

**Closing balance sheet according  
to Section 2 para 2 of the Demerger  
Act as of 30 Juni 2020**

## Balance Sheet as at 30 June 2020

Assets	30/06/2020 in €	30/06/2020 in €	31/12/2019 in € thousand	31/12/2019 in € thousand
1. Deposits with central banks		440,436,034.89		51,093
2. Loans and advances to credit institutions				
a) repayable on demand	320,448,810.44		117,550	
b) other loans and advances	3,525,903,431.57	3,846,352,242.01	3,659,306	3,776,856
3. Loans and advances to customers		24,878,769.42		46,266
4. Bonds, notes and other fixed-interest securities				
a) issued by public bodies	2,977,442.80		3,120	
b) issued by other borrowers	15,185,695.85	18,163,138.65	15,210	18,330
5. Shares and other variable-yield securities		191,247,626.76		335,160
6. Equity participations		5,140,014.88		5,140
7. Shares in affiliated companies		1,100,000.00		1,100
8. Intangible fixed assets		190,522.03		137
9. Tangible fixed assets thereof land and buildings used by the credit institution for own purposes: € 8,899,339.91 previous year: € 9,025 thousand		10,587,165.47		11,008
10. Other assets		141,458,893.06		193,663
11. Prepayments and other deferrals		2,894,680.10		1,263
12. Deferred tax assets		235,923.45		219
<b>Total assets</b>		<b>4,682,685,010.72</b>		<b>4,440,234</b>
<b>Off-balance sheet items</b>				
1. Foreign assets		552,482,722.06		548,201

Equity and liabilities	30/06/2020 in €	30/06/2020 in €	31/12/2019 in € thousand	31/12/2019 in € thousand
1. Liabilities to credit institutions				
a) repayable on demand	246,428.47		45,977	
b) with agreed maturity dates or periods of notice	836,212,549.15	836,458,977.62	6,001	51,978
2. Liabilities to customers				
a) repayable on demand	619,282.89		210,861	
b) with agreed maturity dates or periods of notice	0.00	619,282.89	255,627	466,489
3. Securitized liabilities				
a) issued securitized liabilities	1,686,306,021.24		1,826,606	
b) other securitized liabilities	1,533,381,290.54	3,219,687,311.78	1,667,950	3,494,556
4. Other liabilities		489,901,246.15		287,755
5. Accruals and deferred items		253,138.90		226
6. Provisions				
a) for severance payments	4,233,537.00		4,763	
b) for taxes	112,923.33		118	
c) other provisions	7,128,778.90	11,475,239.23	6,302	11,183
7. Subscribed capital		47,598,850.00		47,599
8. Capital reserves				
a) committed	6,651,420.71		6,651	
b) uncommitted	14,000,000.00	20,651,420.71	14,000	20,651
9. Retained earnings				
a) legal reserve	1,030,936.83		1,031	
b) other reserves	33,653,910.14	34,684,846.97	33,654	34,685
10. Liability reserve pursuant to Section 57 para. 5 Austrian Banking Act		13,538,860.00		13,539
11. Net profit for the period		7,815,836.47		11,573
<b>Total equity and liabilities</b>		<b>4,682,685,010.72</b>		<b>4,440,234</b>
<b>Off-balance sheet items</b>				
1. Contingent liabilities		0.07		0
2. Commitments arising from fiduciary business transactions		7,091,121.47		7,091
3. Eligible own funds pursuant to Part 2 of Regulation (EU) No 575/2013		112,870,227.72		108,094
4. Capital requirements pursuant to Article 92 of Regulation (EU) No 575/2013 (Total Risk-Weighted Assets)		509,451,193.21		520,337
hereof: capital requirements pursuant to Article 92 para. 1				
hereof: capital requirements pursuant to Article 92 para. 1 lit (a)		22.16%		20.77%
hereof: capital requirements pursuant to Article 92 para. 1 lit (b)		22.16%		20.77%
hereof: capital requirements pursuant to Article 92 para. 1 lit (c)		22.16%		20.77%
5. Foreign equity and liabilities		448,384,573.03		689,550

