10.0)%	(3,908,125)		
3 years	614,849	2.4%	(10.0)%	(3,389,520)	128.5%	> 70%
5 years	(197,138)	(0.8)%	(10.0)%	(4,004,369)	147.0%	> 60%
7 years	(1,230,623)	(4.8)%	(10.0)%	(3,807,231)		
10 years	(2,294,817)	-	-	(2,576,608)	157.6%	> 50%
15 years	170,271	-	-	(281,791)		
20 years	(112,503)	-	-	(452,061)		
30 years	314,153	-	-	(339,558)		
> 30 years	(653,711)	-	-	(653,711)		

The following tables provide detailed information on the payment obligations arising from the derivative financial products whose netted undiscounted payment flows will lead to outflows of funds (net balances of outgoing and incoming payments). The classification is based on the remaining term of the contractual payment flows.

The following table shows the undiscounted cash flows from the derivatives held by RLB NÖ-Wien as of 31 December 2016:

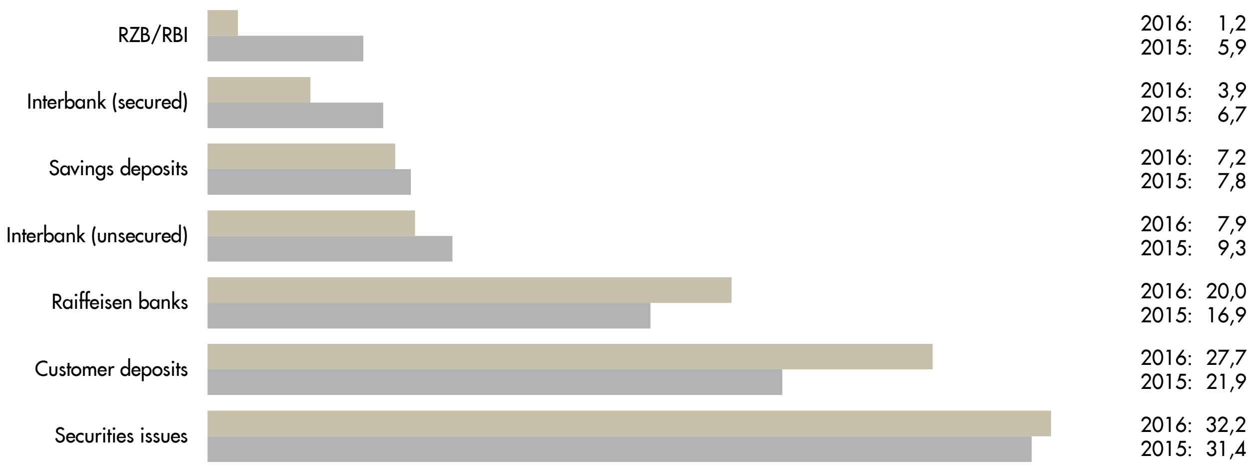
€'000	Carrying amount	Contractual cash flows	< 3 months	3 to 12 months	1 to 5 years	> 5 years
Derivative liabilities	***497,676***	***508,165***	***36,495***	***84,868***	***263,103***	***123,699***
Derivatives in the trading book	521,766	546,259	32,353	51,578	228,299	234,030
Derivatives designated in hedge relationships	397,281	415,656	57,873	85,720	159,590	112,474
Other derivatives	1,416,723	1,470,080	126,721	222,166	650,992	470,203

The following table shows the undiscounted cash flows from the derivatives held by RLB NÖ-Wien as of 31 December 2015:

€'000	Carrying amount	Contractual cash flows	< 3 months	3 to 12 months	1 to 5 years	> 5 years
Derivative liabilities	***1,464,161***	***1,581,060***	***77,767***	***245,184***	***806,868***	***451,241***
Derivatives in the trading book	570,512	607,472	31,472	110,417	328,852	136,731
Derivatives designated in hedge relationships	440,267	488,026	17,025	37,752	211,995	221,254
Other derivatives	453,382	485,562	29,270	97,015	266,021	93,256

The following graph shows the refinancing by RLB NÖ-Wien in 2016 in comparison with 2015, classified by the source of the funds:

Refinancing by Source in %



Note (33) includes a supplementary classification of the remaining terms to maturity at RLB NÖ-Wien and provides an overview of the bank's liquidity structure.

Equity investment risk

Equity investment risk can affect RLB NÖ-Wien in the following ways:

- Reduction in undisclosed reserves
- Lost dividends
- Write-downs to carrying amounts
- Losses on sale, transferred losses

In line with its focus as a full-service bank, RLB NÖ-Wien only holds strategic equity investments within the Raiffeisen sector and other equity investments that support banking operations.

The largest equity investment is the shareholding in RZB, the leading institution in the Raiffeisen sector, whereby RLB NÖ-Wien holds shares directly as well as indirectly. This company, in turn, holds the majority investment in the listed Raiffeisenbank International AG (RBI). The Annual General Meetings of these two institutions in January 2017 2017 approved their merger under the retention of the name "Raiffeisenbank International AG“.

The management and control of equity investments and the related risks are carried out by Raiffeisen-Holding NÖ-Wien within the framework of a service agreement. The management of equity investment risks begins with the identification of an acquisition target, generally in the form of due diligence work that is supported by external experts (business consultants, auditors, attorneys). For larger projects and equity investments with a weaker credit rating, the Overall Risk Department in Raiffeisen-Holding NÖ-Wien issues a risk assessment based on the opinion of the market departments.

RLB NÖ-Wien exercises significant influence over the operating activities of the equity investments by appointing officers to serve in management and on the supervisory and advisory boards.

The analysis and auditing of the financial statements and budgets and the assessment of strategic positioning through SWOT (Strengths, Weaknesses, Opportunities and Threats) analyses represent important measures and methods for the bank’s routine equity investment and risk controlling activities.

The risk potential and risk coverage assets for the equity investments are calculated each quarter based on expert estimates – for an extreme scenario (95.0%) and a liquidation scenario (99.9%) – and included in the regular risk capacity analysis prepared at the overall bank level.

The following table shows the carrying amounts of the equity investments held by RLB NÖ-Wien together with the weighted and cumulative rating as of 31 December 2016 and 31 December 2015:

€ '000	Carrying amount 31/12/2016	Percentage held	Rating	Carrying amount 31/12/2015	Percentage held	Rating
Investments in other banks	1,786,213	99.6%	2.0	1,853,572	99.4%	2.0
Investments in banking-related fields	7,845	0.4%	2.0	11,130	0.6%	2.0
Total equity investments	**1,794,058**	**100.0%**	**2.0**	1,864,702	100.0%	2.0

The decline in the carrying amount of the equity investments resulted, above all, from an impairment loss to RZB/RBI which was recognized to reflect triggering events (above all due to the sale of a significant investment to UNIQA and the unsuccessful efforts to sell Raiffeisen Polbank).

Operational risks

RLB NÖ-Wien defines operational risks as the potential losses arising from

- System failures
- Process failures
- Errors caused by employees
- External risks

This definition also includes legal risks.

RLB NÖ-Wien regularly monitors operational risks and implements appropriate measures to ensure their reduction. This process is supported by ongoing staff training, emergency plans, backup systems and continuous process improvements. Procedural rules were implemented and instructions issued to minimize these risks. Cost-benefit considerations are taken into account in connection with all of these measures.

RLB NÖ-Wien maintains a loss database that contains historical data from 1999 onward and all current cases starting in 2001. This database creates the foundation for an operational risk management approach that exceeds basic indicators. The Managing Board receives quarterly reports on the development of recorded loss events. RLB NÖ-Wien takes part in projects carried out by the Austrian Raiffeisen organization to further develop various risk management systems.

In order to identify potentially significant risks with a low probability of occurrence, RLB NÖ-Wien carries out extensive risk assessments at the divisional, department and process levels in moderated workshops. The learning effect resulting from the careful analysis of losses can also help to reduce risk. Risk self-assessments and loss events are classified according to internationally accepted methods.

A new IT system, SAS EGRC (Enterprise Governance Risk Compliance), was installed in 2016 to support the integrated management of operational risk and the internal control system.

Operational risk is calculated according to the basic indicator approach and included in the risk capacity analysis.

In order to ensure protection against operational risk as defined in Art. 312ff CRR ("Own funds requirements for operational risk"), RLB NÖ-Wien also uses the basic indicator approach described in Art. 315f CRR to calculate the minimum capital requirements and to disclose this information to the regulatory authority. The basic indicator approach does not create any further obligations for the bank to quantify operational risks.

Internal control system (ICS)

RLB NÖ-Wien has implemented an internal control system (ICS) which includes a detailed description of ICS procedures as the basis for the ongoing documentation of the bank's risk-relevant processes and the resulting control measures. Responsibilities and roles in the ICS and the related control activities are clearly defined. The risks considered relevant for the ICS are regularly evaluated and updated. Regular reports are issued on the design and development of the ICS in the Raiffeisen-Holding NÖ-Wien Group. Details on the ICS for the accounting process are provided in the next section.

Macroeconomic risks

RLB NÖ-Wien includes macroeconomic risk in the analysis of credit risk. The development of a statistical, model-based approach to quantify macroeconomic risk, including a first estimate of this type of risk, was completed in 2015 and has been in use since 2016. The macroeconomic component of equity investment risk is addressed during the quantification of this latter risk.

Risks arising from the macroeconomic environment are incorporated quarterly as a separate category in the risk capacity analysis. The macroeconomic effects related to equity investments are evaluated together with the other investment risks.

Other risks

In conjunction with the risk capacity analysis, RLB NÖ-Wien incorporates other risks - both in the extreme case and liquidation case - as an approximation through a 5% discount to the quantified risks. The risks associated with equity investments are not part of this calculation because they are included in the risk assessment through the expert opinions on possible other risks and the effects of macroeconomic factors in the quantification of equity investment risks.

Institutional protection scheme

In accordance with the requirements of Art. 49 (3) and 113 (7) of the CRR, RLB NÖ-Wien concluded a contract for the development of an institutional protection scheme (IPS) at the federal level with RZB, the other Raiffeisen regional banks, Raiffeisen-Holding NÖ-Wien and several other RBG institutions in 2013. A similar contract was concluded by RLB NÖ-Wien together with Raiffeisen-Holding NÖ-Wien and the now 56 Lower Austrian Raiffeisen banks.

B These contracts are designed to ensure that the parties have sufficient liquidity and solvency to prevent bankruptcy. Accordingly, the institutions are not required to deduct holdings in the capital instruments of the other contract parties from their own funds (Article 49(3) CRR) and can exclude the risk exposure of the other contract parties from their own calculations of risk-weighted exposure (Art. 113 (7) CRR).

The IPS contracts call for clear monitoring and the implementation of risk measures. Therefore, the IPS has suitable and uniformly regulated systems for the valuation and management of risks, which ensure a complete overview of the risk situations of the individual members and the IPS in total. These contracts also define the required committees and approval levels.

An extensive reporting system (balance sheet, income statement and risk report) was also implemented to support the management of the IPS. The information from this system flows into the decisions on further management measures.

These responsibilities are met by a separate Raiffeisen sector unit, Österreichische Raiffeisen-Einlagensicherung eGen. In order to perform the necessary tasks as efficiently as possible, an early warning system was installed in accordance with the contracts. This system is designed to ensure the timely identification and prevention of problem cases among the individual members and in the IPS as a whole.

Both institutional protection schemes were officially approved by the FMA in 2014.

European resolution fund

The guideline for the reorganization and resolution of banks is intended to ensure that – in the event of a crisis – the involved bank's owners and creditors are capable of carrying the costs of reorganization or resolution. This is intended to prevent the use of tax revenues for bank rescues in the future.

Credit institutions are required to prepare reorganization and resolution plans. The regulatory authority can exercise its intervention rights at an early point in time if an institution is in difficulty. The resolution authority which was established on 1 January 2015 is also entitled to introduce specific resolution measures if it believes a credit institution is no longer viable.

A resolution fund was established at the European level to prevent the use of public revenues for expenses, whereby all banks are required to make risk-weighted, ex ante contributions.

The fund will be built up over eight years beginning on 1 January 2016, whereby the target is to reach a level of EUR 55.0 billion by the end of this development phase.

The contribution by RLB NÖ-Wien in 2016 amounted to EUR 10.3 million.

Customer deposit protection association for the Raiffeisen sector

In addition to internal measures for the identification, measurement and management of risk, RLB NÖ-Wien is a member of the Raiffeisen customer deposit protection association. This organization of Raiffeisen banks, Raiffeisen regional banks, RZB and RBI mutually guarantees 100% of all customer deposits and securities issued by the association members. The customer deposit protection association has a two-tier organisation: at the regional level where, for example, Raiffeisen banks in Lower Austria provide reciprocal guarantees for customer deposits; and the federal customer deposit protection association ("Bundeskundengarantiegemeinschaft") which takes over when the respective regional protection scheme is insufficient. In this way, the customer deposit protection association of Raiffeisen banks, Raiffeisen regional banks, RZB and RBI creates a twofold safety net for customer deposits.

Solidarity association of Raiffeisen-Bankengruppe NÖ-Wien

RLB NÖ-Wien and the Lower Austrian Raiffeisen banks have established a solidarity association, which provides assistance for members with financial difficulties. This solidarity association represents a further security institution in addition to the Austrian and Lower Austrian Raiffeisen deposit protection schemes described below.

