

**Raiffeisen
Meine Bank**



**We are making an impact.
For Tyrol.**



We thank our employees

Andrea ABENTUNG, Manuela ABFALTER, Luca ALLETTO, Walter ALTSTÄTTER, Hubert AMON, Maria AMORT, Markus AMTMANN, Christian ANDREATTA, Matea ANDRIC, Reinhard ANGERMANN, Sabine ARL, Julia ARL, Gregor ASSMAIR, Roland AUER, Sibylle AUER, Bernhard AUGSCHÖLL, Marina BABIC, Stefanie BALLWEBER, Hubert BARBIST, Klaudia BAREŠIĆ, Heinz BAUMANN, Gerald BEER, Petra BELL, Maximilian BERGHAMMER, Doris BERGMANN, 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, Gerhard CRAMER, Carolin CZERMAK, Martin DANLER, Andreas DEGENHART, Agnes DEISER, Roman DEUTSCH, Andreas DIERIGL, Arno DRAXL, Simon 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, Julia EXENBERGER, Nina FABRIZI, Johannes FALCH, Melanie FARKAS, Daniel FASCHING, Petra FEICHTNER, Katharina FESL, Meinhard FIDLER, Johann FINK, Roland FRIESS, Sonja FRINGER, Renate 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 GIRSTMAIR, Michael GLANZ, Ingrid GLATZL, Michael GOGL, Martin GOREIS, Ursula GRAF, Dagmar GRANZER, Kerstin GREGORI, Erich GRISSMANN, Thomas GRÖBER, Klaus Michael GROSSGUT, Christina GRUBER, Manuela GRUBER, Angela GRÜNBACHER, Dominic GRUTSCH, Christian GSCHLIESSER, Julia GSCHWENTNER, Bernhard GSTREIN, Daniel GÜRTLER, Christof GURGISSER, Siegmund GUTTERNIG, 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, Christopher HENTSCHEL, Christian HIRNER, Erika HOCHSCHWARZER, Erwin HÖGER, Petra HÖLZL, Klaus HÖRTNAGL, Christian HÖRTNAGL, Nicole HÖRTNAGL, Notburga HOFBAUER, Heinz-Johann HOFER, Christine HOFER, Martina HOFER, Gregor HOHENAUER, Benjamin HOLZKNECHT, Dagmar HOLZMANN, Astrid HOY, Claudia HUBER, Albert HUEBER, Helmut HUPFAUF, Gerhard HUPFAUF, Elisabeth IGHODARO, Margaritha ISEP, Eva JÄKEL, Joachim JAMNIG, Christine JANTSCHER, Sabaha JASARAGIĆ, Maria JEITLER, Ivana JELIĆ, Monika JENEWEIN, Clemens JILG, Johann JUNGSMANN, Sylvia KAINZ, Daniel KALDINAZZI, Markus KAPFERER, Barbara KAPPACHER, Werner KERBER, Regina KIRCHMAIR, Angelika KIRCHMAIR, Jürgen KISS, 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, Gabriele KOLLREIDER, Clemens KOPP, Nebojsa KOSTIĆ, Bettina KOTESCHOWETZ, Annemarie KRALL, Daniela KRATOCHVIL, Daniela KRIEBER, Sandra KRIEGL, Rosmarie KRISMER, Peter KRITZINGER, David 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 LUSSER, Peter MACHAT, Werner MADARI, Sabina MADL, Fahrija MAGLIĆ, Martina MAIACHER, Monika MAIER, Kurt MAIR, Catrin MAIRDOPPLER, Gregor MARGREITER, Norbert MARGREITER, Christine MARKSTEINER, Anton MARKT, Josef MARTINER, Ingrid MASSANI, Michael MATHOI, Marina MAULER, Martin MAURER, Reinhard MAYR, Christoph MAYR, Matthias MAYR, Helmut MAYR, Renate MEDINA-HOFER, Manfred MIGLAR, Carola MIGLAR, Daniel MIKULA, Monika MIMM, Markus MOR, Andreas MRASS, Michael MÜHLBACHER, Corina MÜLLER, Werner MÜLLER, Romed MÜSSIGANG,



Hubert MÜSSIGGANG, Angelika MÜSSIGGANG, Doris MURR, Hasiba MUSIC, Senija MUSTAFIC, Patrik MUXEL, Susanne NAGELE, Justina NAGILLER, Josef NAGL, Julia NAGL, Otto NEUNER, Katrin NEUNER, Julia NEURAUTER, Ruth NOCKER-LEDERER, Bernd NÖHRER, Claudia OBENAU, Barbara OBERDANNER, Helmut OBERERLACHER, Frank OBERHAUSER, Stefan OBERHOFER, Birgit OBERHOFER, Georg OBERMÜLLER, Günter OBERZAUCHER, Johannes ÖFNER, 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, Christian PEZZEI, Daniela PFENNIG, Sabine PFERSCHI, Eva PFITSCHER, Lea PFLANZNER, Martina PFLEGER, Birgit PFURTSCHELLER, Monika PFURTSCHELLER, Marcus PICHLER, David PICHLER, Paul 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, Alexandra PRANTL, 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, Fränk REITER, Christina RHOMBERG, Petra RIEDL, Lorenz RIESER, Brigitte RIETH, Katrin RIHA, Eva RINNER, Gerhard ROSENDORFER, Marion ROSINA, Andreas RUDIGIER, Herbert RUDIGIER, Monika RUDISCH, Helmuth RUECH, Markus RUECH, Thomas RUETZ, Bibiane RUETZ, Stefan RUF, Klaus SAIGER, Patricia SANTA, Thomas SATTLEGGGER, Clemens SAURER, Guido SCALVINI, Ariane SCHAFFERER, Sylvia SCHAMBERGER, Sandra SCHANDL, Rita SCHEIBER, Hubert SCHENK, Carina SCHENKENFELDER, Magdalena SCHETT, Monika SCHLATTER, Renate SCHLEICH, Markus SCHLENCK, Claudia SCHLITTLER, Michael SCHMID, Hannes SCHMID, Andrea SCHMID, Harald SCHMIDER, Thomas SCHNEEBERGER, Brigitte SCHNEIDER, Isabell 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, Armin SPRENGER, Simone SPRENGER-UNGERANK, Rudolf STAFFLER, Carmen STANGLECHNER, Gudrun STAUDACHER-CERNIN, 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, Gorica TOMIC, Herwig TRAUNER, Christoph TRAUNFELLNER, Simone TRENKWALDER, Dietmar TRIENDL, Othmar TRIENDL, Katrin TROYER-SOCHER, Christina TSCHAPPELLER, Brigitte UNSINN, Johannes UNTERLUGGAUER, Margreth UNTERWEGER, Marleen VAN BARMEN T LOO, Andrea VERDROSS, Julia VERDROSS, Olivia VESELY, Benjamin VOGLER, Lena WAGNER, Christine WALLNÖFER, Désirée WALTER, 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, Caroline WINKLER, Regina WINKLER, Andrea WITTING, Thomas WÖBER, Anna-Christina WÖBER, Maria WOLF, Claudia WOTZEL, Maria WURZER, Hubert WURZER, Hannes ZACCHIA, Verena ZACCHIA, Patrick ZANGERL, Susanne ZANGERL, Andrea ZANKL, Elfriede ZECHNER, Petra ZEILLINGER, Nadine ZELLER, Aegidius ZETTINIG, Angelika ZIFREIND, Werner ZIMA, Stefan ZIMMER, Renate ZIMMERMANN, Gabriele ZIMMERMANN, Erika ZINGERLE, Christina ZÖHRER, Sabine ZÖHRER, Patrick ZORN, Markus ZWIEFELHOFER, Patricia ZWIEFELHOFER

Contents

Statement from the management board chairman	5	raiffeisen.foerdert.tirol	10
Members of the management board and supervisory board	6	Interview with Dr Johannes Ortner	30
Statement from the supervisory board chairman	7	Management report	33
What Raiffeisen-Landesbank Tirol AG did in 2015 – for you!	8	Annual financial statements	47
		Bank branches	66



Thomas Wass
Management board member

Reinhard Mayr
Management board chairman



Statement from the management board chairman

Ladies and Gentlemen,

Pursuant to the quotation from the philosopher Seneca, 'If one does not know to which port one is sailing, no wind is favourable,' we adjusted ourselves to a challenging year in a timely fashion. The year 2015 showed us that our course is the right one. Despite the difficult environment and the testing general conditions, we managed to bring the financial year to a satisfactory conclusion. Thanks to outstanding sales successes and lower risk-related costs, we were not inconvenienced at all by the absence of a dividend from Raiffeisen Zentralbank Österreich AG. In 2015, we were again able to enhance our market position and help shape both our region and the Tyrolean Raiffeisen sector. We take our responsibility seriously as a leading institution in that sector and know that, especially in turbulent times such as these, we must lead the way and strike a positive note. We did that very well indeed in 2015.

We are playing an innovative role in the banking sector.

To offer our customers even more than before, we set three large new sails in 2015: by launching Raiffeisen life insurance, we became the first banking group to bring a flexible form of retirement planning without a guaranteed interest rate onto the market. With the Raiffeisen Portfolio, comprising two variants of professional asset management, we struck exactly the right chord with Tyroleans. And with NFC technology, we turned mobile phones into wallets. As the 'digital regional bank', we are maintaining the sales and marketing course that we have already embarked upon: we are remaining local, we continue to put our faith in personal customer support, and at the same time we offer modern digital options if they generate added value for our customers.

We are making a strong impact for our region and for Tyroleans.

Excellent growth in credit in the corporate customer segment, for example, enabled us to give some sustainable impetus to the Tyrolean economy. In addition to this, we and the Tyrolean Raiffeisen banks are promoting more than 1,000 social, educational, sporting, cultural, artistic and ecological projects in and for Tyrol.

We shall continue to provide fresh impetus.

We are certain that we ...

- ... continue to embody familiarity with customers, as personal relationships are crucial for us.
- ... attach the utmost importance to good and trustful teamwork so that we can act in concert with our customers, partners, owners and employees.
- ... shall stay on our successful course by orienting ourselves systematically around our customers' needs.
- ... will remain a dependable partner for Tyroleans – in line with our principle of 'From the region – for the region' that has proved its worth for more than 125 years.

We thank our customers, partners and owners for their trust and for their cooperation on equal footing and in the spirit of partnership. Special thanks go to our employees for their commitment. For it is their dedication that constitutes the basis for our strong market position in the region. Together we shall keep Raiffeisen-Landesbank Tirol AG on course – even in inclement weather – and continue to make a strong, innovative and sustainable impact in and for Tyrol.

Reinhard Mayr
Management board chairman

Thomas Wass
Management board member



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 member

Supervisory board of Raiffeisen-Landesbank Tirol AG

Dr Michael Misslinger
Chairman
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
General manager of Strandhotel Entner

Stefan Hotter
Manager of the Raiffeisenbank Zell am Ziller und Umgebung

Martina Leitner
Manager of Raiffeisenbank im Vorderen Zillertal

Martin Lorenz
Managing director of Bergbahnen Silvretta Galtür

Andreas Mantl
Manager of Raiffeisenbank Wipptal

Erich Plank
Manager of Raiffeisen Regionalbank Hall in Tirol

Gallus Reinstadler
Manager of Raiffeisenbank Pitztal

Johann Thaler
Mayor of Reith im Alpbachtal

Delegates of the works council (*Betriebsrat*)

Doris Bergmann, Innsbruck

Wilfried Gander, St. Johann i.T.
as from 01.09.2015

Heinz Hofer, Lienz

Wolfgang Kunz, Rum

Werner Müller, Innsbruck
until 22.04.2015

Dietmar Putschner, Innsbruck

Michael Raggl, Roppen
from 23.04 to 31.08.2015

Klaus Saiger, Lienz
as from 23.04.2015

Claudia Schlittler, Mils
as from 23.04.2015

Rudolf Staffler, Tristach
until 22.04.2015

Erika Zingerle, Innsbruck
until 22.04.2015

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 year 2015 presented the banking sector with another diverse set of major challenges. The persistent and increasingly stringent policy of low interest rates pursued by the European Central Bank had a sustained impact on our earnings situation. On the costs side, the banking package and payments for the deposit guarantee and bank liquidation fund constituted a further burden.

All in all, not exactly a benign environment. I nevertheless believe that, in spite of all this, Raiffeisen-Landesbank Tirol AG advanced its development in a positive way. I congratulate the bank most sincerely for that and, at this juncture, would like to express my personal thanks to Dr Hannes Schmid in particular. As a management board chairman with genuine passion for more than ten years now, he has introduced many new ideas and set an unambiguous course notable for advanced, far-sighted strategies.

In 2015, important preparations were made for the ongoing successful development of Raiffeisen-Landesbank Tirol AG, the Raiffeisen Banking Group Tyrol and the Raiffeisen Banking Group Austria. These three jointly initiated the pan-Austrian 'digital regional bank' project. The name speaks for itself, and reiterates that Raiffeisen – fully in accordance with the motto 'Regional. Digital. Accessible.' – is still a regional bank that enhances its service spectrum with all modern transaction and communication channels. Our customers can choose their needs and wishes accordingly.

We have been pursuing new paths for a successful future – and not only in terms of the technical substance. In personnel matters, too, far-reaching changes were prepared in the upper reaches of the regional bank (Landesbank). I am glad to tell you that in Dr Johannes Ortner and Thomas Wass, we were able to recruit two outstanding managers with excellent leadership qualities for this responsible task. Both of them embody the basic Raiffeisen values and have established themselves in the Raiffeisen sector. In conjunction with Reinhard Mayr, who has fortunately extended his term, Raiffeisen-Landesbank Tirol AG has a management board team that is sure to deal competently with all of our future challenges.

During turbulent phases in particular, it is important that the Tyrolean Raiffeisen banks should be able to build upon constructive collaboration with their strong Landesbank. The foundation stones have already been laid. It is now up to us to carry on applying the admirable Raiffeisen principles and, despite globalisation and digitisation, never lose sight of the needs, fears and wishes of the customers for whom we render all of our services.

On behalf of the entire supervisory board, I would like to thank all employees of Raiffeisen-Landesbank Tirol AG for their exceptional commitment and their willingness to support change.

I wish the new management board team a successful start and am convinced that we will shape a positive future together.

Dr Michael Misslinger
Chairman of the supervisory board



What Raiffeisen-Landesbank Tirol AG did in 2015 – for you!



Every day, in conjunction with the 73 Tyrol-based Raiffeisen banks, we look after more than **46,000 securities deposit accounts**.

In 2015, we made new loans available to Tyrolean enterprises in the amount of **421 million euros**.



Our employees took the time **41,830 times in person** and more than **14,000 times on the telephone** to discuss the concerns of our private customers.

We cultivated regular contact with more than **200** domestic and international **banks** and thereby enabled our customers to gain access to markets and products.



We carried out **8,277,421 transactions** with an aggregate volume of 15,323,404,340.00 euros. Of these, 2,740,350 were ELBA transactions with an aggregate turnover of 8,899,343,841.25 euros.



We executed more than **100,000 securities transactions** for our customers.

Day by day, Raiffeisen-Landesbank Tirol AG and Tyrolean Raiffeisen banks managed more than **14 billion euros** of their customers' money.



We granted **909 consumer loans** totalling 6.9 million euros.

On their trips outside of Innsbruck, our corporate account advisers drove **18,461 kilometres** in order to speak to Tyrolean enterprises on their own premises.



We bought, sold and redeemed securities amounting to some **546.5 million euros** for our customers.