## NOTES TO THE CLOSING BALANCE SHEET AS AT 30 JUNE 2020

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### **A. ACCOUNTING POLICIES**

#### **General**

Due to the planned demerger of the Equity Value Chain division, Raiffeisen Centrobank AG has to draw up a closing balance sheet in accordance with Section 2 para. 2 of the Austrian Demerger Act (Spaltungsgesetz). The closing balance according to Section 2 para. 2 of the Austrian Demerger Act comprises the balance sheet as at 30 June 2020 and the notes to the closing balance sheet.

The interim financial statements of Raiffeisen Centrobank AG as at 30 June 2020 have been prepared in accordance with the general accounting principles stipulated in the Austrian Commercial Code and the specific sectoral regulations as specified by the Austrian Banking Act. In accordance with the principles of proper accounting and taking into account standard practice as described in Section 222 para. 2 of the Austrian Commercial Code, the interim financial statements give a true and fair view of the company's net assets, financial position and earnings.

The valuation of assets and equity and liabilities is based on the principle of individual valuation assuming a going concern perspective. The principle of prudence is applied, taking account of the specific characteristics of the banking business.

Compared to the financial statements as at 31 December 2019, no changes have been made in the accounting policies. The financial statements have been prepared in compliance with the consistency principle.

The balance sheet and the income statement have been structured according to Appendix 2 of the forms contained in Section 43 Austrian Banking Act.

Since 26 April 2017, Raiffeisen Centrobank AG has been operating a branch office in Bratislava (Raiffeisen Centrobank AG Slovak Branch pobočka zahraničnej banky). The business volume as well as income and expenses attributable to the branch office have been included in the interim financial statements.

On 13 January 2020 a demerger and absorption agreement was concluded in which Raiffeisen Centrobank AG as assigning company transferred, in the form of a demerger by absorption, its Investment Services department to Kathrein Privatbank Aktiengesellschaft as acquiring company pursuant to Section 1 para. 2 no. 2 Austrian Demerger Act (Spaltungsgesetz) and Article VI Reorganization Tax Act (Umgründungssteuergesetz) by universal succession with the effective date as of 30 June 2019 (demerger date) and on the basis of the audited closing balance sheet of Raiffeisen Centrobank AG as at 30 June 2019. Kathrein Privatbank Aktiengesellschaft did not issue any new shares in the course of the demerger by absorption. In the Extraordinary General Assembly of Raiffeisen Centrobank AG held on 13 January 2020 the demerger by absorption was approved.

The European Central Bank (ECB) approved the demerger by absorption of the Investment Services department of Raiffeisen Centrobank AG to Kathrein Privatbank Aktiengesellschaft by decision dated 27 February 2020. Upon entry into the commercial register on 01 April 2020 the demerger by absorption became legally effective. This demerger partially affects the comparability of the previous year's period balance sheet and income statement. Where material amounts are reported the impact of the demerger has been considered.

#### **Foreign currency translation**

Assets and liabilities denominated in foreign currencies are reported at the rates of exchanges fixed by the ECB. During the year, amounts denominated in currencies, for which the ECB published no rates, are converted at the middle rates of exchange published by Raiffeisen Bank International AG (RBI) on the balance sheet date. At year-end, foreign currency positions are converted at the rates published by

the Vienna Stock Exchange on the last trading day. If no rate is available for a particular currency, rates published by the ECB, RBI or the respective market rates are used.

Forward foreign exchange contracts are capitalized at the forward exchange rates. Any differences in rates resulting from currency conversion are reported as profit or loss in the income statement.

### **Trading portfolio – valuation of securities, options and futures**

In terms of securities held for trading purposes, the company's portfolio of shares in publicly listed companies as well as fixed-interest securities is reported at the share price prevailing at the balance sheet date. If no quotes or share prices are available, the value is determined by means of valuation models.