Statutory deposit protection schemes

The enactment of the Austrian Deposit Protection and Investor Compensation Act ("Einlagesicherungs- und Anlegerentschädigungsgesetz", ESAEG) on 14 August 2015 implemented EU Regulation 2014/49/EU concerning deposit protection schemes. The goal remains unchanged and is intended to provide protection for customer deposits.

This protection covers all deposits and credit balances, including interest, on accounts and savings books with credit institutions licensed in Austria (e.g. current accounts, salary and pension accounts, fixed-term deposit accounts and savings books up to a maximum of TEUR 100 per financial institution and depositor, with the exception of financial institutions and government agencies). The coverage applies to natural persons as well as legal entities (e.g. limited liability companies, apartment owners' associations).

The Austrian deposit protection scheme does not cover deposits and credit balances with branch offices of credit institutions which are located in Austria but licensed in other countries. However, these deposits are protected by the respective schemes in the branch office's home country due to the harmonization of deposit protection at the European level.

The most important changes require credit institutions to provide increased information to their depositors and also include a gradual reduction of the pay-out periods in the event of insolvency over the coming years.

The deposit protection scheme system will be rearranged as of 1 January 2019 to meet the substantial increase in the demands on the management of these schemes and the designation of the Austrian Financial Market Authority as the responsible regulatory body. In order to ensure sufficient funds in the event of an insolvency case, a fund will be created for the deposit protection schemes. The credit institutions are required to make contributions to this fund beginning in 2015.

Through Raiffeisen-Einlagensicherung Niederösterreich-Wien reg. Gen. mbH, RLB NÖ-Wien and the Lower Austrian Raiffeisen banks are members of Österreichische Raiffeisen-Einlagensicherung eGen. This deposit protection cooperative serves as the guarantee facility for the entire Austrian RBG as defined in the Austrian Deposit Protection and Investor Compensation Act ("Einlagesicherungs- und Anlegerentschädigungsgesetz", ESAEG). The early-warning system used to protect deposits in the Raiffeisen sector provides a high level of safety for depositors and investors that goes far beyond legislative requirements. This early-warning system is based on an extensive performance and risk reporting mechanism that is used by all Raiffeisen regional bank headquarters (including all Raiffeisen banks in the respective provinces) to submit information to Österreichische Raiffeisen-Einlagensicherung eGen and for analysis and monitoring.

(31) Derivative financial instruments

The following tables show the derivative financial products outstanding as of the balance sheet date, classified by the respective term to maturity.

Derivative financial products not held for trading that are recorded on the balance sheet under other assets or other liabilities:

2016 **€'000**	**Nominal amounts** **Term to maturity** **To 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**	**Fair values** **Positive**	**Negative**
Total	***5,960,545***	***7,264,920***	***7,023,849***	***20,249,314***	***867,542***	***(914,138)***
a) Interest rate contracts	***4,587,599***	***7,089,687***	***6,797,764***	***18,475,050***	***857,537***	***(913,082)***
(exchange-traded contracts)						
Interest rate futures	20,000	0	0	20,000	0	(237)
(OTC products)						
Interest rate swaps	4,567,374	6,986,199	6,791,332	18,344,905	857,534	(903,045)
Interest rate options – calls	225	3,488	6,432	10,145	3	0
Interest rate options – puts	0	100,000	0	100,000	0	(9,800)
b) Exchange rate contracts	***1,361,696***	***57,633***	***0***	***1,419,329***	***9,878***	***(1,056)***
(OTC products)						
Currency forwards	158,454	9,716	0	168,170	470	(383)
Cross currency and cross currency interest rate swaps	1,203,242	47,917	0	1,251,159	9,408	(673)
c) Securities contracts	***11,250***	***117,600***	***226,085***	***354,935***	***127***	***0***
(exchange-traded contracts)						
(OTC products)						
Equity and index options – calls	0	52,800	112,835	165,635	0	0
Equity and index options – puts	0	64,800	113,250	178,050	0	0
Other securities contracts	11,250	0	0	11,250	127	0

2015			Nominal amounts		Fair values	
€'000	Term to maturity					
	To 1 year	From 1 to 5 years	Over 5 years	Total	Positive	Negative
Total	*7,121,645*	*9,183,114*	*7,150,741*	*23,455,500*	*866,359*	*(905,464)*
a) Interest rate contracts	*5,682,509*	*8,659,477*	*6,807,056*	*21,149,042*	*857,104*	*(904,127)*
(exchange-traded contracts)						
Interest rate futures	53,500	0	0	53,500	29	0
(OTC products)						
Interest rate swaps	5,629,009	8,520,724	6,799,498	20,949,231	857,064	(897,719)
Interest rate options – calls	0	21,698	7,558	29,256	11	0
Interest rate options – puts	0	117,055	0	117,055	0	(6,408)
b) Exchange rate contracts	*1,404,220*	*512,387*	*0*	*1,916,607*	*8,752*	*(1,337)*
(OTC products)						
Currency forwards	81,610	3,590	0	85,200	163	(245)
Cross currency and cross currency interest rate swaps	1,322,610	508,797	0	1,831,407	8,589	(1,092)
c) Securities contracts	*34,916*	*11,250*	*343,685*	*389,851*	*503*	*0*
(OTC products)						
Equity and index options – calls	0	0	165,635	165,635	0	0
Equity and index options – puts	0	0	178,050	178,050	0	0
Other securities contracts	34,916	11,250	0	46,166	503	0

Derivative financial products held for trading that are recorded on the balance sheet under trading assets or trading liabilities:

2016	Nominal amounts				Fair values	
€'000	Term to maturity					
	To 1 year	From 1 to 5 years	Over 5 years	Total	Positive	Negative
Total	***1,380,760***	***5,352,021***	***4,963,061***	***11,695,842***	***490,461***	***(496,818)***
a) Interest rate contracts	***1,174,750***	***5,330,021***	***4,963,061***	***11,467,832***	***478,084***	***(484,432)***
(exchange-traded contracts)						
Interest rate futures	15,000	0	0	15,000	0	(184)
Interest rate options (Futures Options) - calls	10,000	0	0	10,000	74	0
Interest rate options (Futures Options) - puts	10,000	0	0	10,000	0	(45)
(OTC products)						
Interest rate swaps	888,016	4,487,801	4,444,269	9,820,086	468,727	(474,500)
Interest rate options – calls	123,114	419,383	256,879	799,376	9,283	0
Interest rate options – puts	128,620	422,837	261,913	813,370	0	(9,703)
b) Exchange rate contracts	***204,417***	***22,000***	***0***	***226,417***	***12,377***	***(12,370)***
(OTC products)						
Currency options – calls	106,892	11,000	0	117,892	12,377	0
Currency options – puts	97,525	11,000	0	108,525	0	(12,370)
c) Securities contracts	***1,593***	***0***	***0***	***1,593***	***0***	***(16)***
(OTC products and exchange-traded contracts)						
Index futures	1,593	0	0	1,593	0	(16)

2015			Nominal amounts			Fair values
€'000	To 1 year	Term to maturity From 1 to 5 years	Over 5 years	Total	Positive	Negative
Total	*2,260,205*	*5,873,098*	*7,077,647*	*15,210,950*	*577,259*	*(578,640)*
a) Interest rate contracts	*1,201,426*	*5,733,198*	*7,077,647*	*14,012,271*	*549,503*	*(552,003)*
(exchange-traded contracts)						
Interest rate futures	25,000	0	0	25,000	7	(30)
Interest rate options (Futures Options) - calls	73,890	0	0	73,890	229	0
Interest rate options (Futures Options) - puts	64,704	0	0	64,704	0	(73)
(OTC products)						
Interest rate swaps	724,387	4,719,582	6,414,948	11,858,917	537,804	(540,607)
Interest rate options – calls	194,667	498,469	324,412	1,017,548	11,463	0
Interest rate options – puts	118,778	515,147	338,287	972,212	0	(11,293)
b) Exchange rate contracts	*1,052,304*	*139,900*	*0*	*1,192,204*	*27,742*	*(26,637)*
(OTC products)						
Currency options – calls	539,319	69,950	0	609,269	27,742	0
Currency options – puts	512,985	69,950	0	582,935	0	(26,637)
c) Securities contracts	*6,475*	*0*	*0*	*6,475*	*14*	*0*
(OTC products and exchange-traded contracts)						
Equity and index options – calls	6,475	0	0	6,475	14	0

The nominal and fair values are derived from the separate totals of all calls and puts. The fair values here represent dirty prices (fair value including accrued interest).

Derivative interest rate contracts and derivative securities transactions are used primarily for proprietary trading. Derivative foreign exchange contracts are used for both proprietary and customer business, and credit derivatives are only used for proprietary trading.

(32) Fair values of financial instruments

Financial instruments recognized at fair value

Fair value measurement is based on a hierarchy (fair value hierarchy) of different levels. **Level I** valuations are based on available market prices (generally for securities and derivatives traded on exchanges and in functioning markets). All other financial instruments are measured using valuation models, above all present value or generally accepted option pricing models. Valuations for **Level II** use input factors that are directly or indirectly based on observable market data. **Level III** valuations use models that calculate fair value based on the bank's own internal assumptions or external valuation sources.

An active market is a market in which asset or liability transactions take place with sufficient frequency and volume to provide continuous pricing information. The indicators for an active market may also include the number, update frequency and/or the quality of quotes (e.g. by banks or stock exchanges). In addition, narrow bid/ask spreads and quotes by market participants within a certain corridor may also be signs of an active market.

RLB NÖ-Wien uses generally accepted, well-known valuation models to measure derivatives. OTC derivatives such as interest rate swaps, cross currency swaps and forward rate agreements are measured using the discounted cash flow model (DCF), which is generally applied to these products. OTC options such as foreign exchange options or interest rate are measured on the basis of standard market valuation models, e.g. the Garman-Kohlhagen model, Bachelier or Black '76. All parameters that flow into the valuation (e.g. interest rates, volatilities) are regularly evaluated and developed by independent market data information systems.

The counterparty risk on OTC derivatives is included through a credit value adjustment (CVA) which represents the costs of hedging this risk on the market. The CVA is calculated by multiplying the expected positive exposure of the derivative (EPE), the counterparty's probability of default (PD) and the loss given default (LGD). The EPE is determined by simulation, while the LGD and PD are based on market data. The debt value adjustment (DVA) represents an adjustment for the company's own default probability. The calculation method is similar to the CVA, but the expected negative fair value (ENE or expected negative exposure) is used instead of the expected positive exposure.

The bonds held by RLB NÖ-Wien are principally valued on the basis of tradable market prices. In cases where quoted prices are not available, the securities are measured by means of a DCF model. The parameters used in this model include the yield curve and an appropriate credit spread. The credit spread is determined on the basis of comparable financial instruments currently on the market. A conservative approach is applied to a small part of the portfolio and CDS spreads are used for valuation.

External valuations by third parties are also taken into account and have an indicative character in all cases.

The various positions are assigned to a level, or reclassified between levels, at the end of each quarterly reporting period.

Classification of the financial instruments carried at fair value (classified by the fair value level):

2016 €'000	Level I	Level II	Level III
Assets			
Trading assets	5,003	520,429	0
Securities and equity investments classified at fair value through profit and loss	239,741	102,946	11,395
Securities and investments classified as available for sale (measured at fair value)	3,191,178	107,381	3,267
Other assets (positive fair values of derivative financial instruments)	0	867,542	0
Liabilities			
Trading liabilities	0	(496,573)	0
Other liabilities (negative fair values of derivative financial instruments)	0	(913,901)	0
Subordinated debt capital designated as fair value through profit or loss	0	0	50,908

2015 €'000	Level I	Level II	Level III
Assets			
Trading assets	17,913	717,655	41,521
Securities and equity investments classified at fair value through profit and loss	354,878	174,726	9,555
Securities and investments classified as available for sale (measured at fair value)	3,241,985	216,777	12,623
Other assets (positive fair values of derivative financial instruments)	0	866,329	0
Liabilities			
Securitized liabilities designated at fair value through profit or loss	0	13,502	0
Trading liabilities	67	578,537	0
Other liabilities (negative fair values of derivative financial instruments)	0	905,464	0
Subordinated debt capital designated as fair value through profit or loss	0	0	48,727

The dirty price (fair value including accrued interest) equals the clean price as defined by the front office system plus recognised accrued interest according to the settlement system, after the deduction of the counterparty risk.

There were no reclassifications between Levels I and II on the fair value hierarchy in 2016. The reclassifications in the previous year were based on changes in market quotations:

2015 €'000	From Level I to Level II	From Level II to Level I
Assets		
Trading assets	0	0
Securities and equity investments classified at fair value through profit and loss	2,077	7,136
Securities and investments classified as available for sale (measured at fair value)	0	0
Other assets (positive fair values of derivative financial instruments)		

Every financial instrument is examined to determine whether there is a quoted price on an active market (Level I). The fair value of financial instruments without quoted market prices is based on observable market data like yield curves (Level II). A change in this estimate leads to reclassification.

There were no reclassifications between Level I and Level II since the end of the last reporting period.