In conjunction with the Tyrolean Raiffeisen banks, we promoted social issues, education, sport, the arts and culture in our region to the tune of over

5 million euros.



We conducted advisory talks with around **1,160 Tyrol-based enterprises.**





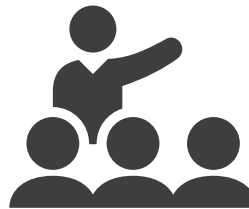
We are making an innovative impact



New technologies, new paths, new approaches

At the first Raiffeisen innovation day in Tyrol, future trends and challenges were discussed in detail because the demands being made on banks with regard to customer orientation, innovation, agility and efficiency are requiring the development and application of new organisational and technological methods and solutions. Following a keynote speech by deputy chairman Dr Georg Kraft-Kinz on the subject of the multichannel strategy at Raiffeisenlandesbank Niederösterreich-Wien, the new Raiffeisen bank's 2020 business model was presented. 'Innovative capacity and flexibility that are truly lived constitute the basis of long-term successful growth. The Tyrolean Raiffeisen banks are well equipped for the future,' declared Dr Hannes Schmid, chairman of the Raiffeisen Banking Group Tyrol, with conviction.

Picture below: Taking an optimistic view of the Raiffeisen sector's future (left to right): Dr Hannes Schmid (chairman of the Raiffeisen Banking Group Tyrol), Dr Georg Kraft-Kinz (Raiffeisenlandesbank Niederösterreich-Wien) and Reinhard Mayr (management board member at Raiffeisen-Landesbank Tirol AG).



Around **120 managers** of Tyrolean Raiffeisen banks who attended the first Raiffeisen innovation day in Tyrol concerned themselves intensively with possible future developments and challenges facing banks.

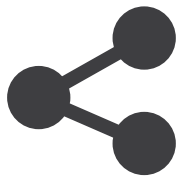




Regional. Digital. Accessible.

The Raiffeisen Banking Group's answer to technological change, changed customer behaviour and the needs of our customers is 'Regional. Digital. Accessible.' We are convinced that personal advice will remain the centrepiece of our service spectrum in the future. Customers, however, should be able to decide for themselves when and how they make contact with us. After all, we are there for them across the whole range of channels as their digital regional bank. We focus on high-quality advice on complex topics such as financing, pensions and securities, with the advisers integrating digital media into their advisory activities. In this way, we shall continue to be more than just a bank.

'Raiffeisen kompakt' and the tourism magazine *PUR* are also available as online magazines. Apart from that, we inform our corporate customers on a quarterly basis by way of an email newsletter about current developments and facts worth knowing in the commercial world.



With 74 independent banks and 246 branches in 2015, Raiffeisen had the **biggest branch network** in Tyrol. And that is not going to change.



Since October 2015, Raiffeisen customers have been able to use their **smartphones** to make secure, **contactless payments** simply, quickly and with the digital bankomat card.



Since September 2015, all **44,116 bankomat cards** from Raiffeisen-Landesbank have been Tirol AG NFC-enabled.



44 per cent of ELBA-internet users also work with ELBA-mobil.



In December 2015, **one in seven POS transactions** was paid for by customers of Raiffeisen-Landesbank Tirol AG at home and abroad **by contactless means**.

working@Raiffeisen – the new information platform

In November, the Raiffeisen Banking Group Tyrol received a new web-based knowledge and information platform by means of which the information within Raiffeisen-Landesbank Tirol AG as well as that from Raiffeisen-Landesbank Tirol AG, Raiffeisenverband Tirol and GRZ IT Center GmbH concerning the Tyrolean Raiffeisen banks can be communicated in a user-friendlier, more structured and more target-group-specific way. An improved search function and the consolidation of all information on a single platform save additional time.



2,400 employees at all 74 Tyrolean Raiffeisen banks use the new information platform, which is supervised by around **170 authors**.





We are making a social impact

Help provided quickly is worth double

The devastating weather conditions have shown that 'helping each other' is a priority in Tyrol and that Tyroleans do not hesitate to get involved when regional catastrophes occur. The fundraising campaign launched by Caritas Tirol and the Tyrolean Raiffeisen banks has achieved an impressive result. The people affected in the See and Sellrain municipalities were quickly presented with donations totalling more than 130,000 euros. All of which reached the people who needed it.

Left to right: Dr Hannes Schmid (chairman of the Raiffeisen Banking Group Tyrol) and Georg Schärmer (director of Caritas in the Innsbruck diocese).



After just 16 days, the Tyrolean Raiffeisen banks were able to present

130,665 euros via Caritas Tirol to the See and Sellrain municipalities.



Little presents, lots of joy

To give refugee children in Tyrol a treat at Christmas, Raiffeisen-Landesbank Tirol AG initiated the 'Small present for refugee children' campaign. They invited each and every employee to assemble their own personal gift package for refugee children of all ages and bring it to the traditional Advent celebrations. All of the beautifully packed and lovingly decorated gifts were stacked up under a Christmas tree – a happy consequence of the fact that many people were determined to bring several surprises at once. As the evening drew to a close, more than 300 packages were counted. These were distributed by Caritas Tirol to refugee children in refugee hostels and emergency accommodation in the greater Innsbruck area – a strong sign of social solidarity and togetherness in action.

Left to right: Reinhard Mayr (management board member at Raiffeisen-Landesbank Tirol AG), Georg Schärmer (director of Caritas in the Innsbruck diocese) and Dr Hannes Schmid (chairman of Raiffeisen-Landesbank Tirol AG).

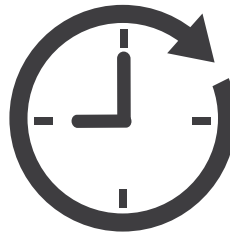
Employees of Raiffeisen-Landesbank Tirol AG brought more than **300 Christmas packages** for refugee children along with them to the Advent celebrations





Employees work in a voluntary capacity

At a flea market held on Tyrol Volunteer Day for the benefit of the Tiroler Sozialmarkt, a grocery store for the needy, Raiffeisen-Landesbank Tirol AG employees sold more than 630 good items for a good cause. Their help is therefore worth double: TISO's customers were able to acquire low-priced bargains while the proceeds of 1,500 euros went to the Tiroler Sozialmarkt.



Employees of Raiffeisen-Landesbank Tirol AG and the Tyrolean Raiffeisen banks contribute some **170,000 volunteer hours** per year in clubs and societies.

Spontaneous idea helped sick twins

The raffling of the small pink house familiar from the TV advertisements featuring Hermann Maier was a spontaneous idea that developed at the Raiffeisen-Landesbank Tirol AG Igls branch summer party. The aim was to help the Tyrolean twins Leni and Tobi (seven years old and from Igls). Both are severely physically handicapped, but mentally fit and full of humour and *joie de vivre*. But the children need an expensive special computer with software that is tailored individually to the abilities of both children. Raffle tickets bought by customers raised 755 euros. Raiffeisen-Landesbank Tirol AG rounded this amount up to 1,000 euros – much to the delight of Leni and Tobi.

Left to right: Toni Hafele (Sozialverein Igls) and Thomas Elzenbaumer (Igls branch manager).





We are making an impact in the arts and culture





Two galleries for Tyrolean art

RLB Kunstbrücke, Raiffeisen-Landesbank Tirol AG's art gallery located in Adamgasse in Innsbruck, and the RLB Atelier at our Lienz branch in East Tyrol are both devoted primarily to Tyrolean artists. The exhibitions in 2015 attracted more than 2,500 art enthusiasts: RLB Kunstbrücke showed panel paintings, drawings and objects, as well as installations by Anna-Maria Bogner and Esther Stocker, and provided insights into the STRABAG Artcollection, from which works by award winners of all kinds from 20 years of STRABAG Artaward were shown in an exhibition for the first time. In the RLB Atelier, the South Tyrolean artist Gabriela Oberkofler and the native East Tyrolean artist Annelies Senfter held exhibitions of their work. In addition to that, the RLB Atelier devoted an exhibition to the Innsbruck-based painter Gerhild Diesner, who would have been 100 years old in 2015.



In 2015, Raiffeisen-Landesbank Tirol AG's collection contained **1,488 works** – almost all of them by Tyrolean artists. Incidentally, the first work was acquired in 1959.

RLB art prizewinner held exhibition at the Ferdinandeum

Last year, the main RLB art prize was awarded to Michael Strasser. The prize is accompanied by an exhibition in a museum context: in 2015, the Tyrolean state-run museum Ferdinandeum showed the prizewinner's works under the title *Michael Strasser. Die Freiheit* (freedom).

Photo: Curator Dr Günther Dankl; Dr Wolfgang Meighörner, director and general manager of the Tyrolean state-run museums; Michael Strasser, winner of the Raiffeisen-Landesbank Tirol AG art prize 2014; Silvia Höller, head of RLB Kunstbrücke Innsbruck; and Thomas Wass, Raiffeisen-Landesbank Tirol AG (left to right).



Another highlight: the New Orleans Festival



On the occasion of the 17th New Orleans Festival in Innsbruck, Raiffeisen-Landesbank Tirol AG, UNIQA and Innsbrucker Stadtmarketing sent out invitations to the exclusive warm-up at the Zeughaus in Innsbruck. Star guest Chucky C. thrilled more than 600 guests with world-class music. As a special surprise, he received a gift in the form of a picture created by the Tyrolean graphic artist Linda Kleinheinz. 'Chucky has done so much for this festival. He deserves much of the credit for the fact that it turned out so well. We wanted to give him something personal. As an expression of the bond between us and our truly excellent partnership with the New Orleans Festival,' said Dr Hannes Schmid. When asked whether he liked it, Chucky said: 'It's really marvellous and I'm delighted with it. I know exactly where I'm going to hang it up. I'm going to completely clear an entire wall at home and then hang only

this picture on it.' Great artists, of course, have a tendency to be somewhat over the top. Be that as it may, his pleasure at receiving the picture was honest and genuine. Whether the wall was really cleared of everything else remains a secret.

Photo: Chucky C., 'The King of Feelgood' (second from right), took pleasure in his gift with a personal touch. On the occasion of the sponsors' night at the Zeughaus, the two management board members at Raiffeisen-Landesbank Tirol AG, Reinhard Mayr and Dr Hannes Schmid (left to right), presented the exceptional artist with a picture that shows him playing a saxophone in front of the Inn promenade. This is exactly as Innsbruck knows him. Likewise pleased that Chucky will be back in the regional capital in four years' time is Markus Linder, the festival's creative director (right).

Standing ovations for 'Erbschleicher' in Telfs

At the Tiroler Volksschauspielen Telfs theatre, everything in 2015 revolved around money and the quickest, best and simplest ways of acquiring it – albeit with methods that are far from customary in the banking industry. Five hundred customers and friends of Raiffeisen-Landesbank Tirol AG, Raiffeisen-Regionalbank Telfs eGen and UNIQA experienced a cheerful, witty and charming theatrical evening at the premiere of *VOLPONE – Dance of the Legacy Hunters*, featuring the brilliant German theatre and TV star Michael Roll and the popular theatre director Markus Völlenklee in the main roles. At the end of the performance, there were standing ovations and applause lasting minutes for the ensemble and the show's creators. After the show, many guests took advantage of the opportunity to chat to the performers in a relaxed and pleasant atmosphere and to get themselves an autograph or two.

Photo (back, left to right): Christian Härting (mayor of Telfs), Andreas Wolf (chairman of Raiffeisen-Regionalbank Telfs eGen), Dr Hannes Schmid (chairman of Raiffeisen-Landesbank Tirol AG), UNIQA regional director Diego Reichstamm, Wolfgang Dirnberger (board member at Raiffeisen-Regionalbank Telfs eGen); second row, left to right: regional administrator Dr Beate Palfrader, Silvia Wechselberger (theatre director at Volksschauspiele Telfs); front, left to right: theatre and TV star Michael Roll and popular theatrical director Markus Völlenklee.



Taking early music to the people

As a long-standing partner of Innsbruck's festival weeks for early music, Raiffeisen-Landesbank Tirol AG contributes to the musical diversity in our region every year and makes early music accessible to many people. One example of this is the first Concerto Mobile, with which the 2015 festival weeks were given a new format: in best street-theatre style, the passers-by and tourists in Innsbruck were invited to concerts in public spaces all over town. They were well and truly enchanted by the baroque music – which has been an impressive success in reaching people with early music and brightening up their day-to-day lives by musical means. Apart from that, around 130 invited guests experienced an exclusive 'Dido Session' in the Tiroler Landestheater. On this evening, the Austrian soprano Nina Bernsteiner and the Italian jazz pianist Stefano Bollani showed impressively, with the help of various

works by the composer Henry Purcell, that baroque music and jazz can be blended well – even though these genres are separated by centuries. Before the concert began, the guests had the unique opportunity to be introduced to this out-of-the-ordinary concert evening by Nina Bernsteiner personally. The perfect ambience for this was provided by the cloisters of the Museum of Tyrolean Regional Heritage.

Photo (left to right): Reinhard Mayr (management board member at Raiffeisen-Landesbank Tirol AG), lutenist André Henrich (with a theorbo), soprano singer Nina Bernsteiner, Dr Hannes Schmid (chairman of Raiffeisen-Landesbank Tirol AG) and Markus Korselt (general manager of the Innsbrucker Festwochen der Alten Musik festival).

We are making an impact for young people

Commitment to financial education honoured internationally

Financial education – or communicating to young people the value of responsibility in their handling of money has always been a matter close to the Tyrolean Raiffeisen banks' collective heart. This commitment was rewarded in 2015: for the fifth time, TeamBank AG awarded the financial education prize. With their cooperation as part of the CURE Runners project, Raiffeisen-Landesbank Tirol AG and Three Coins occupied an excellent second place among 555 participating cooperative banks in Germany and Austria.

The mobile-phone game project CURE Runners, which was developed by Three Coins, the innovation generator for financial competence, trains adolescents to keep track of their finances, to make all of their consumption and investment decisions in line with sustainability principles, and ultimately to achieve their savings objectives. Raiffeisen-Landesbank Tirol AG made it possible for Innsbruck school classes to take part in the financial competence workshops. In these, the decisions made in the game are referred to and discussed.

At the awards ceremony (right to left): Eva-Bettina Gruber (head of operations, Three Coins), Katharina Norden, (managing director, Three Coins) Christian Bevelander (head of Raiffeisen communication), Dr Hannes Schmid (chairman of Raiffeisen-Landesbank Tirol AG), Dr Christiane Decker (management board member at TeamBank) and Katharina Fesl (Raiffeisen communication).



Out of a total of 555 participating cooperative banks, Raiffeisen-Landesbank Tirol AG and Three Coins, with their project CURE Runners took **second place**.

Almost 2,000 visitors at Raiffeisen Sumsi day in the Alpenzoo



Building their own bee hotel, making wax candles, watching honey being extracted or tasting different types of honey. At the eighth Raiffeisen Sumsi day in the Alpenzoo, it was all about the bees and their helpers once again. Almost 2,000 visitors enjoyed a fascinating and informative day. At a variety of stations, they marvelled at the way bees contribute to the basis of human existence and to an intact environment.

The primary objective of Raiffeisen and Innsbruck's Alpenzoo in staging Sumsi Day was to make people more conscious of the bees' significance and of the need to protect them. Furthermore, Raiffeisen is sponsor of the Alpenzoo's beehive for the entire year.



First Raiffeisen Club advisers' day in Tyrol



Under the motto 'Get to know your customer', the sensitisation of the young customer group was the focus of the first Raiffeisen Club advisers' day in Tyrol. Teams were asked to perform tasks designed for appreciating customers in a more holistic way and building trust.

