

**Raiffeisen
Meine Bank**



From the region, for the region

That is how the Raiffeisen
principle works.



RLB Kunstbrücke, exhibition by Werner Feiersinger.
scene of the exhibition, photo: Werner Feiersinger



RLB Kunstbrücke, exhibition RLB art prize 2014: Michael Strasser, *Solitaire* | Before, 2012.
Solitaire | After, 2012, Fine Art Print, 120 × 140 cm, photos: Michael Strasser

RLB Kunstbrücke, Atelier and art prize

The RLB Kunstbrücke art gallery at our Adamgasse branch in Innsbruck and the RLB Atelier at our Lienz branch in East Tyrol are both devoted mainly to Tyrolean artists, whose works they make accessible to the public at large.

In 2014, the RLB art prize celebrated its tenth anniversary.

This award for fine arts is bestowed every two years by an expert jury.



View into the RLB Atelier on the occasion of Bernd Oppl's Drehmoment exhibition



RLB Kunstbrücke, group exhibition: Bildwelten der Reduktion.
 image: Alfred Haberpointner.
Zentrierung (Centring), 2013, chopped and stained spruce.
 137 x 139 cm, photo: Alfred Haberpointner

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Dr Hannes Schmid
Management board chairman

Reinhard Mayr
Management board director



RLB Tirol AG management board statement

Dear Readers,

2014 was a challenging year for banks. A year whose overall economic development was unsettling. It showed that a company determined to keep pace with developments and changes to general conditions must act in a foresighted manner. 2014 was also a year shaped by sluggish economic growth in Europe and a year in which inflation fell to a level not seen for a very long time, raw materials slumped, the situation in the labour market became more and more difficult and deflation became the new nightmare scenario. The persistently low interest rate and the European Central Bank's expansive monetary policy did not have the desired effects.

Despite or because of these overall conditions, we look back on 2014 positively; we are going to continue along the path that we have embarked upon and shall remain true to our strategy.

We are moving on ...

... and are primed for the future: We adjusted to the new general conditions, the statutory and regulatory standards at domestic and international level, and the changed customer requirements in good time. Because we know that: Anyone who wants to explore new avenues must leave their well-trodden paths at the right time. The fact that we did our homework at an opportune time has also been confirmed by the international ratings agency Moody's. Our rating is still the best among all the Tyrolean banks.

We are moving on ...

... with the aim of being a competent, reliable partner for our customers. Now and in the future, we will continue to abide by the Raiffeisen principles. To do this, we will need a personal and trusting relationship with our customers more than anything else. Our decentralised organisation makes us optimistic about the future. We are convinced that this approach has a future because people are looking for a trustworthy financial partner that is in the vicinity, knows the region and is capable of understanding the point of view and the needs of its opposite number. We also know that changes are necessary for a successful future. We are open-minded about that.

We are moving on together ...

... because we are aware that we can achieve things together that we cannot achieve individually. Our decentralised sector ensures us freedoms that make us strong – for our customers, partners and owners. Another indispensable factor in our solid business trend is our employees, without whom our corporate spirit of partnership on this scale would never have been possible in the first place. Last year, we also subjected the Raiffeisen principle to a very close examination with the help of our employees and supervisory board members. In 26 workshops involving 293 employees, we elaborated the RLB Raiffeisen principle – a contemporary interpretation of our values and guiding principles. In it, we define what we stand for and how we like to be assessed. This concerns, among other things, our impeccable service quality, our genuine sense of community, the familiar relationship with our customers, and our acknowledged loyalty and commitment to our region.

We thank all of our employees for their commitment and all of our customers, partners and owners for their trust. We look forward to demonstrating to you once again in the next financial year that these principles are the utmost priority in our cooperative working partnership and in everything that we do. We are looking forward to paving the way for a successful future together with you.

Dr Hannes Schmid
Management board chairman

Reinhard Mayr
Management board director



Members of the management board and supervisory board

Management board of Raiffeisen-Landesbank Tirol AG

Dr Hannes Schmid
Management board chairman

Reinhard Mayr
Management board director

Dr Thomas Bock
Management board director (until 23.04.2014)

Supervisory board member at Raiffeisen-Landesbank Tirol AG

Josef Graber
Chairman until 23.04.2014
Manager of Raiffeisen Regionalbank Hall in Tirol

Dr Michael Misslinger
Chairman from 23.04.2014
Manager of Raiffeisenbank Wörgl Kufstein

Johannes Gomig
Deputy chairman
Manager of Raiffeisenbank Reutte

Peter-Roman Bachler
Deputy chairman
Manager of RaiffeisenBank Kitzbühel

Berthold Blassnig
Manager of Raiffeisenbank Defereggental

Josef Chodakowsky
Manager of Raiffeisenbank St. Anton am Arlberg

Martina Entner
Hotelier
from 23.04.2014

Stefan Hotter
Manager of the Raiffeisenbank Zell am Ziller und Umgebung
from 23.04.2014

Martina Leitner
Manager of Raiffeisenbank im Vorderen Zillertal
from 23.04.2014

Martin Lorenz
Managing director of Bergbahnen Silvretta Galtür

Andreas Mantl
Manager of Raiffeisenbank Wipptal

Erich Plank
Manager of Raiffeisen Regionalbank Hall in Tirol
from 23.04.2014

Gallus Reinstadler
Manager of Raiffeisenbank Pitztal

Johann Thaler
Mayor of Reith im Alpbachtal

Dr Anna Hosp
Independent management consultant
until 23.04.2014

Meinhard Mayr
Manager of the Raiffeisen Regionalbank Schwaz
until 23.04.2014

Delegates of the works council (*Betriebsrat*)

Doris Bergmann, Innsbruck

Heinz Hofer, Lienz

Wolfgang Kunz, Rum

Werner Müller, Innsbruck
from 01.09.2014

Dietmar Putschner, Innsbruck
from 23.04.2014

Rudolf Staffler, Tristach

Erika Zingerle, Innsbruck

Christian Zoller, Stams
until 31.08.2014

State commissioners

State councillor (*Hofrat*) Dr Michael Manhard
Federal Ministry of Finance, Vienna

AD Andreas Umlauf
Federal Ministry of Finance, Vienna



Statement from the supervisory board chairman



The financial world never sleeps. It is fast-paced and always on the move: Customers' needs, the market environment and especially the legal framework are subject to a continuous process of change. Readiness to change and a high level of flexibility are therefore basic preconditions for success in the modern banking sector.

RLB Tirol AG has the largest proportion of customers within the banking group in the form of the Tyrol-based Raiffeisen banks – almost half of Tyroleans are Raiffeisen customers. This means that it is easily the largest and most effective group of banks in the region. At the same time, as the controlling institution it is the leading voice on relevant issues for the Tyrolean Raiffeisen sector. In a rapidly changing competitive environment, this is a central and important role for orchestrating a competitive spectrum of services from all of the Tyrolean Raiffeisen banks.

Consequently, the path taken by the Raiffeisen-Landesbank is of great significance for the common further development of the Tyrolean Raiffeisen banks. It is therefore a great honour for me to have been elected as the new supervisory board chairman in April 2014. I appreciate the many challenges of this office and the great responsibility that it involves, and am looking forward to contributing to a successful future for our controlling institution together with my colleagues on the supervisory board.

In the almost 40 years that I have been privileged to spend at Raiffeisen thus far, I have come to appreciate that the spirit of cooperation between the Raiffeisen-Landesbank and the Raiffeisen banks in Tyrol is more than just an empty phrase or a wish. It is a principle that is lived among colleagues, in the region as a whole, and most of all in conjunction with our customers and partners.

On behalf of the supervisory board, I would therefore like to thank, in particular, all of the managers and employees for their outstanding work in the last financial year. It is at times like this in particular, when the pressure on banks is growing and the contribution of each and every employee is all the more important, that being able to count on a strong team is utterly crucial.

I thank the management board, too, for its first-rate cooperation and for its rigorous implementation of the defined strategy. In turbulent times it is very important to have clarity and orientation.

I would like to extend special thanks to my long-standing colleague Josef Graber. As my predecessor on the supervisory board, he achieved many positive things and was a highly significant factor in the Raiffeisen-Landesbank's progress over the years. Many thanks for your dedicated work.

Even though there are many new challenges awaiting the banking sector as a whole, I am optimistic about the future prospects for RLB Tirol AG. I am convinced that we are well equipped for future developments and wish you all a successful year in 2015.

Dr Michael Misslinger
Chairman of the supervisory board



We thank our employees

Andrea ABENTUNG, Manuela ABFALTER, Luca ALLETTO, Walter ALTSTÄTTER, Hubert AMON, Maria AMORT, Christian ANDREATTA, Reinhard ANGERMANN, Sabine ARL, Roland AUER, Sibylle AUER, Bernhard AUGSCHÖLL, Marina BABIC, Stefanie BALLWEBER, Hubert BARBIST, Klaudia BAREŠIĆ, Heinz BAUMANN, Gerald BEER, Petra BELL, Maximilian BERGHAMMER, Doris BERGMANN, Verena BERNLOCHNER, Christian BEVELANDER, Nicole BEVELANDER, Claudia BLIEM, Gerhard BLOEB, Stefan BODNER, Josef BRANDAUER, Eva Maria BRASCHLER, Christian BRAUNEGGER, Barbara BRIDA, Richard BRUGGER, Birgit BRUNNER, Karl BRUNNER, Stephanie BÜCHEL, Admira CAUSEVIC, Günther CHRONST, Gerhard CRAMER, Carolin CZERMAK, Martin DANLER, Andreas DEGENHART, Agnes DEISER, Andreas DIERIGL, Arno DRAXL, Elisabeth DÜNSER, Markus DUFTNER, Peter DULLNIG, Peter ECKERT, Christina EDER, Oliver EGGER, Inge EGGER, Thomas ELHARDT, Christina ELLER, Thomas ELZENBAUMER, Christian ENGL, Elisabeth ENGL, Martin EXENBERGER, Daniel FASCHING, Petra FEICHTNER, Meinhard FIDLER, Johann FINK, Roland FRIESS, Sonja FRINGER, Thomas FRISCHAUF, Ludwig FRÖCH, Manuela FUNK, Daniela GABMAIR, Jörg GAMROTH, Wilfried GANDER, Manfred GAPP, Roland GASSER BERGER, Walter GAUGG, Johannes GEILER, Manuela GEILER, Hermann GIRSTMAYER, Michael GLANZ, Ingrid GLATZL, Michael GOGL, Martin GOREIS, Dagmar GRANZER, Kerstin GREGORI, Erich GRISSMANN, Thomas GRÖBER, Klaus Michael GROSSGUT, Christina GRUBER, Manuela GRUBER, Angela GRÜNBACHER, Christian GSCHLIESSER, Julia GSCHWENTNER, Bernhard GSTREIN, Daniel GÜRTLER, Christof GURGISSER, Siegmund GÜTTERNIG, Roland HAAS, Christa HABERKORN, Michaela HAIDLER, Gabriele HANDL, Martin HAPP, Johannes HAPP, Viktoria HAPP, Barbara HARRASSER, Elisabeth HAUSER, Julia HEEL, Martin HEIDEGGER, Sandra HEIDEGGER, Alexander HEISS, Albert HELL, Eric HENSEN, Christian HIRNER, Erika HOCHSCHWARZER, Erwin HÖGER, Klaus HÖRTNAGL, Christian HÖRTNAGL, Nicole HÖRTNAGL, Notburga HOFBAUER, Heinz-Johann HOFER, Christine HOFER, Martina HOFER, Gregor HOHENAUER, Benjamin HOLZKNECHT, Dagmar HOLZMANN, Astrid HOY, Maria-Luise HUBER, Albert HUEBER, Helmut HUPFAUF, Gerhard HUPFAUF, Elisabeth IGHODARO, Margaritha ISEP, Eva JÄKEL, Joachim JAMNIG, Christine JANTSCHER, Sabaha JASARAGIĆ, Maria JEITLER, Monika JENEWEIN, Johann JUNGSMANN, Sylvia KAINZ, Daniel KALDINAZZI, Johannes KAMPFER, Markus KAPFERER, Barbara KAPPACHER, Werner KERBER, Regina KIRCHMAIR, Angelika KIRCHMAIR, Sabine KLAPEER, Johannes KLAUNZER, Andreas KLAUNZER, Helene KLIEBER, Klaus KLINGENSCHMID, Karin KLINGENSCHMID, Christian KLOCKER, Michael KLUCKNER, Natalie KLUCKNER, Sandra KNAUS, Katarina KNEZEVIĆ, Sophie KÖCK, Robin KOFLER, Peter KOFLER, Werner KOLB, Gabriele KOLLREIDER, Claudia KONRAD-HUBER, Nebojsa KOSTIĆ, Bettina KOTESCHOWETZ, Annemarie KRALL, Daniela KRIEBER, Sandra KRIEGL, Rosmarie KRISMER, Peter KRITZINGER, Waltraud KRÖLL, Birgit KRUG, Karoline KUEN, Reinhard KUGLER, Sabine KUHN, Melek KULOGLU, Wolfgang KUNZ, Sandy KUSS, Julia LACHBERGER, Bernhard LADNER, Stefan LANG, Jasmine LARCH, Brigitte LARCHER, Karin LARCHER, Sandra LARCHER, Dominik LEBEDA, Martin LECHNER, Larissa LECHNER, Christina LEIS, Christiane LEUPRECHT, Renate LEZUO, Gottfried LIRK, Nina LÖFFLER, Peter LUSSEK, Peter MACHAT, Fahrija MAGLIĆ, Martina MAIACHER, Monika MAIER, Kurt MAIR, Catrin MAIRDOPPLER, Claudia MARCOLINI, Gregor MARGREITER, Norbert MARGREITER, Christine MARKSTEINER, Anton MARKT, Josef MARTINER, Ingrid MASSANI, Marina MAULER, Martin MAURER, Karlheinz MAYR, Christoph MAYR, Reinhard MAYR, Helmut MAYR, Renate MEDINA-HOFER, Manfred MIGLAR, Carola MIGLAR, Daniel MIKULA, Monika MIMM, Markus MOR, Michael MÜHLBACHER, Corina MÜLLER, Werner MÜLLER,