Reconciliation of the financial instruments classified under Level III:

2016 €'000	Trading assets	Securities and equity investments	Supplementary capital
At 1 January	**41,521**	**22,179**	**48,727**
Purchases and initial consolidations	0	60	0
Valuation results (trading results)	0	40	0
Revaluation gains and losses (profit/(loss) from financial investments)	0	2,182	91
Revaluation gains and losses (without being recognized in the Income Statement)	0	(169)	0
Realized in profit or loss through disposals	(67)	216	0
Interest accruals	0	(1)	2,088
Reclassification from Level III	0	0	0
Sales	(41,454)	(9,118)	0
Performance	0	(727)	2
Premium/discount	0	0	0
At 31 December	**0**	**14,662**	**50,908**
Revaluation gains and losses on financial instruments recognized to the income statement at 31 December	0	2,222	91

2015 €'000	Trading assets	Securities and equity investments	Supplementary capital
At 1 January	42,222	96,771	48,711
Purchases and initial consolidations	0	278	0
Valuation results (trading results)	(698)	193	0
Revaluation gains and losses (profit/(loss) from financial investments)	0	2,228	(1,806)
Revaluation gains and losses (without being recognized in the Income Statement)	0	(2)	0
Realized in profit or loss through disposals	0	164	0
Interest accruals	(3)	(330)	1,947
Reclassification from Level III	0	(43,324)	0
Sales	0	(4,522)	0
Performance	0	(29,292)	(125)
Premium/discount	0	16	0
At 31 December	41,521	22,179	48,727
Revaluation gains and losses on financial instruments recognized to the income statement at 31 December	(698)	2,419	(1,806)

There were no reclassifications to or from Level III since the end of the last reporting period.

Qualitative and quantitative information on the valuation of Level III financial instruments:

2016	Type	Market value in EURm	Valuation method	Major unobservable input factors	Scope of unobservable input factors
Financial assets					
Shares and other variable-yield securities	Shares and funds	1.9	External valuation	Discounts	5-10%
Shares and other variable-yield securities	Non-fixed-interest bonds	0.056	DCF method	Credit margin	0-2%
Bonds and other fixed-interest securities	Fixed-interest bonds	3.08	DCF method	Credit margin	15-50%
Bonds and other fixed-interest securities	Credit-linked notes	9.62	External valuation	Credit margin	15-20%
Financial liabilities					
Subordinated debt	Index-linked notes	(40.16)	External valuation	Credit margin	5-15%
Subordinated debt	Fixed-interest bonds	(10.75)	DCF method	Credit margin	5-15%

2015	Type	Market value in EURm	Valuation method	Major unobservable input factors	Scope of unobservable input factors
Financial assets					
Shares and other variable-yield securities	Shares and funds	2.1	External valuation	Discounts	5-10%
Shares and other variable-yield securities	Non-fixed-interest bonds	0.1	DCF method	Credit margin	0-2%
Bonds and other fixed-interest securities	Fixed-interest bonds	53.7	DCF method	Credit margin	15-50%
Bonds and other fixed-interest securities	Credit-linked notes	7.9	External valuation	Credit margin	15-20%
Financial liabilities					
Subordinated debt	Index-linked notes	38.2	External valuation	Credit margin	5-15%
Subordinated debt	Fixed-interest bonds	10.5	DCF method	Credit margin	5-15%

The methods used for the fair value measurement of securities are selected by the Valuation Department (Market Risk Valuation Department) and approved by the Managing Board. These valuation guidelines are designed to ensure accurate measurement results and the use of consistent methods.

Automatic controls ensure that the quality of the applied models and input parameters meet the defined standards.

The acquisition of new financial instruments is accompanies by the examination and validation of all possible pricing sources. A source is then selected in agreement with the valuation guidelines and current legal requirements.

Priority is given to generally accepted valuation parameters that can be obtained from recognized data providers.

A range of alternative parameters is available for selection and application in cases where the value of a financial instrument is dependent on non-observable data. A shift in the parameters at the ends of these ranges would lead to an increase of EUR 0.2 million or a decrease of EUR 7.7 million in the fair value of assets as of 31 December 2016. The fair value of liabilities would increase by EUR 5.7 million or decrease by EUR 4.8 million. These estimates reflect the corresponding market conditions and internal valuation guidelines.

The probability of a simultaneous shift in all non-observable parameters to the ends of the ranges is extremely low. Consequently, these results do not support any conclusions concerning actual future changes in market values.

2016 €m	Type	Impairment due to change in parameter	Increase due to change in parameter
Financial assets			
Shares and other variable-yield securities	Shares and funds	(1.9)	0
Bonds and other fixed-interest securities	Fixed-interest bonds	(3.08)	0
Bonds and other fixed-interest securities	Credit-linked notes	(2.7)	0.2
Shares and other variable-yield securities	Non-fixed-interest bonds	(0.06)	0
Financial liabilities			
Subordinated debt	Index-linked notes	(3.2)	3.8
Subordinated debt	Fixed-interest bonds	(1.6)	1.9

2015 €m	Type	Impairment due to change in parameter	Increase due to change in parameter
Financial assets			
Shares and other variable-yield securities	Shares and funds	(2.1)	0
Bonds and other fixed-interest securities	Fixed-interest bonds	(22.9)	1
Bonds and other fixed-interest securities	Credit-linked notes	(1.8)	0.1
Shares and other variable-yield securities	Non-fixed-interest bonds	(0.06)	0
Financial liabilities			
Subordinated debt	Index-linked notes	(3.8)	4.4
Subordinated debt	Fixed-interest bonds	(1.2)	2.5

Fair value of financial instruments not carried at fair value

Fixed-interest loans and advances to and deposits from other banks are only measured at fair value – in contrast to the respective carrying amounts – if they have a remaining term to maturity of more than one year. Variable rate loans and advances and deposits are only included if they have an interest rate adjustment period of more than one year. Discounting at an interest rate that reflects the market rate only has a material effect in these cases. The following table shows the fair values and carrying amounts of balance sheet items that are generally not measured at fair value. Loans and advances to other banks and customers are reported net of impairment allowance balances.

2016 €'000	**Fair value**	**2016 Carrying amount**	**Difference**
Assets			
Loans and advances to other banks	6,309,906	6,257,698	52,208
Loans and advances to customers	11,664,463	11,579,385	85,078
Securities classified as held to maturity	224,713	211,744	12,969
Liabilities			
Deposits from other banks	7,773,312	7,628,203	145,109
Deposits from customers	7,831,404	7,618,112	213,292
Securitized liabilities classified at amortised cost	6,086,965	5,827,746	259,219
Subordinated debt capital classified at amortised cost	953,469	932,843	20,626

2015 €'000	**Fair value**	**2015 Carrying amount**	**Difference**
Assets			
Loans and advances to other banks	7,639,667	7,582,176	57,491
Loans and advances to customers	11,767,457	11,665,030	102,427
Securities classified as held to maturity	342,831	347,779	(4,949)
Liabilities			
Deposits from other banks	9,634,641	9,453,310	181,331
Deposits from customers	7,721,638	7,621,724	99,914
Securitized liabilities classified at amortised cost	6,306,256	6,220,900	85,357
Subordinated debt capital classified at amortised cost	890,253	906,823	(16,570)

Classification of balance sheet positions according to the fair value hierarchy:

2016 €'000	Fair Value Level I	Fair Value Level II	Fair Value Level III
Assets			
Loans and advances to other banks	0	0	6,309,906
Loans and advances to customers	0	0	11,664,463
Securities classified as held to maturity	167,628	56,905	180
Liabilities			
Deposits from other banks	0	7,773,312	0
Deposits from customers	0	7,831,404	0
Securitized liabilities classified at amortised cost	0	6,086,965	0
Subordinated debt capital classified at amortised cost	0	0	953,469

2015 €'000	Fair Value Level I	Fair Value Level II	Fair Value Level III
Assets			
Loans and advances to other banks	0	107,493	7,532,174
Loans and advances to customers	0	0	11,767,457
Securities classified as held to maturity	251,788	59,770	31,273
Liabilities			
Deposits from other banks	0	9,634,641	0
Deposits from customers	0	7,721,638	0
Securitized liabilities classified at amortised cost	0	6,230,692	75,564
Subordinated debt capital classified at amortised cost	0	0	890,253

Equity instruments are measured at cost if reliable market values are not available. Quoted equity instruments are also measured at cost if the volume or frequency of transactions provides reasons to doubt the validity of the market price. For unquoted equity instruments, above all equity investments, there are generally no observable market transactions with identical or similar equity instruments that could provide a reliable estimate of fair value. The estimation of a reliable fair value or its determination within a probability-weighted range based on a DCF or similar method is not helpful because the fair value of these instruments can only be calculated on the basis of internal data that has no market relevance.

The carrying amount of the available-for-sale financial instruments measured at cost totals TEUR 21,965 (2015: TEUR 25,868). RLB NÖ-Wien has no plans to sell these financial instruments. In 2016 no available-for-sale financial instruments measured at cost were derecognized (carrying amount 2015: TEUR 1,117, proceeds on sale 2015: TEUR 574).

Additional Information

(33) Classification of remaining terms to maturity

Classification of remaining terms to maturity as of 31 December 2016:

€'000	On demand or of unspecified maturity	To 3 month	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Loans and advances to other banks	5,810,782	11,001	274,026	102,410	63,247	6,261,466
Loans and advances to customers	2,440,369	380,999	862,632	2,740,798	5,393,523	11,818,321
Trading assets	10,265	195,010	89,803	189,288	41,066	525,432
Securities and equity investments	113,605	137,952	145,495	1,127,566	2,365,334	3,889,952
Deposits from other banks	7,509,691	90,049	0	0	28,463	7,628,203
Deposits from customers	7,616,444	451	1,217	0	0	7,618,112
Securitized liabilities	99,603	110,917	479,777	3,320,397	1,816,691	5,827,385
Trading liabilities	0	280,754	107,309	68,806	39,704	496,573
Tier 2 capital	111,114	20,026	61,990	248,954	490,692	932,776

Classification of remaining terms to maturity as of 31 December 2015:

€'000	On demand or of unspecified maturity	To 3 month	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
Loans and advances to other banks	2,916,993	981,727	557,387	2,637,301	490,007	7,583,415
Loans and advances to customers	314,931	2,270,216	1,267,826	4,345,832	3,749,246	11,948,052
Trading assets	0	577,049	4,484	175,655	19,901	777,090
Securities and equity investments	0	370,250	224,879	1,465,394	2,323,668	4,384,192
Deposits from other banks	3,163,080	2,252,161	265,251	2,901,758	871,060	9,453,310
Deposits from customers	5,039,510	386,885	664,644	225,324	1,305,360	7,621,724
Securitized liabilities	0	1,061,501	428,021	2,039,266	2,705,614	6,234,402
Trading liabilities	0	9,318	20,777	170,102	378,406	578,604
Tier 2 capital	0	56,258	5,000	304,250	590,043	955,551

(34) Related party disclosures

in TEUR	2016	2015
Loans and advances to other banks		
Parent	873,500	1,569,478
Associates	3,195,843	3,730,224
Loans and advances to customers		
Entities related via the parent	312,666	332,484
Unconsolidated subsidiaries	9,477	15,249
Associates	548,614	674,414
Entities accounted for using the equity method via the parent	2	153,407
Joint ventures	9,014	111,316
Impairment allowance balance		
Unconsolidated subsidiaries	0	(2,094)
Associates	(12,072)	(4,101)
Joint ventures	0	(9,397)
Trading assets		
Parent	65,920	74,131
Associates	30,118	81,235
Entities accounted for using the equity method via the parent	0	1,643
Securities and equity investments		
Parent	277	0
Unconsolidated subsidiaries	78,636	0
Associates	112,635	92,251
Entities accounted for using the equity method via the parent	2,950	0
Joint ventures	669	3,004
Other assets		
Parent	51,116	97,540
Entities related via the parent	6	6
Unconsolidated subsidiaries	2,331	0
Associates	67,591	73,922

€'000	2016	2015
Deposits from other banks		
Parent	1,038	251,549
Associates	766,041	2,106,542
Deposits from customers		
Entities related via the parent	260,360	156,130
Unconsolidated subsidiaries	65,379	16,838
Associates	58,479	56,070
Entities accounted for using the equity method via the parent	3,179	34,442
Joint ventures	13,600	211,282
Securitized liabilities		
Parent	197	1,877
Entities related via the parent	40	0
Unconsolidated subsidiaries	139	89
Associates	0	29,284
Entities accounted for using the equity method via the parent	0	40
Trading liabilities		
Associates	0	5
Other liabilities		
Parent	0	14,192
Associates	38,469	50,952

€'000	2016	2015
Contingent liabilities		
Parent	7,080	7,134
Entities related via the parent	527	6,476
Unconsolidated subsidiaries	3,251	1,174
Associates	308,197	285,768
Entities accounted for using the equity method via the parent	0	16,580
Joint ventures	0	29,676

The following legal and business relations existed with related companies in 2016 and 2015:

2016 €'000	Purchased services and merchandise	Services provided and sale of merchandise and fixed assets
Parent	20,655	2,077
Entities related via the parent	6	4
Unconsolidated subsidiaries	3,446	1,327
Associates	29,087	1,703
Entities accounted for using the equity method via the parent	0	23
Joint ventures	4,361	590

2015 €'000	Purchased services and merchandise	Services provided and sale of merchandise and fixed assets
Parent	19,307	1,509
Entities related via the parent	92	76
Unconsolidated subsidiaries	1,687	1,395
Associates	31,633	344
Entities accounted for using the equity method via the parent	1,550	9
Joint ventures	5,073	204

The following legal and business relations exist with related companies:

- The parent company of RLB NÖ-Wien is Raiffeisen-Holding NÖ-Wien. The business relationships between RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien consist primarily of refinancing for Raiffeisen-Holding NÖ-Wien and transactions with derivative financial instruments.
- transferred its banking-related business operations and banking-related equity investments to RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (formerly PRAELUSIO Beteiligungs AG) as a contribution in kind retroactively as of 31 December 2000 in accordance with § 92 of the Austrian Banking Act and Art. III of the Austrian Reorganization Tax Act ("Umgründungssteuergesetz"). The transferring company changed its name to RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. The concessions and authorizations for the banking-related business operations were transferred from Raiffeisen-Holding NÖ-Wien to RLB NÖ-Wien in accordance with § 92 (6) of the Austrian Banking Act. The banking-related business operations were accepted by RLB NÖ-Wien as the universal legal successor in accordance with § 92 (4) of the Austrian Banking Act. In accordance with § 92 (9) of the Austrian Banking Act, Raiffeisen-Holding NÖ-Wien is liable with its entire assets for all current and future liabilities of RLB NÖ-Wien in the event this latter institution should become insolvent.
- RLB NÖ-Wien has been a member of a corporate tax group created in accordance with § 9 of the Austrian Corporate Income Tax Act since the 2005 assessment year. The head of the tax group is Raiffeisen-Holding NÖ-Wien, with

which RLB NÖ-Wien has concluded a tax contribution agreement.