Photo (left to right): Thomas Wass (Raiffeisen-Landesbank Tirol AG), Dr Hannes Schmid (chairman of the Raiffeisen Banking Group Tyrol), Christine Hofer (manager of the Raiffeisen Club Tirol) and magician Ben Hyven.

The young Tyrolean magician Ben Hyven served as star guest not only with regard to the entertainment. He adapted his fascinating conjuring routine to the motto and made clear how important it is to look at and listen to customers and give them one's undivided attention.



More than **100 advisers** from 66 Tyrolean Raiffeisen banks took part in the first Raiffeisen Club advisers' day in Tyrol.

Touching and feeling a banking career at VISIO Tirol

In 2015, the Tyrolean Raiffeisen banks again presented themselves with their own stand at the VISIO, the trade fair for apprenticeships, careers, university studies and ongoing education in Tyrol. Raiffeisen employees provided information about the banking apprenticeship with and without qualification for university entrance and about career paths in the region's biggest banking group.



In 2015, **14 young people** began their apprenticeship at the Tyrolean Raiffeisen banks, and four of them at Raiffeisen-Landesbank Tirol AG. Twenty-four Raiffeisen banks throughout Tyrol are currently training 45 apprentices.



Eight hundred Tyrolean pupils taken to song contest

Many young people dream of experiencing the world's biggest musical event – with around 200 million TV viewers each year – live. The Raiffeisen Club Tirol made this dream come true for 800 school pupils. In conjunction with broadcasters ORF, ÖBB and the Tyrolean education authority, invitations to the creative Building Bridges competition had been sent to them. In all, 52,000 children and adolescents aged between 10 and 14 – in other words 2,400 Tyrolean school classes – were eligible to take part. The 800 winners travelled to Vienna for the Eurovision Song Contest's Youth Show.

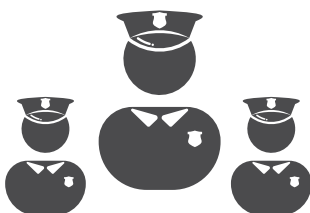


The 'children's police' – a successful prevention project



Dangers are lurking on the way to school, in the playground and in many other places. Time and again, children are involved in accidents in road traffic or during their free time or get into dangerous situations. In order to sensitise children, train together and minimise risks, and to introduce the police as role models and confidants deserving of trust, the local branch of the advisory board for a safe Austria (KSÖ-Landesklub Tirol) and the Tyrolean regional police authority, in conjunction with the Tyrolean Raiffeisen banks and other partners, launched the district tour '133 children's police' with concerts by Bluatschink. The stations were Breitenwang, Landeck, Imst, Wörgl, Kitzbühel and Lienz. As part of the final event at Innsbruck's main railway station, the commitment shown by the children's police officers was honoured with the appropriate award.

Photo: Young children's police officers with regional chief of police and KSÖ president Helmut Tomac (front) and the partners; back row standing, left to right: AK president Helmut Zangerl, authorised representative Armin Singer (Tiroler Versicherung), Thomas Wass (Raiffeisen-Landesbank Tirol AG), Christian Pappes (Postbus), Andreas Walcher (ÖBB), regional school board member Ingrid Handle and group inspector Michael Farbmacher together with mascots Tommibär and Raiffeisen-Sumsi.



With the help of the Tyrolean Raiffeisen banks, more than **4,000 new children's police officers** were appointed to the 'service' in the 2014/2015 school year.

Having fun getting to know the world of securities

The participants in the Raiffeisen stock exchange game 'School Investor 2015' experienced six fascinating months. Aside from enjoyment of the game itself, the subject of financial education was very much to the fore. Raiffeisen Club Tirol helped the pupils to learn about handling money and securities responsibly and to familiarise themselves with the possibilities of the capital market as well as shares, funds and certificates. Equipped with notional capital amounting to 40,000 euros, the pupils were able to buy and sell securities of all kinds while measuring themselves against other schools all over Austria. The pupils all agreed: 'It is fascinating how quickly the markets move and, most of all, how quickly you have to make decisions. In a matter of seconds you can lose or earn a lot of money.' The 4a class from NMS Matrie am Brenner, 1BK from BHAK Wörgl and 4D from BHAK Innsbruck (in the photo with supervising teacher, Brigitta Obholzer, and authorised representative Manfred Miglar, director of private and corporate customers at Raiffeisen-Landesbank Tirol AG) had the best feeling for securities and occupied the first three places in the Tyrolean regional assessment.



'School Investor 2015' was participated in by **8,200 pupils** and teachers from all over Austria.



In 2015, more than **80 percent** of all participants achieved a positive result. Ten pupils even managed to double the value of their initial stake.



45th International Raiffeisen Youth Competition

'Always mobile, always online: what moves you?' was the theme of the 45th International Raiffeisen Youth Competition. Around 20,000 drawings were submitted in Tyrol alone. The best were honoured personally at the regional final by the ace climbers Anna Stöhr and Jakob Schubert in the Metropol cinema in Innsbruck.

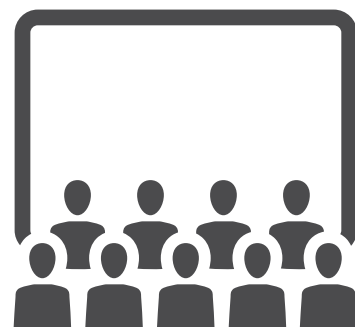
The International Raiffeisen Youth Competition fosters creativity, encourages youngsters to take an interest in current topics and is the biggest competition of its type in the world. It is carried out from the first primary school class to the upper school and has been established for many years.

Photo: The first-place winners with Christine Hofer (manager of Raiffeisen Club Tirol) and ace climbers Anna Stöhr and Jakob Schubert.



Some **11,500 quiz sheets** and **20,000 drawings** were received at 70 participating Tyrolean Raiffeisen banks on the occasion of the 45th International Raiffeisen Youth Competition.

Almost **1,100 children and adolescents** came to Innsbruck for the closing event.





We are making a sustainable impact for Tyrol

Raiffeisen strengthens regional value creation

Raiffeisen-Landesbank, in conjunction with the 73 Tyrolean Raiffeisen banks, performs an important function in the Tyrolean economic cycle and thereby benefits Tyrolean society. Raiffeisen makes an essential contribution to added value, not only in Tyrol but also in Austria as a whole. Every euro generated in the Austrian 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. Due to the degree of interweaving with cooperation partners and supplier companies, moreover, almost an entire further job in Austria depends on each employee of the Raiffeisen Banking Group.

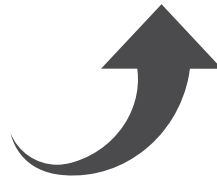


The Raiffeisen Banking Group pays an annual sum of around **two billion euros** in taxes and other

charges that benefit the federal government, the states and the municipalities. In so doing, Raiffeisen-Landesbank Tirol AG, in conjunction with the Tyrolean Raiffeisen banks and the Raiffeisen Banking Group Austria, is demonstrably strengthening the economy in our region.



Raiffeisen-Landesbank Tirol AG was able to support its corporate clients with export financing totalling **44.6 million euros** in 2015. This was almost 15 per cent more than in the previous year.



The growth in credit at Raiffeisen-Landesbank Tirol AG was around **+3.5 per cent**, significantly higher than the Tyrolean banks' average of +0.4 per cent.

(Source: OeNB, Q1-3, 2015)

Cycling for climate protection

Under the slogan 'All of Tyrol is cycling', the successful climate protection initiative launched by the state of Tyrol and the climate pressure group Klimabündnis Tirol entered its fifth round. Employ-

ees of Raiffeisen-Landesbank Tirol AG, too, took part in the competition for the first time. Their common goal: to cycle 40,074 km, in other words, once around the world.



Raiffeisen-Landesbank Tirol AG achieved an outstanding third place in the 2015 Tyrolean cycling competition in the large businesses category. To this end, 47 employees were hard at work pedalling within the scope of RLB Vital. They burned off a total of 1,213,788.29 calories and saved 5,317.27 kilograms of CO₂ (the equivalent of preserving woodland measuring 265.86 m²).



Those taking part in the 2015 cycling competition included **47 employees** of Raiffeisen-Landesbank Tirol AG. Between them, they cycled **40,258.33 km**.



What we do differently – for more than 400 employees

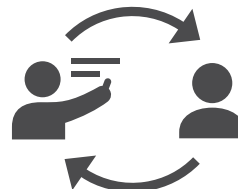
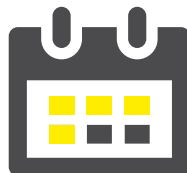


In 2015, there were **81** individually adapted, needs-oriented **part-time working models**.

We paid approximately **4.5 million euros** into the Austrian social security system for our employees in 2015.



In 2015, each employee completed an average of **four training days**.



In 2015, we invested some **1,550 days** and almost **400,000 euros** in occupational training and ongoing education for our employees.



Balanced: in June 2015, employees at Raiffeisen-Landesbank Tirol AG were **50.77 per cent women** and **49.23 per cent men**.

In total, **297 employees** have attended at least one health-promoting lecture or course within the scope of RLB Vital.



The high level of employee satisfaction at Raiffeisen-Landesbank Tirol AG finds expression in extremely long service records and a low staff fluctuation rate: the employees' average service record as of 2015 was 14.3 years. The main reasons for this are the prevailing work-life balance and flexibility in the workplace. Be it in advising, marketing, personnel management, IT or classic banking areas, Raiffeisen-Landesbank Tirol AG offers all of its employees variable working-time models and part-time work. In this way, it also contributes to the compatibility of work and family or studies.

In addition, Raiffeisen-Landesbank Tirol AG assumes the costs for its employees' annual VVT local public transport tickets and offers them extensive occupational training, ongoing education and career opportunities, a gym, health-promoting talks and courses, an

in-house cafeteria and other attractive social benefits. The overall package with which Raiffeisen-Landesbank Tirol AG demonstrates responsibility for its more than 400 employees is making the region's biggest Raiffeisen bank one of the most attractive employers in Tyrol. Several awards confirm that all of the above are not just empty promises: Raiffeisen-Landesbank Tirol AG can boast

- The "audit berufundfamilie" quality seal,
- The most family-friendly employer of 2015 quality seal (third place),
- The workplace health promotion quality seal,
- The outstanding training organisation in Tyrol quality seal and
- The fire-service-friendly employer quality seal,
- Winning the ÖBB companies' contest in 2015 and
- Permission to wear the Tyrolean state coat of arms.



The rating with a difference: our ecological footprint

Man-made climate change is one of the biggest global challenges. Raiffeisen-Landesbank Tirol AG, too, is helping to protect our home region in a sustainable way and preserve it for the next generations. That is why, in our everyday business and beyond, we are acting in accordance with the spirit of Friedrich Wilhelm Raiffeisen by continuing to uphold the principles that he exemplified in the 19th century. His life was shaped by altruistic responsibility for others and the basic values of self-help, solidarity and sustainability. That is why the Raiffeisen Banking Group has made the ecological footprint left behind by the Austrian Raiffeisen Banking Group transparent in all of its dimensions as part of its 'eco balance sheet', which was published for the first time in 2015. It reveals that the Austrian Raiffeisen Banking Group, with 8,010 kilowatt hours per employee, has around 19 per cent less energy consumption than the average in the Austrian service sector, which came to 9,870 kilowatt hours per employee. And thanks to thermal renovation,

investments in alternative mobility such as electric bicycles or natural-gas-powered cars and resource-saving measures such as switching to LED lighting systems, the Raiffeisen Banking Group Tyrol is saving around 260 tonnes of greenhouse gas emissions per year. This is equivalent to the average annual consumption of electricity of 350 households. The effect achieved by the Raiffeisen Banking Group Tyrol's granting of environmentally friendly financing plans to customers is far greater than that achieved with internal investments because of the considerably higher sum involved.



Thanks to thermal restoration, resource preservation and alternative energy, the Raiffeisen Banking Group Tyrol is able to save around **260 tonnes** of greenhouse gas emissions per year.

Greatest honour in the Tyrolean region



Raiffeisen-Landesbank Tirol AG has been allowed to carry the Tyrol region's coat of arms since 2015. The bestowal of the Tyrolean coat of arms by a unanimous vote of the Tyrolean regional government is a sign of special appreciation for Raiffeisen's commercial and socio-economic significance in Tyrol: Raiffeisen-Landesbank Tirol AG has existed for decades, is commercially successful, is crisis-proof and one of Innsbruck's biggest non-public employers, shows compassion and a sense of perspective as an employer – especially in the training of young people – takes on responsibility for Tyrol as a significant sponsor of social, educational, sporting, artistic and cultural activities, and guarantees investment in Tyrol because it provides funds so that our region can enjoy further growth. These are just a few of the criteria that provincial governor

Funds totalling more than **five million euros** are provided by Raiffeisen-Landesbank Tirol AG and the 73 Tyrolean Raiffeisen banks yearly for educational, sport, social, artistic and cultural purposes in our region.



No credit crunch: in 2015, Raiffeisen-Landesbank Tirol AG made new loans amounting to **421 million euros** available to Tyrolean business enterprises.

Günther Platter mentioned when he presented the deed, the greatest honour for a Tyrolean business enterprise, to the management board members Dr Hannes Schmid and Reinhard Mayr at the traditional Advent celebrations. Something else he appreciates about Raiffeisen is the regional proximity to Tyroleans. The reason? 'Trust always requires a face. And our Raiffeisen-Landesbank has a face like that because it embodies familiarity with customers,' says Mr Platter with conviction.

Photo: Provincial governor Günther Platter (centre) presenting Raiffeisen-Landesbank Tirol AG's management board members Reinhard Mayr (left) and Dr Hannes Schmid with the Tyrolean coat of arms.



Lived sustainability brought victory at the ÖBB companies' competition



At Raiffeisen-Landesbank Tirol AG, more employees than in any other large-scale organisation in Tyrol switched to public transport last year: this environmentally conscious behaviour resulted in the bank's employees winning the top prize at the 2015 Tyrolean companies' competition, namely an ÖBB regional train decked out in the Raiffeisen look that was presented in September at Innsbruck's main railway station on the occasion of a depot party attended by around 200 employees. For a whole year, it will travel 550 kilometres daily on the ÖBB track network in Tyrol. This prize is something special because trains are usually ad-free in Tyrol. With the exception of Marcel Hirscher, only Tyroleans are to be seen on the 'Raiffeisen train': these are mostly employees and their children who were sought and found as part of an internal photo competition. They are flanked on the yellow-and-black train by the boulder, world and European climbing champion Anna Stöhr and actor and chairman of the Tiroler Volksschauspiele Telfs theatre Markus Völlenkle.

Photo (left to right): Reinhard Mayr (management board member at Raiffeisen-Landesbank Tirol AG), deputy provincial governor Ingrid

More than **100,000 euros** was refunded by Raiffeisen-Landesbank Tirol AG to their employees for the acquisition of annual tickets for public transport in 2015.

In the 'large organisation with over 150 employees' category, Raiffeisen-Landesbank Tirol AG increased its number of VVT monthly and annual tickets by **43.38 per cent** and its number of ÖBB business cards by **36.25 per cent** compared to the previous year.



Felipe, Dr Hannes Schmid (chairman of Raiffeisen Landesbank Tirol AG) and Gerhard Mayer (ÖBB regional manager).