Bonds held by the company for trading purposes are valued at quotes provided by other credit institutions, brokers or at Reuters quotes, in case stock exchange quotes are not available or are not conclusive. If such quotes are not available, prices are calculated internally based on the net present value method. This method is based on an interest rate curve comprised of money market, futures and swap rates as well as spreads.

Certificates acquired based on an equity-based or index-based performance are valued with the share prices prevailing on the balance sheet date, and if no share prices are available, with the assistance of valuation models to illustrate stochastic development processes.

Derivatives are reported in the balance sheet at fair value, which equals the market price or a synthetic value. Adjustments in value are recognized through profit or loss in the income statement. The synthetic values are determined according to the Bank's own evaluation methods, which are examined and approved by risk management and which are based on recognized option-theoretical models.

Options on securities of publicly listed companies and options on security indices (i.e. purchased and sold calls and puts, primarily EUREX options) as well as futures held for trading purposes are valued according to the market prices prevailing on the balance sheet date. Value adjustments were made to take temporal differences into account.

OTC options are primarily valued at tradable prices quoted by the counterparty. Options for which no tradable prices are available are valued by adequate models. In principle, for each instrument a respective pricing model is available in the trading book. The model calculates the theoretical price if no market price is available as well as the sensitivities (e.g. delta factor) applied to determine the capital requirements pursuant to the CRR. For plain vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options, whereas barrier options use the Heynen-Kat model. Additional pricing models are available if required. All pricing models used to calculate synthetic values have been approved by Risk Management. All pricing models have been approved by the Austrian Financial Market Supervision (FMA) and the OeNB/ECB, respectively.

### **Banking book – valuation of derivatives**

The derivatives volume in the banking book relates exclusively to foreign exchange forward transactions to hedge foreign currency risks. They are valued at fair value relying on observable market parameters.

### **Loans and advances to credit institutions and customers**

Loans and advances to credit institutions and customers are shown at their nominal value. Individual loan loss provisions are made in the case of an identifiable recognizable risk of default on the part of borrowers. In addition, general impairment allowances have been made from 2018 onwards for expected credit losses (ECL), whereby Raiffeisen Centrobank AG has taken the opportunity to apply the regulations of IFRS 9 to calculate general impairment allowances under company law.

The general impairment allowances pursuant to IFRS 9 have been implemented based on a two-stage procedure. If the credit default risk for current assets does not increase significantly since initial recognition, the impairment loss for each asset is measured at the present value of an expected twelve-month loss as at the reporting date (ECL Stage 1). In the case of assets whose credit risk does not increase significantly since initial recognition and which are not classified as transactions with a low credit risk at the reporting date, the expected credit loss is calculated over the asset's entire remaining

term (ECL Stage 2). The expected losses for both stages are calculated on an individual transaction basis applying statistical risk parameters such as Probability of Default (PD), Exposure at Default (EAD) as well as Loss Given Default (LGD). The estimation of risk parameters includes not only historical default information but also the current economic environment (point-in-time orientation) and forward-looking information.

### **Equity participations and shares in affiliated companies**

Equity participations and shares in affiliated companies are valued at cost unless permanent losses or decreased equity require a non-scheduled depreciation of the fair value (subjective or objectified company value). In case, reasons for impairment are no longer applicable, a write-up to the cost of acquisition is carried out.

### **Intangible and tangible fixed assets**

The valuation of intangible and tangible fixed assets (i.e. land and buildings, office furniture and equipment as well as other tangible fixed assets) is carried out at the cost of acquisition less their scheduled, linear depreciation.

Depreciation rates applied are 33.3 per cent p.a. for intangible fixed assets, 2.5 per cent and 10.0 per cent p.a. for immovable fixed assets, and 10.0 per cent – 33.0 per cent for movable fixed assets. A full year's depreciation is taken in the case of additions made during the first half of the financial year, whereas half-year depreciation applies to additions in the second half of the financial year. Low value assets (cost of acquisition per item less than € 0.8 thousand) are fully depreciated in the year of acquisition.