Romed MÜSSIGANG, Hubert MÜSSIGANG, Angelika MÜSSIGANG, Doris MURR, Hasiba MUSIC, Senija MUSTAFIC, Patrik MUXEL, Susanne NAGELE, Justina NAGILLER, Josef NAGL, Julia NAGL, Otto NEUNER, Julia NEURAUER, Ruth NOCKER-LEDERER, Bernd NÖHRER, Barbara OBERDANNER, Helmut OBERERLACHER, Frank OBERHAUSER, Stefan OBERHOFER, Birgit OBERHOFER, Georg OBERMÜLLER, Guenter OBERZAUCHER, Monika ÖTTL, Michaela ORTNER, Christoph ORTNER, Michaela OSS, Karin OSTERMANN, Konrad PARDELLER, Roland PARGGER, Christina PARTL, Thomas PATSCH, Christian PENZ, Julia PENZ, Cornelia PERKOUNIGG, Romina PEROTTI, Sabine PFERSCHI, Eva PFITSCHER, Martina PFLEGER, Birgit PFURTSCHELLER, Monika PFURTSCHELLER, Marcus PICHLER, Eugenio PIGNATTI, Arlette PILS, Andreas PITTL, Verena PITTL, Josef PITTRACHER, Karoline PLANK, Markus PLATTNER, Nicole PLATTNER, Christoph PLONER, Alexandra PLUNGER, Christine POCK, Martin PRANTER, Christian PRUGGER, Monika PUCHER, Dietmar PUTSCHNER, Stefan PUTZER, Isa RABL, Michael RAGGL, Angela RAGGL, Elfriede RAINALTER, Sarah RAINER-WIESER, Christiane RECHEIS, Wolfgang REDL, Karoline REIDER, Petra REISTER-WALLNÖFER, Fraenk REITER, Christina RHOMBERG, Petra RIEDL, Brigitte RIETH, Katrin RIHA, Eva RINNER, Gerhard ROSENDORFER, Marion ROSINA, Monika RUDISCH, Helmut RUECH, Markus RUECH, Thomas RUETZ, Bibiane RUETZ, Stefan RUF, Klaus SAIGER, Patricia SANTA, Thomas SATTLEGGER, Clemens SAURER, Guido SCALVINI, Ariane SCHAFFERER, Sylvia SCHAMBERGER, Sandra SCHANDL, Rita SCHEIBER, Hubert SCHENK, Carina SCHENKENFELDER, Monika SCHLATTER, Renate SCHLEICH, Markus SCHLENCK, Claudia SCHLITTLER, Michael SCHMID, Hannes SCHMID, Andrea SCHMID, Harald SCHMIDER, Thomas SCHNEEBERGER, Brigitte SCHNEIDER, Marlies SCHNELL, Daniel SCHNIEDERS, Romed SCHÖPF, Lisa SCHWARZL, Wolfgang SCHWITZER, Hubert SEDLMAYR, Andrea SEEHAUSER, Petra SEELAUS, Christian SEISER, Peter SENFTER, Kerstin SIEBENHÜNER, Andrea SIEBERER, Caecilia SILGENER, Alexander SMITH, Senguel SOLAK, Renate SPARBER, Sören SPECHT, Christoph SPÖCK, Petra SPÖRR, Armin SPRENGER, Rudolf STAFFLER, Carmen STANGLECHNER, Martin STECHER, Claudia STEINER, Simone STEINER-GRIESSER, Patrick STEINKELLNER, Michael STEINLECHNER, Elisabeth STEINRINGER, Silvia STOLZ, Patrick STRASSER, Marie-Theres STRELE, Bernadette STRICKNER, Inge STROBL, Karin STROBL, Christa STROBL, Dinka TALETOVIC, Barbara TAUTSCHER, Patrizia THALER, Jacqueline THALER, Johann THALER, Lukas THEURL, Helmut THEYER, Sandra THÖNY, Andrea TOLL, Markus TOLLINGER, Herwig TRAUNER, Christoph TRAUNFELLNER, Simone TRENKWALDER, Dietmar TRIENDL, Othmar TRIENDL, Katrin TROYER-SOCHER, Christina TSCHAPPELLER, Simone UNGERANK, Brigitte UNSINN, Johannes UNTERLUGGAUER, Margreth UNTERWEGER, Marleen VAN BARMEN T LOO, Andrea VERDROSS, Olivia VESELY, Benjamin VOGLER, Christine WALLNÖFER, Sonja Fernanda WANKMÜLLER, Elisa WANKMÜLLER, Thomas WASS, Sabine WASS, Philipp WEBER, Thomas WEIDINGER, Sonja WEITZER, Evelin WENDE-FIDLER, Wolfgang WENINGER, Manuela WENTZ, Ramona WERTH, Daniel WHITE, Markus WIDMANN, Ulrike WIDMOSER, Johannes WIESER, Urban WINDBICHLER, Patricia WINKLER, Regina WINKLER, Andrea WITTING, Thomas WÖBER, Maria WOLF, Claudia WOTZEL, Maria WURZER, Hubert WURZER, Hannes ZACCHIA, Patrick ZANGERL, Susanne ZANGERL, Andrea ZANKL, Elfriede ZECHNER, Petra ZEILLINGER, Aegidius ZETTINIG, Angelika ZIFREIND, Werner ZIMA, Stefan ZIMMER, Renate ZIMMERMANN, Gabriele ZIMMERMANN, Erika ZINGERLE, Sabine ZÖHRER, Patrick ZORN, Markus ZWIEFELHOFER, Patricia ZWIEFELHOFER



Raiffeisen-Landesbank Tirol AG and Raiffeisen-Bankengruppe Tirol

Balance sheet total 7 billion euros, equity ratio 13.49 per cent, results from ordinary activities totalling 26.5 million euros, and 370 employees who, in 13 locations, look after more than 68,200 private, business and corporate customers. That is Raiffeisen-Landesbank Tirol AG in a nutshell.

Successful as a team

As a leading strategic voice on the relevant themes, Raiffeisen-Landesbank Tirol AG is completely dedicated to the proven Raiffeisen principles. Regional roots, familiarity and safety are the central values for RLB Tirol AG. With its association comprising the 76 Tyrolean Raiffeisen banks, it has the largest proportion of customers in Tyrol – almost half of Tyroleans are Raiffeisen customers.

Familiarity and excellent advice

In our mobile world, RLB Tirol AG regards a familiar relationship as more important than spatial proximity. To ensure that it will carry on meeting customer needs optimally in the future, it offers contemporary technical solutions for daily financial transactions. At the same time, it bundles competence in expert teams, thereby increasing the quality and availability of expert advice in the specialist fields of assessment and financing.

Regional added value

The Raiffeisen-Landesbank, together with the 76 Tyrolean Raiffeisen banks, makes an economic contribution to the Tyrolean economy and to Tyrolean society. Not only in Tyrol but also throughout Austria, Raiffeisen makes an essential contribution to added value – as the economic researchers at the ECONOMICA Institute of Economic Research have analysed:

- Every euro generated in the Raiffeisen Banking Group triggers the generation of one further euro in gross added value at other enterprises: this is money that remains within the region.
- Thanks to the degree of interweaving with cooperation partners and supplier companies, one additional job in Austria depends on each employee of the Raiffeisen Banking Group. To be precise, one out of every 51 jobs in Austria in the production or services sector is attributable directly, indirectly or in induced form to the Raiffeisen Banking Group.
- The Raiffeisen Banking Group pays 2 billion euros in taxes and social security contributions annually: money that benefits the federal and regional governments and the municipalities.

In this way, RLB Tirol AG and the Raiffeisen banks are demonstrably strengthening the regional economy and are of particular economic significance for all municipalities, especially those in remote areas.

Important sponsor of the region

Alongside its role as a modern provider of banking services, RLB Tirol AG also has a long tradition of charitable work and educational, cultural and sports sponsorships in its marketing territory. Examples include the Tiroler Sozialmarkt in Innsbruck (a cut-price grocery store), Caritas, the German Red Cross, the Tyrolean theatre group Tiroler Volksschauspiele Telfs, the New Orleans Festival, the Innsbruck Festival of Early Music, numerous schools and sports clubs and many more besides.

World Savings Day: Made in Tyrol

Raiffeisen-Landesbank Tirol AG emphasised its regional nature on World Savings Day, too: for example, employees handed out hand-made chocolate from Tyrol in 2014. In addition, the Bauernbuffet caterers from Axams sent their female farmers to pamper the customers with delicious sausage and cheese specialities.

The Raiffeisen principle Worked out in a spirit of partnership

Almost the entire workforce and the management board and supervisory board members discussed the RLB Raiffeisen principle in 2014. The result: guiding principles that encapsulate what Raiffeisen stands for and what principles were resulting from the cooperative spirit of partnership. Impeccable service quality, a strong sense of community, familiarity and great loyalty and commitment to the region are the values that are as important to Raiffeisen today as they were more than 125 years ago.

Employees enjoy helping

The employees donated no less than 4,550 euros in the course of their 2014 Christmas campaign for the social, educational and therapeutic youth residential community of the SOS-Kinderdorf in Innsbruck. RLB Tirol AG doubled this amount, with the result that a cheque for the princely sum of 9,100 euros could be handed over.

Furthermore, around 35 employees got involved for the benefit of the charitable Tiroler Sozialmarkt grocery store as part of the 2014 Volunteer Day: They picked up goods from companies, weighed and repacked food and stacked the shelves. They also organised a small spring festival with flowers, sausages, coffee and home-made cakes for the Sozialmarkt's customers plus presents for the children. It was help that came from the heart.



Work-life balance for family, health and job

Finding a balance of work and family is not merely a buzzword at RLB Tirol AG; it is a corporate culture that has been in practice for a long time. Raiffeisen-Landesbank Tirol AG received the berufundfamilie quality certificate from the Austrian federal ministry for families and youth as early as 2011 and participated successfully in a further audit in 2014.

Moreover, with the 'RLB Vital – Wir bewegen uns' (we're exercising) initiative, the Raiffeisen-Landesbank is making a targeted health project available to its employees. It was the first bank in western Austria to be awarded the Austrian quality seal for workplace health promotion. This quality seal is awarded to companies that have implemented health promotion measures in accordance with the quality criteria defined by the European BGF network.

Outstanding training organisation in Tyrol

Together with the Tyrolean Raiffeisen banks, RLB Tirol AG launched a major trainee initiative several years ago. On average, the Raiffeisen-Landesbank takes on three new trainees per year. In addition, around 15 young people per year start apprenticeships as office management assistants within the Raiffeisen Banking Group in Tyrol. In the training of its apprentices, RLB Tirol AG attaches special importance to quality and practical relevance. In 2014 the state of Tyrol, representing the state government, the Chamber of Labour for Tyrol and the Tyrol Chamber of Commerce, awarded RLB Tirol AG the quality seal for providing outstanding training in Tyrol.

Major investments of RLB Tirol AG

 AQUA DOME TIROL THERME LÄNGENFELD	 Raiffeisen Tirol Consult
AQUA DOME Tirol Therme Längenfeld	Raiffeisen Tirol Consult
 AlpenBank Private Banking	 Raiffeisen Wohn Bausparen
AlpenBank AG	Raiffeisen Bausparkasse
 UNSER LAGERHAUS DIE KRAFT AM LAND	 RZB
Unser Lagerhaus Warenbeteiligungs-GmbH	Raiffeisen Zentralbank Österreich AG
 RAIFFEISEN BAU TIROL	
Raiffeisen Bau Tirol	

The Raiffeisen principle at Raiffeisen-Landesbank Tirol AG

From the region – for the region. This guiding principle has shaped Tyrol's Raiffeisen banks for more than 125 years. Raiffeisen-Landesbank Tirol AG, too, has taken on responsibility in the state since its foundation in 1895 and is a dependable partner for the people in the region.

In the year under review, RLB Tirol AG's employees and supervisory board members were invited to configure the Raiffeisen principle for RLB. The project commenced on 2 July 2014. All in all, 293 colleagues in 26 workshops were involved. The guiding principles that were elaborated constituted the basis for the working group's condensing of the principles in further workshops and subsequent use of them to formulate the Raiffeisen principle applicable at Raiffeisen-Landesbank Tirol AG.

The Raiffeisen principle for RLB Tirol AG was presented as part of a major staff event attended by more than 260 people at the congresspark igls.

'It was a splendid idea to have our principle formulated by the broad base of our own colleagues rather than by external experts, and rather than having it handed down from above,' explained RLB management board chairman Dr Hannes Schmid. 'We believe in

and live our Raiffeisen principle – yesterday, today and in the future.' Supervisory board member Josef Chodakowsky (Manager of Raiffeisenbank St. Anton am Arlberg) underlined this as follows: 'The concluding event is actually an opening event for realising and living this principle in the future.'

Management board director Reinhard Mayr emphasised: 'If we succeed in putting the Raiffeisen principle and the associated culture of cooperation and partnership into practice on a daily basis, then success will surely be ours!'

The Raiffeisen principle will convey a great deal of strength to the entire company both internally and externally. This was expressed concisely by the evening's star guest, Hermann Maier: 'Everyone has his or her strengths. We should work on them, we should focus on them. We achieve the greatest things collectively through cooperation!'

It is particularly symbolic that the event concluded with all those present receiving Nordic walking sticks: the reason being that these items of sports equipment stand for thrust and stability – for RLB Tirol AG as much as for Raiffeisen-Bankengruppe Tirol.



The collectively developed Raiffeisen principle was presented at a staff event. Everyone received Nordic walking sticks, which stand for the new principle's thrust and stability. From left to right: RLB management board director Reinhard Mayr, Hermann Maier, RLB management board chairman Dr Hannes Schmid and supervisory board member Josef Chodakowsky from Raiffeisenbank St. Anton am Arlberg

What the Raiffeisen principle means



Our swift decisions in the region

- We know our customers and our region.
- In our organisation, specialist and decision-making competence are united under one roof.
- This assures our customers of swift and transparent decisions.



Our familiarity with our customers

- We are there for our customers whenever they need us. We handle our customers on an equal footing and with respect and appreciation.
- We live and breathe our familiar relationships with customers.
- That is because closeness generates trust and brings security.



Consultation in a spirit of partnership from person to person

- Our partnership is based on honesty, reliability and trust.
- We regard customers' needs as the key factor.
- We take time for customers when giving them competent advice.
- We take responsibility for our customers.
We advise and support our customers. For a lifetime.



Our responsibility for what we offer

- Under the Raiffeisen brand we offer high-quality products at fair prices.
- Our spectrum is geared to our customers' needs.
- Our products are understandable and correspond to Raiffeisen's set of values. That is why there are certain products that we do not offer.



Our strong sense of community

- The spirit of partnership in the Raiffeisen family and the solidarity that is truly lived make us strong and give us security.
- Appreciation and reciprocal trust constitute the foundation of our community.
- Constructive cooperation, collegial help and support, and our employees' professionalism are what makes us successful.
- Activities undertaken jointly strengthen our team spirit and foster a sense of unity.



Our commitment to the region

- We support our region's economic development and thereby contribute to the preservation of its high quality of life.
- As a regional bank, we use deposits from the region for financing operations in the region. Our profits remain in Tyrol.
- We regard the sustainable promotion of regional facilities, clubs and societies as our mission.
- We are an important and attractive employer in the region.