- In the 2016 assessment year, the corporate tax group with Raiffeisen-Holding NÖ-Wien as its head included RLB NÖ-Wien as well as 57 (2015: 57) other members. The tax base for the entire group equals the total income of the head of the group plus the allocated taxable income of the group members after the maximum allowable deduction of the tax loss carryforwards held by the head of the group. RLB NÖ-Wien is charged a proportional share of group corporate income tax, which is assessed at the level of the head of the group, Raiffeisen-Holding NÖ-Wien. A tax charge based on the contractually agreed rate is payable to the head of the group, Raiffeisen-Holding NÖ-Wien, on the untaxed portion of the taxable income recorded by RLB NÖ-Wien. A loss recorded by RLB NÖ-Wien for the year results in a negative tax contribution.
- The liquidity management agreement concluded between RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien regulates the relationship between these two parties with respect to liquidity provision, measurement and monitoring as well as the related measures. This agreement was concluded for an indefinite period of time and can be cancelled by both parties.
- RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien have concluded a management service agreement that regulates the details of mutually provided services in order to reduce redundancy and improve cost efficiency.
- RLB NÖ-Wien and „AKTUELL“ Raiffeisen Versicherungs-Maklerdienst Gesellschaft m.b.H concluded contracts for the transfer of profit and loss in connection with the inter-company relationships established under Austrian corporate tax law. The inter-company relationships remained in effect up to the 2004 assessment year, but the contracts for the transfer of profit and loss are still valid.
- RLB NÖ-Wien and the following companies have established tax groups for VAT purposes:
  - Raiffeisen-Holding NÖ-Wien
  - "AKTUELL" Raiffeisen Versicherungs-Maklerdienst Gesellschaft m.b.H.
  - MODAL-Gesellschaft für betriebsorientierte Bildung und Management GmbH
  - Raiffeisen Beratung direkt GmbH
  - RBE Raiffeisen Beratungs- und Entwicklungs GmbH
  - Raiffeisen Versicherungs- und Bauspar-Agentur GmbH
  - Veritas Treuhandgesellschaft für Versicherungsüberprüfung und -vermittlung m.b.H.
  - Raiffeisen Analytik GmbH

- RLB NÖ-Wien has arranged for Directors and Officers (D&O) insurance and fidelity insurance to cover its corporate bodies and key managers as well as the corporate bodies and key managers of its subsidiaries and carries the cost for this insurance.
- The following companies have concluded an agreement (federal IPS agreement) for the establishment of an institutional protection scheme: RLB NÖ-Wien, Raiffeisen-Holding NÖ-Wien, RZB, all other Raiffeisen regional banks, ZVEZA Bank, Raiffeisen Bausparkasse GmbH, Raiffeisen Wohnbaubank AG and Österreichische Raiffeisen-Einlagensicherung eGen (ÖRE). This federal IPS agreement establishes an institution-based protection scheme (federal IPS) under which the contract parties assume the rights and obligations defined in the respective legal provisions of the IPS framework agreement and consent to their implementation as regulated by the federal IPS agreement. The parties to the federal IPS agreement have also concluded a trust agreement under which ÖRE serves as the trustee for payments made in connection with the federal IPS.
- The following companies have concluded an agreement (regional IPS agreement) for the establishment of an institutional protection scheme: RLB NÖ-Wien, Raiffeisen-Holding NÖ-Wien, the solidarity association of Raiffeisen-Bankengruppe NÖ-Wien, 56 (2015: 60) Lower Austrian Raiffeisen banks (the IPS agreement was originally signed by 63 Lower Austrian Raiffeisen banks; the number declined to 56 as of 31 December 2016) and Raiffeisen-Einlagensicherung NÖ-Wien reg.Gen.m.b.H. (LASE). This regional IPS agreement establishes an institution-based protection scheme (regional IPS) under which the contract parties assume the rights and obligations defined in the respective legal provisions of the IPS framework agreement and consent to their implementation as regulated by the regional IPS agreement. The parties to the regional IPS agreement have also concluded a trust agreement under which LASE

serves as the trustee for payments made in connection with the regional IPS.

In 2015 shares in an associate were sold for EUR 45.2 million. No such transactions took place in 2016.

An associate and one of its subsidiaries have concluded a limited settlement agreement to offset the loans and advances to and deposits from other banks.

The business transactions and relations with related companies reflect arm's length terms and conditions.

Key management includes the members of the Managing Board and Supervisory Board of RLB NÖ-Wien as well as the members of management, the managing board and supervisory board of Raiffeisen-Holding NÖ-Wien.

The relationships between key management and RLB NÖ-Wien are as follows:

in TEUR	2016	2015
Sight deposits	3,105	2,325
Bonds	31	30
Savings deposits	595	562
Other receivables	107	138
Total	**3,838**	3,055
Current accounts	3	6
Loans	1402	1,546
Other liabilities	95	109
Total	**1,500**	1,661

The relationships of persons closely related to the key management of RLB NÖ-Wien are shown below:

in TEUR	2016	2015
Sight deposits	267	274
Bonds	18	0
Savings deposits	58	206
Other receivables	1	2
Total	**344**	482
Current accounts	2	0
Loans	54	58
Other liabilities	0	0
Total	**56**	58

(35) Remuneration of the Managing and Supervisory Boards

The remuneration paid by the company to the members of key management totalled TEUR 1.300 (2015: TEUR 3,031). This amount includes TEUR 2,316 (2015: TEUR 2,276) of short-term benefits TEUR -1,016 (2015: TEUR 738) of post-employment benefits (pensions and termination benefits) including additions to and reversals of provisions, TEUR 0 (2015: 17) of other long-term benefits. The total remuneration (including additions to/ reversals of provisions) for former managing directors and their surviving dependants as well as former members of the Managing Board of RLB NÖ-Wien AG totalled TEUR -1,639 (2015: TEUR -1,231).

The payments received by RLB AG for management services provided by Raiffeisen-Holding NÖ-Wien, amounted to TEUR 451 (disclosure in accordance with IAS 24.18A).

Additional disclosures in accordance with § 239 (1) no. 4 a) of the Austrian Commercial Code in connection with § 266 (2) of the Austrian Commercial Code:

The following table shows the remuneration for the active members of the Managing Board and Supervisory Board, classified by corporate body:

	Total remuneration for activities in reporting year	Thereof from subsidiaries for activities on behalf of the company or as a legal representative or as an employee of a subsidiary
Managing Board		
Current year in TEUR	2,193	*)
Prior year in TEUR	2,164	*)
Supervisory Board		
Current year in TEUR	124	
Prior year in TEUR	128	

* Information on the remuneration of related entities is not provided in accordance with the protective clause defined by § 64 (6) of the Austrian Banking Act in connection with § 242 (4) of the Austrian Commercial Code.

The payments made to former managing directors and their surviving dependents (of the former Raiffeisenlandesbank Niederösterreich-Wien reg. Gen.m.b.H.) and former members of the Managing Board of RLB NÖ-Wien amounted to TEUR 1,000 (2015: TEUR 1,219).

(36) Disclosure of loans and advances to members of the Managing and Supervisory Board pursuant to § 266 No. 5 of the Austrian Commercial Code

As of the balance sheet date on 31 December 2015, loans and advances outstanding to the members of the Managing Board and Supervisory Board totalled TEUR 1,150 (2015: TEUR 1,261) and TEUR 112 (2015: TEUR 130), respectively. No guarantees were issued on behalf of these persons. The loans and advances to the members of the Supervisory Board consist solely of loans and advances to the employees appointed to this corporate body by the Staff Council and carry standard bank terms and interest rates. Repayments during the reporting year amounted to TEUR 531 (2015: TEUR 157) by the Managing Board members and TEUR 32 (2015: TEUR 18) by the Supervisory Board members.

(37) Foreign currency balances

The consolidated financial statements include the following foreign currency asset and liability balances:

€'000	2016	2015
Assets	1,592,406	1,548,399
Liabilities	636,517	381,847

(38) Assets and liabilities outside Austria

The asset and liabilities with contract partners outside Austria are as follows:

€'000	2016	2015
Assets	4,517,182	4,516,347
Liabilities	5,401,335	6,262,639

(39) Subordinated assets

Assets include the following subordinated items:

€'000	2016	2015
Loans and advances to other banks	13,907	11,541
Trading assets	57	49
Financial investments	62,834	52,893
Total	**76,798**	64,483

(40) Contingent liabilities and other off-balance sheet obligations

RLB NÖ-Wien held the following off-balance sheet obligations at year-end:

€'000	2016	2015
Contingent liabilities	***881,518***	***930,201***
Of which arising from other guarantees	864,113	900,109
Of which arising from letters of credit	14,594	29,979
Of which other contingent liabilities	2,811	112
Commitments	***4,804,566***	***4,862,788***
Of which arising from revocable loan commitments	2,012,995	3,187,703
Of which arising from irrevocable loan commitments	2,791,571	1,675,085
To 1 year	957,597	252,613
More than 1 year	1,833,974	1,422,472

The additional guarantees for cooperatives totalled TEUR 2,811 (2015: TEUR 1,987) and include TEUR 41 (2015: TEUR 41) related to subsidiaries. Additional funding commitments total TEUR 841 (2015: TEUR 841), whereby TEUR 150 (2015: 150) are related to subsidiaries. Outstanding deposits remained unchanged in comparison with the previous year at TEUR 21 (2015: TEUR 21) and include TEUR 18 (2015: TEUR 18) related to subsidiaries.

Moreover, there are obligations arising from the mandatory membership in the protection facility to be maintained by the Raiffeisen bank organization (§§ 8 (1) and 45 (1) in connection with § 59 of the Austrian Deposit Protection and Investor Compensation Act).

RLB NÖ-Wien is required to make an annual ex ante contribution (§ 21 of the Austrian Deposit Protection and Investor Compensation Act) to finance the statutory deposit insurance through the creation of a fund. The contribution for 2016 equalled TEUR 2,616 (2015: TEUR 1,085) and is reported under other operating expenses. The protection facility can also collect special contributions each calendar year up to a maximum of 0.5% of the covered deposits in member institutions (the Financial Market Authority can, in individual cases, approve a higher amount). The amount of the special contributions is based on the ratio of the last annual contribution payable by RLB NÖ-Wien to the total amount of the last annual contribution payable by all members to the protection facility (§ 22 of the Austrian Deposit Protection and Investor Compensation Act).

In the event compensation payments are made for insured securities services (investor compensation), the annual contribution for each individual institution will equal up to 1.5% of the assessment base as defined by Art. 92 (3) letter a of the CRR plus 12.5-times the capital requirements for position risk as defined in Part 3 Title IV Chapter 2 of the CRR, i.e. TEUR 153,239 (2015: TEUR 161,638) for RLB NÖ-Wien.

RLB NÖ-Wien is a member of Raiffeisen Kundengarantiegemeinschaft NÖ-Wien, the Raiffeisen customer deposit protection association for Lower Austria and Vienna. In accordance with the association's statutes, the joint responsibility for the fulfilment of obligations to customers (deposits from customers as defined under Pos. 2., Liabilities) and deposits from other banks (as defined in Pos. 1., Liabilities) and the securities issued by every insolvent association member are guaranteed up to a limit that equals the total individual capacities of the other association members. The individual capacity of an association member is based on free cash reserves as calculated in accordance with the relevant provisions of the Austrian Banking Act.

Raiffeisen-Kundengarantiegemeinschaft NÖ-Wien, in turn, is a member of the Raiffeisen Kundengarantie-gemeinschaft Österreich, whose members are RZB, Raiffeisen Bank International AG (RBI) and other Raiffeisen regional customer guarantee collectives. The objective of the association is the same as Raiffeisen-Kundengarantiegemeinschaft NÖ-Wien based on RZB, RBI and the members of the Raiffeisen regional customer deposit protection association (also see note (30) Risk report).

The disclosure requirement for guarantee obligations is met by a noted item of EUR 1.00 below the balance sheet because it is not possible to determine the amount of the potential liability of RLB NÖ-Wien arising from the reciprocal guarantee system.