### **Liabilities to credit institutions and customers**

Liabilities to credit institutions and customers are reported at the amount of repayment, taking into consideration the principle of financial prudence.

### **Securitized liabilities**

Securitized liabilities are measured at fair value which equals the present value method, or the common option value methods for the option component. Securitized liabilities include capital protected structured products, whose rate of interest depends on the equity price or equity index performance, reverse convertible bonds and certificates with option character (turbo, discount, bonus, factor, express and index/participation certificates) and warrants.

### **Provisions for severance payments**

The provisions for severance payments are designed to fulfil legal demands, as well as those arising from individual or collective contractual agreements. Provisions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 1.25 per cent (31/12/2019: 0.9 per cent), as well as an unchanged annual salary increase amounting to 3.7 per cent (31/12/2019: 3.5 per cent). The AVÖ (Austrian actuaries' association) 2018-P-basis for calculating retirement pension insurances – Pagler & Pagler for salaried employees was taken as biometric basis for calculation.

The underlying presumption is a decreasing fluctuation rate in connection with the earliest possible retirement date, at the age of 60 for women and 65 for men, taking into account the changes to Austria's General Social Security Law in accordance to the Budgetary Amendment 2003. The premium reserve amounts to 87.4 per cent (31/12/2019: 89.9 per cent) of the statistical termination benefit obligations on the balance sheet date.

### **Other provisions**

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined. Long-term provisions are discounted. The interest rate amounts to 1.25 per cent (31/12/2019: 0.9 per cent).

## B. NOTES TO BALANCE SHEET ITEMS

### I. Deposits with central banks

The balance sheet item A 1, which encompasses deposits with the Austrian National Bank, amounted to € 440,436 thousand (31/12/2019: € 51,093 thousand). Prevailing regulations pertaining to liquidity and minimum reserves were observed.

### II. Loans and advances

#### II.1. Classification of loans and advances and securities positions according to their remaining term

in € thousand	Repayable on demand/ without maturity	0-3	3-12	1-5	>5	Total
<b>30/06/2020</b>		months	months	years	years	
Loans and advances to credit institutions	320,331	406,244	269,414	1,985,539	864,825	3,846,352
Loans and advances to customers	24,372	507	0	0	0	24,879
Bonds, notes and other fixed-interest securities	0	0	10,489	7,674	0	18,163
Shares and other variable-yield securities	191,248	0	0	0	0	191,248
Other assets	56,977	4,543	6,435	58,778	14,726	141,459
	<b>592,927</b>	<b>411,294</b>	<b>286,338</b>	<b>2,051,991</b>	<b>879,551</b>	<b>4,222,101</b>

in € thousand	Repayable on demand/ without maturity	0-3	3-12	1-5	>5	Total
<b>31/12/2019</b>		months	months	years	years	
Loans and advances to credit institutions	117,550	347,883	406,571	2,215,654	689,199	3,776,856
Loans and advances to customers	3,680	35,506	0	6,991	90	46,266
Bonds, notes and other fixed-interest securities	0	0	7,518	10,811	0	18,330
Shares and other variable-yield securities	335,160	0	0	0	0	335,160
Other assets	30,234	2,573	5,194	119,927	35,734	193,663
	<b>486,623</b>	<b>385,962</b>	<b>419,284</b>	<b>2,353,383</b>	<b>725,023</b>	<b>4,370,274</b>

## II.2. Loans and advances to affiliated companies and equity participations

in € thousand <b>30/06/2020</b>	<b>Loans and advances to affiliated companies (direct/indirect &gt;50%)</b>	<b>Loans and advances to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (&lt;50%)</b>
Loans and advances to credit institutions	3,372,895	0
Loans and advances to customers	0	507
Bonds, notes and other fixed-interest securities	7,511	0
Shares and other variable-yield securities	109	0
Other assets	110	8
	<b>3,380,625</b>	<b>515</b>

in € thousand <b>31/12/2019</b>	<b>Loans and advances to affiliated companies (direct/indirect &gt;50%)</b>	<b>Loans and advances to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (&lt;50%)</b>
Loans and advances to credit institutions	3,490,332	0
Loans and advances to customers	0	506
Bonds, notes and other fixed-interest securities	7,518	0
Shares and other variable-yield securities	110	0
Other assets	688	8
	<b>3,498,649</b>	<b>514</b>