Our partnership with the Tyrolean Raiffeisen banks

- We are committed to the Raiffeisen values of solidarity, regional focus and subsidiarity and we live by these values.
- As the most important holding of the Tyrolean Raiffeisen banks, we consciously exercise the responsibility that this involves.
- As the controlling institution, we are the leading voice in thematic terms and the trailblazer.
With our high-calibre services, we support the Tyrolean Raiffeisen banks in their independence.
- Our collaboration with the Tyrolean Raiffeisen banks is mutually appreciative, on an equal footing and beneficial for both sides.

Mit.Einander

This is how the Raiffeisen principle is lived



The Raiffeisen principle is lived both internally and externally at Raiffeisen-Landesbank Tirol AG and at the Tyrolean Raiffeisen banks. How does the Raiffeisen principle manifest itself? How is it experienced?

Even in economically unsettled times, the business model which has never changed since the founding of the first Tyrolean Raiffeisen bank in 1888 remains faithful to sound, sustainable business practices that are based not on unconditional profit maximisation but on the needs of the local community. Of the region, for the region – that is the Raiffeisen principle! Familiarity with our customers, advice based on partnerships between people, responsible offers and rapid on-the-spot decision-making count among Raiffeisen's fundamental principles every bit as much as the bank's commitment to the region.

The bank for the people of Tyrol

For over 125 years, the Tyrolean Raiffeisen banks have been reliable and competent partners, local providers of financing and attractive employers for committed and capable people. Their successful trainee offensive is creating jobs for young people. As service providers, RLB Tirol AG and the 76 Tyrolean Raiffeisen banks with their blanket network of branches are owned entirely by the local population.

At the same time, Tyrol's Raiffeisen banks support social

projects, educational facilities, and cultural and sports clubs and associations in the region year in, year out with five million euros from their own profits. Money that benefits society. And there's more: The Raiffeisen employees also spend 170,000 hours each year working for the common good at clubs and societies, associations and institutions. The Tyrolean Raiffeisen banks make up the largest and strongest community of endeavour in our state and have influenced Tyrol's economic development profoundly over many generations. In the future, human values, closeness to people and the common good will continue to be at the forefront with Raiffeisen – not profit maximisation.

Comprehensive commitment to the region

Over the following pages, we present some selected examples of the Raiffeisen principle put into practice in everyday life. Without making any claims to be exhaustive, these are representative of the extensive commitments made by Tyrolean Raiffeisen banks, which play an indispensable role in the charitable, cultural and social life of our region.



RLB Tirol AG organised a spring festival in the Sozialmarkt store in Tyrol



Raiffeisenbank Silz-Haiming built a raised flower bed in an old people's home



Employees of the Raiffeisen Regionalbank Schwaz collected for the Red Cross food bank in Vomp



Raiffeisen RegionalBank Fieberbrunn – St. Johann in Tirol assisted the carla Sozialmarkt shop in St. Johann in Tirol



Raiffeisenbank Wildschönau renovated the fountain at the old people's home and made it accessible

Tyrolean Raiffeisen banks were also involved in the 2014 Volunteer Day

Tyrol's Raiffeisen bankers rolled up their sleeves and helped out at the 2014 Volunteer Day as well. Once again, they set a fine and humane example for the community. This is because the biggest banking group in the region regards its commitment to the region and the living space that it embodies as a matter of social responsibility. Dr Hannes Schmid in his capacity as chairman Raiffeisen-Bankengruppe Tirol: 'The Tyrolean Raiffeisen banks have been a byword for regionality for 125 years. We are convinced: In closeness lies strength. This sets us apart from other banks in the same way as the voluntary work that many of our employees are involved in.'

On this page we present to you a cross section of the Tyrolean Raiffeisen banks' activities on the 2014 Volunteer Day. This commitment is without parallel and provides visible evidence of the Raiffeisen banks' enduring deep-rootedness within society.



In Hall and Absam, Raiffeisen actively supported a number of projects on Volunteer Day



Raiffeisenbank Kematen provided a coffee party with a difference in the old people's home in Völs



'Giving time': this is precisely what Raiffeisenbank Westendorf did at the old people's home



Raiffeisenbank Oberland pitched in to help with the martiniLaden shop in Landeck



72 hours with no compromises

The trainees at RLB Tirol AG smartened up the 'open-air living room' for the residents of Innsbruck's Alexihaus with an elaborately painted palm-tree landscape as a part of Austria's biggest youth social work project, titled '72 hours with no compromises'. For the painting's inauguration, Raiffeisen-Landesbank Tirol AG had invited the house's residents to a hearty *Maronifest* festival. Against a musical backdrop and in an upbeat atmosphere, many guests of honour, too, were pleased with the well-crafted



painting. Jakob Hafele (Lans) had provided those present with the necessary sustenance.

Top, from left to right: head of the Alexihaus, Raimund Sölder (Innsbrucker Soziale Dienste), Caritas director Georg Schärmer, Christine Hofer (managing director, Raiffeisen Club Tirol) and Thomas Wass (RLB Tirol AG, head of Raiffeisenbanken and marketing). On the right you can see the creative trainees.



Networking in every sense of the word – living environments in 2025

The private banking team at Raiffeisen-Landesbank Tirol AG invited customers to a web-themed evening at congresspark igls. With prestigious speakers: The well-known trend and future researcher Sven Gábor Jánzszy presented the trends for the upcoming years and whetted the guests' appetite to discover the world of 2025. Herbert Perus, a fund manager at Raiffeisen Capital Management, informed those present about the interesting opportunities at the disposal of investors to benefit from these technical innovations in the future. From left to right: RLB management board director Reinhard Mayr, Herbert Perus, Sven Gábor Jánzszy and Christian Prugger, the director of private banking at RLB Tirol AG.



Collection for homeless

In Innsbruck alone there are around 250 homeless people. People without a roof over their head. The employees at RLB Tirol AG collected no less than 4,750 euros as part of their Christmas campaign 2013/14 to help such people. This sum was doubled by the management board. The aim of the Raiffeisen bankers' collection campaign was to support the homeless aid organisation Verein für Obdachlose in Innsbruck, which advises homeless people and those at risk of becoming homeless. As well as the donation totalling 9,500 euros, RLB chairman Dr Hannes Schmid and Doris Bergmann from the works council handed over more than 100 cardboard boxes containing donations in kind to Michael Hennermann (middle), the association's director. The items donated included urgently needed articles such as sleeping bags, rucksacks, winter clothes and thermal mats. Help that was provided directly and with no shortcuts.



Tyrolean sportswoman

In the spring of 2014, Raiffeisen congratulated the junior world champion and Olympic participant Vanessa Bittner on winning the award for Tyrolean Sportswoman of 2013 in the newcomer of the year category. The youngest Austrian participant at the Sochi Olympics was sponsored by the Tyrolean Raiffeisen banks and is one of the country's most promising talents in the field of speed skating. Chairman of the Raiffeisen-Bankengruppe Tirol, Dr Hannes Schmid (left), and director Josef Graber from Raiffeisen Regionalbank Hall in Tirol (right) congratulated Vanessa most warmly and presented her with, among other things, cool Urbanears headphones. 'We wish Vanessa and the Union Speed Skating team continued success,' said Schmid and Graber.



La cage aux Folles



Raiffeisen-Landesbank Tirol AG, Raiffeisen-Regionalbank Telfs and UNIQA invited customers and friends to a particularly amusing

theatre evening featuring the performance of *La cage aux Folles* currently running at the Tiroler Volksschauspiele. A lot of guests accepted the invitation and experienced a charming and humorous mixture of music, acting and singing at the RathausSaal in Telfs. The principal performers, Markus Völlenklee and Johann Nikolussi, shone in their roles – as did the entire ensemble. From left to right we see the management board director Wolfgang Dirnberger (RRB Telfs), RLB management board director Reinhard Mayr, Markus Völlenklee as Zaza, Telfs mayor Christian Härting, Silvia Wechselberger (managing director, Tiroler Volksschauspiele Telfs), chairman of RLB Tirol AG Dr Hannes Schmid, Johann Nikolussi as Renato and UNIQA state manager Diego Reichstamm on the ‘boards that mean the world’. Both Raiffeisen and UNIQA have sponsored Tyrolean theatre for many years.



Success with social media

Using the slogan ‘Success with social media’, Standortagentur Tirol invited Tyrolean enterprises to a ‘smart party’. This was a networking event that made one thing in particular clear: The question was not *whether* enterprises should use social media, but rather *how*. The main priority today is to use the new communication channels in a way that generates benefits for one’s own company and for customers, thereby making the most of a company’s entry into the world of social networks. In his keynote address, Bernhard Dominguez (p&p Marketing GmbH) revealed some tips and tricks in relation to target groups as well as targeting in online marketing and how to use it to reach target groups. As an example of best practice, Dagmar Holzmann (Raiffeisen marketing) presented Raiffeisen Club Tirol’s successful Facebook page with around 42,000 likes. From left to right, the Raiffeisen Club Tirol’s managing director Christine Hofer, Bernhard Dominguez, Stefanie Höllinger, (project manager, Standortagentur Tirol) and Dagmar Holzmann.



Raiffeisen Ski Championship 2014

Gorgeous weather and an excellently prepared, specially selected racing circuit: the Keat track at SkiWelt Wilder Kaiser in Söll: This was the ideal stage for the 38th Tyrolean Raiffeisen Skiing Championships in 2014. As usual, this was conducted in the form of a giant slalom. Ronald Kneisl from Raiffeisenbank Sölden collected his fourth championship title. As for the ladies, defending champion Stefanie Resinger from Raiffeisenbank Matrei in East Tyrol picked up her third title in succession. From left to right we see: In the presence of RLB management board chairman and BSG (company sports club) president Dr Hannes Schmid, the chairman of Raiffeisenverband Tirol, Peter Hechenberger, as well as directors Peter Feiersinger and Richard Perterer (both from Raiffeisenbank Söll-Scheffau), the new Raiffeisen skiing champions and those occupying the other leading places received their award at the awards ceremony at Postwirt in Söll.



Sumsi day in the Alpenzoo

A day of painting and doing arts and crafts where visitors both large and small can explore new smells and tastes and marvel. The Sumsi day in the Alpenzoo was all about the bees and their helpers. Nature conservation for everyone – thousands of participants from all parts of the state found out how easy it is. Many families spent a fascinating day in the Alpenzoo with their children. Doing arts and crafts with the children are RLB management board chairman Dr Hannes Schmid on the left and Alpenzoo director Dr Michael Martys on the right.



Annual conference 2014

Raiffeisen-Bankengruppe Tirol held its well attended 2014 annual conference at the congresspark in igls. It was an informative event with the latest news. From left to right we see RLB management board chairman, Dr Hannes Schmid, the RLB Tirol AG supervisory board chairman, Dr Michael Misslinger, managing director of Raiffeisenverband Tirol, Arnulf Perkounigg, Dr Johann Strobl (deputy chairman of Raiffeisen Bank International), the chairman of Raiffeisenverband Tirol, Peter Hechenberger, and RLB management board director Reinhard Mayr.



Urban gardening

A place of diversity and of meeting people where passionate amateur gardeners can pursue their hobby in the middle of the city – this is a fitting description of the communal garden innsGARTL on Langer Weg (*Campagnereiter-Areal*). At the opening on 18 April 2014, the symbolic first sod was turned for this communal garden measuring around 5,000 m². To mark the occasion, mayor Christine Oppitz-Plörer and councillor Gerhard Fritz, together with Thomas Wass (head of Raiffeisen banks and marketing at RLB Tirol AG) and the initiators of the project Romana Mayr and Melanie Zipin (both from an urban gardening club called freipflanzen) planted two currant bushes for the snack garden. On a stretch of meadow, a field was commissioned for everyone to do their own thing. The state of Tyrol is supporting the project by encouraging sustainability. The freipflanzen club (free planting) has set itself the objective of enriching Innsbruck with lively green spaces.



BeSt³

BeSt³ in Innsbruck again lived up to its reputation as an outstanding information platform for careers, studies and ongoing education and training. The Tyrol-based Raiffeisen banks informed the many interested people at their own stand in a comprehensive manner about banking apprenticeships with or without the *Matura* and about the various career paths that can be taken within the region's biggest banking group. From left to right: chairman of Raiffeisen-Bankengruppe Tirol, Dr Hannes Schmid, BeSt³ organiser Maximilian Egger, and the Raiffeisen trainees Daniel, Katarina and Catarina.



Top-class cabaret delighted more than 700 customers

Raiffeisen-Landesbank Tirol AG invited its customers to an entertaining cabaret evening with the exceptional artists Stermann & Grisseemann at the new exhibition hall in Innsbruck. The two stars treated more than 700 cabaret fans to an exclusive selection of their current programme and ensured a humorous and thoroughly enjoyable evening. From left to right: Christoph Grisseemann, RLB management board chairman Dr Hannes Schmid and Dirk Stermann.



'Your working life starts here'

These 11 young Tyroleans from all corners of the region embarked on their working lives in the summer of 2014. They opted to train as bank clerks at Raiffeisen and each received one of the sought-after apprenticeship places. Dr Hannes Schmid greeted the aspiring bankers at the commencement of their training in Innsbruck (picture). The apprenticeship lasts three years and may be taken with or without the Austrian school-leaving certificate (*Matura*). The Tyrolean Raiffeisen banks currently offer places to 48 young people.



Valuable projects rewarded

As part of its social sponsorship activities, Raiffeisen Capital Management rewarded six projects in various parts of Austria with 6,000 euros apiece. Two prizes went to Tyrol-based projects: one to Caritas Integrationshaus Innsbruck for its intensive course in the German language for young people with a migrant background aged 15 and above, and one to the Offenes Haus open-house day centre run by the Diakonie Austria church-based social welfare organisation with Olivier Dantine for up to 30 children from deprived families in Hermannstadt, Romania. The cheque being handed over (left to right): Marlies Hofer-Perktold (head of the finance and controlling services department at the Innsbruck diocese), Bishop Manfred Scheuer, RLB management board chairman Dr Hannes Schmid and Josef Brandauer (RLB Tirol AG).



16. New Orleans Festival

On the occasion of the 16th New Orleans Festival in Innsbruck, Raiffeisen-Landesbank Tirol AG, UNIQA and Innsbrucker Stadtmarketing had sent out invitations to the exclusive opening at the congresspark igls. After the musical warm-up with Blues KG, the festival's star guest Gary Mr Clean-Head Brown – the name refers to his well-tended bald head – and his band, Feelings, really got the 600 plus guests in the mood. Real southern flair and world-class music delighted the guests and everyone else. From left to right: RLB management board director Reinhard Mayr, RLB management board chairman Dr Hannes Schmid, festival co-organiser Markus Linder, festival headliner Gary Brown and UNIQA regional director Diego Reichstamm live on stage at the photo shoot. More than 15,000 guests visited the New Orleans Festival 2014.