In accordance with § 125 (1) of the Austrian Act on the Reorganization and Resolution of Banks ("Bundesgesetz über die Sanierung und Abwicklung von Banken", BaSAG), institutions are required to make contributions and the Financial Market Authority is required to ensure that the funds available through the resolution financing mechanism equal at least 0.1% of the insured deposits of all institutions licensed in Austria by 31 December 2016. The goal is to reach 1.0% of the insured deposits by 2023. The contribution by RLB NÖ-Wien in 2016 equalled TEUR 10,288 (2015: TEUR 6,616) and is reported under other operating income. In addition, § 127 of the Austrian Act on the Reorganization and Resolution of Banks authorizes the resolution authority to call for extraordinary subsequent contributions if required. The calculation of these contributions is based on the rules for ordinary contributions as defined in § 126 of the Austrian Act on the Reorganization and Resolution of Banks, whereby they may not exceed three-times the annual ordinary contributions.

In the sense of Art. 49 (3) and 113 (7) of the CRR, RLB NÖ-Wien has concluded a contract for the establishment of an institutional protection scheme (federal IPS) at the federal level with the following companies: RZB, the other Raiffeisen regional banks, Raiffeisen-Holding NÖ-Wien and a number of other institutions in the Raiffeisen-Banking Group. RLB NÖ-Wien also concluded a similar agreement with Raiffeisen-Holding NÖ-Wien and 60 Lower Austrian Raiffeisen banks (regional IPS).

In addition, a trust agreement was concluded between the parties to the federal and regional IPS agreements under which ÖRE or LASE, respectively, is designated to serve as the trustee for payments made within the scope of the federal or regional institutional protection scheme.

These agreements are intended to ensure sufficient liquidity and solvency in order to prevent the bankruptcy of the contract parties. The guarantee agreements make it possible for the institutions not to deduct the other contract parties' holdings in equity instruments from their own capital (Art. 49 (3) of the CRR). Moreover, the institutions are permitted to exclude risk positions against the other contract parties from the calculation of their own risk-weighted positions (Art. 113 (7) of the CRR). Both institutional protection schemes were officially approved by the FMA in 2014.

For the federal IPS, an ex-ante special fund for possible support actions must be accumulated within an appropriate period, but no later than 31 December 2022. The contribution by RLB NÖ-Wien equalled EUR 8.4 million in 2016 (2015: EUR 7.7 million) and is reported as a reserve. In 2016, EUR 2.8 million of the reserve created in the previous year was used for support payments (2015: EUR 2.3 million).

An ex-ante special fund for possible support actions must also be accumulated for the regional IPS by 31 December 2022. RLB NÖ-Wien did not make a contribution in 2016 (2015: TEUR 2,331).

The development of interest rates in recent years has led to negative indicator values, which flow into the calculation of interest rates. RLB NÖ-Wien has not reduced the interest rates on savings deposits or the interest rates on loans which are tied to the Euribor. For loans tied to the Swiss franc, the margins were reduced to the zero limit. The possible outflow of funds is considered very low due to the current legal framework, and a contingent liability was therefore not recognized for these items.

(41) Repurchase agreements, securities lending and offsetting agreements

As of 31 December, the repurchase and resale obligations arising from repo agreements are as follows:

€'000	2016	2015
Genuine repurchase agreements as the pension provider		
Deposits from other banks	89,986	89,986
Total	**89,986**	89,986

The carrying amount of the securities sold under a sale and repurchase agreement totalled TEUR 104,819 in 2016 (2015: TEUR 104,819). No securities were purchased under a sale and repurchase agreement.

Securities lending transactions covered a volume of TEUR 237,363 (2015: TEUR 176,622), while no securities were borrowed. In connection with securities lending transactions, no cash was received as collateral.

The following financial assets and liabilities were offset for presentation on the balance sheet in 2016 in agreement with IAS 32 or are subject to an enforceable master netting agreement or similar arrangement:

Assets 2016 €'000	Gross amounts	Offset on the balance sheet	Net amounts reported on the balance sheet	Related amounts not offset on the balance sheet Financial instruments	 Cash collateral received	Net amount
Loans and advances to other banks	2,967,950	0	2,967,950	(305,094)	0	2,662,856
Derivatives	1,078,681	0	1,078,681	(961,816)	(114,426)	2,439
Total	**4,046,631**	**0**	**4,046,631**	**(1,266,910)**	**(114,426)**	**2,665,295**

Liabilities 2016 €'000	Gross amounts	Offset on the balance sheet	Net amounts reported on the balance sheet	Related amounts not offset on the balance sheet Financial instruments	 Cash collateral provided	Net amount
Deposits from other banks	305,094	0	305,094	(305,094)	0	0
Derivatives	1,361,476	0	1,361,476	(961,816)	(404,788)	(5,128)
Repurchase agreements issued	89,986	0	89,986	(89,986)	0	0
Total	**1,756,556**	**0**	**1,756,556**	**(1,356,896)**	**(404,788)**	**(5,128)**

The following financial assets and liabilities were offset for presentation on the balance sheet in 2015 in agreement with IAS 32 or are subject to an enforceable master netting agreement or similar arrangement:

Assets 2015 €'000	Gross amounts	Offset on the balance sheet	Net amounts reported on the balance sheet	Related amounts not offset on the balance sheet Financial instruments	 Cash collateral received	Net amount
Loans and advances to other banks	3,405,272	0	3,405,272	(1,453,068)	0	1,952,204
Derivatives	1,180,108	0	1,180,108	(1,062,532)	(116,140)	1,437
Total	4,585,380	0	4,585,380	(2,515,600)	(116,140)	1,953,641

Liabilities 2015 €'000	Gross amounts	Offset on the balance sheet	Net amounts reported on the balance sheet	Related amounts not offset on the balance sheet Financial instruments	 Cash collateral provided	Net amount
Deposits from other banks	1,453,068	0	1,453,068	(1,453,068)	0	0
Derivatives	1,481,703	0	1,481,703	(1,062,532)	(430,893)	(11,722)
Repurchase agreements issued	89,986	0	89,986	(89,986)	0	0
Total	3,024,757	0	3,024,757	(2,605,586)	(430,893)	(11,722)

In order to determine capital requirements, RLB NÖ-Wien offsets the corresponding receivables from derivatives (positive and negative fair values) resulting from individual transactions executed under a framework agreement (for financial forwards and futures) or an ISDA master agreement with the respective counterparty. Raiffeisenlandesbank NÖ-Wien AG has concluded these types of netting agreements with numerous banks and other financial institutions. An agreement was also concluded with an associate and one of its subsidiaries to offset receivables and liabilities. The agreements described are conditional and only permit netting in the event of payment default or insolvency.

(42) Assets pledged as collateral

The following assets recognized on the balance sheet were pledged as collateral for the liabilities listed below:

€'000	2016	2015
Receivables in the mortgage cover pool	1,806,706	1,467,896
Receivables used as collateral for bonds issued by the bank	897,441	786,162
Collateral for derivative contracts	436,594	431,899
Receivables assigned to OeKB	342,990	268,282
Receivables assigned to the EIB	277,123	284,240
Receivables assigned to OeNB (credit claims)	1,527,432	2,132,193
Cover pool for issued covered partial debentures	55,918	54,861
Bonds deposited with OeKB in connection with EIB loans	73,550	79,791
Receivables in the RZB cover pool (public finance)	23,353	71,618
Receivables assigned to KfW (Kreditanstalt für Wiederaufbau, Frankfurt/Main)	22,130	24,988
Cover pool for fiduciary savings deposit balances	13,227	12,783
Collateral for securities transactions with OeKB (securities)	0	4,000
Other receivables assigned	0	5,903
Securities deposited in connection with ECB tenders	1,844,004	3,232,431
Total	**7,320,468**	8,857,046

In accordance with an Austrian law governing covered bonds that was enacted on 27 December 1905 ("§ 1 (6) Fundierte Bankschuldverschreibungsgesetz", Austrian Federal Gazette BGBl 1905/213 in the current version), loans and advances to other banks of EUR 80.4 million (2015: EUR 30.2 million) and mortgage-backed receivables due from other banks of EUR 1,531.2 million (2015: EUR 1,268.6 million) were also included in the mortgage coverage pool of RLB NÖ-Wien to secure obligations under the covered bonds.

Assets recognized on the balance sheet serve as collateral for the following liabilities:

€'000	2016	2015
Deposits from other banks	1,391,358	2,104,094
Deposits from customers	10,000	7,596
Securitized liabilities	1,866,206	1,527,396
Other liabilities	436,594	431,899
Total	**3,704,158**	4,070,985

(43) Fiduciary transactions

RLB NÖ-Wien held the following off-balance sheet fiduciary items on the balance sheet date:

€'000	2016	2015
Loans and advances to customers	14,025	14,850
Fiduciary assets	*14,025*	*14,850*
Deposits from customers	14,025	14,850
Fiduciary liabilities	*14,025*	*14,850*

(44) Disclosure of bonds, other fixed-interest securities and issued bonds pursuant to § 64 (1) 1 No. 7 of the Austrian Banking Act

The following bonds, other fixed-interest securities and issued bonds are due and payable in the year following the balance sheet date:

€'000		2016	2015
a)	Receivables arising from bonds and other fixed-interest securities	249,328	221,680
b)	Payables arising from bonds issued by the Group	(505,248)	1,218,183

(45) Disclosure of securities admitted for exchange trading pursuant to § 64 (1) No. 10 of the Austrian Banking Act

€'000	2016 Listed	2016 Unlisted	2015 Listed	2015 Unlisted
Bonds and other fixed-interest securities*	1,718,096	0	2,084,017	0
Shares and other variable-yield securities	33,042	0	36,359	0

* Bonds and other fixed-interest securities admitted for trading include did not include any listed securities in 2016 (2015: TEUR 400).

(46) Disclosure of financial assets pursuant to § 64 (1) No. 11 of the Austrian Banking Act

Classification of the securities reported under "bonds and other fixed-interest securities" and "shares and other variable-yield securities" that were admitted for trading on an exchange and classified as non-current assets:

€'000		2016	2015
a)	Receivables arising from bonds and other fixed-interest securities	1,574,840	1,706,526
b)	Payables arising from bonds issued by the Group	25,038	25,750

The classification as non-current or current financial assets - in accordance with legal requirements - was based on the investment strategy determined by the Managing Board or a committee delegated by the Managing Board.

(47) (Nominal)volume of the securities trading book

€'000	2016	2015
Fixed-interest securities, nominal values	24,429	148,823
Other financial instruments (derivatives, face values)	11,695,842	15,210,950
Total	**11,720,271**	15,359,773

(48) Regulatory capital

RLB NÖ-Wien is part of the Raiffeisen-Holding NÖ-Wien financial institution group and is therefore not subject to the regulations governing financial institution groups or requirements on a consolidated basis. Raiffeisen-Holding NÖ-Wien, the parent company, is responsible for compliance with these regulatory requirements at the financial institution group level. Accordingly, the regulatory capital requirements for the financial institution group are reported below and in the consolidated financial statements of Raiffeisen-Holding NÖ-Wien.

€'000	**2016**	**2015**
Paid-in capital	489,891	549,262
Retained earnings	1,391,080	1,392,669
Accumulated other comprehensive income and other equity	(34,363)	(40,673)
Common equity Tier 1 before deductions	***1,846,608***	***1,901,258***
Intangible assets incl. goodwill	(6,297)	(3,542)
Corrections in respect of cash flow hedge reserves	54,603	70,964
Corrections for credit standing related to changes in values of own liabilities	(699)	61
Corrections for credit standing related to changes in values of derivatives	(3,596)	(4,165)
Value adjustment based on the prudent valuation requirement	(4,059)	(4,162)
Common equity Tier 1 capital after deductions (CET1)	***1,886,559***	***1,960,413***
Additional core capital after deductions	111,595	172,032
Additional own funds	***1,998,154***	***2,132,445***
Eligible supplementary capital	707,815	761,788
Supplementary capital after deductions	***707,815***	***761,788***
Total qualifying capital	***2,705,969***	***2,894,234***
Total capital requirement	**1,061,998**	1,140,514
Common equity Tier 1 ratio (CET1 ratio), %	14.21	13.75
Tier 1 ratio (T1 ratio), %	15.05	14.96
Own funds ratio (total capital ratio), %	20.38	20.30
Surplus capital ratio in %	154.80	153.77

Under a fully loaded analysis, the Common Equity Tier 1 Ratio equalled 13.73% (2015: 12.69%) and the Total Capital Ratio 18.21% (2015: 15.52%).

Total capital requirements comprise the following:

€'000	2016	2015
Capital requirement		
Capital requirements for credit risk	977,253	1,030,974
Capital requirements for position risk in debt instruments and assets	24,570	30,472
Capital requirement CVA	8,461	13,711
Capital requirements for operational risk	51,715	65,356
Total capital requirement (total risk	**1,061,999**	**1,140,514**
Assessment base for credit risk	12,215,663	12,887,180
Total basis of assessment (total risk)	13,274,978	14,256,421

The information required by Art. 431 to 455 of the CRR (Disclosure) is reported by the parent company, Raiffeisen-Holding NÖ-Wien, on the website www.rhnoew.at.

(49) Disclosure of the total return on capital pursuant to § 64 (1) No. 19 of the Austrian Banking Act

The total return on capital as defined in § 64 (1) No. 19 of the Austrian Banking Act equalled -0.25% as of 31 December 2016.