“Loans and advances to credit institutions” included tradable money market deposits (solely RBI) in the amount of € 2,951,504 thousand (31/12/2019: € 2,933,576 thousand) serving as hedges for certificates issued by Raiffeisen Centrobank AG.

## III. Securities

**Figures supplied pursuant to Section 64 para. 1 no. 10 and no. 11 Austrian Banking Act**

in € thousand <b>30/06/2020</b>	<b>Unlisted</b>	<b>Listed</b>	<b>Total</b>	<b>Valued at market price</b>
Bonds, notes and other fixed-interest securities, A 4	2,527	18,161	18,163	18,163
Shares and other variable-yield securities, A 5	41,270	149,978	191,248	191,248
Equity participations, A 6	5,140	0	5,140	x
Shares in affiliated companies, A 7	1,100	0	1,100	x



in € thousand <b>31/12/2019</b>	<b>Unlisted</b>	<b>Listed</b>	<b>Total</b>	<b>Valued at market price</b>
Bonds, notes and other fixed-interest securities, A 4	0	18,330	18,330	18,330
Shares and other variable-yield securities, A 5	60,795	274,367	335,160	335,160
Equity participations, A 6	5,140	0	5,140	x
Shares in affiliated companies, A 7	1,100	0	1,100	x

As at 30/06/2020, balance sheet item A 4 included fixed-interest securities held for trading amounting to € 18,163 thousand (31/12/2019: € 18,330 thousand) of which € 10,489 thousand (31/12/2019: € 7,518 thousand) would fall due in the forthcoming year.

#### IV. Equity participations and shares in affiliated companies

Unchanged to the previous year's period, the Bank directly held a minimum of 20 per cent of the shares in the subsequent companies as at 30/06/2020:

in € thousand				
Name		Shareholding	Equity	Annual results
Domicile		in %	31/12/2019	2019
1	Centrote Holding GmbH, Vienna	100	1,131	(12)
2	Syrena Immobilien Holding AG, Spittal/Drau	21	27,320	(369)

Further to the sale of the commodity trading subsidiaries, Centrote Holding GmbH did not perform any operational activities.

#### V. Fixed assets

The composition and development of fixed assets is contained in the table outlining the development of fixed assets.

#### VI. Other assets

Balance sheet item A 10 "Other assets" totaling € 141,459 thousand (31/12/2019: € 193,663 thousand) referred primarily to purchase contracts from trading in derivative financial instruments reported at fair value as at 30/06/2020:

in € thousand	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Positive fair values of derivative financial instruments</b>		
from OTC options	84,363	162,650
from trading in EUREX options and futures	8,355	14,809
from trading in other options and futures	46,915	13,733
	<b>139,632</b>	<b>191,192</b>

In addition, loans and advances to foreign tax authorities in the amount of € 1,265 thousand (31/12/2019: € 1,040 thousand) were included. In the previous year, the item contained the settlement of Group charges (including capital yields tax charged to the Group) in the amount of € 556 thousand.