50 years of Innsbruck diocese

Raiffeisen supported Innsbruck diocese's 50th anniversary. Numerous events were held during the anniversary year. A very special highlight was the 'pilgrimage to the cathedral' campaign. People from all over Tyrol cycled or walked along various routes to Cathedral of St. James in Innsbruck in order to celebrate St James' Day together with Bishop Manfred Scheuer. Under the slogan 'Let's make a pilgrimage', Raiffeisen called for a pilgrimage by bicycle. Around 100 participants, including many cyclists from the Union Raiffeisen Radteam Tirol, answered the call. In front of the Raiffeisenbank Kematen, Dr Hannes Schmid and the bank manager Hubert Kuprian received the participants personally. Then the group rode to the cathedral square in Innsbruck. They were welcomed there by Bishop Manfred Scheuer and RLB management board director. Reinhard Mayr (both in the foreground). Everyone who took part received a certificate of pilgrimage.

**Management
report 2014**



2014 macroeconomic conditions

Economic situation

In the eurozone, real GDP increased by 0.8 per cent in 2014. This moderate growth was driven by solid growth rates in Germany and a recovery in crisis-hit countries such as Spain, Ireland and Portugal. Economic growth in major members of the currency union (Italy, France), on the other hand, disappointed in 2014. The crucial factor in this trend is the structural deficits in those countries.

Weak economic growth and falling commodity prices led to a significant decrease in the inflation rate. Compared to the previous year, the increase of 0.5 per cent in consumer prices is well below the European Central Bank's inflation target (just under 2 per cent).

The lower inflation prompted the ECB to loosen its monetary policy still further. In this way, it managed to influence the interest-rate landscape considerably in 2014. The money market rates again fell slightly. For example, the 3-month EURIBOR rate decreased from approximately 0.3 per cent at the beginning of the year to below 0.1 per cent. The more remarkable development, though, could be seen in the returns from government bonds. The return on the two-year German government bond was even negative from August onwards, while the ten-year bond was quoted at only a very modest 0.65 per cent.

The US economy developed more positively than Europe in the financial year ended. Real gross domestic product grew by 2.2 per cent. The economic trend benefited from its broad and sustainable overall positioning. This resulted in an increase in the USD's value from around 1.38 to 1.21 compared to the beginning of the year.

Equities and bonds

The positive economic data and corporate results from the USA, plus declining oil prices, were also crucial factors in the positive trend on the US stock markets in 2014. Despite a brief, pronounced correction at the beginning of the year, the Dow Jones and S&P posted new all-time highs in September/October (S&P 500 plus 13 per cent in USD and over 28 per cent in EUR). In terms of valuation, then, the US markets can certainly no longer be regarded as cheap. In addition, loan-financed share purchases are not far short of their all-time high and the mood among investors had rarely been so positive. In Europe, the stock markets – as measured by the DJ EURO STOXX 50 – rose only by a modest 1.13 per cent. The DAX showed a slightly more positive performance at plus 2.65 per cent. This meagre trend resulted from the disappointing general economic data and negative earnings revisions at corporate level. Austrian shares were among the worst performers in Europe in 2014. The ATX lost almost 15 per cent of its value. The reasons for this were negative news from the banking sector and the crisis involving Ukraine and Russia, which overshadowed the – in international terms – comparatively inexpensive Austrian stock market. Emerging markets' shares performed in a markedly heterogeneous manner last year. While Asian markets in particular showed healthy increases, the central and eastern European stock markets disappointed. Contrary to general market expectations, 2014 was not the year of increasing returns on US government bonds. Strong economic data and a robust labour market were not enough to trigger an increase in returns. One of the reasons for this development was, of course, the sharp downturn in oil prices, which pushed worries about inflation into the background.



Austrian economic trends

Last year, too, the economic trend in Austria remained behind that of the eurozone in some significant respects. According to the last projections, GDP growth in 2014 is likely to be a mere 0.4 per cent. This development had both external and home-grown causes. The most significant external economic burdens for the export sector's prospects are the persistent weaknesses of the eurozone and geopolitical tensions (Ukraine conflict).

This makes domestic demand all the more important as a driver of growth. The aforementioned factors, however, are likewise showing a negative trend. The uncertainty regarding selling opportunities on the domestic market and abroad is leading to a low level of willingness to invest among business enterprises. The important area of private consumption, too, is showing signs of weakness. The sluggish trend in real incomes is allowing private households little scope for additional consumer spending. At around 1.8 per cent, the inflation rate in 2014 was considerably higher than in the eurozone as a whole. This reflects the greater increase in food and, in particular, service prices in Austria. The recent substantial decline in oil prices will have a dampening effect on inflation in 2015 in the form of falling energy prices, although the relatively large gap between Austria and the eurozone is likely to remain.

The situation on the Austrian labour market, which is currently shaped by a weak economy and an increasing supply of labour, will likewise remain difficult. According to the AMS, the unemployment rate in 2014 was 8.4 per cent, with a slight increase in 2015 being likely.

All of these factors ought to lead to slightly accelerated growth in Austria this year, with that growth probably remaining at under 1 per cent. The forecasting uncertainty, however, is very high and the risks outweigh the opportunities. Factors that were compelling

shortly after the start of the new year (appreciation in the Swiss franc, change of government in Greece), have naturally not yet been incorporated into the forecasts.

The economy in Tyrol performed in line with the overall Austrian economy in 2014 and will probably grow equally strongly (or weakly) in 2015. The relatively high level of unemployment, coupled with a high tax burden, continues to inhibit private consumption.

The hopes of Tyrolean business therefore tend to lie in the export sector, although this, too, stagnated in 2014. The overall structural conditions to which reference has already been made (strong USD, moderate energy prices, etc.) are nevertheless giving grounds for hope that there will be a (slight) turnaround in 2015 with the export volume increasing by up to 2 per cent to around 11.1 billion euros.

The slowdown in the overall economic situation, especially in the autumn, is also reflected in the estimate and mood of the Tyrolean business community. In this respect, though, there is a marked difference between service providers and manufacturers. While 40 per cent of service enterprises assess the economic situation positively, only 30 per cent of respondents in the manufacturing sector do likewise. As far as the expectations for 2015 are concerned, service providers, especially in the tourism industry, are in a considerably more positive frame of mind.

A recovery in the Tyrolean labour market remains unlikely in 2015. In 2014, the unemployment rate (according to AMS) was 6.9 per cent, i.e. below the Austrian average as in previous years. However, it is – compared to the preceding years – relatively high and is expected to increase to over 7 per cent in the current year.



Review of operations in 2014

Raiffeisen-Landesbank Tirol AG can look back on a satisfactory 2014. Operating income improved by 3.7 per cent over the previous year from EUR 40.8 million to EUR 42.3 million. Revenue from ordinary activities likewise developed positively, increasing by 3.5 per cent. The latter increased from EUR 25.6 million to EUR 26.5 million.

Balance sheet total in millions of euros

31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014
6,654	7,296	7,182	7,356	7,070	7,299	7,079

Origin of funds and capital structure

	31.12.2014		31.12.2013		Change	
	Millions of euros	Per cent	Millions of euros	Per cent	Millions of euros	Per cent
Liabilities to banks	3,535	49.9%	3,697	50.7%	-162	-4.4%
Current account deposits	1,199	16.9%	1,088	14.9%	111	10.2%
Savings account deposits	499	7.1%	533	7.3%	-34	-6.4%
Liabilities evidenced by paper	1,313	18.6%	1,441	19.7%	-128	-8.9%
Equity	385	5.4%	372	5.1%	13	3.5%
Other liabilities	148	2.1%	168	2.3%	-20	-11.9%
Equity and liabilities	7,079	100.0%	7,299	100.0%	-220	-3.0%

Operating income as at 31.12.2014 amounted to 7,079 million euros, lower than the comparable figure at year end 2013. It decreased by 3 per cent. This corresponds to a difference of 220 million euros. Equity increased by 3.5 per cent to 385 million euros in the financial year 2014. Current account deposits, too, were higher, increasing by 10.2 per cent and totalling 1,199 million euros as at 31.12.2014. Liabilities to banks were reduced from 3,697 million euros to 3,535 million euros. This constitutes a decrease of 4.4 per cent. Compared to the previous year, savings account deposits decreased by 6.4 per cent to 499 million euros and liabilities evidenced by paper were down by 8.9 per cent to 1,313 million euros. Other liabilities decreased by 20 million euros to 148 million euros, a downturn of 11.9 per cent.

Appropriation of funds and asset structure

	31.12.2014		31.12.2013		Change	
	Millions of euros	Per cent	Millions of euros	Per cent	Millions of euros	Per cent
Receivables from banks	2,595	36.7%	2,756	37.8%	-161	-5.8%
Receivables from customers	2,353	33.2%	2,353	32.2%	0	0.0%
Securities	1,783	25.2%	1,833	25.1%	-50	-2.7%
Participating interests, including shares in affiliated companies	230	3.2%	211	2.9%	19	9.0%
Other assets	118	1.7%	146	2.0%	-28	-19.2%
Assets	7,079	100.0%	7,299	100.0%	-220	-3.0%

On the assets side, receivables from customers have remained unchanged at 2,353 million euros. Participating interests, including shares in affiliated companies, increased by 9.0 per cent and amounted to 230 million euros as at 31.12.2014. Receivables from banks showed a downward trend. They decreased by 5.8 per cent from 2,756 million euros to 2,595 million euros compared with the previous year. Securities owned by the bank likewise showed a negative trend, decreasing by 2.7 per cent to 1,783 million euros. Other assets were down from 146 million euros to 118 million euros, a decline of 19.2 per cent.



At the end of 2014, receivables from customers broke down as follows:

RLB Tirol AG 2014 breakdown by sector

	2014	2013	Change	Proportion of total loans
	Thousands of euros	Thousands of euros	Per cent	Per cent
Agriculture, forestry and cooperatives	25,489	25,568	-0.3%	1.1%
Transport	141,678	128,830	10.0%	6.0%
Trade	476,935	482,491	-1.2%	20.3%
Manufacturing industry	98,548	85,798	14.9%	4.2%
Employed persons, private	436,114	432,257	0.9%	18.5%
Tourism and leisure industry	372,201	365,780	1.8%	15.8%
Public sector and social insurance	108,971	142,493	-23.5%	4.6%
Self-employed persons	57,081	70,309	-18.8%	2.4%
Commerce	158,632	163,573	-3.0%	6.8%
Others (residential building associations and other non-banks)	481,910	461,597	4.4%	20.5%
Liability reserve pursuant to section 57, paragraph 1 of the BWG (banking act)	-4,200	-5,700	-26.3%	-0.2%
Total	2,353,359	2,352,996	0.0%	100.0%

Regulatory capital (pursuant to article 25 CRR)

	31.12.2014	31.12.2013	31.12.2012	Change	
	Thousands of euros	Thousands of euros	Thousands of euros	Thousands of euros	Per cent
Subscribed capital	84,950	84,950	84,950		
Reserves	296,594	287,292	277,883		
CORE CAPITAL	381,544	372,242	362,833	9,302	2.5%
SUPPLEMENTARY CAPITAL	29,503	17,838	13,752	11,665	65.4%
REGULATORY CAPITAL before deductions	411,047	390,080	376,585	20,967	5.4%
Deductions	0	-2	-2		
REGULATORY CAPITAL	411,047	390,078	376,583	20,969	5.4%



Income statement

	2014	2013	Change	
	Millions of euros	Millions of euros	Millions of euros	Per cent
Net interest income	54.9	56.2	-1.3	-2.3%
Income from securities and investments	17.5	17.8	-0.3	-1.7%
Commission income	22.1	22.4	-0.3	-1.3%
Income from financial transactions	2.1	3.1	-1.0	-32.3%
Other operating income	11.1	11.3	-0.2	-1.8%
OPERATING INCOME	107.7	110.9	-3.2	-2.9%
Personnel costs	-33.9	-38.9	-5.0	-12.9%
Other administrative costs (operating expenses)	-26.1	-26.9	-0.8	-3.0%
Impairment losses on assets	-2.4	-2.6	-0.2	-7.7%
Other operating costs	-3.0	-1.7	1.3	76.5%
TOTAL OPERATING COSTS	-65.4	-70.0	-4.6	-6.6%
OPERATING PROFIT	42.3	40.8	1.5	3.7%
Net expense for impairment losses on receivables	-19.0	-16.0	3.0	18.8%
Net expense for impairment losses on securities and participating interests	3.2	0.8	2.4	300.0%
Profit from ordinary activities	26.5	25.6	0.9	3.5%
Taxes on income	0.3	-4.1	-4.4	n/a.
Other taxes not posted under previous item	-5.8	-3.6	2.2	61.1%
NET PROFIT	21.0	17.9	3.1	17.3%
Movements in reserves	-12.5	-9.4	3.1	33.0%
ANNUAL PROFIT	8.5	8.5	0.0	0.0%
Profit carried forward	0.0	0.0	0.0	0.0%
Net income	8.5	8.5	0.0	0.0%

In 2014, operating income decreased by 2.9 per cent from 110.9 million euros to 107.7 million euros. This negative development can be attributed to a decline of 2.3 per cent, or 1.3 million euros, in net interest income and a decrease of 1.7 per cent, or 0.3 million euros, in income from securities and participating interests. Commission income, too, showed a slight downward trend of 1.3 per cent, or 0.3 million euros, to 22.1 million euros. Income from financial transactions was down by 32.3 per cent, 1.0 million euros lower than in the previous year. Other operating income decreased by 1.8 per cent in 2014 compared with the previous year, totalling 11.1 million euros.

Operating costs were reduced from 70 million euros to 65.4 million euros, an overall decrease of 6.6 per cent. This was largely due to the commission income falling by 5 million euros to 33.9 million euros (a 12.9 per cent fall). Likewise on a downward trend compared to the financial year 2013 were other administrative costs, which decreased by 3.0 per cent or 0.8 million euros to 26.1 million euros. The valuation allowances for assets were down by 7.7 per cent or 0.2 million euros. They decreased by 2.4 million euros. Other operating costs, however, increased by 76.5 per cent

or 1.3 million euros to 3.0 million euros.

The balance from reversals of and allocations to impairment losses on receivables and provisions for contingent liabilities increased by 3.0 million euros or 18.8 per cent. As at year end it consequently totalled 19.0 million euros. The balance from reversals of and allocations to impairment losses on securities and participating interests increased by 2.4 million euros to 3.2 million euros. The profit from ordinary activities increased by 0.9 million euros, or 3.5 per cent, compared with 2013, totalling 26.5 million euros.

Taxes on income decreased in the financial year 2014 by 4.4 million euros, while other taxes showed an upward trend of 2.2 million euros, or 61.1 per cent, to 5.8 million euros.