(50) Average number of employees

The average workforce (full-time equivalents) employed during the 2016 and 2015 financial years is as follows:

	2016	2015
Salaried employees	1,153	1,185
Wage employees	23	0
Total	**1,176**	**1,185**

(51) Events after the balance sheet date and approval of the consolidated financial statements

Extraordinary general meetings were held by RZB and Raiffeisen Bank International AG (RBI) on 23 January and 24 January 2017 to vote on the merger of these two institutions. The corresponding resolutions on the merger required a minimum majority of three-fourths of the capital in attendance and was exceeded by far in both cases. RZB, as the transferring company, will transfer its entire assets to RBI for acceptance retroactively as of 30 June 2016. Based on the final statement of financial position prepared by RZB as of 30 June 2016, this company will be merged into RBI, as the legal successor and accepting company, with a capital increase. The merged entity will continue to operate as Raiffeisen Bank International AG – as was the case with RBI – and the RBI share will remain listed on the Vienna Stock Exchange.

The most important goals of this transaction are to ensure sustained concentration on the proven business model and to optimally position the organization for current challenges. The following three issues represent key focal points:

- An improvement in the capitalization of the key regulatory group
- Increased transparency for the group in both internal and external relations
- More targeted and more efficient decision processes throughout the entire organization through streamlined organizational and governance structures

The merger will result in the exchange of the RZB shares which are directly and indirectly held by RLB NÖ-Wien into shares of RBI based on the defined exchange ratio. Following the recording of the merger in the company register, RLB NÖ-Wien holds an investment of 22.6% in RBI and is therefore by far the largest shareholder of RBI.

Overview of Equity Investments (pursuant to § 265 (2) of the Austrian Commercial Code)

The following tables show the equity investments held by the RLB NÖ-Wien Group.

(52) Subsidiaries included in the consolidated financial statements

Entity, Registered office (country)	Subscribed capital	Currency	2016 Share in %	2015 Share in %	Type
"BARIBAL" Holding GmbH, Vienna (A)	105,000	EUR	100.00	*)	OT
"PRUBOS" Beteiligungs GmbH, Vienna (A)	35,000	EUR	99.80	*)	OT
NAWARO ENERGIE Betrieb GmbH, Zwettl (A)	36,000	EUR	100.00	*)	OT
RAIFFEISEN IMMOBILIEN VERMITTLUNG GES.M.B.H., Vienna (A)	622,000	EUR	98.75	*)	OT
Raiffeisen Liegenschafts- und Projektentwicklungs GmbH, Vienna (A)	35,000	EUR	100.00	*)	OT
Raiffeisen Vorsorge Wohnung GmbH (formerly: Raiffeisen Vorsorgewohnungserrichtungs GmbH), Vienna (A)	100,000	EUR	100.00	*)	OT
RBE Raiffeisen Beratungs- und Entwicklungs GmbH, Vienna (A)	35,000	EUR	95.00	*)	OT
RLB Businessconsulting GmbH, Vienna (A)	35,000	EUR	100.00	*)	OT
RLB NÖ-Wien Holding GmbH, Vienna	70,000	EUR	100.00	100.00	FI
RLB NÖ-Wien Sektorbeteiligungs GmbH, Vienna	35,000	EUR	100.00	100.00	FI

*) Included in the consolidated financial statements for the first time in 2016.

Key:
Type of company:
- FI Financial institution
- NDL Ancillary service provider
- OT Other

(53) Companies included in the consolidated financial statements at equity

Entity, Registered office (country)	Subscribed capital	Currency	2016 Share in %	2015 Share in %	Type
Raiffeisen Informatik GmbH, Vienna	1,460,000	EUR	47.35	47.35	OT
Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna	492,466,423	EUR	34.74	34.74	BA

The following associate of the RLB NÖ-Wien Group was designated as material by management:

Associates	Raiffeisen Zentralbank Österreich AG 2016	2015
Registered office of the associate	Vienna	Vienna
Share in the associate	34.74	34.74

RLB NÖ-Wien holds 34.74% of the shares in RZB and is therefore its primary owner. RZB is the leading institution in the Austrian Raiffeisen banking group and provides services for its members. It also holds and coordinates the individual member institution's minimum reserve and statutory liquidity reserve and provides support for liquidity management.

The following table shows the financial information for the material associate; it is based on that companies IFRS consolidated financial statements:

Associates €'000	Raiffeisen Zentralbank Österreich AG 2016	2015
Interest income	4,459,090	5,338,577
Net profit	532,938	465,354
Other comprehensive income	152,270	(141,980)
Total comprehensive income	***685,207***	*323,373*
Attributable to equity holders of the parent	355,072	126,883
Attributable to hybrid capital		
Attributable to non-controlling interest	330,135	196,490
assets	134,846,575	138,425,830
Liabilities	125,052,815	129,129,704
Short-term liabilities		
Long-term liabilities		
Net assets	***9,793,760***	*9,296,126*
Attributable to equity holders of the parent	5,748,926	5,387,966
Attributable to hybrid capital		
Attributable to non-controlling interest	4,044,834	3,908,160
Proportional share of net assets held by RLB NÖ-Wien	1,997,420	1,872,008
Reconciliation	(265,758)	(73,429)
Carrying amount on the consolidated balance sheet as of 31.12	**1,731,663**	1,798,579
Carrying amount on the consolidated balance sheet as of 31.12	1,798,579	1,850,661
Proportional share of other changes in equity	2,045	3,134
Consolidated comprehensive income	123,367	44,084
Impairment	(192,329)	(99,300)
Carrying amount on the consolidated balance sheet as of 31.12	**1,731,663**	1,798,579

In addition to the above-mentioned material associate, RLB NÖ-Wien holds an investment in the following company. This company is considered immaterial and is accounted for at equity:

- Raiffeisen Informatik GmbH

The following table shows the aggregated carrying amount, share of profit or loss and share of other comprehensive income for this company, which is considered immaterial for the consolidated financial statements of RLB NÖ-Wien:

€'000	2016	2015
Share of profit/(loss) after tax	5,863	17,692
Share of other comprehensive income	(271)	570
Share of total comprehensive income	5,592	18,262
Carrying amount on the consolidated balance sheet as of 31.12	**39,812**	40,255

(54) Subsidiaries not included through full consolidation

Entity, Registered office (country)	Subscribed capital	Currency	2016 Share in %	2015 Share in %	Type
"AKTUELL" Raiffeisen Versicherungs-Maklerdienst Gesellschaft m.b.H., Vienna (A)	73,000	EUR	100.00	100.00	SU
"ARSIS" Beteiligungs GmbH, Vienna (A)	140,000	EUR	100.00	100.00	SU
"RUFUS" Beteiligungs GmbH, Vienna (A)	146,000	EUR	100.00	100.00	SU
"TOJON" Beteiligungs GmbH, Vienna (A)	70,000	EUR	100.00	100.00	SU
Baureo Projektentwicklungs GmbH, Vienna (A)	35,000	EUR	100.00	100.00	SU
MODAL-Gesellschaft für betriebsorientierte Bildung und Management GmbH, Vienna (A)	400,000	EUR	75.00	75.00	SU
NÖ Raiffeisen Kommunalservice Holding GmbH, Vienna (A)	35,000	EUR	100.00	100.00	FI
PURATOR International GmbH in Liqu. (formerly: PURATOR International GmbH), Viennaer Neudorf (A)	84,680	EUR	100.00	100.00	SU
Raiffeisen Analytik GmbH, Vienna (A)	100,000	EUR	99.60	99.60	NDL
Raiffeisen Beratung direkt GmbH, Vienna (A)	37,000	EUR	100.00	100.00	NDL
Raiffeisen Netzwerk GmbH in Liqu. (formerly: Raiffeisen Netzwerk GmbH), Vienna (A)	35,000	EUR	100.00	100.00	SU
Raiffeisen Versicherungs- und Bauspar-Agentur GmbH, Vienna (A)	70,000	EUR	100.00	100.00	SU
Raiffeisen-Einlagensicherung Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung, Vienna (A)	41,264	EUR	98.70	98.70	SU
RLB NÖ-Wien Leasingbeteiligungs GmbH, Vienna (A)	35,000	EUR	100.00	100.00	FI
TIONE Altbau-Entwicklung GmbH, Vienna (A)	37,000	EUR	100.00	100.00	SU
Veritas Treuhandgesellschaft für Versicherungsüberprüfung und -vermittlung m.b.H., Graz (A)	50,000	EUR	100.00	100.00	SU
Waldviertel Immobilien-Vermittlung GmbH, Zwettl (A)	35,000	EUR	100.00	100.00	SU

(55) Other equity investments

Associates not accounted for at equity for materiality reasons:

Entity, Registered office (country)	Subscribed capital	Currency	2016 Share in %	2015 Share in %	Type
Central Danube Region Marketing & Development GmbH, Vienna (A)	200,000	EUR	50.00	50.00	SU
Die Niederösterreichische Leasing Gesellschaft m.b.H., Vienna (A)	36,400	EUR	40.00	40.00	FI
Die Niederösterreichische Leasing Gesellschaft m.b.H. & CO KG, Vienna (A)*	---	---	---	---	FI
ecoplus International GmbH, Vienna (A)	35,000	EUR	30.00	30.00	SU
NÖ Bürgschaften und Beteiligungen GmbH, Vienna (A)	5,316,414	EUR	20.14	20.14	FI
NÖ Raiffeisen Kommunalprojekte Service Gesellschaft m.b.H., Vienna (A)	50,000	EUR	74.00	74.00	FI
Raiffeisen Software GmbH (formerly: Raiffeisen Software Solution und Service GmbH), Vienna (A)	150,000	EUR	25.50	25.50	SU
Raiffeisen-Leasing Managment GmbH, Vienna (A)	300,000	EUR	21.56	21.56	FI
Raiffeisen-Leasing Österreich GmbH, Vienna (A)	100,000	EUR	32.34	32.34	FI
RSC Raiffeisen Service Center GmbH, Vienna (A)	2,000,000	EUR	29.70	29.70	SU

* Shareholder with unlimited liability

The following companies were identified as joint ventures in accordance with IFRS 11 – Joint Arrangements – because they are under common mangement: Die Niederösterreichische Leasing Gesellschaft m.b.H., Die Niederösterreichische Leasing Gesellschaft m.b.H. & CO KG, NÖ Raiffeisen Kommunalprojekte Service Gesellschaft m.b.H. and RSC Raiffeisen Service Center GmbH.

(56) Companies related through the parent Raiffeisen-Holding NÖ-Wien

Companies included in the scope of consolidation of Raiffeisen-Holding NÖ-Wien through full consolidation:

"ALMARA" Holding GmbH, Vienna (A)
"BASCO" Beteiligungs GmbH, Vienna (A)
"GULBIS" Beteiligungs GmbH, Vienna (A)
"HELANE" Beteiligungs GmbH, Vienna (A)
"LAREDO" Beteiligungs GmbH, Vienna (A)
"LOMBA" Beteiligungs GmbH, Vienna (A)
"RASKIA" Beteiligungs GmbH, Vienna (A)
"RUMOR" Holding GmbH, Vienna (A)
"SEPTO" Beteiligungs GmbH, Vienna (A)
"URUBU" Holding GmbH, Vienna (A)
AURORA MÜHLE HAMBURG GmbH, (subgroup LLI), Hamburg (D)
AURORA MÜHLEN GMBH, (subgroup LLI), Hamburg (D)
BLR-Baubeteiligungs GmbH., Vienna (A)
Botrus Beteiligungs GmbH, Vienna (A)
cafe+co Delikomat Sp. z o.o., (subgroup LLI), Bielsko-Biala (PL)
cafe+co Deutschland GmbH, (subgroup LLI), Regensburg (D)
cafe+co Gastro- und Büro-Kaffee GmbH (formerly: TOP-CUP Office-Coffee-Service Vertriebsgesellschaft m.b.H.), (subgroup LLI), Klagenfurt (A)cafe+co International Holding GmbH, (subgroup LLI), Vienna (A)
cafe+co ltal - és Ételautomata Kft., (subgroup LLI), Alsónémedi (H)
café+co Österreich Automaten-Catering und Betriebsverpflegung Ges.m.b.H., (subgroup LLI), Vienna (A)
DELIKOMAT d.o.o., (subgroup LLI), Čačak, (SRB)
DELIKOMAT d.o.o., (subgroup LLI), Marburg (SLO)
Delikomat s.r.o., (subgroup LLI), Brünn (CZ)
Diamant International Malom Kft., (subgroup LLI), Baja (H)
DZR Immobilien und Beteiligungs GmbH, Vienna (A)
Estezet Beteiligungsgesellschaft m.b.H., Vienna (A)
FIDEVENTURA Beteiligungs GmbH, Vienna (A)
Frischlogistik und Handel GmbH, (subgroup NÖM), Baden bei Wien (A)
GoodMills Bulgaria EOOD (formerly: GoodMills Bulgaria EAD), (subgroup LLI), Sofia (BG)
GoodMills Česko s.r.o. (formerly: GoodMills Česko a.s., (subgroup LLI), Prag (CZ)
GoodMills Deutschland GmbH, (subgroup LLI), Hamburg (D)
GoodMills Group GmbH, (subgroup LLI), Vienna (A)
GoodMills Innovation GmbH (formerly: KAMPFFMEYER Food Innovation GmbH), (subgroup LLI), Hamburg (D)
GoodMills Magyarország Kft. (formerly: GoodMills Magyarország Zrt.), (subgroup LLI), Komárom (H)
GoodMills Österreich GmbH, (subgroup LLI), Schwechat (A)
GoodMills Polska Grodzisk Wielkopolski Sp. z o.o., (subgroup LLI), Grodzisk Wielkopolski (PL)
GoodMills Polska Kutno Sp. z o.o., (subgroup LLI), Kutno (PL)
GoodMills Polska Sp. z o.o., (subgroup LLI), Poznań (PL)
GoodMills Romania S.A. (formerly: TITAN S.A.), (subgroup LLI), Pantelimon (RO)
Haas Lebensmittel GmbH (formerly: Adolf Haas Gesellschaft m.b.H.), (subgroup NÖM), Baden bei Wien (A)