We are making an impact with lived togetherness

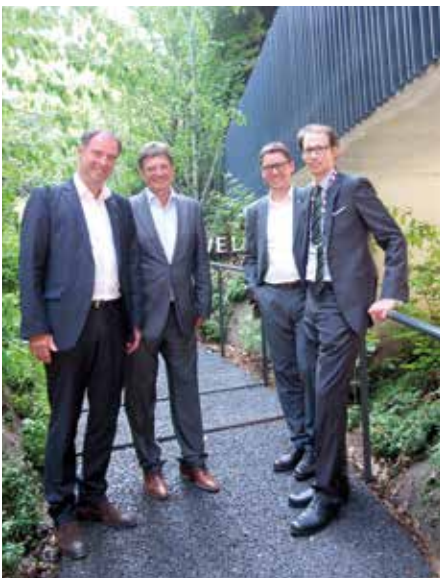
Entrepreneurs' meeting point at the Tyrolean business forum



The first Raiffeisen meeting point at the Tyrolean business forum was a magnet. Entrepreneurs, specialists, international experts and decision makers from the commercial and political spheres used the meeting point for networking, exchanging views, discussing matters of interest and making new contacts. In 2015, the Raiffeisen Banking Group Tyrol was a partner of the Tyrolean business forum for the first time. Its slogan was 'The inexhaustible power of courage and emotion in business and society'.

Photo (left to right): Dirk Dietrich (managing director of Gebr. Dietrich GmbH), Luis Robitsch (managing director of Autohaus Pontiller GmbH), Bernhard Inwinkl (chairman of Raiffeisenbank Sillian eGen), Stefan Theurl (managing director of Brüder Theurl GmbH), Johannes Gomig, (management board director at Raiffeisenbank Reutte reg. Gen. m.b.H.) and Karl Brunner (director of the Lienz market unit at Raiffeisen-Landesbank Tirol AG).

Tyrolean Raiffeisen delegation at Expo in Milan



Expo Milano 2015 had 'Feeding the Planet, Energy for Life' as its motto. Austria's contribution concentrated on the subject of 'Energy for life'. A Tyrolean Raiffeisen delegation was the first local bank to get information on-site.

Photo (left to right): Authorised representative Hubert Schenk (head of corporate customers at Raiffeisen-Landesbank Tirol AG), Dr Hannes Schmid (chairman of Raiffeisen-Landesbank Tirol AG), Markus Tollinger, (team leader for large organisations at Raiffeisen-Landesbank Tirol AG) and Philippe Kupfer (deputy trade delegate at the Milan foreign trade centre).

26 top entrepreneurs

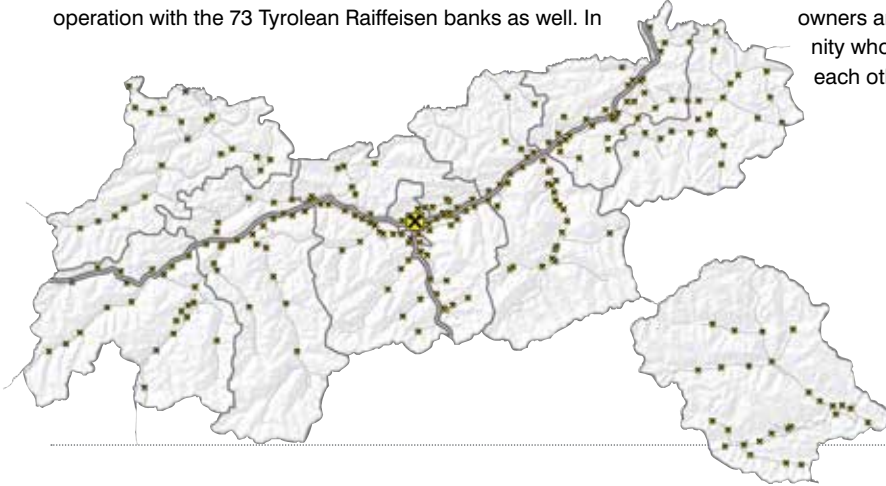
from all over Tyrol spent an informative, interesting and entertaining day at Expo Milano 2015.



Successful as a team

Raiffeisen-Landesbank Tirol AG is an undertaking in which a high level of togetherness and collegiality is of paramount importance – a place where we stick together, help each other and pull together. Raiffeisen-Landesbank Tirol AG embodies this spirit in its co-operation with the 73 Tyrolean Raiffeisen banks as well. In

its association with these, it has the largest proportion of customers in Tyrol at its disposal. The spirit of partnership in the Raiffeisen family and the solidarity that is truly lived make us strong and give us security. Together with the Tyrolean Raiffeisen banks, our owners and our customers, we constitute a strong community whose citizens know, like, trust and mutually support each other.



Half of all Tyroleans are **Raiffeisen customers**.



Art history trip to the Val Pusteria

Raiffeisen-Landesbank Tirol AG invited institutional customers on a special cultural trip: together, the participants discovered the Val Pusteria, which has a very interesting culture and history and extends from Mühlbach in South Tyrol to Lienzer Klause in East Tyrol.

Between the mountain and financial assessments

The Team Private Banking at Raiffeisen-Landesbank Tirol AG provided their customers with exciting insights into the world of extreme mountaineer and free spirit David Lama. In a talk entitled 'Getting your own way', the 25-year-old, who is regarded as one of the world's most talented climbers and a pioneer from a new generation of mountaineers, spoke in his likeable and lively way about his adventures in vertical situations and about how you have to be hell-bent on getting your way if you want to make the impossible possible. Quite a few parallels between the mountain and financial assessments became evident as he spoke, but so, too, did the value of long-standing, mature relationships between the bank and the customer. This was also reiterated by management board member Reinhard Mayr: 'We want to be rope partners for our customers.'



Photo (left to right): Authorised representative Manfred Miglar (head of private and corporate customers at Raiffeisen-Landesbank Tirol AG), authorised representative Christian Prugger, CPM (director of Private Banking at Raiffeisen-Landesbank Tirol AG), extreme mountaineer David Lama and Reinhard Mayr (management board member at Raiffeisen-Landesbank Tirol AG).



Fascinating: magic of the highest order

Ben Hyven, shooting star on the German-language magic scene, thrilled around 120 young customers at the Magic Cocktail Night held in Raiffeisen-Landesbank Tirol AG's Adamgasse branch. They experienced the incredibly charming and ingenious native of Tyrol and his impressive sleight of hand close-up. That evening there was plenty to talk about. And there were also quizzical faces that were unable to fathom how Ben Hyven does all that.



Superb cabaret delighted 600 customers

A total of 600 customers accepted the invitation from Raiffeisen-Landesbank Tirol AG and spent an evening with one of Austria's most popular cabaret artists – who has a very special relationship with Tyrol. Andreas Vitasek has been playing his premieres and previews in Tyrol since the mid-1980s. He has lots of friends and acquaintances here, which is why he likes visiting our federal state very much. This time, he delighted those present with his twelfth one-man show 'Sekundenschlaf' (microsleep). And although Mr Vitasek was a constant source of entertainment on stage on the subject of nodding off momentarily in real life, sleep was naturally the last thing the 600 visitors at the Congress Innsbruck would have thought about, even for a moment. A lot of humour was also shown by Dr Hannes Schmid, chairman of Raiffeisen-Landesbank Tirol AG, when the Vienna-born cabaret star took a closer look at the world of banking and especially his own 'local bank'.



Photo (left to right): Authorised representative Manfred Miglar (director of private and corporate customers at Raiffeisen-Landesbank Tirol AG), cabaret artist Andreas Vitasek and the management board members at Raiffeisen-Landesbank Tirol AG, Dr Hannes Schmid and Reinhard Mayr.

Skiing star Aksel Lund Svindal gave travel tips for Norway

In Innsbruck, Raiffeisen Reisen and the travel agency Reisedienst Alpbachtal presented the attractive programme for the eighth Tyrolean Raiffeisen activity trip to Norway. And who could be more suitable for arousing peoples' wanderlust than Norwegian star skier Aksel Lund Svindal? This non-native Tyrolean resident brought his home region closer to the audience in a charming and very personal way and had some special tips at the ready for all visitors to Norway: 'You should always pack clothing for all seasons, regardless of what month it is when you're travelling in Norway. On no account should you miss out on our brown cheese – a Norwegian speciality that I always miss when I'm away from home.'

Photo (left to right): Manfred Gapp (director of branch management, Raiffeisen-Landesbank Tirol AG), Stefanie Sommeregger (Reisedienst Alpbachtal), skiing star Aksel Lund Svindal, authorised representative Manfred Miglar (director of private and corporate customers at Raiffeisen-Landesbank Tirol AG) and Hannes Gwiggner (managing director of Reisedienst Alpbachtal).



39th Tyrolean Raiffeisen Ski Championships 2015



Wintry weather conditions and an excellently prepared Langwieseabfahrt circuit at the Fiss ski resort: that was the stage for the 39th Tyrolean Raiffeisen Skiing Championships, which as usual were held as a giant slalom. Ronald Kneisl from Raiffeisenbank Sölden picked up his fifth championship title. As for the ladies, the former world cup skier Andrea Steiner from Raiffeisenbank Wörgl Kufstein secured the title.

Photo (left to right): Dr Hannes Schmid (chairman of the Raiffeisen Banking Group Tyrol and president of company sports club Raiffeisen Betriebssportgemeinschaft Tirol), Anton Hochenegger (general manager of Raiffeisenbank Serfaus-Fiss eGen), winner Andrea Steiner (Raiffeisenbank Wörgl Kufstein), winner Ronald Kneisl (Raiffeisenbank Sölden), Dr Michael Misslinger (supervisory board chairman at Raiffeisen-Landesbank Tirol AG), Peter Hechenberger (chairman of the association Raiffeisenverband Tirol), Arnulf Perkounigg (general manager of Raiffeisenverband Tirol) and Werner Kerber (chairman of Raiffeisen Betriebssportgemeinschaft Tirol).

More than **140 participants** from all over the region were at the start for the 39th Tyrolean Raiffeisen Skiing Championships.





‘I like being among people.’

Dr Johannes Ortner has been the new chairman of Raiffeisen Landesbank Tirol AG since 1 April 2016. In the banking business, he would like to see things go back to their roots a bit more, while with his relocation to Tyrol he is moving a little closer back to his own personal roots, at least in geographic terms.

Dr Johannes Ortner says that he likes people. That quickly becomes clear when one starts up a conversation with him. It's a genuine interest in what is going on around him, rather than anything insincere. And he can have a hearty laugh. That is very refreshing because not so many people can do that anymore – outside their own private sphere at any rate. Dr Ortner is authentic in a way that, in his opinion, the bank ought to be as well. It's about honesty and trust.

Meanwhile, there wasn't so much to laugh about for his singing group, the Schwarzacher Doppelquartett, which he had to leave behind him when he relocated from Vorarlberg to Tyrol. Because one of their voices is missing now. From now on, though, Dr Ortner

will be using it all the more vigorously at Raiffeisen-Landesbank Tirol AG. That was also what he did during his first exploratory talks, in which he stated clearly what he would like to achieve with the bank. 'In my statements I was pretty provocative,' he admits. 'But those thoughts were obviously well received, otherwise I wouldn't be sitting here today.'

That Dr Ortner is generally a pleasant person to work with is, however, shown by the fact that his colleagues presented him with a boating certificate when he switched from the DZ Bank in Munich to Lake Constance and Raiffeisenlandesbank Vorarlberg. He acquired the boating certificate without ever having thought about it before. This shows that he possesses a certain spontaneity. In the



meantime, Dr Ortner has acquired the offshore certificate as well. Navigating on a turbulent sea per se, then, is not foreign to him. Weighing up risks and taking on challenges are essential not only on the water, but also at work. We spoke to this native of Salzburg, who came from Vorarlberg not only with a lot of experience, but also with a slightly altered dialect.

You recently said that you would like to have founded a bank yourself. Why did you ultimately remain loyal to Raiffeisen?

Dr Johannes Ortner: The year 2009 with the financial crisis was a matter of great concern to me personally because an entire industry was put under general suspicion just because of a few bad apples. I began to wrangle with the sense and meaning of my work and had the feeling that I was losing my bearings – always being depicted as ‘evil personified’ in public without actually having done anything wrong personally.

I had always been in favour of the cooperative idea, the collaborative spirit, and in Vorarlberg I even taught cooperative studies at the university of applied sciences. I think that, these days, offering someone co-ownership and giving them co-determination rights is a very strong signal. This notion made me think about the foundation of a new bank – a bank on a greenfield site that does nothing but bank people’s savings on the one hand and grant loans on the other. I had managed to build up a strong network over the years and was certain that entrepreneurs would invest in it and the project would be a success. Then I realised that Raiffeisen already has precisely these ingredients – the ones it needs to be successful.

In an age of profit maximisation, one might think that the cooperative as a corporate form was old-fashioned or obsolete. What is your view on that?

If you’d asked me ten years ago, I would probably have agreed. Today, with all my experience, I am of a different opinion. It’s about a spirit of cooperation. At the end of the day, we’re all in the same boat.

With its many independent units in the region, Raiffeisen conveyed precisely this archetype that I intended to realise on a greenfield site. We must bring the original purposes of the Raiffeisenbank back into the public eye. My personal objective is therefore to enhance Raiffeisen’s image still further and strengthen its values, also in the eyes of the public.

The Tyrolean Raiffeisen banks have been in existence for more than 125 years yet remain young and modern. What does tradition mean for you in general and for the bank in particular?

I believe that we must actually live the values that Friedrich Wilhelm Raiffeisen provided us with at a very early stage. And I’m not sure whether or not Friedrich Wilhelm Raiffeisen would be turning in his grave if he saw what we have sometimes done with his idea. Today, banks are generally quite far removed from the original idea of fostering a sense of community. I’d like to give more emphasis to that again, because it’s exactly what Raiffeisen stands for. For me it’s about the basic idea of dealing with themes together – not for the overriding goal of making individuals rich, but in order to return something positive to society with our business endeavours. These are values that I would like to carry on as a tradition. These values appeal to a lot of people and are completely in line with the spirit of the times. In the process, though, we must naturally also get to grips with current developments. But rather than being contradictory, that – in my opinion – is extremely complementary. It is possible to live these values and be an ultra-modern banking organisation at the same time.

Raiffeisenbank is deeply rooted in the regions – probably even more so than other banks thanks to the cooperative principle.

‘We must bring the original purposes of the Raiffeisenbank to the fore again.’

In an interview, one of your predecessors said: ‘We do business we can do with people we know.’ On the other hand, regulations are making the banking business more mechanical. How much humanity is there still room for?

The banking business works with relationships and therefore needs humanity as well. I was always a market person and now I’m a market-oriented chairman. And as a result, I fly the flag for the market. It’s not only the external regulations that are intensifying; the internal rules are starting to proliferate as well. That costs a lot of time that one is obliged to spend behind the desk rather than being out where the people are. I see my task as a kind of counterbalance in the interests of the customer. Of course, we will meet all of our legal requirements, but we must also remain entrepreneurs and have appropriate entrepreneurial freedoms. If our job was simply to do more monitoring, I wouldn’t enjoy that at all. That has never driven me. I would rather be on customers’ premises getting to know new people and entrepreneurs. I find that much more interesting because I want to render a good service for them.

Bankers have to cope with their image. How do you feel about being a banker today?

I have often asked myself the question: am I a banker at all? Of course I am, because I work in a bank. At the end of the day, I’m more of a relationship manager than a banker, and as for the rest I’m a Raiffeisen man. My job is to satisfy and delight my customers. Of course, we also have to work profitably, as that is our corporate task, but the interesting part of my job is to build up a trustful customer relationship and cultivate it well.

To what extent is a chairman of a bank of this magnitude really still close to customers?

To a great extent, I hope. I have set myself the objective of using my working hours very much in the interests of our customers and in the interests of the bank’s external image to represent the bank, and to maintain and expand relationships.