#### VII. Deferred tax assets

"Deferred tax assets" amounted to € 236 thousand (31/12/2019: € 219 thousand) as at 30/06/2020.

in € thousand <b>30/06/2020</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
Loans and advances to credit institutions	5	0
Loans and advances to customers	16	0
Shares and other variable-yield securities	0	(267)
Prepayments and other deferrals	14	0
Provisions for severance payments	1,819	0
Other provisions	301	0
<b>Total</b>	<b>2,155</b>	<b>(267)</b>
<b>Balance</b>	<b>1,888</b>	
Deferred tax assets as at 30/06/2020 (12.5%)	236	

in € thousand <b>31/12/2019</b>	<b>Deferred tax assets</b>	<b>Deferred tax liabilities</b>
Loans and advances to credit institutions	8	0
Loans and advances to customers	25	0
Shares and other variable-yield securities	0	(267)
Prepayments and other deferrals	14	0
Provisions for severance payments	1,926	0
Other provisions	50	0
<b>Total</b>	<b>2,023</b>	<b>(267)</b>
<b>Balance</b>	<b>1,756</b>	<b>0</b>
Deferred tax assets as at 31/12/2019 (12.5%)	219	0

“Deferred tax assets” were recognized at a tax rate of 12.5 per cent as, based on the prevailing group assessment agreement, this percentage provides for tax relief in the future. Any tax relief beyond this rate cannot be assessed by the Group member as no influence can be exerted on the amount of the untaxable portion of the taxable profit on Group level.

## VIII. Liabilities

### VIII.1. Classification of liabilities according to their remaining term

in € thousand	<b>Repayable on demand/ without maturity</b>	<b>0-3</b>	<b>3-12</b>	<b>1-5</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>30/06/2020</b>		<b>months</b>	<b>months</b>	<b>years</b>		
Liabilities to credit institutions	246	762,199	73,977	9	29	836,459
Liabilities to customers	619	0	0	0	0	619
Securitized liabilities	0	105,431	221,145	1,826,650	1,066,462	3,219,687
Other liabilities	126,050	23,344	35,738	271,893	32,876	489,901
	<b>126,916</b>	<b>890,974</b>	<b>330,859</b>	<b>2,098,552</b>	<b>1,099,366</b>	<b>4,546,667</b>

in € thousand	<b>Repayable on demand/ without maturity</b>	<b>0-3</b>	<b>3-12</b>	<b>1-5</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>31/12/2019</b>		<b>months</b>	<b>months</b>	<b>years</b>		
Liabilities to credit institutions	45,978	5,370	0	0	630	51,978
Liabilities to customers	210,861	4,129	6,631	244,867	0	466,489
Securitized liabilities	0	129,343	417,125	1,984,660	963,427	3,494,556
Other liabilities	106,756	39,651	33,552	105,790	2,006	287,755
	<b>363,595</b>	<b>178,493</b>	<b>457,309</b>	<b>2,335,318</b>	<b>966,063</b>	<b>4,300,778</b>

### VIII.2. Liabilities to affiliated companies and equity participations

in € thousand <b>30/06/2020</b>	<b>Liabilities to affiliated companies</b>	<b>Liabilities to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (&lt;50%)</b>
Liabilities to credit institutions	761,034	0
Other liabilities	8,524	2
	<b>769,558</b>	<b>2</b>

in € thousand <b>31/12/2019</b>	<b>Liabilities to affiliated companies</b>	<b>Liabilities to equity participations in which Raiffeisen Centrobank AG has a direct shareholding (&lt;50%)</b>
Liabilities to credit institutions	4,931	0
Liabilities to customers	1,131	0
Other liabilities	2,976	2
	<b>9,038</b>	<b>2</b>

### VIII.3. Securitized liabilities

The balance sheet item P 3 "Securitized liabilities" included issued and other securitized liabilities totaling € 3,219,687 thousand (31/12/2019: € 3,494,556 thousand), held for trading and allocated to the following product categories:

<b>in € thousand</b>	<b>30/06/2020</b>	<b>31/12/2019</b>
<b>Issued securitized liabilities</b>	<b>1,686,306</b>	<b>1,826,606</b>
Capital Protection Certificates	1,543,834	1,541,572
Reverse Convertible Bonds	142,472	285,034
<b>Other securitized liabilities</b>	<b>1,533,381</b>	<b>1,667,950</b>
Certificates with option character	1,524,657	1,654,733
Warrants	8,725	13,217
	<b>3,219,687</b>	<b>3,494,556</b>

"Securitized liabilities" in the amount of € 326,576 thousand (31/12/2019: € 546,468 thousand) would fall due in the next year.