Kampffmeyer Mühlen GmbH, (subgroup LLI), Hamburg (D)
KURIER Beteiligungs-Aktiengesellschaft, (subgroup Medicur), Vienna (A)
Latteria NÖM s.r.l., (subgroup NÖM), Milan (I)
LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna (A)
Liegenschaftsbesitz Obere Donaustraße 91-95 GmbH, Vienna (A)
Marchfelder Zuckerfabriken Gesellschaft m.b.H., (subgroup LLI), Vienna (A)
Mecklenburger Elde-Mühlen GmbH, (subgroup LLI), Hamburg (D)
Medicur - Holding Gesellschaft m.b.H., Vienna (A)
Medicur Sendeanlagen GmbH, (subgroup Medicur), Vienna (A)
Müller's Mühle GmbH, (subgroup LLI), Gelsenkirchen (D)
Niederösterreichische Milch Holding GmbH, Vienna (A)
NÖM AG, (subgroup NÖM), Baden bei Wien (A)
Nordland Mühlen GmbH, (subgroup LLI), Jarmen (D)
Printmedien Beteiligungsgesellschaft m.b.H., (subgroup Medicur), Vienna (A)
Raiffeisen Agrar Holding GmbH, (subgroup LLI), Vienna (A)
Raiffeisen Agrar Invest GmbH, (subgroup LLI), Vienna (A)
RAIFFEISEN-HOLDING NÖ-Wien Beteiligungs GmbH, Vienna (A)
RH Finanzberatung und Treuhandverwaltung Gesellschaft m.b.H., Vienna (A)
RH Finanzbeteiligungs GmbH, Vienna (A)
RHG Holding GmbH, Vienna (A)
St. Leopold Liegenschaftsverwaltungs- und Beteiligungsgesellschaft m.b.H., Vienna (A)
TOP-CUP Office-Coffee-Service Vertriebsgesellschaft m.b.H., (subgroup LLI), Klagenfurt (A)
TOV Regionprodukt, (subgroup NÖM), Gnidin (UA)
VK Grundbesitz GmbH, (subgroup LLI), Hamburg (D)
WALDSANATORIUM PERCHTOLDSDORF GmbH, Salzburg (A)
Zucker Invest GmbH, Vienna (A)
Zucker Vermögensverwaltungs GmbH, Vienna (A)
Zucker-Beteiligungsgesellschaft m.b.H., Vienna (A)
Zuckermarkt - Studiengesellschaft m.b.H., Vienna (A)

Unconsolidated companies included in the Raiffeisen-Holding NÖ-Wien Group:

"ARANJA" Beteiligungs GmbH, Vienna (A)
"BANUS" Beteiligungs GmbH, (subgroup LLI), Vienna (A)
"BENEFICIO" Holding GmbH, Vienna (A)
"CLEMENTIA" Holding GmbH, (subgroup Medicur), Vienna (A)
"CREMBS" GmbH, Vienna (A)
"SERET" Beteiligungs GmbH, Vienna (A)
"SEVERUS" Beteiligungs GmbH, Vienna (A)
BENIGNITAS GmbH, Vienna (A)
Beteiligungsgesellschaft Diamant Mühle Hamburg GmbH, (subgroup LLI), Hamburg (D)
C - Holding s.r.o., (subgroup LLI), Modrice (CZ)
cafe+co Cafe GmbH, (subgroup LLI), Vienna (A)
Café+Co Rus, ZAO, (subgroup LLI), Moscow (RU)
CAFE+CO Timisoara S.R.L., (subgroup LLI), Timisoara (RO)
DELIKOMAT d.o.o., (subgroup LLI), Tomislavgrad (BIH)
DELIKOMAT d.o.o., (subgroup LLI), Zagreb (HR)
Delikomat Slovensko spol. s r.o., (subgroup LLI), Bratislava (SK)
Diana Slovakia spol. s r.o., Bratislava (SK)
Farina Marketing d.o.o., (subgroup LLI), Laibach (SLO)
Gesundheitspark St. Pölten Errichtungs- und Betriebs GmbH, Vienna (A)
Holz- und Energiepark Vitis GmbH, Vienna (A)
Kampffmeyer Food Innovation Polska Sp. z o.o., (subgroup LLI), Poznan (PL)
KASERNEN Projektentwicklungs- und Beteiligungs GmbH, Vienna (A)
La Cultura del Caffe Gesellschaft m.b.H., (subgroup LLI), Krems a. d. Donau (A)
Müfa Mehl und Backbedarf Handelsgesellschaft mbH, (subgroup LLI), Hamburg (D)
Naber Kaffee Manufaktur GmbH, (subgroup LLI), Vienna (A)
Neuß & Wilke GmbH, (subgroup LLI), Gelsenkirchen (D)
PBS Immobilienprojektentwicklungs GmbH, Vienna (A)
RHU Beteiligungsverwaltung GmbH & Co OG, Vienna (A)*
ROLLEGG Liegenschaftsverwaltungs GmbH, Vienna (A)
Rosenmühle GmbH, (subgroup LLI AG), Hamburg (D)
Schilling GmbH, (subgroup Medicur), Mannheim (D)
TECHBASE Science Park Vienna GmbH, Vienna (A)
Techno-Park Tulln GmbH, Viennaer Neudorf (A)
THE AUTHENTIC ETHNIC FOOD COMPANY GmbH, (subgroup LLI), Gelsenkirchen (D)
Theranda Entwicklungsgenossenschaft für den Kosovo registrierte Genossenschaft mit beschränkter Haftung, Vienna (A)
ZEG Immobilien- und Beteiligungs registrierte Genossenschaft mit beschränkter Haftung, Vienna (A)

* Shareholder with unlimited liability

Boards and Officers

Managing Board:

Chairman:
Klaus BUCHLEITNER

Deputy Chairman:
Georg KRAFT-KINZ

Members:
Andreas FLEISCHMANN
Reinhard KARL
Michael RAB

Supervisory Board:

Chairman r:
Erwin HAMESEDER

Deputy Chairman:
Johann VIEGHOFER

Members:
Anton BODENSTEIN
Reinhard KERBL
Veronika MICKEL-GÖTTFERT
Alfons NEUMAYER
Gerhard PREISS
Christian RESCH
Brigitte SOMMERBAUER

Delegated by the Staff Council:
Johann AMON (up to 1 Sept. 2016)
Anita BUCHGRABER
Wolfgang EINSPIELER
Anton HECHTL
Michael HOFER
Christian JENKNER (since 1 Sept. 2016)

State commissioners:
Tomas BLAZEK
Alfred LEJSEK

The Managing Board of RLB NÖ-Wien issued these consolidated financial statements on 27 March 2017. They were prepared in accordance with the provisions of International Financial Reporting Standards, as adopted by the European Union, as well as the supplementary provisions of Austrian corporate law as defined in § 245a of the Austrian Commercial Code in conjunction with § 59a of the Austrian Banking Act. The Group management report was prepared in accordance with the provisions of Austrian corporate law and is consistent with the consolidated financial statements

The Managing Board

Klaus BUCHLEITNER
Chairman

Georg KRAFT-KINZ
Deputy Chairman

Andreas FLEISCHMANN
Member

Reinhard KARL
Member

Michael RAB
Member

The Managing Board released the consolidated financial statements on 27 March 2017 for distribution to the Supervisory Board.

Statement by the Managing Board

"We confirm to the best of our knowledge that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the RLB NÖ-Wien Group as required by the applicable accounting standards; that the Group management report provides a true and fair view of the development and performance of the business and the position of the Group so as to present a true and fair view of the assets, liabilities, financial position and profit or loss; and that the Group management report describes the principal risks and uncertainties to which the Group is exposed. We note that IFRS accounting - for systemic reasons - is becoming increasingly future-oriented. Accordingly, IFRS financial statements include a growing number of planning elements and uncertainty factors."

The Managing Board

Klaus BUCHLEITNER
Chairman
responsible for the
Directorate General

Georg KRAFT-KINZ
Deputy Chairman
Responsible for Sales Support
Raiffeisen Banks Lower Austria /
Personal and Business Banking Customers

Andreas FLEISCHMANN
Member
Responsible for the
Financial Markets / Organization Segment

Reinhard KARL
Member
Responsible for the
Corporate Clients Segment

Michael RAB
Member
Responsible for the
Risk Management / Finance Segment

Auditor's report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG, Vienna,

and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements pursuant to Sections 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISA). Our responsibilities pursuant to these rules and standards are described in the "Auditors' Responsibility" section of our report. We are independent of the audited entity within the meaning of Austrian commercial law and professional regulations, and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. Key audit matters are selected from the matters communicated with the audit committee, but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated financial statements as a whole. Our opinion on the consolidated financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Our audit identified three key audit matters, which are described below:

1. Recoverability of the equity-accounted investment in Raiffeisen Zentralbank Österreich Aktiengesellschaft

Relevant facts and risk for the financial statements

The investment in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB), which is also the central institute of RLB NÖ-W AG, is reported under "investments in entities accounted at equity" at an amount of TEUR 1,731,663 in the consolidated financial statements of RLB NÖ-W AG as at 31 December 2016.

In accordance with IFRS, the recoverability of equity-accounted companies must be tested if there are any objective indications of impairment.

The legal representatives of the parent company identified objective indications of impairment as at 31 December 2016, which required an evaluation of the recoverability in agreement with IAS 36.

The impairment test included the determination of the recoverable amount based on planned future cash flows and the application of a discounted cash flow method. An external expert provided the parent company with a valuation opinion.

The enterprise valuation is based to a significant extent on assumptions and estimates concerning future expected cash flows. These cash flows, in turn, are based on forecast data for the entity to be valued and, similar to the applied discount rate, are reviewed by the legal representatives of the parent company for their appropriateness. Consequently, this valuation is connected with discretionary judgment as well as estimation uncertainty and therefore represents a risk for the financial statements.

Audit procedures
We identified the relevant processes and tested the installed controls to determine whether they are suitable to identify objective indications of impairment or the possible need for revaluation on a timely basis.

We evaluated the assessment of the parent company concerning the existence of indications of impairment and the valuation of the investment in RZB based on an external opinion. We reviewed the underlying basis for this external opinion, above all the valuation model and the applied parameters, e.g. the discount rate including branch-specific market data as well as company-specific information and market expectations. We analysed and assessed the appropriateness of the future cash inflows used for the calculation and the forecasting accuracy, in particular on the basis of internal documentation and current data.

Reference to additional information
The disclosures by the Group on the valuation of the equity-accounted investments can be found in the consolidated financial statements as at 31 December 2016 in den Notes under "Significant accounting policies" and under Notes 6, 51 and 53.

2. Valuation of loans and advances to customers

Relevant facts and risk for the financial statements
Loans and advances to non-banks are reported under "loans and advances to customers" at an amount of TEUR 11,818,321 in the consolidated financial statements of RLB NÖ-W AG as at 31 December 2016. Valuation allowances (individual allowances and portfolio allowances) totalling TEUR 242,705 were recognized to these receivables as at 31 December 2016.

Loans and advances to customers are subject to credit evaluation throughout their entire term, which results in individual write-downs as well as a portfolio write-down in the event of impairment, in each case depending on the rating classification.

RLB NÖ-W AG has issued internal valuation guidelines and directives for the recognition of collateral.

As part of loan monitoring procedures, the parent company evaluates whether there are any objective indications of impairment which would have an impact on future cash flows and therefore require the recognition of an individual valuation allowance.

In the parent company, individual valuation allowances are calculated for all significant defaulted loans and advances to customers based on the individual expected future cash flows.

Valuation allowances are created at the portfolio level (portfolio valuation allowances) for all loans and advances that are not considered at risk of default. The model used to calculate these allowances includes the outstanding customer balances and collateral as well as parameters which are based on the bank's statistically determined historical experience. These parameters include, in particular, the probability of default based on the credit rating of the individual customer, the loss rate on collateral and the time up to the identification of the default incident.

The estimation of future cash flows, rating classifications and valuation of the related collateral are based to a significant extent on assumptions by the legal representatives. Therefore, the recoverability of the loans and advances represents a key matter for the consolidated financial statements of RLB NÖ-W AG as at 31 December 2016.

Audit procedures

Our audit procedures covered the assessment of the design and the testing of the effectiveness of the material internal controls for the lending, rating, valuation allowance and collateral process as well as sampling to assess the recoverability of the loans and advances based on the borrowers' financial documents.

We used sampling procedures to test the loans and advances to customers reported in the consolidated financial statements for the existence of objective indications of impairment which could influence the expected future cash flows and reviewed the credit standing of the borrowers and the carrying amount of collateral for appropriateness. The samples were selected on the basis of risk-oriented criteria with a particular focus on rating levels with a higher risk of default.

For the portfolio valuation allowances, we evaluated the model and the applied parameters – including the results of backtesting carried out by the parent company – to determine whether they are suitable for the determination of appropriate valuation allowances. We also verified the mathematical accuracy of the portfolio valuation allowances.

The inclusion of collateral was assessed by evaluating the use of fair values, lending value discounts and legal usability.