The net profit for the year as at year end totalled 21 million euros, an increase of 3.1 million euros or 17.3 per cent.

12.5 million euros were added to the reserves. This represents an increase of 3.1 million euros or 33.0 per cent compared with the financial year 2013.

The profit for the year remained at its previous year's level of EUR 8.5 million.

Bank branches report

On 31 December 2014, Raiffeisen-Landesbank Tirol AG was operating 13 bank branches and nine self-service banking outlets in its marketing territory. Three bank branches were converted to self-service outlets in the present year.

All in all, the personnel at RLB Tirol AG looked after the banking needs of just over 68,200 customers.

**Financial performance indicators**

Capital ratio*		
31.12.2014	31.12.2013	31.12.2012
13.49%	12.74%	11.80%

* Imputable regulatory capital/tax base × 100

Cost-income ratio		
31.12.2014	31.12.2013	31.12.2012
60.71%	63.17%	60.92%

* Operating expenses/operating income

Net margin*		
31.12.2014	31.12.2013	31.12.2012
0.59%	0.57%	0.61%

* Operating profit IV/mean balance sheet total

Return on equity*		
31.12.2014	31.12.2013	31.12.2012
7.00%	6.97%	6.86%

* Profit from ordinary activities/mean equity

With regard to the return on investment, we refer to the disclosure in the notes pursuant to section 64 (1) line 19 of the BWG.

Non-financial performance indicators**Looking after the region**

Unlike a major international bank, we are there for our customers in the heart of the region. Innovative products, such as the Raiffeisen-Tyrol regional bond, are specifically developed to cater for the needs of local consumers, thereby ensuring that money from the region gets used for the region.

Specialised companies from the Raiffeisen union round off the range of services on offer, ensuring that we can offer comprehensive, expert advice to private and business customers alike.

Agenda-setting role within RGBT

Supporting Tyrolean Raiffeisen banks is the founding mission of RLB Tyrol AG, and as such forms a central component of its range of services. Raiffeisen-Bankengruppe Tirol's joint strategy for 2017 forms the basis for the services offered, which can be provided either centrally or, if desired, locally. To ensure a successful common future, RLB Tyrol AG sits on both state-level and national boards and committees, using its role as an agenda setter to give support and impetus for the Tyrolean Raiffeisen banks.

Important sponsor

Alongside its role as a modern provider of banking services, RLB Tyrol AG also has a long tradition of charitable work and educational, cultural and sports sponsorships in its marketing territory. Examples include Tiroler Sozialmarkt in Innsbruck (a cut-price grocery store), Caritas, the Red Cross, the Tyrolean theatre group Tiroler Volksschauspiele Telfs, the New Orleans Festival, numerous schools and sports clubs and many more. The exhibitions staged by the gallery RLB Kunstbrücke and the RLB Atelier gallery in Lienz make a major contribution to the lively Innsbruck and Tyrolean cultural scene. The 18,000 euro RLB art prize is awarded every two years and is an additional commitment which gives young Tyrolean artists the opportunity to present their work to a wider public.

Satisfied employees

RLB Tyrol AG offers attractive and crisis-proof jobs. It gives due consideration to the reconciliation of working and family life and promoting occupational health and safety. This means that within

the scope of the in-house health scheme RLB Vital, employees can choose from a broad range of courses and talks.

In 2014, Raiffeisen-Landesbank Tirol AG employed an average of 373.8 people (362.3 white-collar and 11.5 blue-collar personnel). This constitutes a decrease of 11.7 per cent.

Trainee initiative

Together with the Tyrolean Raiffeisen banks, a few years ago RLB Tyrol AG launched a major trainee initiative. It offers vocational training courses as qualified bank clerks, either with or without the school-leaving certificate (*Matura*).

On average, Raiffeisen-Landesbank Tirol AG takes on three new trainees per year. In addition, around 15 young people per year start apprenticeships as office management assistants within Raiffeisen-Bankengruppe Tirol.

At present, nine trainees are learning their trade at Raiffeisen-Landesbank Tirol AG and 40 are doing so at the Tyrolean Raiffeisen banks.

The training programme sets great store by quality and practical experience, with trainees thus putting in a total of 4,800 hours in a wide variety of different departments. The career prospects we offer young people are excellent. Although most newly qualified staff are assigned directly to customer service, there is also a demand for specialists in many different fields, such as controlling, marketing and risk management.

Career paths

RLB Tyrol AG offers individual career paths on both specialist and management levels, and a wide range of training opportunities form a further important component of the employee advancement and development we offer. As well as in-house training courses, employees can use external educational establishments for their needs, for example the Raiffeisen-Campus school or the Management Center Innsbruck (MCI). Training courses developed especially for Raiffeisen are offered there.

The content of the courses covers all banking subject areas and also includes personality-building seminars and training courses, since the skills and dedication of all our employees make a key contribution to sustained corporate success.



Events after the balance sheet date

The EUR–CHF exchange rate fell almost to parity level at one bound after the utterly surprising decision by the Swiss National Bank (SNB) on 15.01.2015 to stop supporting the minimum rate. This led to a modest increase in the liability in CHF for RLB Tirol AG.

The increase in the liability and/or the conversion of customers' positions on grounds of stop-loss orders are having no noteworthy impact on the income and/or risk situation at RLB Tirol AG. The

private customers affected by stop-loss orders were informed in writing about the possibility of reconversions and, in connection with this, invited to attend an advisory talk.

To date, no business occurrences or other events have occurred which would be of special public interest or which would have a significant impact on the 2014 annual financial statements.

Risk report

Modern risk management

Raiffeisen-Landesbank Tirol AG attaches great importance to active risk management, which safeguards our long-term success. In keeping with statutory requirements, Raiffeisen-Landesbank Tirol AG has set itself the goal of applying effective methods and suitable systems by means of recording, assessing, limiting, steering, monitoring and reporting the risks in order to guarantee the bank's security and profitability in the interests of our customers and owners. Our experiences during 2014 have confirmed the effectiveness of our risk policies, risk management and organisation.

categories and the limitation of risk capital in line with our risk-bearing ability and risk capital allocation.

Principles of risk policy

Our risk policy principles lay down the central rules of conduct for dealing with risk. They lay the foundation for a unified understanding of the bank's global objectives with respect to risk management.

- The management board and all our employees are committed to the risk policy principles and comply with them in their day-to-day decision-making.
- In the case of non-transparent risk positions or methodological uncertainties, we apply the prudence concept.
- Our risk management is geared to the goal of ensuring the company's continuing existence.
- Careful analysis of the specific risks is essential before introducing new lines of business or products (the product launch process).

Our risk policy principles are laid down by the management board and are regularly reviewed and adjusted as necessary.

Risk management organisation

The risk management system is organised with a view to avoiding conflicts of interest at both the personal and organisational levels (separation of trading and back-office supervisory functions). The tasks and organisational processes involved in the measurement, monitoring and reporting of risks are the responsibility of the risk management department and are laid down on the intranet and in the appropriate manuals.

Credit risk

The credit risk is evaluated for both counterparties (private and commercial customers, banks and countries) and concentrations. Granting credit and the judicious assumption of risk are among Raiffeisen-Landesbank Tirol AG's core lines of business. Borrowers' risk situations are continuously and two-dimensionally managed – on the one hand through assessing their economic situation via our in-house rating systems, and on the other hand through the evaluation of risk-reducing collateral. In the corresponding calculations, we take the varying risk levels inherent in different credit activities duly into account.

The sales units are supported by the risk management department in the management process through the measurement and monitoring of credit risk and impending macroeconomic risks, and by the credit management department in the operational management of normal and problematic exposures. In the reporting system, various reference date and forecast analyses form an integral part of the risk profile and assist in guaranteeing an active across-the-board risk management process.

The various credit-risk-related tasks and organisational processes as well as the credit risk strategy laid down annually by the management board are clearly described on the intranet, in the credit manual and in the product manuals. Furthermore, all employees involved in the execution of transactions are instructed in these tasks and processes, which are also available online. This ensures in every individual case that any risk taken is in compliance with our risk policies and risk strategy. In addition, in keeping with principles of commercial prudence, ample provision is made for all existing risks.

Risk management principles

Our risk management is founded on the following principles:

- The management board takes overall responsibility for monitoring risk management at Raiffeisen-Landesbank Tirol AG. The risk committee which is required by law and convened by the supervisory board checks and monitors the risk strategy at regular – at least annual – intervals.
- The management of all types of risk, especially credit, market, liquidity, investment, operational and other risks, is a coordinated process involving all relevant levels within the bank.
- As the central body reporting to the management board, the risk committee issues recommendations concerning risk strategy, including specific strategies in relation to the individual risk



The regulatory capital requirement for the credit risk is ascertained in accordance with the standard rate. In line with supervisory law requirements and recommendations, as well as potential operational benefits, Raiffeisen-Landesbank Tirol AG has set itself the goal of continuously developing and improving its risk management processes as well as its risk evaluation and monitoring methods.

Market risk

Market risk is the risk of interest rate, exchange rate, price and spread changes adversely affecting securities, interest and currency positions. Market risk is generated by both bank book and trading book transactions.

Raiffeisen-Landesbank Tirol AG uses a combination of risk measurement parameters to manage market risks and set associated limits. The treasury department manages market risk, systematically compiling all interest-, currency- and price-sensitive positions and controlling them in line with the prevailing market situation. Alongside the credit business, the bank's own account trading constitutes another core line of business.

The risk management organisational unit helps the treasury organisational unit to control market risks. The measurement and monitoring of market risk and regular reporting are the central tasks in this respect. The dynamic risk-monitoring process involves giving particular emphasis to the systematic monitoring of strategic and hedging positions. Daily risk and performance analyses and reports ensure that the treasury department provides appropriate steering momentum.

Liquidity risk

At Raiffeisen-Landesbank Tirol AG, we set great store by refinancing with matching maturities, and this policy is supported by a key liquidity figures system and associated limits, duly distinguishing here between short-term operational and longer-term structural liquidity management and also liquidity price risk. The unexpected withdrawal of customer deposits is classified as short-term liquidity risk, while increased own refinancing costs as a result of the refinancing structure are classified as a structural liquidity risk or liquidity price risk. The liquidity risks are steered by the treasury department.

Compliance with limits is monitored by the risk management department. Various liquidity scenarios are used to simulate adequate supplies of short- and long-term liquidity during hypothetical financial squeezes. To reinforce liquidity, Raiffeisen-Landesbank Tirol AG gives great weight to factors such as issuance activity and available refinancable collateral. Additional steering instruments are continuously being developed in furtherance of proactive liquidity steering, something which will increase in importance with the implementation of Basel III. RLB Tirol AG's LCR performance indicator was 89 per cent as of 31.12.2014 and thereby has prematurely fulfilled the limit demanded by the supervisory authority by the end of 2017. The NSFR performance indicator with a value of 100 per cent as of the balance sheet date bears witness to a balanced relationship of required and available stable refinancing at RLB Tirol AG.

Investment risk

Investment risk is steered by the management board, measured by the risk management department and monitored by the finance department.

An expert approach ensures the appropriate assessment of potential risk.

Operational risk

The management of operational risk is the task of the risk management organisational unit. All potential risks that can result from system or process failures, mistakes by employees and external events are analysed and evaluated with a view to devising suitable countermeasures.

The regulatory capital resources needed to combat operational risk are determined using a base indicator approach. The risks are depicted and managed using modern IT systems. This process is backed up by regular internal audits and periodic reporting to ensure that operational risk is tackled vigorously.

Risk-bearing capacity

In the process of steering overall risk, our capacity to cover risk is tallied against all significant risks identified using appropriate methods and systems suitable for this purpose.

The planned annual risk exposure represents the limitation of the aggregated overall bank risk, taking into account not just the risks actually identified and quantified but also other non-quantifiable risks by putting in place a risk buffer. All risk-relevant information is fed into monthly risk-bearing capacity reports, which are discussed in depth by the risk committee. Various different scenarios are used to determine overall bank risk in order to ensure that sufficient capital would be available to cope with a range of problematic and extreme situations.

At Raiffeisen-Landesbank Tirol AG, greater attention is given to the credit, market and liquidity risk management processes due to the fact that the focus of the bank's activities is on private and commercial customers and also treasury business. Credit risk, including the macroeconomic risk, is calculated on the basis of default probabilities and loss ratios, and trading book and banking book market risk and liquidity risk are calculated using key sensitivity figures. Aside from the market-dependent risks, the overall bank-steering process also involves calculating investment risk and operational risk in order to both represent all risks and take into account the ever-growing supervisory requirements. The risk capacity analysis thus forms the starting point for keeping risky activities down to a reasonable level in order to ensure the trouble-free continuing existence of Raiffeisen-Landesbank Tirol AG while also fully exploiting its revenue potential.

The consequences of events which cannot be accounted for adequately or at all via conventional risk assessment methods are identified by conducting regular stress tests. This involves defining stress scenarios for each of the principal risk categories and analysing the impact of these exceptional situations on our capital adequacy and risk-bearing ability.



Safeguarding deposits

Solidarity association of Raiffeisen-Bankengruppe Tirol

Together with Raiffeisen-Landesbank Tirol AG, the Raiffeisen banks of Raiffeisen Banking Group Tyrol have set up a solidarity association that takes suitable action to ensure that association members who get into economic difficulties receive the help they need.

Raiffeisen deposit guarantee association

This association of Raiffeisen banks, Raiffeisen regional banks, Raiffeisen Zentralbank Österreich AG and Raiffeisen Bank International AG reciprocally guarantees all customer deposits and also the securities issued by members, irrespective of the amounts involved. The deposit guarantee association has a two-tier structure, with the first tier being at the state level and the second at the federal level. The deposit guarantee association thus offers customers guarantees which go well beyond those required by law.

Deposit protection arrangements at Raiffeisen Banking Group Austria

Via Raiffeisen-Einlagensicherung Tirol eGen, the member banks of the Raiffeisen-Bankengruppe Tirol are joint members of the Austrian Raiffeisen-Einlagensicherung eGen. Pursuant to sections 93, 93a and 93b of the BWG, this deposit protection cooperative represents

the joint liability entity for the entire Raiffeisen Banking Group. For deposit protection purposes, the Raiffeisen Banking Group Austria has put in place an early warning system which performs continuous analysis and observations based on a comprehensive revenue- and risk-reporting system operated by all member banks.