What do you like about Tyrol?

What I like very much about Tyrol is its service mentality. That is by no means a given, and it’s no accident that Tyrol is such a successful tourism region. This positive attitude towards people is infectious.

Generally speaking, I can do a great deal with the possibilities that Tyrol offers me. I’m a great nature lover, ever since I was a child. I’m a hunter – in Tyrol you’re still allowed to say that. I’m also outdoors a lot with the children. I have three sons who are active on the mountain with me and share my hobbies – skiing, and now sailing as well. At the moment, my family is still in Vorarlberg, but we have found a wonderful place to live in Innsbruck. And occupationally, too, I have the feeling that I have arrived in a very good team. Arriving at the office and then coming home are a real pleasure.

Management report 2015



Macroeconomic conditions in 2015

Europe is recovering slowly

The European economic climate improved slightly in 2015 with a moderate growth rate of 1.5 per cent. Private consumption was the main source of economic stimulation. The significant improvement in sentiment among consumers and businesses was reflected in a number of surveys: the trend indicator reached its highest level for many years.

Inflation keeps interest rates down

The inflation rate was a long way from such heights. It remained stuck at the 0 per cent mark for most of the year. This resulted from the downward trend in energy prices. The low inflation rate meant that there was no prospect of interest rate increases in Europe. Quite the reverse: interest rates were reduced further and will remain at low levels in the near future. Inflation, though, was not the only factor that presented Europe with challenges. While the tough negotiations between Greece and its creditors shaped the first half of the year, the second half in Europe was dominated by the influx of refugees and the terrorist atrocities in Paris.

The USA set the standard

In the USA, the economy finally overcame the crisis. Real gross domestic product increased by 2.5 per cent compared to 2014. The labour market, too, developed positively in 2015. A total of 2.5 million new jobs were created and the unemployment rate fell from 5.6 per cent to 5.0 per cent. In addition, the Fed, the central bank of the USA, increased the base rate for the first time since June 2006. As the financial markets were prepared in the appropriate manner for this step, the reaction to it was unremarkable.

All in all, a good year for shareholders

The stock market year 2015 was characterised by eruptions that were turbulent at times. Good and bad news alternated at short intervals. As a result, many established share indices, such as the German DAX and the Japanese Nikkei 225, were around 20 per cent higher than at the start of the year for a while. In August, a succession of poor economic figures from China triggered global worries about growth. These brought the established stock markets' indices temporarily to their knees in a manner similar to those of the newly industrialised countries. As early as autumn, though, the most important global share indices recovered fairly well from this setback and even the VW emissions scandal and signs of an interest rate reversal in the USA dampened the mood only temporarily. In addition to this, the corporate profits situation was pleasing until recently and the (previously mostly reduced) analysts' expectations were exceeded in most cases. However,

the companies' share prices have increased more strongly than their profits in recent years. This led to increasing assessment ratios. In spite of this, shares – especially in the eurozone – have seemed, at the end of 2015 as well, to be more favourably priced than other classes of investment (especially bonds). Shares in the developed markets closed last year in considerably better shape than those in the newly industrialised countries.

Bonds up and down as well

The European Central Bank (ECB) influenced the capital markets decisively with its monetary measures in 2015. From March 2015 onwards, it bought a bond volume amounting to 60 billion euros per month. In December the ECB again became active: it reduced the deposit rate of interest for banks to –0.30 per cent and expanded and/or prolonged its bond purchasing programme. Two-year German government bonds showed a negative return over the year as a whole and fell to just under –0.45 per cent. The return on ten-year German government bonds showed a remarkable trend. From the beginning of the year to mid-April, it declined dramatically from 0.60 per cent to 0.05 per cent. Within two months, however, it more than recovered from its downward trend and increased the market interest rate to up to 1.05 per cent by mid-June. In the second half of the year, the rate of return fell to below 0.50 per cent again from time to time before closing the year at 0.63 per cent. The risk premiums of Spain and Italy, the most important peripheral states, continued to increase in the first half of the year before easing substantially in the second half.

The refinancing challenge

The mood of foreign investors vis-à-vis Austrian issuers from the banking segment has deteriorated due to the Heta moratorium. Raiffeisen-Landesbank Tirol AG refines itself by way of a diversified funding mix that includes retail deposits and deposits from Tyrolean Raiffeisen banks. Liabilities to customers and securitised liabilities increased further in the year under review. In order to improve its liquidity, the bank collaborated with the Tyrolean Raiffeisen banks in the expansion of the hypothecary coverage fund for the issuance of solid bank bonds.

Generally, even Raiffeisen-Landesbank Tirol AG was unable to escape from the overall pressure on margins in the Austrian market.

The Austrian economy: Less growth, higher inflation

The Austrian economic trend in 2015 – as in 2014 – remained behind that of the eurozone:

- The country's gross domestic product increased by 0.9 per cent;



its consumption by only 0.2 per cent. One reason for this was the slight decline in real disposable household incomes (–0.4 per cent). Mildly positive growth contributions were provided by public-sector consumption (+0.8 per cent), gross asset investments (+0.5 per cent) and net exports (+0.4 per cent).

- At 0.8 per cent, the inflation rate in 2015 was – as in the previous years – higher than in the eurozone (+0.1 per cent).
- The overall government budget balance improved significantly to –1.6 per cent of gross domestic product (having been –2.7 per cent in the previous year).
- The current account surplus increased from 2.0 per cent to 2.7 per cent.

Unemployment and supply of labour increase

Employment developed in a robust manner despite the sluggish economic climate. The number of employees, for example, increased by 0.7 per cent compared with the previous year. Of greater economic significance, however, is the number of hours worked: these almost stagnated in 2015 (+0.1 per cent) because the part-time ratio, in particular, increased substantially. Their proportion reached another new all-time high in the second quarter at 27.6 per cent. In a contrary development, the number of full-time employees decreased slightly. According to Eurostat, moreover, unemployment increased from 5.6 per cent in 2014 to 5.8 per cent in 2015. The supply of manpower likewise increased and, primarily as a result of the migration developments, will increase further in 2016 and in the following year by an overall figure of some 50,000 additional persons.

Private consumption as driver of growth in 2016

Experts in Austria expect the country's economic growth to accelerate to 1.9 per cent in 2016, largely as a result of private consumption. One prerequisite of this is the 2016 tax reform, which will provide a discernible easing of the burden on net incomes. At the same time, the public expenditure on asylum seekers and acknowledged refugees in the form of transfer payments is leading to an increase in nominal household incomes. Although the increase in inflation is dampening the trend in real incomes to some extent, the growth in private consumption is nevertheless likely to accelerate to 1.6 per cent.

Tyrol is faring better than Austria

Tyrol's economy has shown itself to be strong both in 2015 and at the start of 2016, and is performing better than the Austrian economy. Real economic growth in Tyrol for 2015 is likely to be 1.3 per cent (Austria: 0.9 per cent). In the forecasts for 2016, too, Tyrol with

its 2.1 per cent growth is ahead of Austria (1.9 per cent). The difference between the respective unemployment figures is much wider: while the unemployment rate in Tyrol is likely to increase slightly from 7.0 per cent to 7.3 per cent, experts on the Austrian side are expecting a steeper increase from 9.1 per cent to 9.7 per cent (national calculation method).

Tyrolean economy in robust condition

The business climate index (December 2015) was well above average at 34 percentage points in the long-term comparison of December figures. At that time, according to leading Tyrolean business barometers, 46 per cent of the leading companies surveyed described the economic situation as good, while just seven per cent were dissatisfied. The export economy in particular is optimistic about 2016. Precisely half of exporting enterprises expect sales to increase in the current financial year. The positive mood is coming from the large-scale enterprises, while small and medium-sized companies are more guarded.

Uncertainty inhibits Tyrol's tourism firms

A total of 30 per cent of Tyrolean tourism companies are expecting gross profits to deteriorate in the winter season. In addition, the 2016 tax reform will lead to increasing burdens (increase in VAT as from April 2016 and mandatory cash registers) that are considerably more onerous than in other sectors. The concomitant uncertainty of the region's tourism firms is putting a discernible brake on their readiness to make new investments: 58 per cent of tourism enterprises are going to invest less than in the recent past in the first half of 2016, with only 18 per cent aiming to increase their investments. This weak investment climate, however, is not specific to Tyrol or tourism but is in evidence throughout the Austrian economy.



Review of operations in 2015

Raiffeisen-Landesbank Tirol AG can look back on 2015 with satisfaction: even though it was a challenging year because of the overall economic trend and the difficult general conditions – such as

the lack of a dividend from Raiffeisen Zentralbank Österreich AG – we closed the financial year 2015 positively thanks to impressive sales successes and lower risk expenses.

Balance sheet total in millions of euros

31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015
7,296	7,182	7,356	7,070	7,299	7,079	7,423

Origin of funds and capital structure

	31.12.2015		31.12.2014		Change	
	Millions of euros	Per cent	Millions of euros	Per cent	Millions of euros	Per cent
Liabilities to banks	3,681	49.6%	3,535	49.9%	146	4.1%
Current account deposits	1,337	18.0%	1,199	16.9%	138	11.5%
Savings account deposits	481	6.5%	499	7.1%	-18	-3.6%
Liabilities evidenced by paper	1,368	18.4%	1,313	18.6%	55	4.2%
Equity	395	5.3%	385	5.4%	10	2.6%
Other liabilities	161	2.2%	148	2.1%	13	8.8%
Equity and liabilities	7,423	100.0%	7,079	100.0%	344	4.9%

Raiffeisen-Landesbank Tirol AG's balance sheet total as at 31 December 2015 amounted to 7,423 million euros. In comparison with the end of 2014, this represented an increase of 344 million euros or 4.9 per cent. This upward trend resulted on the liabilities side from an increase in liabilities to banks. These totalled 3,681 million euros as at 31 December 2015, an increase of 46 million euros, or 4.1 per cent, compared to the previous year. Raiffeisen-Landesbank Tirol AG's liabilities to banks were as follows: 1,855 million euros to the Tyrolean Raiffeisen banks, 124 million euros to Raiffeisen Zentralbank Österreich AG and 1,702 million euros to other banks. In addition, current account deposits increased by 11.5 per cent, or 138 million euros, to 1,337 million euros, while liabilities

evidenced by paper were up by 4.2 per cent or 55 million euros to 1,368 million euros. Of this, 165 million euros was in securities portfolios held by customers of Raiffeisen-Landesbank Tirol AG, 312 million euros in securities portfolios held by customers of the Tyrolean Raiffeisen banks and 410 million euros in the Tyrolean Raiffeisen banks' nostro accounts. On the liabilities side, savings account deposits were down by 3.6 per cent. This represents a decrease of 18 million euros to 481 million euros. Equity increased by 2.6 per cent in the financial year 2015, advancing from 385 million euros to 395 million euros. Other liabilities increased by 13 million euros and totalled 161 million euros. This corresponds to an increase of 8.8 per cent.

Appropriation of funds and asset structure

	31.12.2015		31.12.2014		Change	
	Millions of euros	Per cent	Millions of euros	Per cent	Millions of euros	Per cent
Receivables from banks	2,786	37.5%	2,595	36.7%	191	7.4%
Receivables from customers	2,413	32.5%	2,353	33.2%	60	2.5%
Securities	1,914	25.8%	1,783	25.2%	131	7.3%
Participating interests, including shares in affiliated companies	207	2.8%	230	3.2%	-23	-10.0%
Other assets	103	1.4%	118	1.7%	-15	-12.7%
Assets	7,423	100.0%	7,079	100.0%	344	4.9%



On the assets side, higher loans and advances to banks and customers in particular, as well as the securities portfolio, contributed to an upward trend. Receivables from banks increased from 2,595 million euros to 2,786 million euros. This constitutes an increase of 7.4 per cent. Receivables from customers totalled 2,413 million euros in 2015, thereby generating an increase of 60 million euros, or 2.5 per cent, compared to 2014. In addition

to that, securities holdings increased by 7.3 per cent from 1,783 million euros to 1,914 million euros. Participating interests, including shares in affiliated companies, were 10.0 per cent down on the previous year and totalled 207 million euros as at 31 December 2015. Other assets, too, endured a negative trend that reduced them from 118 million euros to 103 million euros, a decline of 12.7 per cent.

As at the end of 2015, receivables from customers broke down as follows:

RLB Tirol AG 2015 breakdown by sector

	2015	2014	Change	Proportion of total loans
	Thousands of euros	Thousands of euros	Per cent	Per cent
Agriculture, forestry and cooperatives	25,826	25,444	1.5%	1.1%
Transport	156,620	141,420	10.7%	6.5%
Trade	473,221	476,081	-0.6%	19.6%
Manufacturing industry	84,212	98,370	-14.4%	3.5%
Employed persons, private	457,357	435,359	5.1%	19.0%
Tourism and leisure industry	401,707	371,539	8.1%	16.6%
Public-sector and social insurance	113,260	108,774	4.1%	4.7%
Self-employed persons	61,773	56,979	8.4%	2.6%
Commerce	158,568	158,353	0.1%	6.6%
Other (residential building associations and other non-banks)	480,809	481,040	0.0%	19.9%
Total	2,413,353	2,353,359	2.5%	100.0%

Regulatory capital (pursuant to article 25 of the CRR)

	31.12.2015	31.12.2014	Change	
	Thousands of euros	Thousands of euros	Thousands of euros	Per cent
Subscribed capital	84,950	84,950		
Reserves	79,343	79,343		
Core capital	153,680	145,160		
Supplementary capital	72,926	72,091		
CORE CAPITAL before deductions	390,899	381,544	9,355	2.5%
Deductions	-192	0		
CORE CAPITAL	390,707	381,544	9,163	2.4%
SUPPLEMENTARY CAPITAL before deductions	33,245	29,573		
Deductions	-832	-70		
SUPPLEMENTARY CAPITAL	32,413	29,503	2,910	9.9%
REGULATORY CAPITAL	423,120	411,047	12,073	2.9%



Income statement				
	2015	2014	Change	
	Millions of euros	Millions of euros	Millions of euros	Per cent
Net interest income	50.9	54.9	-4.0	-7.3%
Income from securities and investments	8.9	17.5	-8.6	-49.1%
Commission income	22.6	22.1	0.5	2.3%
Income from financial transactions	1.6	2.1	-0.5	-23.8%
Other operating income	10.5	11.1	-0.6	-5.4%
OPERATING INCOME	94.5	107.7	-13.2	-12.3%
Personnel costs	-31.8	-33.9	-2.1	-6.2%
Other administrative costs (operating expenses)	-25.9	-26.1	-0.2	-0.8%
Impairment losses on assets	-2.4	-2.4	0.0	0.0%
Other operating costs	-4.1	-3.0	1.1	36.7%
TOTAL OPERATING COSTS	-64.2	-65.4	-1.2	-1.8%
OPERATING PROFIT	30.3	42.3	-12.0	-28.4%
Net expense for impairment losses on receivables	-12.4	-19.0	6.6	-34.7%
Net expense for impairment losses on securities and participating interests	2.7	3.2	-0.5	-15.6%
Profit from ordinary business activities	20.6	26.5	-5.9	-22.3%
Taxes on income	-2.3	0.3	-2.0	n/a
Other taxes not posted under previous item	-5.9	-5.8	-0.1	1.7%
NET PROFIT	12.4	21.0	-8.6	-41.0%
Movements in reserves	-10.7	-12.5	-1.8	-14.4%
ANNUAL PROFIT	1.7	8.5	-6.8	-80.0%
Profit carried forward	0.0	0.0	0.0	0.0%
Net income	1.7	8.5	-6.8	-80.0%

In the financial year 2015, operating income decreased by 12.3 per cent from 107.7 million euros to 94.5 million euros. This development is attributable primarily to lower income from securities and participating interests. This decreased by 8.6 million euros compared to the previous year. Likewise on a downward trend were net interest income, which decreased by 4.0 million euros, or 7.3 per cent, income from financial transactions, which were down by 2.1 million euros, or 23.8 per cent, to 1.6 million euros, and other operating income, which declined by 0.6 million euros, or 5.4 per cent, to 10.5 million euros. Commission income increased by 2.3 per cent from 22.1 million euros to 22.6 million euros. This constitutes an improvement of 0.5 million compared to the previous year.