Reference to additional information

The disclosures by the Group on loans and advances to customers and on the risk allowance balance can be found in the consolidated financial statements as at 31 December 2016 in den Notes under "Significant accounting policies" and under Notes 2, 14 and 15.

3. Valuation of securities and derivative financial instruments

Relevant facts and risk for the financial statements

Securities and derivatives are recognized and measured in the consolidated financial statements of RLB NÖ-W AG in accordance with their respective classification and corresponding valuation principles in accordance with IAS 39.

The parent company has implemented accounting and valuation guidelines for the valuation of securities and derivatives which reflect the applicable accounting standards.

The preparation of the consolidated financial statements of RLB NÖ-W AG involves discretionary judgment in particular, for the classification of these financial instruments in accordance with IAS 39, the application of the related valuation principles and the application of hedge accounting. The determination of fair value in accordance with IFRS 13 for instruments that are not quoted on an active market is based on internal valuation models and is therefore dependent on estimates, which consequently represents a material risk.

Audit procedures
We identified the processes installed by the parent company for the classification, reconciliation and valuation of securities and derivatives and carried out sampling procedures to test the effectiveness of the material internal controls.

We reviewed the classification of the financial instruments to assess compliance with internal requirements and accounting standards. Sampling procedures were used to compare the fair values with externally available values. We evaluated the criteria applied to the classification of financial instruments in the fair value hierarchy for agreement with the relevant accounting standards and used sampling procedures to review compliance with these standards. The models used to determine the fair value of financial instruments without quoted market prices and the parameters used in these valuation models were evaluated for their appropriateness.

Risk-oriented audit procedures were used to evaluate the existence of indications of credit-based impairment, in particular country and bank risks, for securities not carried at fair value.

We audited the applied valuation models and the underlying valuation parameters for their appropriateness and consistency with the previous year. This process also included a comparison of the applied parameters with market data. We used sampling procedures to verify the calculation assumptions and the calculation of the fair values. The existence of hedging relationships was evaluated by sampling the hedge documentation, in particular to determine whether the purpose of the hedge was given and the documentation requirements were met. We also reviewed the effectiveness tests carried out by the parent company for their appropriateness.

Reference to additional information
The disclosures by the Group on financial instruments can be found in the Notes under "Significant accounting policies" and under Notes 31 and 32.

Management's Responsibility and Responsibility of the Audit Committee for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements pursuant to Sections 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, and, where appropriate, to disclose matters that are relevant to the Group's ability to continue as a going concern and to apply the going concern assumption in its financial reporting, except in circumstances in which liquidation of the Group or closure of operations is planned or cases in which such measures appear unavoidable.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance represents a high degree of assurance, but provides no guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered material if they could, individually or in the aggregate, reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, we exercise professional judgment and retain professional skepticism throughout the audit..

Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we plan and perform procedures to address such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk that material misstatements due to fraud remain undetected is higher than that of material misstatements due to error, since fraud may include collusion, forgery, intentional omissions, misleading representation or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates as well as related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In case we conclude that there is a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention to the respective note in the financial statements in our audit report or, in case such disclosures are not appropriate, to modify our audit opinion. We conclude based on the audit evidence obtained until the date of our audit report. Future events or conditions however may result in the Company departing from the going concern assumption.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings including any significant deficiencies in internal control that we identify in the course of our audit.
- We report to the audit committee that we have complied with the relevant professional requirements in respect of our independence and that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, related measures taken to ensure our independence.
- From the matters communicated with the audit committee we determine those matters that required significant auditor attention in performing the audit and which are therefore key audit matters. We describe these key audit matters in our audit report except in the circumstances where laws or other legal regulations forbid publication of such matter or in very rare cases, we determine that a matter should not be included in our audit report because the negative effects of such communication are reasonably expected to outweigh its benefits for the public interest.

Report on Other Legal Requirements

Group Management Report

In accordance with Austrian Generally Accepted Accounting Principles the group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it has been prepared in accordance with legal requirements.

The legal representatives of the Company are responsible for the preparation of the group management report in accordance with Austrian Generally Accepted Accounting Principles.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report has been prepared in accordance with legal requirements and is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and the understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Other Information

The legal representatives of the Company are responsible for the other information. Other information comprises all information provided in the annual report, with the exception of the consolidated financial statements, the group management report, and the auditor's report thereon.

Our opinion on the consolidated financial statements does not cover other information, and we will not provide any assurance on it.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether it contains any material inconsistencies with the consolidated financial statements and our knowledge gained during our audit, or any apparent material misstatement of fact. If on the basis of our work performed, we conclude that there is a material misstatement of fact in the other information, we must report that fact. We have nothing to report with this regard.

Auditors in Charge

The auditors in charge for Österreichischen Raiffeisenverband are Ms. Alexandra Wurm, for KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungs-gesellschaft Mr Bernhard Mechtler.

Vienna, 27 March 2017

Verbandsrevisorin

Mag. Alexandra Wurm
Wirtschaftsprüferin
(Austrian Chartered Accountant)

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Bernhard Mechtler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Glossary

Backtesting – The ex post comparison of calculated values at risk (VaR) with actual results to evaluate the quality of a model.

Bank book – All risk-bearing positions on a bank's balance sheet, both on- and off-balance sheet, which are not allocated to the trading book.

Basel II – The compendium of capital regulations issued in recent years by the Basel Committee, an international forum to improve bank supervision. In accordance with EU Directives 2006/48/EC and 2006/49/EC, these rules must be applied by all financial institutions and financial service institutions in the member states of the EU since 1 January 2007. Similar to Basel I, the goals of Basel II are to ensure the capital adequacy of credit institutions and create common basic standards for competition in both lending and credit trading. The main objective of the changes from Basel I to Basel II is to strengthen the connection between legislative capital requirements and actual risk and thereby move closer to the capital requirements determined internally by the institutions.

Basel III – The Basel II guidelines were expanded based on the experience gained from the financial and economic crisis. The goal was to better match the assumed risks with the risk capacity of a bank (as derived from the amount and quality of capital). The new Basel III capital framework was introduced in the EU through the CRR and CRD IV and published on 27 June 2013.

Capital acc. to CRR – Common equity Tier 1 capital plus Tier 2 capital.

Cash flow – Inflows and outflows of cash and cash equivalents.

CDS (Credit Default Swap) – A financial instrument that hedges the credit risks related to loans or securities (also see credit derivative).

Common equity Tier 1 capital – Comprises common equity Tier 1 capital as defined in Art. 50 CRR and additional Tier 1 capital as defined in Art. 61 CRR.

Companies accounted for at equity – Companies over which the investor has significant influence with respect to business and financial policies.

Credit derivatives – Instruments that transfer the credit risks associated with loans, bonds or other risk assets or market positions to another person (also see CDS).

Credit exposure – Comprises all loans, advances and debt securities recorded on the balance sheet as well as off-balance sheet guarantees and credit lines.

CRR/CRD IV – The Capital Requirements Regulation (CRR) and Capital Requirements Directive IV (CRD IV) were adopted by the EU on 27 June 2013. They form the new supervisory framework for the capital, debt and liquidity ratios. The new capital requirements call for mandatory application starting on 1 January 2014. The rules for the liquidity and debt ratios must be applied starting in 2015, resp. 2018. The implementation of these requirements is supplemented by further technical standards issued by the European Banking Authority (EBA).

Currency risk – The risk that the value of a financial instrument could change because of fluctuations in exchange rates.

DBO – (Defined Benefit Obligation) The present value of a defined benefit obligation represents the present value of expected future payments, before the deduction of plan assets, which are required to meet the entitlements earned by employees during the current period or an earlier period.

Default risk – The danger that a contract partner may not meet the obligations arising from a transaction in a financial instrument and thereby cause a financial loss for the other partner.

Deferred tax assets – Deferred tax assets are reported under other assets and are recognised for future tax effects arising from temporary differences between the tax base of assets and liabilities and their value for tax purposes or from unused tax loss carryforwards and tax credits.

Derivative – Derivatives are financial instruments whose value increases or decreases based on the change in an underlying base item, e.g. interest rate, financial instrument price, raw material price, foreign exchange rate, index of prices or rates, credit rating or credit index or another similar variable; which require no or only a minimal initial net investment; and which are settled at a future date. The most important derivatives are swaps, options and futures.

Discount – Negative difference between the purchase price and the nominal value.

Fair value – The amount for which an asset could be exchanged or a liability could be settled between knowledgeable, willing parties in an arm's length transaction.

Futures – Standardised, listed contracts that require the buyer to purchase or sell a specific commodity traded on the money market, capital market, precious metals market or currency market at a predetermined price and time.

Group cost/income ratio – An indicator that shows the cost efficiency of a company by comparing expenses and income. It is calculated by dividing administrative expenses (consisting of personnel and operating expenses, depreciation and amortisation) by operating income (net interest income, net fee and commission income, net trading income, profit or loss from investments accounted for at equity and other operating profit or loss).

Hedge accounting – An accounting procedure that is designed to minimise the influence on the income statement of contrary developments in the value of a hedge and the underlying transaction.

ICAAP – Internal Capital Adequacy Assessment Process: an internal bank procedure to ensure adequate capital coverage for all major types of risk.

IFRIC, SIC – International Financial Reporting Interpretation Committee (IFRIC) – the body responsible for issuing interpretations of International Financial Reporting Standards (IFRS), formerly called the Standing Interpretations Committee (SIC).

IFRS, IAS – International Financial Reporting Standards resp. International Accounting Standards are accounting regulations issued by the International Accounting Standards Board (IASB). They are intended to create the basis for transparent and comparable accounting on an international basis.

Individual valuation allowance – In connection with the credit risks associated with loans and advances to customers and banks, provisions are recognised to account for expected default. A loan or advance is considered to be in danger of default when the expected discounted principal and interest payments – after the deduction of collateral – are lower than the carrying amount of the respective receivable.

Interest rate risk – The risk that the value of a financial instrument could change because of fluctuations in the market interest rate.

Liquidity risk – The risk that the bank would be unable to meet its current and/or future payment obligations in full and on time and that transactions could not be concluded at all or only at unfavourable conditions in the event of insufficient market liquidity.

Market risk – The risk that the value of a financial instrument could change due to fluctuations in market prices. These fluctuations can be based on factors characteristic to an individual security or issuer as well as factors that affect all securities traded on the market.

Monte Carlo simulation – A numerical method used to solve mathematical problems by modelling probabilities.

NPE (non-performing exposure) – Problem commitments; loans and advances with delayed or defaulted payments.

Operational risk – The risk of losses arising from errors in systems or processes, actions by employees or external factors.

OTC products – Financial instruments that are not standardised or listed, but traded directly between market participants (over-the-counter).

Overall risk – Risk-weighted exposure as defined in Art. 92 (3) CRR.

Portfolio valuation allowance – Valuation allowances as defined in IAS 39 for receivables not affected by an identifiable loss event.

Premium – Positive difference between the purchase price and the nominal value.

Rating, external – Standardised assessment of the credit standing of an issuer and its debt instruments by a specialised agency.

Rating, internal – Detailed risk assessment of a debtor by the bank.

Repo transactions, repurchase agreements – Under these agreements a company sells an asset to a contract partner and, at the same time, commits to repurchasing the asset on an agreed date and price. Under "pseudo" repo transactions, the seller is required to repurchase the asset, but does not have the right to demand its return. The buyer has the sole right to decide over the return transfer of the asset.

Return on Equity – An indicator calculated by dividing pre-tax or after-tax profit or loss for the year by average equity (including non-controlling interests).

Risk/Earnings Ratio – Risk allowances in relation to net interest income.

Risk-weighted positions (credit risk) – The total asset positions and off-balance sheet positions weighted by business and partner risk, calculated in accordance with the CRR definitions.

SREP – Supervisory Review and Evaluation Process: Internal bank procedures and methods for the regulatory review and evaluation process defined by the EBA (European Banking Authority).

Stress test – An instrument used for risk management in the financial sector. A differentiation is made between micro-stress tests carried out by the financial institution itself and micro-prudential supervision (e.g. OeNB or ECB).

Trading book – A bank supervisory term for positions held by a financial institution for sale over the short-term to utilise fluctuations in prices and/or interest rates. Items not assigned to the trading book are administered in the banking book.

VaR (Value at Risk) – The maximum risk of loss on a specific portfolio during an assumed retention period based on an assumed probability and confidence level (e.g. 95%, 99% or 99.9%).

Publication Details

Information in the Internet:

RLB NÖ-Wien's website provides detailed, up-to-date information about *Raiffeisen* at www.raiffeisenbank.at.

An electronic version of the German 2016 Annual Report is also available in the Internet at www.raiffeisenbank.at.

Publication Details

Publication Officer:
Michaela Stefan-Friedl

Management Report/Consolidated Financial Statements (IFRS):
Edited and coordinated by:
Overall Bank Management/Controlling at RLB NÖ-Wien, Stefan Puhm and his team
Financial Department at RLB Nö-Wien, Manfred Burger and his team

Typesetting: Produced in-house using firesys, fires*ys GmbH*, Frankfurt

Translated by Donna Schiller-Margolis
(d.schiller@biz-trans.at)
The translation of the Auditor's Report was provided by the Auditor.

Orders:
Elfriede Duda, Public Relations, Raiffeisenlandesbank Niederösterreich-Wien AG
Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna, Austria
Phone: +43 1 211 36 - 24 66

Copy deadline date:
18 April 2017

Enquiries should be addressed to *RLB NÖ-Wien's* Public Relations Department at the above address.