Institutional protection schemes

Pursuant to article 49, paragraph 3 and article 113, paragraph 7 of the EU Capital Requirements Regulation (CRR), at the federal level Raiffeisen-Landesbank Tirol AG has entered into a contract with Raiffeisen Zentralbank (RZB), the other Raiffeisen regional banks and other banks in the Raiffeisen Banking Group for the establishment of an institutional protection scheme. A contract with identical contents has also been concluded between Raiffeisen-Landesbank Tirol AG and the 76 Tyrolean Raiffeisen banks. Both contracts serve to safeguard adequate liquidity and the solvency of the contracting parties. The liability arrangements in these contracts mean that the banks party to them do not have to deduct from their own funds the holdings of their own funds instruments of the other parties to the institutional protection scheme (article 49, paragraph 3 of the CRR). In addition, the banks may exclude their exposures towards the other parties to the institutional protection scheme when calculating their risk-weighted exposure amounts (article 113, paragraph 7 of the CRR). Both institute-specific security systems were approved by the financial supervisory by way of a notification.

Research and development report

Given the nature of the sector's activities, there are no relevant research and development activities to report.

Report on the key features of the internal audit and risk management system in relation to the accounting process

The management board of Raiffeisen-Landesbank Tirol AG applies an effective system of internal audits which ensures that the accounting accurately reflects business circumstances. The internal control system for auditing the accounting process is designed to ensure an acceptable degree of certainty and accuracy in the published annual financial statements, in conformity with the statutory provisions of the BWG, the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) and the CRR. For this purpose, the supervisory board and management board call on the expertise and professional skills of, in particular, the finance department. The supervisory board of Raiffeisen-Landesbank Tirol AG is responsible for monitoring the effectiveness of the internal audit systems, while the management board ensures the existence of an appropriate internal audit system which has been proven effective for the account-rendering process. Responsibilities for the individual components and processes in the accounting system are clearly

specified and assigned to individual departments. The internal system for auditing the account-rendering process is implemented and documented in standing instructions. The internal audit system is an integral component of the technical and organisational processes, with specified standards such as the process of checks being carried out twice by different people or testing devices, the verifying of data quality and plausibility checks, as well as linking risk and compliance and ensuring that adequate controls are implemented and correctly executed in relation to specific risks. For instance, the separation of sensitive activities is backed up by restrictions on the granting of IT access authorisation. The regular exchange of information relevant to the auditing process within the individual organisational units forms one cornerstone of the internal audit system. Internal auditing regularly and independently audits compliance with in-house regulations, including in the accounting department. The head of internal auditing reports directly to the management board.



Outlook for 2015

In the eurozone there are a number of indicators that are likely to have a positive impact on economic developments in Europe. These include the central banks' expansive monetary policy and further measures aimed at improving the economic climate which – thanks to the weak euro – hold out good prospects for the export sector and the robust economic trend in the USA and the UK. The low oil price not only had a positive impact on consumers' purchasing power, but also had a dampening effect on companies' costs. We expect interest rates to remain low for some time to come.

The most important risk factor is the conflict with Russia and/or the warlike hostilities in Ukraine, in which the further course of events is difficult to estimate. These developments will lead to lower investment income from RZB.

The Institute for Advanced Studies (IHS) expects the Austrian economy to grow by 0.8 per cent in 2015. This growth rate would be lower than that in Germany and the eurozone. The uncertainty surrounding ongoing and future economic developments is undermining companies' readiness to invest. In addition, the sluggish trend in real incomes is allowing little scope for additional private consumer spending.

We are expecting Tyrol's economic growth to be similar to that in Austria as a whole. It is pleasing that after two poor years, export growth of up to 2 per cent can be expected this year.

In 2015, the key to success for Raiffeisen-Landesbank Tirol AG remains a sustained focus on customers. We are a dependable partner that the people of Tyrol and the domestic economy can count on. We do business we know with customers we know. Our clear focus remains on our retail business.

We are going to launch a consultation offensive for our private and business customers. The main focus of these activities will be on residential property construction and assessment areas. As well as this quality offensive in the field of face-to-face consultations, we are strengthening our multi-channel sales organisation. A single-minded implementation of our quality-oriented bank

branch concept and rigorous marketing control are increasing our productivity. In 2015 we are raising our expectations for growth in the business customers segment. At the same time, we are going to further intensify our cooperation with the Tyrolean Raiffeisen banks.

Ensuring our customers' satisfaction with the services we provide will remain our most important objective over the coming year. Our Raiffeisen principle constitutes the basis of our decisions in these areas. It gives us the framework regarding what we do and don't stand for, it gives us our direction of travel, and it shows what distinguishes us from other banks.

Ensuring rapid response times and flexibility are the key competitive factors in a rapidly changing industry. Our dedicated workforce, for whom we provide carefully tailored support and training, is a vital factor in achieving this. They secure the long-term success of RLB Tirol AG. As one of the most attractive employers in Tyrol, we ensure that we provide high-quality vocational training. Our focal points in this area include our senior executives, our top performers and our leading advisers. At the same time, we promote the continuing education of young people through our highly successful trainee initiative.

The future regulatory efforts for the remuneration of deposit protection and/or resolution funds will have a negative impact on earnings.

In recent years, we have made significant progress in the field of productivity. The 'Eine IT' project for Raiffeisen Banking Group Austria is currently being implemented and should lead to cost reductions in the IT area in future. We shall continue to pursue this process steadfastly. In so doing, we are strengthening our culture of achievement in a sustainable manner.

Together with the Tyrolean Raiffeisen banks, Raiffeisen-Landesbank Tirol AG, the controlling institution for Raiffeisen-Bankengruppe Tirol, will maintain its market leadership during 2015 and indeed strengthen its position as Tyrol's unchallenged number one.

Innsbruck, 26 February 2015

The management board of Raiffeisen-Landesbank Tirol AG

Dr Hannes Schmid
Management board chairman

Reinhard Mayr
Management board director

Annual financial statements 2014



Balance sheet to 31 December 2014 – assets

	31.12.2014		31.12.2013	
	euros	euros	Thousands of euros	Thousands of euros
1. Cash on hand and cash at central banks and giro banks		16,857,259.50		25,627
2. Public-sector debt securities and bills authorised for refinancing by the central bank				
a) Public-sector debt securities and similar securities	1,010,519,988.86		1,032,523	
b) Bills authorised for refinancing by central banks	0	1,010,519,988.86	0	1,032,523
3. Receivables from banks				
a) Maturing daily	999,193,251.56		996,942	
b) Other receivables	1,595,403,743.03	2,594,596,994.59	1,759,135	2,756,077
4. Receivables from customers		2,353,359,113.03		2,352,997
5. Debt securities and other fixed-interest securities				
a) From public issuers	0		0	
b) From other issuers	750,335,676.88	750,335,676.88	777,230	777,230
Of which:				
Company bonds	0		0	
6. Equities and other variable-interest securities		22,232,054.27		22,983
7. Investments		206,540,802.19		187,901
Of which:				
In banks	204,583,139.66		182,983	
8. Shares in affiliated companies		23,097,580.56		22,629
Of which:				
In banks	0		0	
9. Intangible fixed assets		0		0
10. Property, plant and equipment		40,440,098.99		41,867
Of which:				
Real estate and buildings used by the bank for its business activities	20,125,664.79		21,181	
11. Own shares or holdings and also holdings in a controlling company or one with a majority shareholding		0		0
Of which: Nominal value	0		0	
12. Other assets		55,163,412.91		72,462
13. Subscribed capital which has been called in but not yet paid		0		0
14. Deferred income		5,961,960.75		6,580
Of which:				
Deferred taxes pursuant to section 198, paragraph 10 of the UGB	0		0	
TOTAL assets		7,079,104,942.53		7,298,876



Balance sheet to 31 December 2014 – equity and liabilities

	31.12.2014		31.12.2013	
	euros	euros	Thousands of euros	Thousands of euros
1. Liabilities to banks				
a) Maturing daily	1,769,345,941.24		1,929,347	
b) With an agreed term or period of notice	1,765,595,408.91	3,534,941,350.15	1,767,653	3,697,000
2. Liabilities to customers				
a) Savings account deposits, of which:	498,736,991.99		533,277	
aa) Maturing daily	0		0	
bb) With an agreed term or period of notice	498,736,991.99		533,277	
b) Other liabilities, of which:	1,198,757,560.80	1,697,494,552.79	1,088,258	1,621,535
aa) Maturing daily	564,173,740.90		556,304	
bb) With an agreed term or period of notice	634,583,819.90		531,954	
3. Liabilities evidenced by paper				
a) Debt securities issued	0		0	
b) Other liabilities evidenced by paper	1,313,026,325.85	1,313,026,325.85	1,440,866	1,440,866
4. Other liabilities		56,565,945.69		84,975
5. Deferred income		8,985,686.45		6,232
6. Provisions				
a) Provisions for redundancy payments	8,106,175.59		8,730	
b) Pension provisions	23,022,608.88		23,851	
c) Tax provisions	0.00		1,000	
d) Other	14,017,343.81	45,146,128.28	16,001	49,582
6.A Fund for general banking risks		0		0
7. Supplementary capital		29,678,500.00		17,940
8. Additional core capital		0		0
8.A Mandatory convertible bonds		0		0
8.B Instruments with no voting rights		0		0
9. Subscribed capital		84,950,000.00		84,950
10. Capital reserves				
a) Allocated	79,342,800.00		79,343	
b) Unallocated	0.00	79,342,800.00	0	79,343
11. Revenue reserves				
a) Statutory reserve	8,495,000.00		8,495	
b) Reserves required under the articles of association	0.00		0	
c) Other reserves	138,257,788.70	146,752,788.70	125,545	134,040
Of which:				
Allocated reserves	11,641,930.57		11,642	
Reserve pursuant to section 225, paragraph 5 of the UGB	0.00		0	
12. Liability reserve pursuant to section 57, paragraph 5 of the BWG		67,200,000.00		67,200
13. Net income		8,499,521.68		8,504
14. Untaxed reserves				
a) Asset valuation reserve for special depreciations	6,521,342.94		6,709	
b) Other untaxed reserves, of which:	0	6,521,342.94	0	6,709
aa) Investment reserve pursuant to section 9 of the income tax act (EStG) 1988	0		0	
bb) Investment allowance pursuant to section 10 of the EStG 1988	0		0	
cc) Rental reserve pursuant to section 11 of the EStG 1988	0		0	
dd) Transfer reserve pursuant to section 12 of the EStG 1988	0		0	
TOTAL equity and liabilities		7,079,104,942.53		7,298,876



Below-the-line items

	31.12.2014		31.12.2013	
	euros	euros	Thousands of euros	Thousands of euros
ASSETS				
1. Foreign assets		993,447,156.86		919,184
EQUITY AND LIABILITIES				
1. Contingent liabilities		202,792,200.36		212,980
Of which:				
a) Acceptances and endorsement liabilities on negotiated bills	0		0	
b) Liabilities from guarantees and liability from the furnishing of collateral	202,687,222.91		212,867	
2. Credit risks		215,706,177.11		292,593
Of which:				
Liabilities from pension transactions	0		0	
3. Liabilities from trust transactions		0		0
4. Imputable regulatory capital pursuant to section 2 of the Directive (EU) No. 575/2013, including:		411,047,249.70		390,078
Supplementary capital pursuant to part 2, title I, chapter 4 of Directive (EU) No. 575/2013	29,503,066.81		17,838	
5. Capital requirements pursuant to article 92 of the Directive (EU) No. 575/2013, including:		243,741,681.20		244,881
Capital requirements pursuant to article 92, paragraph 1, a) of Directive (EU) No. 575/2013	12.52%			
Capital requirements pursuant to article 92, paragraph 1, a) of Directive (EU) No. 575/2013	12.52%			
Capital requirements pursuant to article 92, paragraph 1, a) of Directive (EU) No. 575/2013	13.49%			
6. Foreign liabilities		744,675,620.78		1,037,555



Breakdown of the income statement for 2014

	2014		2013	
	euros	euros	Thousands of euros	Thousands of euros
1. Interest and similar income		218,588,201.47		234,975
Of which:				
From fixed-interest securities	57,629,444.61		57,753	
2. Interest and similar expenses		163,736,374.05		178,795
I. NET INTEREST INCOME		54,851,827.42		56,180
3. Income from securities and investments				
a) Income from equities, other equity interests and variable-interest securities	753,570.00		254	
b) Income from investments	14,220,456.56		14,201	
c) Income from shares in affiliated companies	2,571,299.02	17,545,325.58	3,372	17,827
4. Commission income		30,725,322.38		30,720
5. Commission expenses		8,613,850.74		8,288
6. Profit/loss from financial transactions		2,071,333.85		3,106
7. Other operating income		11,130,049.35		11,334
II. OPERATING INCOME		107,710,007.84		110,879
8. General administrative costs				
a) Personnel costs	33,869,553.65		38,892	
Of which:				
aa) Wages and salaries	22,946,420.26		24,711	
bb) Costs of statutory social-security charges and income-dependent charges and compulsory contributions	5,714,520.58		6,284	
cc) Other social security costs	937,798.23		1,050	
dd) Pension and welfare costs	3,629,247.55		3,776	
ee) Allocation to pension provision	-871,496.00		451	
ff) Costs of redundancy payments and contributions to company employee welfare funds	1,513,063.03		2,620	
b) Other administrative costs (operating expenses)	26,105,963.23	59,975,516.88	26,894	65,786
9. Impairments of the assets included in asset items 9 and 10		2,391,053.61		2,557
10. Other operating expenses		3,021,749.05		1,696
III. TOTAL OPERATING COSTS		65,388,319.54		70,039
IV. OPERATING PROFIT		42,321,688.30		40,840



		2014		2013	
		euros	euros	Thousands of euros	Thousands of euros
IV.	OPERATING PROFIT – amount carried forward		42,321,688.30		40,840
11./12.	Net expense for impairment losses on accounts receivable and allocations to provisions for contingent liabilities on the one hand, and income from the reversal of impairment losses on receivables and from provisions for contingent liabilities on the other		-19,012,618.73		-15,981
13./14.	Balance from valuation allowances on securities evaluated in the same way as financial investments and income from the reversal of valuation allowances on securities evaluated in the same way as financial investments, and on participating interests and shares in affiliated companies		3,169,207.06		756
V.	PROFIT FROM ORDINARY ACTIVITIES		26,478,276.63		25,615
15.	Extraordinary income		0		0
	Of which: Withdrawals from the fund for general banking risks	0		0	
16.	Extraordinary costs		0		0
	Of which: Allocations to the fund for general banking risks	0		0	
17.	Extraordinary result (Subtotal from items 15 and 16)		0		0
18.	Taxes on income		337,551.17		-4,097
19.	Other taxes not posted under item 18		-5,800,474.74		-3,610
VI.	NET PROFIT FOR THE YEAR		21,015,353.06		17,908
20.	Movements in reserves		-12,524,724.04		-9,409
	Of which: Allocation to liability reserve	0		0	
	Reversal of liability reserve	0		0	
VII.	PROFIT FOR THE YEAR		8,490,629.02		8,499
21.	Profit carried forward		8,892.66		5
VIII.	NET PROFIT		8,499,521.68		8,504



Notes:

Accounting policies

General principles

The current annual financial statements have been prepared in accordance with the provisions of the Austrian banking act (Bankwesengesetz – BWG) and the Austrian Commercial Code (Unternehmensgesetzbuch – UGB). The annual financial statements were compiled in accordance with generally accepted accounting principles and in compliance with the general requirement to convey as accurate as possible a picture of the company's net assets, financial position and earning performance. The annual financial statements were drawn up in compliance with the principle of completeness.