Operating costs were reduced slightly by 1.2 million euros, or 1.8 per cent, from 65.4 million euros to 64.2 million euros, which can be attributed to the decrease of 2.1 million euros, or 6.2 per cent, in personnel costs from 33.9 million euros to 31.8 million euros, and to the downward trend in other administrative costs, which decreased by 0.2 million euros, or 0.8 per cent, from 26.1 million euros to 25.9 million euros. Valuation allowances for assets remained unchanged compared to the previous year at 2.4 million euros. Other operating costs, by contrast, increased by 36.7 per cent, or

1.1 million euros, to 4.1 million euros. The negative balance from reversals of and allocations to impairment losses on receivables was 6.6 million euros lower than in the previous year. This corresponds to a year-on-year change of 19.0 million to 12.4 million euros. The balance of reversals of and allocations to impairment losses on securities and participating interests totalled 2.7 million euros at the end of the year, down by 0.5 million euros, or 15.6 per cent, compared to the previous year. The profit from ordinary activities decreased by 5.9 million euros compared to 2014 and totalled 20.6 million euros.

Taxes on income increased in the financial year 2015 by 2.7 million euros.

The net profit for the year as at year end totalled 12.4 million euros, which was 8.6 million euros, or 41 per cent, lower than in 2014.

Changes in reserves totalled 10.7 million euros. This represents a reduction of 1.8 million euros, or 14.4 per cent.

At 1.7 million euros, the profit for the year was 6.8 million euros below that of 2014.

Bank branches report

As at 31 December 2015 (2014), Raiffeisen-Landesbank Tirol AG was operating 12 (13) bank branches and 10 (9) self-service out-

lets in the market territory, with one bank branch converting to a self-service outlet in the year under review. All in all, the personnel at Raiffeisen-Landesbank Tirol AG – as in the previous year – looked after the banking needs of around 68,000 customers.



Financial performance indicators

Capital ratio*		
31.12.2015	31.12.2014	31.12.2013
14.20%	13.49%	12.74%

* Imputable regulatory capital/tax base × 100

Cost-income ratio*		
31.12.2015	31.12.2014	31.12.2013
67.92%	60.71%	63.17%

* Operating expenses/operating income

LCR	NSFR
31.12.2015	31.12.2015
97.82%	102.79%

Net margin*		
31.12.2015	31.12.2014	31.12.2013
0.42%	0.59%	0.57%

* Operating profit IV/mean balance sheet total

Return on equity*		
31.12.2015	31.12.2014	31.12.2013
5.29%	7.00%	6.97%

* 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.

The supervisory authority stipulated that the key performance indicators LCR and NSFR were not to be used until 1 January 2015, hence the absence of figures for the previous year.

Non-financial performance indicators

Digital regional bank

Unlike a major international bank, Raiffeisen-Landesbank Tirol AG is active within the region. We 'live' a trustful and confidential advisory approach at local level and from person to person. This is appreciated by our private, commercial and corporate customers, all the more so in these troubled economic times, because they put a great deal of trust in this bank that they know and in the employees with whom they can work together on an equal footing and in a spirit of partnership. At the same time, we are expanding our multi-channel strategy so that we can offer our customers quick, simple and convenient possibilities for contact and advice. The digital offering complements our handshake-like quality precisely where it offers our customers added value. We are certain of one thing: we shall remain committed to the region and shall ensure, as before, that the money our customers entrust us with remains in the region and that we are familiar with the people to whom we grant loans. This is our contribution to the ongoing development of our region.

Responsibility for more than 400 employees

Raiffeisen-Landesbank Tirol AG goes to considerable lengths to provide its employees with an optimal working environment. It gives due consideration to the reconciliation of working and family life and promoting occupational health and safety. This means, for example, that employees can choose from a broad range of courses and talks within the scope of the in-house health scheme RLB Vital. Individual career paths, too, are encouraged at both specialist and management level. In conjunction with the Tyrolean Raiffeisen banks, moreover, Raiffeisen-Landesbank Tirol AG attaches great importance to the high-quality training of apprentices. Numerous awards confirm that these are more than just empty words: Raiffeisen-Landesbank Tirol AG possesses the quality seals "audit berufundfamilie", most family-friendly employer of 2015 (third place), workplace health promotion and outstanding training organisation in Tyrol.

In the financial year 2015 (2014), the bank employed an average of 331.7 (362.3) white-collar staff and 9.9 (11.5) blue-collar staff.

Tyrolean companies' competition won with environmental awareness

At Raiffeisen-Landesbank Tirol AG last year, more employees than

ever before in a large-scale organisation in Tyrol switched to public transport. This was the environmentally conscious behaviour with which the bank's employees won the top prize at the Tyrolean companies' competition in 2015: an ÖBB regional train decked out in the Raiffeisen look. For a whole year, it will travel 550 kilometres daily on the ÖBB track network in Tyrol. This award affirms that Raiffeisen-Landesbank Tirol AG takes the Raiffeisen principle, which embodies regional focus and responsibility, very seriously. Just how seriously is additionally demonstrated by the fact that Raiffeisen-Landesbank Tirol AG grants all of its employees a subsidy for the trip to and from work using public transport.

Honoured with the Tyrolean regional coat of arms

Since 2015, Raiffeisen-Landesbank Tirol AG has been allowed to bear the Tyrol region's coat of arms. The deed containing the highest honour for a Tyrolean commercial entity was presented by provincial governor Günther Platter as part of the traditional Advent celebrations. In this way, the Tyrolean regional government honoured Raiffeisen's commercial and socio-economic significance in Tyrol: Raiffeisen-Landesbank Tirol AG has existed for decades, is commercially successful, is crisis-proof as one of Innsbruck's biggest non-public employers, takes on responsibility for the Tyrol region by embodying humanity and concern, shows a sense of perspective as an employer – especially in the training of young people – and promotes our region by sponsoring social, educational, sporting, artistic and cultural activities. 'It also guarantees investment in Tyrol because it provides funds so that the region can enjoy further growth,' said provincial governor Günther Platter when he bestowed the honour.

Important sponsor of the region

Raiffeisen-Landesbank Tirol AG and the Tyrolean Raiffeisen banks provide sponsorship for the social, cultural, sporting and youth areas with funds totalling around five million euros per year and are an important partner for many clubs, societies and institutions. This means that Tyrol's largest banking group is also the biggest sponsor of Tyrol's citizens. The Raiffeisen sponsorship balance sheet illustrates Raiffeisen Banking Group Tyrol's commitment to our region – with Raiffeisen-Landesbank Tirol AG making a crucial contribution. More than 1,000 sponsorship projects all over Tyrol can be seen at raiffeisen.foerdert.tirol, the website set up especially for this purpose.



Agenda-setting role within RBGT

Supporting Tyrolean Raiffeisen banks is the founding mission of Raiffeisen-Landesbank Tirol AG and an essential component of its performance spectrum. The common strategy of the Raiffeisen Banking Group Tyrol forms the basis for the services offered, which

can be provided either centrally or, if desired, locally. To ensure a successful common future, Raiffeisen-Landesbank Tirol 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.

Events after the reporting date

To date there have been no business cases or other transactions that would be of special public interest or have a significant impact on the 2015 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 2015 have confirmed the effectiveness of our risk policies, risk management and their organisation.

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 regard 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 towards the goal of ensuring the company's continued 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 principles

Our risk management is based on the following principles:

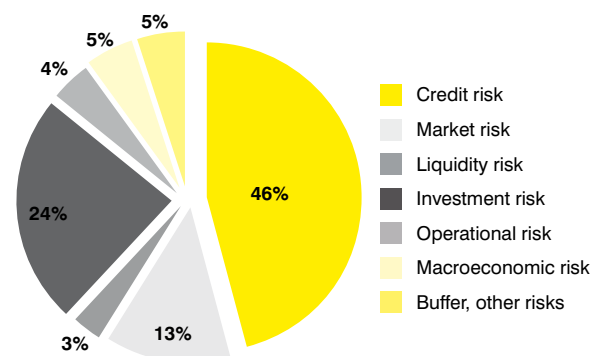
- The management board takes overall responsibility for monitoring risk management at Raiffeisen-Landesbank Tirol AG. The risk committee which is required by law and convened by the supervisory board checks and monitors the risk strategy at regular – at least annual – intervals.
- The management of all types of risk, especially credit, market, liquidity, investment, operational, macroeconomic 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 categories and the limitation of risk capital in line with our risk-bearing ability and risk capital allocation.

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.

Risk categories as proportions of overall bank risk as at 31.12.2015.



Credit risk

The credit risk is evaluated for both counterparties (private and commercial customers, banks and countries) and concentrations. The country risk and the credit value adjustment risk (CVA risk) are likewise included under the credit risk.

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 by assessing their economic situation using 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. In the process, particular attention is devoted to the risks of foreign currency loans and repayment vehicles.

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. This helps to guarantee 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.

The regulatory capital requirement for the credit risk is ascertained in accordance with the standard rate and the regulatory capital requirement for the CVA risk in accordance with the standard method. In line with supervisory 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. In doing so, Raiffeisen-Landesbank Tirol AG uses, in particular, interest rate swaps, cross-currency swaps and interest rate options. For these derivatives, the market values are calculated, the limits are monitored and any necessary control measures are carried out on a daily basis. Derivatives are used predominantly for hedging interest rate risks inherent in purchased bonds, issues or from customer positions (micro-hedge) and for hedging the foreign currency risk. An overview detailing the structure of these transactions can be found in the notes under 'Supplementary details'.

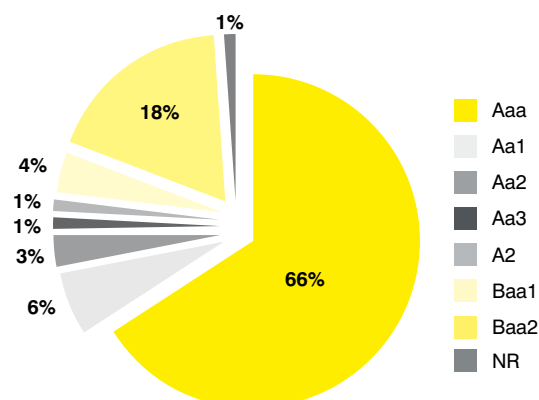
Liquidity risk

At Raiffeisen-Landesbank Tirol AG, we set great store by refinancing with matching maturities. This policy is supported by a key liquidity figures system and associated limits, duly distinguishing in this area between short-term (operational) and longer-term (structural) liquidity management as well as 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 managed by the treasury department. The liquidity coverage ratio (LCR) – which according to the supervisory authorities must already be complied with – and, looking ahead, the net stable funding ratio (NSFR) are likewise the focus of attention in this respect.

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 its liquidity, Raiffeisen-Landesbank Tirol AG attaches great importance to factors such as issuance activity and the 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.

In order to safeguard the supply of liquidity, an appropriately large bond portfolio with the emphasis on highly liquid securities is maintained.

Rating grades as proportions of overall bond portfolio as at 31.12.2015



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 processes and systems also include all preparations made to combat money laundering and the financing of terrorism.

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 scheduled internal audits and periodic reporting to ensure that operational risk is tackled vigorously.

Risk-bearing capacity

In the process of steering the bank's 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 for a potential problem case (95.0% confidence level), but

also for an improbable extreme case (99.9% confidence level).

The risk of excessive debt, too, is regularly measured and reported using the leverage ratio.

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, while trading book and banking book market risk and liquidity risk are calculated using key sensitivity figures. Aside from market-dependent risks, the overall bank-managing process also involves the calculation of 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 fully exploiting its revenue potential.

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

Safeguarding deposits

Solidarity association of Raiffeisen Banking Group Tyrol

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 therefore offers customers guarantees that go well beyond those required by law.

Deposit protection arrangements

Directive 2014/49/EU on deposit guarantee systems in Austria was implemented by way of the Deposit Guarantee and Investor Compensation Act (ESAEG). The Act stipulates that every guarantee scheme must set up a deposit guarantee fund. This must be en-

dowed by means of annual prescribed contributions levied from the member banks in the protection scheme up to the legally prescribed amount of at least 0.8% of the member banks' aggregate protected deposits. The protection scheme function at the Raiffeisen Banking Group Austria is performed by Österreichische Raiffeisen-Einlagensicherung eGen (ÖRE).

If statutory deposit protection is to be financed by setting up an ex-ante fund as defined by section 13 of the ESAEG, annual contributions must be made in accordance with section 21 of the ESAEG. The contribution sum, in accordance with section 23 of the ESAEG, is based on the amount of protected deposits and the nature and extent of the risks to which the respective institution is exposed. In addition to this, the protection scheme may levy special contributions up to a maximum amount of 0.5% of the member banks' protected deposits per calendar year. In exceptional cases, this limit can be exceeded if the FMA grants its permission. The amount of the special contribution is determined, in accordance with section 22 of the ESAEG, as the ratio of Raiffeisen-Landesbank Tirol AG's most recently due annual contribution to the aggregate amount of the protection scheme members' most recently due annual contributions. No special contributions were levied in the financial year 2015.

In the event of a compensation payout for protected investment service as defined by section 49 of the ESAEG (investor compensation), the individual bank's contribution per financial year is maximum 1.5% of the assessment basis in accordance with article 92, paragraph 3, letter a of the CRR, plus 12.5 times the capital re-



quirements for the position risk in accordance with part 3, title IV, chapter 2 of the EU Capital Requirements Regulation (CRR).

Directive 2014/59/EU on the determination of a framework for the reconstruction and liquidation of financial institutions and investment companies was implemented in Austria by way of the Federal Act on the Recovery and Resolution of Banks (BaSAG).

If the statutory liquidation financing mechanism is to be financed by setting up an ex-ante fund as defined by section 123 of the BaSAG, regular contributions must be made in accordance with section 125 of the ESAEG. The contribution amounts are, in accordance with section 126 of the BaSAG, based on the ratio of the amount of liabilities, less the bank's protected deposits to the aggregate liabilities, less protected deposits of all institutions licensed in Austria. These contributions must be adjusted in accordance with the respective institution's risk profile. No irrevocable payment obligations were applied. Over and above this, the liquidation authority may, in accordance with section 127 of the BaSAG, levy exceptional retroactive contributions. These contributions are calculated on the basis of the rules used for the ordinary contributions as defined by section 126 of the BaSAG and may not exceed three times the ordinary annual contribution.

Institutional protection schemes

Pursuant to article 49, paragraph 3 and article 113, paragraph 7 of the CRR, Raiffeisen-Landesbank Tirol AG has entered into a federal-level 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 73 Tyrolean Raiffeisen banks. Both contracts serve to safeguard adequate liquidity and the solvency of the contracting parties. The liability arrangements in these contracts mean, on the one hand, that the banks party to them do not have to deduct positions in other contracting partners' equity instruments from their own funds (article 49, paragraph 3 of the CRR). In addition, the banks may exclude their exposures vis-à-vis the other parties to the institutional protection scheme when calculating their risk-weighted exposure amounts (article 113, paragraph 7 of the CRR). Both institution-specific protection systems were approved by the financial supervisory authority by means 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 Austrian Banking Act (BWG), the Austrian Commercial Code (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 that has been proven effective for the account-rendering process. Responsibilities for the individual components and process stages in the accounting system are clearly specified and assigned to individual departments. The internal sys-

tem for auditing the account-rendering process has been implemented and is 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 verification of data quality and plausibility checks, as well as the linking of risk and compliance and ensuring that adequate controls are implemented and correctly executed in relation to specific risks. In this way, 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 constitutes 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 2016

Economy: mixed but positive

Although the economic forecasts for 2016 are patchy, they are also very positive in many areas. The USA, in particular, is again likely to be dependable in the year ahead. The world's biggest economy has achieved de facto full employment. Incomes of private households are consequently increasing as well, which in turn should stimulate private consumption as a potential driver of growth. At the same time, however, it also means that wages, salaries and inflation will soon begin to increase more strongly and therefore make interest rate increases unavoidable.

Interest rates remain low

In Europe, we are anticipating – thanks to a variety of positive factors and successful reforms in most of the peripheral countries – an acceleration of growth. The European Central Bank (ECB), however, is unlikely to reach its desired inflation target of just under two per cent for some considerable time. It would therefore be expedient for the ECB to extend its monthly bond purchases to beyond March 2017. As a result, it cannot be assumed that the interest rate landscape is going to change substantially in the next three to four years.

Always the focal point: our customers

In a banking sphere whose level of digitalisation is visibly increasing apace, it is therefore more important than ever that we make our customers the focal point of everything we do. In the process, we set great store by, in particular, the quality of advice provided and a personal relationship. We are still the regional bank whose pledge is to be the dependable partner of Tyroleans. As part of our multichannel strategy, moreover, we regard it as important to offer our customers quick, simple and convenient sources of contact and advice. That is why, in 2016 as before, we are systematically cultivating our desired role as the digital regional bank.

Further increase in quality of advice and guidance

In the private and commercial customers segment, we are continuing with the model launched successfully in 2015 for dual guidance in the residential and investment areas. This is how we are safeguarding our high quality standard in these two complex advisory fields. The establishment of the umbrella brand Raiffeisen Immobilien and the concomitant launch of an in-house real estate brokerage are strengthening our external professional presence

additionally in the residential segment. We are achieving increases in productivity and efficiency with a new customer segmentation system and the systematic implementation of the adapted guidance processes that build upon these.

Strong partnerships on an equal footing

In the corporate customers segment, we intend to continue expanding our collaboration with the Tyrolean Raiffeisen banks by way of the Tyrolean syndicated model. Small and medium-sized businesses remain one of our most important customer groups and, in 2016 as before, we intend to earn their approval with made-to-measure offers. Thanks to the targeted acquisition of new customers, we are continuing to increase our customer proportions while defending our market leadership. As a complement to the endeavours in the private and commercial customers segment, we are intensifying our cooperation with real estate developers with respect to commercial customers.

Geared optimally to the future

Increasing competitive pressure and the continuous changes in specifications and regulations issued by the supervisory authorities are bringing about a structural transformation in the banking sector. We want to guide the necessary changes within the Raiffeisen Banking Group Tyrol actively while giving our owners optimum support as agenda setters. By maintaining a lived spirit of cooperation within the scope of the Raiffeisen principle, we are creating the necessary framework for the continuation of our successful development.

New statutory provisions: Amending law on account rendering

The provisions of the Austrian amending law on account rendering 2014 (RÄG 2014) came into effect on 20 July 2015 and must be applied for account rendering in the financial years that begin after 31 December 2015. This is not expected to have any significant effect on Raiffeisen-Landesbank Tirol AG in 2016 – apart from the capitalisation of deferred taxes.

Management board back to full strength

As of 2016, Raiffeisen-Landesbank Tirol AG's management board is complete again: in addition to Dr Johannes Ortner, who will switch to Raiffeisen-Landesbank Tirol AG as management board



chairman on 1 April, Thomas Wass was likewise appointed unanimously. The three management board members are remaining true to the proven Raiffeisen principles: personal closeness to and close relationships with customers; responsibility with regard to our customers and our home region; active commitment to the region; the cooperative business model and decentralised organisation; and the strength that solidarity generates.

Far-sighted strengthening of corporate culture

As well as a clear strategy, the most important factor in our sustained success is our workforce. As one of Tyrol's most attractive employers, we attach great importance to high-quality vocational training and ongoing education and offer individual career paths.

As regards the training of young people, we are continuing with our successful apprenticeship programme. Quality of leadership is particularly important to us. In a culture of open communication, we put our faith in honest feedback, joint decision-making and a transparently defined performance aspiration. This strengthens our internal and external competitiveness.

We are going to continue along our chosen path

Raiffeisen-Landesbank Tirol AG, the leading institution in the Raiffeisen Banking Group Tyrol, will retain its market leadership in 2016 in conjunction with the Tyrolean Raiffeisen banks and further enhance its clear position as the number one in Tyrol.

Innsbruck, 22 February 2016

The management board of Raiffeisen-Landesbank Tirol AG

Reinhard Mayr
Management board chairman

Thomas Wass
Management board member

**Annual financial
statements 2015**

Balance sheet as at 31 December 2015 –
assets

	31.12.2015		31.12.2014	
	euros	euros	In thousands of euros	In thousands of euros
1. Cash on hand and cash at central banks and giro banks		17,923,093.49		16,857
2. Public-sector debt securities and bills authorised for refinancing by the central bank				
a) Public-sector debt securities and similar securities	1,035,533,071.46		1,010,520	
b) Bills authorised for refinancing by central banks	0	1,035,533,071.46	0	1,010,520
3. Receivables from banks				
a) Maturing daily	1,004,818,744.44		999,193	
b) Other receivables	1,780,917,319.11	2,785,736,063.55	1,595,404	2,594,597
4. Receivables from customers		2,413,352,784.86		2,353,359
5. Debt securities and other fixed-interest securities:				
a) From public issuers	0		0	
b) From other issuers	861,906,661.49	861,906,661.49	750,336	750,336
of which:				
Company bonds	0		0	
6. Equities and other variable-interest securities		17,059,466.57		22,232
7. Investments		183,448,961.68		206,541
of which:				
In banks	182,258,606.23		204,583	
8. Shares in affiliated companies		23,258,580.56		23,098
of which:				
In banks	0		0	
9. Intangible fixed assets		179,461.32		0
10. Property, plant and equipment		38,092,871.78		40,440
of which:				
Real estate and buildings used by the bank for its business activities	18,775,134.82		20,126	
11. Own shares or holdings and also holdings in a controlling company or one with a majority shareholding of which: Nominal value		0		0
	0		0	
12. Other assets		44,712,689.86		55,163
13. Subscribed capital which has been called in but not yet paid		0		0
14. Deferred income		1,620,634.16		5,962
of which:				
Deferred taxes pursuant to section 198, paragraph 10 of the UGB	0		0	
TOTAL assets		7,422,824,340.78		7,079,105



Balance sheet as at 31 December 2015 – equity and liabilities

	31.12.2015		31.12.2014	
	In euros	In euros	In thousands of euros	In thousands of euros
1. Liabilities to banks				
a) Maturing daily	1,384,685,430.26		1,769,346	
b) With an agreed term or period of notice	2,296,218,213.11	3,680,903,643.37	1,765,595	3,534,941
2. Liabilities to customers				
a) Savings account deposits, of which:	480,580,321.77		498,737	
aa) Maturing daily	0		0	
bb) With an agreed term or period of notice	480,580,321.77		498,737	
b) Other liabilities, of which:	1,336,741,226.99	1,817,321,548.76	1,198,758	1,697,495
aa) Maturing daily	685,641,793.82		564,174	
bb) With an agreed term or period of notice	651,099,433.17		634,584	
3. Liabilities evidenced by paper				
a) Debt securities issued	0		0	
b) Other liabilities evidenced by paper	1,368,435,790.20	1,368,435,790.20	1,313,026	1,313,026
4. Other liabilities		68,951,856.78		56,565
5. Deferred income		5,069,988.25		8,986
6. Provisions:				
a) Provisions for redundancy payments	8,569,085.70		8,106	
b) Pension provisions	23,776,516.99		23,023	
c) Tax provisions	5,040,000.00		0	
d) Other	11,851,912.42	49,237,515.11	14,017	45,146
6.A Fund for general banking risks		0		0
7. Supplementary capital		36,119,500.00		29,679
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	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		0	
c) Other reserves	149,365,823.95	157,860,823.95	138,258	146,753
of which:				
Allocated reserves	11,641,930.57		11,642	
Reserve pursuant to section 225, paragraph 5 of the UGB	0		0	
12. Liability reserve pursuant to section 57, paragraph 5 of the BWG		67,200,000.00		67,200
13. Net income		1,705,222.02		8,500
14. Untaxed reserves:				
a) Asset valuation reserve for special depreciations	5,725,652.34		6,521	
b) Other untaxed reserves, of which:	0	5,725,652.34	0	6,521
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		7,422,824,340.78		7,079,105



Below-the-line items

	31.12.2015		31.12.2014	
	In euros	In euros	In thousands of euros	In thousands of euros
ASSETS				
1. Foreign assets		1,031,094,016.26		993,447
EQUITY AND LIABILITIES:				
1. Contingent liabilities of which:		191,388,236.81		202,792
a) Acceptances and endorsement liabilities on negotiated bills	0		0	
b) Liabilities from guarantees and liability from the furnishing of collateral	191,305,296.28		202,687	
2. Credit risks of which:		293,698,606.56		215,706
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: Supplementary capital pursuant to part 2, title I, chapter 4 of Directive (EU) No. 575/2013	32,412,804.04	423,119,851.52	29,503	411,047
5. Capital requirements pursuant to article 92 of the Directive (EU) No. 575/2013, including:		2,979,058,381.19		3,046,771
Capital requirements pursuant to article 92, paragraph 1, a) of Directive (EU) No. 575/2013	13.12%		12.52%	
Capital requirements pursuant to article 92, paragraph 1, b) of Directive (EU) No. 575/2013	13.12%		12.52%	
Capital requirements pursuant to article 92, paragraph 1, c) of Directive (EU) No. 575/2013	14.20%		13.49%	
6. Foreign liabilities		1,153,464,132.24		744,676



Breakdown of the income statement for 2015

	2015		2014	
	In euros	In euros	In thousands of euros	In thousands of euros
1. Interest and similar income of which:		182,356,731.86		218,588
From fixed-interest securities	54,408,779.00		57,629	
2. Interest and similar expenses		131,471,999.09		163,736
I. NET INTEREST INCOME		50,884,732.77		54,852
3. Income from securities and investments				
a) Income from equities, other equity interests and variable-interest securities	1,100,829.88		754	
b) Income from investments	980,188.43		14,220	
c) Income from shares in affiliated companies	6,824,181.14	8,905,199.45	2,571	17,545
4. Commission income		31,514,646.44		30,725
5. Commission expenses		8,884,761.25		8,614
6. Profit/loss from financial transactions		1,609,792.74		2,072
7. Other operating income		10,455,430.60		11,130
II. OPERATING INCOME		94,485,040.75		107,710
8. General administrative costs				
a) Personnel costs of which:	31,837,330.03		33,870	
aa) Wages and salaries	20,909,867.46		22,946	
bb) Costs of statutory social-security charges and income-dependent charges and compulsory contributions	5,452,684.75		5,715	
cc) Other social security costs	914,471.51		938	
dd) Pension and welfare costs	3,323,615.51		3,629	
ee) Allocation to pension provision	-169,371.89		-871	
ff) Costs of redundancy payments and contributions to company employee welfare funds	1,406,062.69		1,513	
b) Other administrative costs (operating expenses)	25,883,033.61	57,720,363.64	26,106	59,976
9. Impairments of the assets included in asset items 9 and 10		2,382,049.18		2,391
10. Other operating costs		4,075,096.41		3,021
III. TOTAL OPERATING COSTS		64,177,509.23		65,388
IV. OPERATING PROFIT		30,307,531.52		42,322



		2015		2014	
		In euros	In euros	In thousands of euros	In thousands of euros
IV.	OPERATING PROFIT – amount carried forward		30,307,531.52		42,322
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		-12,418,639.71		-19,013
13./14.	Balance from valuation allowances on securities evaluated in the same way as financial investments, as well as 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		2,736,285.17		3,169
V.	PROFIT FROM ORDINARY ACTIVITIES		20,625,176.98		26,478
15.	Extraordinary income		0		0
	of which: Withdrawals from the fund for general banking risks	0		0	
16.	Extraordinary expenses		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		-2,360,009.98		338
19.	Other taxes not posted under item 18		-5,886,033.58		-5,800
VI.	NET PROFIT FOR THE YEAR		12,379,133.42		21,016
20.	Movements in reserves		-10,678,433.08		-12,525
	of which: Allocation to liability reserve	0		0	
	Reversal of liability reserve	0		0	
VII.	PROFIT FOR THE YEAR		1,700,700.34		8,491
21.	Profit carried forward		4,521.68		9
VIII.	NET PROFIT		1,705,222.02		8,500



Notes:

Accounting policies

General principles

These annual financial statements have been prepared in accordance with the provisions of the Austrian Banking Act (Bankwesengesetz – BWG), Directive (EU) No. 575/2013 (CRR – Capital Requirements Regulation) and the Austrian Commercial Code (Unternehmensgesetzbuch – UGB in the version applied before the RÄG 2014, BGBl I 2015/22). 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 earnings 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 company's continued existence.

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 are converted at the ECB reference rates or, if these are not published, at the mean currency exchange rate (RZB fixing).

Pursuant to section 58, paragraph 2 of the BWG, forward transactions are 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 are reported at their redemption values

Loans, contingent liabilities and credit risks

Individual impairments or provisions were formed to cover all discernible credit risks. As in the previous 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 and an additional reserve 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.

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 made during the first half of the financial year are subject to the full annual depreciation rate, and additions during the second half year to half of that rate.

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

The useful life on which the scheduled depreciation is based ranges 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 provision has been calculated according to recognised actuarial principles, applying the entry age normal method, based on an actuarial interest rate of one per cent (previous year: two per cent) using the Pagler & Pagler mortality tables (AVÖ 2008) and taking the individual retirement age into account. No staff turnover deduction is made. Monetary value adjustments are allowed for by using the real interest rate.

Provisions 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 one per cent (previous year: two per cent) and taking the individual statutory 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 is 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 these statements, as well as all probable or certain liabilities of uncertain pro-

portions, for the purpose of setting aside the amounts that are 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

The amount reported in sub-item 5 was adjusted on grounds of the FMA's requirements in the financial year 2015 and is not comparable with the previous year. In a deviation from the previous year, in which the capital requirement was reported, the total amount of risk was reported.