When valuing individual assets and debts, we complied with the principle of individual valuation and acted on the assumption of the continued existence of the company.

We applied the prudence concept in that only those profits realised by the balance sheet date are reported. All discernible risks and impending losses have been taken into account.

Currency conversion

Pursuant to section 58, paragraph 1 of the BWG, amounts in foreign currencies were converted at the ECB reference rates or, if these were not published, at the mean currency exchange rate (RZB fixing).

Pursuant to section 58, paragraph 2 of the BWG, forward transactions were converted at the forward rate on the balance sheet date.

Securities

Fixed-interest securities held as fixed assets are valued either according to the diluted lower-value principle or pursuant to section 56, paragraph 2 of the BWG. Other securities held as fixed assets are valued according to the strict lower-value principle.

Securities forming the cover fund for trust fund monies are fixed assets and, pursuant to section 2, paragraph 3 of the Austrian regulation on the protection of money held in trust (Mündelsicherheitsverordnung), are valued according to the strict lower-value principle.

Pursuant to section 207 of the UGB, securities held for trading and in the current assets are valued according to the strict lower-value principle. Current asset securities procured to cover company issues are posted at market value. Securities issued by the company and held as current assets will be reported at their redemption values.

Loans, contingent liabilities and credit risks

Individual impairments or provisions were formed to cover all discernible credit risks. For the first time this year, this was done only in the event of a default. In the case of non-defaulted receivables from customers, we availed ourselves of the option of applying a portfolio impairment in line with the discretion allowed under section 57, paragraph 1 of the BWG for item 4, 'Receivables from customers'. Drawdown charges are recognised in the income statement in the year in which the credit is granted.

In the financial year 2014, changes were made to the calculation and book entry methodology used in portfolio valuation allowances in order to ensure that these are depicted in a manner commensurate with the prevailing risk in the annual financial statements.

Investments

Investments are valued at their costs of acquisition. Unscheduled depreciation is applied if, due to sustained losses, reduced equity and/or reduced earning power, a loss of value has occurred that is expected to be permanent.

Property, plant and equipment and intangible fixed assets

Pursuant to section 55, paragraph 1 of the BWG in conjunction with section 204 of the UGB, property, plant and equipment are valued at their costs of acquisition or manufacture less scheduled depreciation.

Additions during the first half of the financial year will be subject to the full annual depreciation rate, and additions during the second half year to half of said rate.



Low-value assets are fully written off in their years of acquisition.

The useful life on which the scheduled depreciation is based range from five to 67 years in the case of immobile assets and three to 20 years in the case of mobile assets.

Non-scheduled depreciation is undertaken in the event of probable long-term losses of value.

Cost of company issues

Issue costs and premium or discount are distributed evenly over the term of the debt.

Pension provision

The pension provisions have been calculated according to recognised actuarial principles, applying the entry age normal method, based on a technical interest rate of 2 per cent (2013: 2 per cent), using the Pagler & Pagler mortality tables (AVÖ 2008) and taking the individual retirement age into account. No staff turnover deduction was made. Monetary value adjustments are allowed for by using the real interest rate.

Provision for redundancy payments and similar obligations

Provisions for redundancy payment obligations as of the balance sheet date have been calculated according to principles of mathematical finance, applying an interest rate of 2 per cent (2013: 2 per cent) and taking the individual retirement age into account. Provisions for the obligation to pay long-service bonuses have been calculated according to principles of mathematical finance in similar fashion to the redundancy payment obligations. No staff turnover deduction was made. Monetary value adjustments are allowed for by using the real interest rate.

Other provisions

Applying the prudence principle, the other provisions take into account all discernible risks at the time of preparing the statements, as well as all probable or certain liabilities of uncertain proportions, for the purpose of setting aside the amounts necessary in our reasonable commercial judgement.

Liabilities

Liabilities are recognised at the higher of their nominal value or redemption value.

Impact of the change in balance sheet classification pursuant to annex 2 to section 43 of the BWG

Annex 2 to section 43 of the BWG was amended as of 01.01.2014. The reported amounts from the previous year refer to annex 2 to section 43 of the BWG in the version from BGBl. I 184/2013. The amounts shown in liabilities 7 and in the items under the balance sheet liabilities 4 and 5 are not comparable.

The amounts shown in the sub-items 4 and 5 are not comparable with the previous year's figures because of the conversion of the equity standards from Basel II to Basel III in the financial year 2014. The amount of 4,093,000 euros shown in the previous year under liabilities 7, subordinate liabilities, and the amount of 13,846,000 euros shown under liabilities 8, supplementary capital pursuant to BWG (Basel II), were shown in total under liabilities 7, supplementary capital pursuant to part 2, title I of Directive (EU) No. 575/2013. In this way, the previous year's figures were reported in a manner appropriate for the quality of the capital.

Reference to the disclosure media pursuant to article 434 of the CRR

Pursuant to section 434 of the BWG, banks are required to disclose information about their organisational structure, risk management and risk capital situation at least once a year. This information is published on RLB Tirol AG's website at www.rlb-tirol.at.



Notes to the balance sheet

Breakdown of maturity dates

The maturity dates of receivables from banks not maturing daily break down as follows:

Remaining term	31.12.2014	Previous year
	In euros	In thousands of euros
Up to 3 months	329,771,255	503,883
3 months to 1 year	527,427,153	481,757
1 year to 5 years	652,336,854	699,677
5 years or more	85,868,481	73,818

The maturity dates of receivables from non-banks not maturing daily are classified as follows:

Remaining term	31.12.2014	Previous year
	In euros	In thousands of euros
Up to 3 months	113,957,700	181,763
3 months to 1 year	387,631,949	439,969
1 year to 5 years	717,116,967	610,035
5 years or more	1,002,338,268	984,490

The maturity dates of payables to banks not maturing daily are classified as follows:

Remaining term	31.12.2014	Previous year
	In euros	In thousands of euros
Up to 3 months	704,653,784	934,488
3 months to 1 year	191,838,075	268,643
1 year to 5 years	430,766,050	235,722
5 years or more	438,337,500	328,800

The maturity dates of payables to non-banks not maturing daily are classified as follows:

Remaining term	31.12.2014	Previous year
	In euros	In thousands of euros
Up to 3 months	249,202,449	239,951
3 months to 1 year	339,277,241	382,052
1 year to 5 years	218,131,266	235,685
5 years or more	325,788,888	205,818

In 2015, debt securities and other fixed-interest securities held beneficially totalling 16,265,786 euros (2011: 142,697,000 euros) will mature.

**Securities**

The securities admitted for trading (see asset items 5 and 6) are classified as listed and unlisted as follows:

Description	Listed	Unlisted
	In euros	In euros
Debt securities and other fixed-interest securities	739,453,169	0
Previous year (in thousands of euros)	(762,769)	(0)
Equities and other variable-interest securities	1,994,760	0
Previous year (in thousands of euros)	(1,995)	(0)

The securities admitted for trading (see asset items 5 and 6) are classified according to the nature of their valuation as follows:

Description	Valued as fixed assets	Not valued as fixed assets
	In euros	In euros
Debt securities and other fixed-interest securities	731,666,276	7,786,893
Previous year (in thousands of euros)	(725,717)	(37,052)
Equities and other variable-interest securities	1,994,760	0
Previous year (in thousands of euros)	(1,995)	(0)

The listed securities are held for long-term investment purposes. The securities not valued as fixed assets are procured for securities-trading purposes. RLB Tirol AG keeps a small securities trading book. As at the balance sheet date, the book value of the trading book positions amounted to 79,341 euros (previous year: 0).

Other assets

Other assets include accrued interest income totalling 32,649,928 euros (2013: 39,288,000 euros) as well as income from participating interests totalling 10,936,013 euros (2013: 10,293,000) which will produce cash inflows after the balance sheet date.

Breakdown of core capital and supplementary capital (section 64, paragraph 1, line 16)

Regulatory capital		31.12.2014
		In euros
Subscribed capital		84,950,000
Capital reserves		79,342,800
Revenue reserves		145,160,376
Other reserves		72,091,007
CORE CAPITAL		381,544,183
Regulatory capital before deductions		29,572,530
Deductions		-69,463
SUPPLEMENTARY CAPITAL		29,503,067
REGULATORY CAPITAL		411,047,250



Capital ratios	Ratio	Amount
		In euros
Common equity	12.52%	381,544,183
Minimum requirement common equity	4.00%	121,870,841
Common equity surplus		259,673,342
Common equity	12.52%	381,544,183
Minimum requirement common equity	5.50%	167,572,406
Common equity surplus		213,971,777
Regulatory capital total capital	13.49%	411,047,250
Minimum requirement total capital	8.00%	243,741,681
Total capital surplus		167,305,569

A result of the switch from Basel II to Basel III in the financial year 2014 and the consequently restricted comparability with the financial year 2013, the previous year's figures shall not be indicated.

Schedule for the consolidation of the regulatory capital (section 64, paragraph 1, line 17 of the BWG)

Regulatory capital	31.12.2014
	In euros
Subscribed capital	84,950,000
Capital reserves	79,342,800
Other reserves	217,251,383
CORE CAPITAL before deductions	381,544,183
Deductions	-2,072,329
CORE CAPITAL	379,471,854
Regulatory capital before deductions	29,572,530
Deductions	-69,463
SUPPLEMENTARY CAPITAL	29,503,067
REGULATORY CAPITAL	408,974,921

Capital ratios	Ratio	Amount
		In euros
Common equity	12.24%	379,471,854
Minimum requirement common equity	4.00%	124,039,204
Common equity surplus		255,432,650
Common equity	12.24%	379,471,854
Minimum requirement common equity	5.50%	170,553,906
Common equity surplus		208,917,948
Regulatory capital total capital	13.19%	408,974,921
Minimum requirement total capital	8.00%	248,078,409
Total capital surplus		160,896,513

A result of the switch from Basel II to Basel III in the financial year 2014 and the consequently restricted comparability with the financial year 2013, the previous year's figures shall not be indicated.

**Provisions and other liabilities**

The other provisions (EQUITY AND LIABILITIES, item 6d) include the following main items:

Provision for	31.12.2014		Previous year	
	In euros		In thousands of euros	
Open interest rate swaps	3,060,000		1,290	
Contingent liabilities	2,274,322		3,685	
Bonus payments	2,002,736		2,349	
Anniversary bonuses	1,417,924		1,545	
Social welfare plan	1,400,000		2,000	

Other assets also include accrued interest totalling 32,284,929 euros (2013: 37,064,000 euros) and foreign currency valuations of derivatives totalling 11,328,572 euros (2013: 31,982,000 euros) which will produce cash inflows after the balance sheet date.

Supplementary details

The balance sheet includes the following foreign currency amounts converted into euros:

Assets		Previous year		Equity and liabilities		Previous year	
In euros		In thousands of euros		In euros		In thousands of euros	
937,903,565		1,174,810		175,577,416		165,857	

List pursuant to section 64, paragraph 1, line 8 of the BWG of the assets pledged as security

The following assets serve as cover stock for trust funds taken in in the amount of 6,000,602 euros (previous year: 5,737,000 euros) in the meaning of section 66 BWG and section 2 paragraph 1 of the regulation on the protection of money held in trust:

	31.12.2014		Previous year	
	In euros		In thousands of euros	
Variable-income gilt-edged asset classes	7,584,000		7,584	

As of the balance sheet date, fixed-interest and variable-interest securities amounting to 1,973,971.865 euros (previous year: 1,327,000 euros) and receivables totalling 420,861,847 euros (previous year: 421,282,000 euros) were furnished as security for obligations from the following transactions:

	31.12.2014		Previous year	
	In euros		In thousands of euros	
ECB fixed-rate tenders	312,500,000		322,065	
EIB refinancing arrangements	139,335,083		97,351	
Mortgage bonds	45,357,135		5,809	
Public mortgage bonds	63,938,633		0	
Export fund loans	20,460,413		20,988	
Raiffeisen public finance	11,266,032		36,979	
GSA cash supply	10,774,413		12,498	
Eurex margin and funds	6,699,332		893,993	

In the financial year, a sum of 12,780 euros (previous year: 10,000 euros) was not written up pursuant to section 208, paragraph 2 of the UGB on grounds of fiscal law. The anticipated future tax burden will be 3,195 euros (previous year: 2).



As of the balance sheet date, we held the following derivative financial instruments (in thousands of euros):

Category and type	Banking book	Remaining terms of nominal values			Market value, positive	Market value, negative
		Up to 1 year	1 to 5 years	More than 5 years		
Interest rate derivatives						
Interest rate swaps	4,558,872	648,817	1,705,096	2,204,959	177,464	343,726
Previous year	5,089,351	1,067,894	1,938,268	2,083,189	139,836	211,011
Interest rate futures – sale	0	0	0	0	0	0
Previous year	0	0	0	0	0	0
Interest rate options – purchase	240,209	1,189	136,680	102,340	7,363	305
Previous year	288,845	32,000	14,935	241,910	8,741	237
Interest rate options – sale	274,332	1,189	173,767	99,376	528	8,958
Previous year	315,168	32,000	44,836	238,332	376	9,260
Exchange rate derivatives						
Currency futures	464	464	0	0	8	11
Previous year	302	302	0	0	0	0
Currency and interest rate swaps	1,238,546	348,747	414,697	475,102	8,992	19,345
Previous year	1,230,569	304,220	407,257	519,092	10,298	59,272

RLB Tirol AG does not have any derivative financial instruments in its trading book.

Derivative financial instruments are recognised at their fair values, with 'fair value' meaning the value of an item on a specified date. For derivatives, the value is determined on the basis of the fair market value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. If quoted prices on active markets are available, these are used for valuation purposes. In the case of financial instruments with no stock market price, we use internal measurement models applying current market parameters, in particular the cash value method and the option price model.

RLB Tirol uses derivatives to hedge both market risks (in particular interest risks and fair-value hedge interest rate risk) and the interest result for certain financial assets, liabilities and executory contracts. The underlying transactions are holdings of RLB's own securities, issues and promissory notes, registered bonds, term deposits at banks, customer deposits, customer borrowings and derivatives. The hedging transactions are interest rate swaps, forward rate agreements and interest rate options.

In the financial year 2014, obligations for close-out netting agreements were posted in the amount of 602,459 euros under other operating costs.