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

Pursuant to section 434 of the CRR, 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 the Raiffeisen-Landesbank Tirol AG website (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	31.12.2015	Previous year
	In euros	In thousands of euros
Up to 3 months	280,254,673	329,771
3 months to 1 year	565,045,490	527,427
1 year to 5 years	727,973,453	652,337
5 years or more	207,643,702	85,868

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

Remaining term	31.12.2015	Previous year
	In euros	In thousands of euros
Up to 3 months	117,522,855	113,958
3 months to 1 year	455,205,230	387,632
1 year to 5 years	738,982,502	717,117
5 years or more	1,014,032,108	1,002,338



The maturity dates of liabilities to banks not maturing daily break down as follows:

Remaining term	31.12.2015	Previous year
	In euros	In thousands of euros
Up to 3 months	940,463,788	704,654
3 months to 1 year	379,521,925	191,838
1 year to 5 years	460,345,000	430,766
5 years or more	515,887,500	438,337

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

Remaining term	31.12.2015	Previous year
	In euros	In thousands of euros
Up to 3 months	265,938,565	249,202
3 months to 1 year	329,441,371	339,277
1 year to 5 years	249,581,567	218,131
5 years or more	286,524,651	325,789

In 2016, debt securities and other fixed-interest securities held beneficially in the amount of 111,706,734 euros (previous year: 16,226,000 euros) are going to 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	850,514,007	0
Previous year (in thousands of euros)	(739,453)	(0)
Equities and other variable-interest securities	1,977,440	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	845,464,487	5,049,520
Previous year (in thousands of euros)	(731,666)	(7,787)
Equities and other variable-interest securities	1,977,440	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. Raiffeisen-Landesbank Tirol AG keeps

a small securities trading book. As at the balance sheet date, the book value of the trading book positions amounted to 17,389 euros (previous year: 79,000 euros).

**Other assets**

Other assets also include income from accrued interest totaling 26,293,118 euros (previous year: 32,650,000 euros) that will produce cash inflows after the balance sheet date, as well as trust receivables due from Österreichische Raiffeisen-Einlagen-

sicherung eGen and Raiffeisen-Einlagensicherung Tirol eGen in the amount of 4,019,085 euros deriving from the establishment of an institution-specific protection system at federal and/or state level.

Schedule for the consolidation of the core capital and the supplementary capital (section 64, paragraph 1, line 16)

Equity	31.12.2015	31.12.2014
	In euros	In thousands of euros
Subscribed capital	84,950,000	84,950
Capital reserves	79,342,800	79,343
Revenue reserves	153,680,376	145,160
Other reserves	72,925,652	72,091
Core capital before deductions	390,898,828	381,544
Deductions	-191,781	0
CORE CAPITAL	390,707,047	381,544
Supplementary capital before deductions	33,244,749	29,573
Deductions	-831,945	-69
SUPPLEMENTARY CAPITAL	32,412,804	29,503
REGULATORY CAPITAL	423,119,851	411,047

Capital ratios	2015 Ratio	2015 In euros	2014 Ratio	2014 In thousands of euros
Common equity	13.12%	390,707,047	12.52%	381,544
Minimum requirement common equity	4.50%	134,057,627	4.00%	121,871
Common equity surplus		256,649,420		259,673
Core capital	13.12%	390,707,047	12.52%	381,544
Minimum requirement core capital	6.00%	178,743,502	5.50%	167,572
Core capital surplus		211,963,545		213,972
Total capital	14.20%	423,119,851	13.49%	411,047
Minimum requirement total capital	8.00%	238,324,670	8.00%	243,742
Total capital surplus		184,795,181		167,306

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

The merger of Raiffeisenbanken Tirol Kast GmbH with Raiffeisen-Landesbank Tirol AG has led to the liquidation of the banks'

group, as a result of which the preparation of a consolidated regulatory capital calculation is no longer required.



Provisions and other liabilities

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

Provision for	31.12.2015		Previous year	
	In euros		In thousands of euros	
Open interest rate swaps	2,320,000		3,060	
Contingent liabilities	2,071,765		2,003	
Bonus payments	1,521,469		1,418	
Anniversary bonuses	1,217,420		2,274	
Social welfare plan	0		1,400	

Other liabilities additionally include expenses arising from interest accruals in the amount of 30,840,205 euros (previous year: 32,285,000 euros) and foreign currency measurements of derivatives in the amount of 18,969,963 euros (previous year: 11,329,000 euros) that will produce cash inflows after the balance sheet date.

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

The following assets serve as cover stock for trust funds taken in the amount of 5,495,888 euros (previous year: 6,001,000 euros) within the meaning of section 66 of the BWG and section 2, paragraph 1 of the regulation on the protection of money held in trust:

	31.12.2015		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 793,182,617 euros (previous year: 249,585,000 euros) and receivables totalling 1,071,381,084 euros (previous year: 727,581,000 euros) were furnished as security for obligations from the following transactions:

	31.12.2015		Previous year	
	In euros		In thousands of euros	
Pension transactions (repo)	750,000,000		239,975	
Solid bank bonds with hypothecary coverage fund	295,174,000		23,890	
ECB fixed-rate tenders	270,000,000		250,015	
EIB refinancing arrangements	48,458,870		101,580	
Export fund loans	46,582,472		38,906	
Solid bank bonds with Raiffeisen public finance	45,240,000		45,000	

Supplementary details

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

Assets		Equity and liabilities	
Previous year		Previous year	
In euros	In thousands of euros	In euros	In thousands of euros
847,008,613	937,904	112,796,011	175,577

In the financial year under review, a sum of 10,293 euros (previous year: 13,000 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 2,573 euros (previous year: 3,000 euros).



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	5 or more years		
Interest rate derivatives						
Interest rate swaps	4,478,982	614,591	1,479,044	2,385,347	121,109	298,037
Previous year	(4,558,872)	(648,817)	(1,705,096)	(2,204,959)	(177,464)	(343,726)
Interest rate futures – sale	0	0	0	0	0	0
Previous year	0	0	0	0	0	0
Interest rate options – purchase	229,279	8,147	141,263	79,869	6,730	485
Previous year	(240,209)	(1,189)	(136,680)	(102,340)	(7,363)	(305)
Interest rate options – sale	257,900	8,147	178,615	71,138	705	7,829
Previous year	(274,332)	(1,189)	(173,767)	(99,376)	(528)	(8,958)
Exchange rate derivatives						
Currency futures	0	0	0	0	0	0
Previous year	(464)	(464)	(0)	(0)	(8)	(11)
Currency and interest rate swaps	826,971	211,221	329,622	286,128	6,000	17,811
Previous year	(1,238,546)	(348,747)	(414,697)	(475,102)	(8,992)	(19,345)

Raiffeisen-Landesbank Tirol AG has no 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.

Raiffeisen-Landesbank Tirol AG 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 2015, obligations for close-out netting agreements were posted in the amount of 688,000 euros (previous year:

0 euros) under other operating income in the amount of 301,000 euros (previous year: 602,000 euros), under other operating expenses and 115,000 euros (previous year: 0 euros) under impairments of securities and investments.

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 transaction in the cash value (of that underlying transaction) and the change in the cash value of the derivative used for hedging purposes. Raiffeisen-Landesbank Tirol AG recognises hedging relationships as such only if they are likely to become effective during their entire term.

Hedge derivatives	Fair value	Negative market value
	In euros	In euros
Cap floor	-878,489	-8,314,113
Previous year (in thousands of euros)	(-1,371)	(-9,262)
Swaps	-175,434,785	-270,051,486
Previous year (in thousands of euros)	(-166,893)	(-311,133)
Total	-176,313,274	-278,365,599
Previous year (in thousands of euros)	(-168,264)	(-320,395)

A provision totalling 2,320,000 euros for open interest rate swaps was formed in the financial year under review (previous year: 3,060,000 euros).



Notes to the income statement

Costs of subordinated liabilities

During the year under review, payments for subordinated liabilities totalling 1,541,259.97 euros were made (previous year: 1,150,000 euros).

Other operating income

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

Description of the position	2015	Previous year
	In euros	In thousands of euros
Income from banking activities	3,042,000	2,922
Rental income	1,243,522	1,901
Data centre income	1,049,801	1,338
ELBA cost reimbursements	1,009,527	1,476

Other operating costs

Other operating costs include contributions for the resolution fund totalling 2,039,167 euros (previous year: 0 euros).

Additional information

Employee details

In the financial year 2015 (2014), an average of 331.7 (362.3) white-collar staff and 9.9 (11.5) 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:

Management bodies	2015	Previous year
	In euros	In thousands of euros
Management board	0	33
Supervisory board	332,082	535

The loans to members of the management board and supervisory board were granted on normal industry terms and conditions. During the present financial year, 109,000 euros were repaid (previous year: 30,000 euros).

Redundancy payments and pension costs

The sums paid to management board members, senior executives and other employees in 2015 for redundancy payments and pensions broke down as follows:

Group	2015	Previous year
	In euros	In thousands of euros
Management board and senior executives	2,176,086	1,800
Other employees	3,648,988	2,522

**Costs of overall remuneration for the management board and supervisory board**

The sums paid in the financial year 2015 to members of the management board and supervisory board break down as follows:

Management bodies	2015	Previous year
	In euros	In thousands of euros
Supervisory board	212,400	208

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

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

	2015	Previous year
Return on investment pursuant to section 64 (1), line 19 of the BWG	0.17%	0.30%

Members of the management board and supervisory board

During the financial year 2015, the following persons served as members of the management board and the supervisory board:

a) Management board: SCHMID, Dr Hannes, chairman (until 31.12.2015)
MAYR, Reinhard, management board member

b) Supervisory board: MISSLINGER, Dr Michael, supervisory board chairman
BACHLER, Peter-Roman, supervisory board deputy chairman
GOMIG, Johannes, supervisory board deputy chairman
BLASSNIG, Berthold, supervisory board member
CHODAKOWSY, Josef, supervisory board member
ENTNER, Martina, supervisory board member
HOTTER, Stefan, supervisory board member
LEITNER, Martina, supervisory board member
LORENZ, Martin, supervisory board member
MANTL, Andreas, supervisory board member
PLANK, Erich, supervisory board member
REINSTADLER, Gallus, supervisory board member
THALER, Johann, supervisory board member

Delegates of the works council:

BERGMANN, Doris
GANDER, Wilfried (from 01.09.2015)
HOFER, Heinz
KUNZ, Wolfgang
MÜLLER, Werner (until 22.04.2015)
PUTSCHNER, Dietmar
RAGGL, Michael (from 23.04.2015 to 31.08.2015)
SAIGER, Klaus (from 23.04.2015)
SCHLITTLER, Claudia (from 23.04.2015)
STAFFLER, Rudolf (until 22.04.2015)
ZINGERLE, Erika (until 22.04.2015)

c) State commissioners: MANHARD, Dr Michael, state councillor
UMLAUF, Andreas, senior civil servant



Special depreciation asset valuation reserve for 2015

Asset items	As of	Additions	Disposals	Reclassifica-	As of
	01.01.2015			tions	31.12.2015
	In euros	In euros	In euros	In euros	In euros
7. Investments	3,826,975	0	0	0	3,826,975
of which: in the bank	3,244,708	0	0	0	3,244,708
10. Property, plant and equip- ment	2,694,368	0	162,798	632,893	1,898,677
of which: Real estate and buildings used by the bank for its busi- ness activities	794,122	0	123,942	167,545	502,635
Total	6,521,343	0	162,798	632,893	5,725,652



Statement of fixed asset movements 2015

Asset items		Original cost	Additions	Disposals	Reclassifications
		01.01			
		In euros	In euros	In euros	In euros
2.	a) Public-sector debt securities and similar securities	994,309,935	155,643,519	127,816,799	0
3.	Receivables from banks	2,474,550	102,443,750	2,474,550	0
4.	Receivables from customers	1,100,000	0	0	0
5.	Debt securities and other fixed-interest securities				
	a) Public-sector issuers	0	0	0	0
	b) Other issuers	734,198,899	523,259,290	409,754,557	0
	of which: own debt securities	0	0	0	0
6.	Equities and other variable-interest securities	21,992,528	0	4,997,381	0
7.	Investments	207,558,792	651,526	22,373,357	0
	of which: in banks	204,583,140	645,476	21,600,000	0
8.	Shares in affiliated companies	23,097,581	196,000	35,000	0
	of which: in banks	0	0	0	0
9.	Intangible fixed assets	11,838,398	229,282	2,777,957	0
10.	Property, plant and equipment	112,811,953	947,219	10,870,681	0
	of which:				
	Real estate and buildings used by the bank for its business activities	44,518,728	4,796	1,766,003	242,046
Total		2,109,382,636	783,370,586	581,100,282	0



Original cost 31.12	Revaluation	Cumulative depreciation	Book value 31.12	Book value 01.01	Depreciation in accounting year
In euros	In euros	In euros	In euros	In euros	In euros
1,022,136,655	0	6,358,143	1,015,778,512	990,216,066	2,264,274
102,443,750	0	0	102,443,750	2,443,750	0
1,100,000	0	0	1,100,000	1,100,000	0
0	0	0	0	0	0
847,703,632	0	2,239,145	845,464,487	731,666,276	1,067,251
0	0	0	0	0	0
16,995,147	0	17,320	16,977,827	21,992,528	17,320
185,836,961	0	2,387,999	183,448,962	206,540,802	1,370,010
183,628,616	0	1,370,010	182,258,606	204,583,140	1,370,010
23,258,581	0	0	23,258,581	23,097,581	0
0	0	0	0	0	0
9,289,723	0	9,110,262	179,461	0	49,820
102,888,491	0	64,795,620	38,092,872	40,440,099	2,332,229
42,999,567	0	24,224,432	18,775,135	20,125,665	998,113
2,311,652,940	0	84,908,489	2,226,744,452	2,017,497,102	7,100,904



Audit opinion

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 2015. These annual financial statements comprise the balance sheet as at 31 December 2015, the income statement for the financial year ending on 31 December 2015 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 in line with 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 2015, and of the company's earnings during the financial year from 1 January to 31 December 2015 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.

In my opinion, the management report is in conformity with the annual financial statements.

Vienna, 22 February 2016

Auditor appointed by the Österreichischer Raiffeisenverband

Dr Matthias Trost
Auditor

The publication or dissemination of the annual financial statements together with my audit certificate is permitted only 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 2015 financial year came to 1,705,222.02 euros. The management board proposes distributing a dividend for the financial year 2015 in the amount of 20.00 euros per share of the eligible share capital divided into 84,950 registered shares totalling 84,950,000.00 euros, and carrying forward the remainder of the profit to new account.

Innsbruck, 22 February 2016

Reinhard Mayr
Management board chairman

Thomas Wass
Management board member

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 about all significant occurrences and developments in relation to the bank during the financial year 2015.

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

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 die junge RLB self-service outlet was integrated into the Adamgasse branch as of 19 March 2015.
** The Patsch self-service outlet was integrated into the MPREIS branch there as of 20 September 2015.
*** The Tristach branch was converted to self-service as of 12 March 2015.

Report notice

Responsibility for content:

Raiffeisen-Landesbank Tirol AG

Adamgasse 1–7, 6020 Innsbruck, Austria

Responsible for production:

Raiffeisen Communications:

Christian Bevelander, Dr Daniela Pfennig

Graphic concept: eco.nova c|p / Ines Weiland

Cover photograph: Tom Bause

Photography: Bernhard Aichner, Ursula Aichner (both www.foto-werk.at), Claudia Elzenbaumer, Christian Forcher, Martina Fuchsig, Bettina Haas (HMC – Haas Marketing & Communications), Christine Hofer, Emanuel Kaser (www.unattimo-photo.at), Günter Kresser, Wolfgang Lackner, Martin Lugger, Franz Oss (www.franz-oss.com), Sarah Peischer, Roman Potykanowicz, Steffen Riese, Annelies Senfter, Raiffeisen Betriebssportgemeinschaft Tirol, Raiffeisen-Landesbank Tirol AG

Gender information: In order to enhance readability of the texts, we generally use only the masculine form of personally identifiable nouns. This does not imply in any way that the other gender is being disadvantaged.

Printing: RWf - Frömel-Hechenleitner Werbegesellschaft m.b.H.