The aim of these activities is to reduce income volatility. Derivative transactions not offset by proven hedging mechanisms should be valued by application of the imparity principle. A proven micro-hedging relationship allows the simultaneous recognition of counteracting effects in the underlying transaction.

The effectiveness of the various hedging interrelationships is measured chiefly by demonstrating the counteraction of key parameters of the underlying and hedging transactions. This critical term match constitutes evidence of effectiveness both prospectively and retrospectively. For the remaining exposures, this is done by matching the basis point values. By effectiveness in this context we mean the relationship between the change as a result of hedging the underlying in the cash value (of that underlying) and the change in the cash value of the derivative used for hedging purposes. RLB Tirol only recognises hedging relationships as such if they are likely to become effective during their entire term.

Hedge derivatives	Fair value	Negative market value
	In euros	In euros
Cap floor	-1,370,719	-9,262,336
Swaps	-166,892,853	-311,132,874
Total	-168,263,572	-320,395,210

During the financial year, a provision of 3,060,000 euros was formed for open interest rate swaps (previous year: 1,290,000 euros).



Notes to the income statement

Costs of subordinated liabilities

During the year under review, payments for subordinated liabilities totalling 1,150,478 euros were made (2013: 602,000 euros).

Other operating income

The other operating income posted in the income statement as item 7 breaks down into the following principle items:

Description of item	2014	Previous year
	In euros	In thousands of euros
Income from banking activities	2,922,000	3,052
Rental income	1,901,247	2,025
Data centre income	1,843,795	1,169
ELBA cost reimbursements	1,596,347	1,491
Refunding of personnel costs	1,475,825	1,236

Other details

Employee details

In 2014 (2013), an average of 362.3 (408.2) white-collar staff and 11.5 (15.2) blue-collar staff were employed.

Advances and loans to as well as contingent claims on members of the management board and supervisory board

The advances and loans to as well as contingent claims on members of the management board and supervisory board break down as follows:

Bodies	Amount as of 31.12.2013	Previous year
	In euros	In thousands of euros
Management board	32,861	17
Supervisory board	535,108	534

The loans to members of the management board and supervisory board were granted on normal industry terms and conditions. During the present financial year, 30,000 euros were repaid (2013: 11,000 euros).

Redundancy payments and pension costs

The sums paid to management board members, senior executives and other employees in 2014 for redundancy payments and pensions broke down as follows:

Group	2014	Previous year
	In euros	In thousands of euros
Management board and senior executives	1,800,007	1,892
Other employees	2,521,622	4,962



Costs of overall remuneration for the management board and supervisory board

The sums paid in 2014 to members of the management board and supervisory board break down as follows:

Bodies	2014	Previous year
	In euros	In thousands of euros
Management board	1,762,166	1,174
Supervisory board	208,200	200

The disclosure of the aggregate remuneration of previous senior executives and their surviving dependents was eschewed using the escape clause in section 241 paragraph 4 UGB.

Disclosures pursuant to section 64 (1), line 19 of the Austrian banking act (BWG)

	2014	Previous year
Return on investment pursuant to section 64 (1), line 19 of the Austrian banking act (BWG)	0.30%	0.25%

details pursuant to section 237, line 12, of the UGB

The company is consolidated with Raiffeisenbanken Tirol Kast GmbH, Innsbruck (the top-level parent company), and belongs to the group of fully consolidated companies. The consolidated financial statements of Raiffeisenbanken Tirol Kast GmbH are lodged at the company's registered office in Innsbruck.

Members of the management board and supervisory board

During the financial year 2014, the following persons served as members of the management board and the supervisory board:

- a) Management board:** SCHMID, Dr Hannes, chairman
MAYR, Reinhard, director
BOCK, Dr Thomas, management board director (until 23.04.2014)
- b) Supervisory board:** GRABER, Josef, supervisory board chairman (until 23.04.2014)
MISSLINGER, Dr Michael, supervisory board chairman (since 23.04.2014)
BACHLER, Peter-Roman, supervisory board deputy chairman
GOMIG, Johannes, deputy chairman
BLASSNIG, Berthold, supervisory board member
CHODAKOWSKY, Josef, supervisory board member
ENTNER, Martina, supervisory board member (since 23.04.2014)
HOSP, Dr Anna, supervisory board member (until 23.04.2014)
HOTTER, Stefan, supervisory board member (since 23.04.2014)
LEITNER, Martina, supervisory board member (since 23.04.2014)
LORENZ, Martin, supervisory board member
MANTL, Andreas, supervisory board member
MAYR Meinhard, supervisory board member (until 23.04.2014)
PLANK, Erich, supervisory board member (since 23.04.2014)
REINSTADLER, Gallus, member
THALER, Johann, supervisory board member
- Delegates of the works council:
BERGMANN, Doris
KUNZ, Wolfgang
HOFER, Heinz
MÜLLER, Werner (since 01.09.2014)
PUTSCHNER, Dietmar (since 23.04.2014)
STAFFLER, Rudolf
ZINGERLE, Erika
ZOLLER, Christian (until 31.08.2014)
- c) State commissioners:** MANHARD, Dr Michael, state councillor
UMLAUF, Andreas, senior civil servant



Special depreciation asset valuation reserve for 2014

Asset items	As of 1.1.2013	Addition	Disposals	Reclassifica- tions	As of 1.1.2013
7. Investments	3,826,975	0	0	0	3,826,975
Of which: To the bank	3,244,708	0	0	0	3,244,708
10. Property, plant and equip- ment	2,882,057	0	187,689	0	2,694,368
Of which: Real estate and buildings used by the bank for its business activities	919,764	0	125,642	0	794,122
Total	6,709,032	0	187,689	0	6,521,343

Statement of fixed asset movements 2014

Asset item	Original cost 01.01	Additions	Disposals	Re- classifications
2. a) Public-sector debt securities and simi- lar securities	1,014,297,835	9,908,300	29,896,200	0
3. Receivables from banks	4,974,550	0	0	-2,500,000
4. Receivables from customers	0	1,100,000	0	0
5. Debt securities and other fixed-interest securities				
a) Public-sector issuers	0	0	0	0
b) Other issuers	727,457,425	180,786,949	176,545,475	2,500,000
Of which: Own debt securities	0	0	0	0
6. Equities and other variable-interest securities	21,997,937	0	5,409	0
7. Investments	189,018,566	21,600,000	3,059,774	0
Of which: To the bank	182,983,140	21,600,000	0	0
8. Shares in affiliated companies	22,629,475	505,700	37,595	0
Of which: To the bank	0	0	0	0
9. Intangible fixed assets	11,846,378	0	7,980	0
10. Property, plant and equipment	112,344,214	1,105,531	637,792	0
Of which: Real estate and buildings used by the bank for its business activities	44,536,991	0	46,527	28,263
Total	2,104,566,379	215,006,480	210,190,224	0



Cost of acquisition or manufacture 31.12	Revaluation	Cumulative depreciation	Book value 31.12.	Book value 01.01.	Depreciation in accounting year
994,309,935	0	4,093,869	990,216,066	1,011,596,794	1,392,828
2,474,550	0	30,800	2,443,750	4,943,750	0
1,100,000	0	0	1,100,000	0	0
0	0	0	0	0	0
734,198,899	0	2,532,623	731,666,276	725,716,751	791,949
0	0	0	0	0	0
21,992,528	0	0	21,992,528	21,997,937	0
207,558,792	0	1,017,990	206,540,802	187,900,577	0
204,583,140	0	0	204,583,140	182,983,140	0
23,097,580	0	0	23,097,580	22,629,475	0
0	0	0	0	0	0
11,838,398	0	11,838,398	0	0	0
112,811,953	0	72,371,854	40,440,099	41,866,521	2,391,054
44,518,728	0	24,393,063	20,125,665	21,109,841	1,000,293
2,109,382,635	0	91,885,534	2,017,497,102	2,016,651,804	4,575,831



Audit certificate

Report on the annual financial statements

I have audited the enclosed annual financial statements and accounts of **Raiffeisen-Landesbank Tirol AG, Innsbruck**, for the financial year from 1 January to 31 December 2014. The annual financial statements comprise the balance sheet to 31 December 2014, the income statement for the financial year ending on 31 December 2014 and the notes.

Legal representatives' responsibility for the annual financial statements and the accounting

The company's legal representatives are responsible for the accounting and for the preparation and content of the annual financial statements, which must convey as accurate a picture as possible of the company's assets, financial position and earnings in conformity with the provisions of Austrian company and bank supervisory law. This responsibility includes the design, implementation and maintenance of an internal audit system in so far as this is important for the preparation of the annual financial statements and for conveying as accurate a picture as possible of the company's assets, financial position and earnings, to ensure that these are free of material misstatements resulting either from intentional or unintentional errors, and also the selection and application of suitable accounting methods and the making of estimates which appear reasonable in light of the prevailing circumstances.

The auditor's responsibilities and description of the nature and scope of the statutory audit of financial statements

My responsibility is to deliver a judgement of these annual financial statements on the basis of my audit. I conducted my audit in compliance with the statutory provisions and generally accepted principles of correct auditing prevailing in Austria. These principles require me to adhere to the code of conduct and to plan and execute the audit in such a way that I can arrive with reasonable certainty at a judgement as to whether the annual financial statements are free from material misstatements.

An audit includes the performance of auditing procedures in order to obtain evidence concerning the amounts and other statements contained in the annual financial statements. The choice of auditing procedures is a matter for the auditor's due professional discretion, taking into account their assessment of the risk of material misstatements resulting from intentional or unintentional errors. In making this risk assessment, the auditor must take into account the internal audit system, in so far as this is important for the preparation of the annual financial statements and for conveying as accurate a picture as possible of the company's assets, financial position and earnings, in order to decide upon suitable audit procedures given the prevailing circumstances, though not with a view to delivering a judgement as to the efficacy of the company's internal audit system. The audit also includes

a judgement of the suitability of the accounting methods and the principal estimates made by the company's legal representatives as well as an appraisal of the overall view conveyed by the annual financial statements.

I believe that I have gained sufficient and suitable audit evidence for my audit to provide a reasonable basis for my audit opinion.

Audit opinion

My audit has not led to any objections. On the basis of my audit findings, my judgement is that the annual financial statements comply with the statutory provisions and convey as accurate a picture as possible of the company's assets and financial position as of 31 December 2014, and of the company's earnings during the financial year from 1 January to 31 December 2014 in conformity with Austrian generally accepted accounting principles.

Statements concerning the management report

I am required by law to audit the management report for its conformity with the annual financial statements and to ensure that the other statements made in the management report do not convey a false impression of the company's situation. The audit certificate must also contain a statement as to whether the management report is in conformity with the annual financial statements and whether the statements it makes pursuant to section 243a, paragraph 2 of the UGB are accurate. In my opinion, the management report is in conformity with the annual financial statements. The statements made pursuant to section 243a, paragraph 2 of the UGB are accurate.

Vienna, 26 February 2015

Auditor appointed by the Österreichischer Raiffeisenverband

Matthias Trost
Auditor

The publication or dissemination of the annual financial statements together with my audit certificate is only permitted in the version approved by me. Any contrary versions (e.g. abridged versions or translations into another language) are subject to the provisions of section 281, paragraph 2 of the UGB.



Management board's proposed profit appropriation pursuant to section 96 of the Austrian stock corporations act (AktG)

The net income for the 2014 financial year came to 8,499,521.68 euros. The management board proposes distributing a dividend for the 2014 financial year of 100 euros for each share of the eligible share capital of 84,950,000 euros, divided into 84,950 registered shares, and carrying forward the remainder of the profit to new account. The dividend payout shall ensue after the registration of the merger with Raiffeisenbanken Tirol Kast GmbH, but no later than 31.12.2015.

Innsbruck, 26 February 2015

Dr Hannes Schmid
Management board chairman

Reinhard Mayr
Management board director

Supervisory board report

At its various meetings, the supervisory board performed the duties required of it by law and the articles of association and was regularly informed by the management board of all significant occurrences and developments in relation to the bank during the 2014 financial year.

The annual financial statements have been assessed by the supervisory board and checked for their conformity with the duly maintained ledgers and accounting documents. The management report presented by the management board is in conformity with the annual financial statements. Our checks did not give any grounds to raise objections.

The supervisory board hereby concurs with the management board's profit appropriation proposal.

Dr Michael Misslinger
Chairman of the supervisory board



RLB branches and offices

Headquarters

Raiffeisen-Landesbank Tirol AG

6021 Innsbruck, Adamgasse 1–7, Postfach 543

Tel.: +43 (0)512 530 50

Fax: +43 (0)512 530 512 011

SWIFT code: RZTI AT 22

Email: rlb.adamgasse@rlb-tirol.at

Internet: www.rlb-tirol.at

Branches in Innsbruck and vicinity

Adamgasse branch

Adamgasse 1–7
6020 Innsbruck

Aldrans branch

Dorf 34
6071 Aldrans

Amras branch

Philippine-Welser-Strasse 51
6020 Innsbruck

Höttinger Au branch

Höttinger Au 41
6020 Innsbruck

Igls branch

Hilberstrasse 24
6080 Igls

Marktplatz branch

Innrain 6–8
6020 Innsbruck

Pradl branch

Amraser Strasse 76
6020 Innsbruck

Wilten branch

Andreas-Hofer-Strasse 2–4
6020 Innsbruck

Zirl branch

Büchelstrasse 1
6170 Zirl

die junge RLB self-service outlet***

Südtiroler Platz 8
6020 Innsbruck

Ellbögen self-service outlet

St Peter 31
6082 Ellbögen

Hötting self-service outlet*

Höttinger Gasse 32
6020 Innsbruck

Patsch self-service outlet

Dorfstrasse 22
6082 Patsch

Rathaus self-service outlet

Maria-Theresien-Strasse 18
6020 Innsbruck

Südtiroler Platz self-service outlet

Südtiroler Platz 8
6020 Innsbruck

Universelle RLB self-service outlet*

Universitätsstrasse 15a
6020 Innsbruck

Imst branches

Imst branch

Stadtplatz 9–10
6460 Imst

Tarrenz branch

Trujegasse 1
6464 Tarrenz

Nassereith self-service outlet*

Karl-Mayr-Strasse 116a
6465 Nassereith

Lienz branches

Lienz branch

Johannesplatz 4
9900 Lienz

Ainet self-service outlet

No. 90
9951 Ainet

Oberlienz self-service outlet

No. 31
9900 Oberlienz

Tristach self-service outlet**

Lavanter Strasse 6
9907 Tristach

Sub-branch

Jungholz

No. 20
6691 Jungholz

* The Universelle RLB, Hötting and Nassereith bank branches were converted to self-service outlets as of 18 August 2014.

** The bank branch in Tristach was converted to a self-service outlet as of 12 March 2015.

*** The die junge RLB self-service outlet was integrated into the Adamgasse branch as of 19 March 2015.

Site notice

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