### VIII.4. Other liabilities

The balance sheet item P 4 "Other liabilities" amounting to € 489,901 thousand (31/12/2019: € 287,755 thousand) referred primarily to liabilities reported at fair value as well as premiums received from trading in securities and derivative financial instruments.

in € thousand	30/06/2020	31/12/2019
<b>Negative fair values of derivative financial instruments</b>	<b>408,028</b>	<b>185,626</b>
from OTC options and forward exchange transactions	361,478	168,459
from trading in EUREX options and futures	27,598	5,364
from trading in other options and futures	18,952	11,803
<b>Short-selling of trading assets</b>	<b>77,560</b>	<b>74,453</b>
	<b>485,588</b>	<b>260,079</b>

"Other liabilities" as at 30/06/2020 included liabilities with settlement character in the amount of € 731 thousand (31/12/2019: € 529 thousand), group charges in the amount of € 526 thousand (31/12/2019: € 44 thousand), liabilities to domestic tax authorities adding up to € 427 thousand (31/12/2019: € 787 thousand) and liabilities related to payroll accounting in the amount of € 635 thousand (31/12/2019: € 610 thousand). In addition, the item included a liability to the Austrian Financial Market Supervision coming to € 665 thousand, liabilities to foreign counterparties relating to index fees adding up to € 988 thousand (31/12/2019: € 465 thousand) and short-term charges derived from security trades not yet settled coming to € 203 thousand (31/12/2019: € 13,437 thousand). Compared to the previous year's period, the item also included a liability relating to an equity capital market transaction in the amount of € 11,512 thousand.

#### IX. Provisions

Provisions were as follows:

in € thousand	30/06/2020	31/12/2019
<b>Provisions for severance payments</b>	<b>4,234</b>	<b>4,763</b>
<b>Provisions for taxes</b>	<b>113</b>	<b>119</b>
<b>Other provisions</b>	<b>7,129</b>	<b>6,302</b>
Provisions for bonus payments	1,989	2,449
Provisions for overdue vacation	1,599	1,293
Provisions for legal, auditing and consulting expenses	278	212
Provisions for litigation risks	0	233
Provisions for dividend charges/outstanding invoices in the securities segment	794	247
Provisions for outstanding invoices (others)	334	173
Provisions for outstanding license fees	350	0
Provisions for charged Management Board expenses	1,223	983
Provisions for market data risks	510	365
Sundry	52	347
	<b>11,475</b>	<b>11,183</b>

#### X. Share capital and reserves

The **share capital** remained unchanged and was comprised of 655,000 no-par-value shares.

The shares in Raiffeisen Centrobank AG were owned by the following companies:

	%	Shares
RBI IB Beteiligungs GmbH, Vienna	100.00	654,999
Raiffeisen International Invest Holding GmbH, Vienna (previously Lexxus Services Holding GmbH, Vienna)	0.00	1
	<b>100.00</b>	<b>655,000</b>

As of the merger contract dated 27/05/2019, Lexus Services Holding GmbH, Vienna, as transferred company was merged with Raiffeisen International Invest Holding GmbH, Vienna as transferring company.

**Capital reserves** amounted to € 20,651 thousand as at 30/06/2020, remained unchanged to the previous year (31/12/2019: € 20,651 thousand) and contain committed and uncommitted capital reserves adding up to € 6,561 thousand and € 14,000 thousand, respectively.

**Retained earnings** included legal reserves in the amount of € 1,031 thousand (31/12/2019: € 1,031 thousand) and other reserves totaling € 33,654 thousand (31/12/2019: € 33,654 thousand).

**Liability reserve** pursuant to Section 57 para. 5 Austrian Banking Act remained unchanged to the previous year, totaling € 13,539 thousand.

#### **XI. Obligations arising from the use of tangible fixed assets not recognized in the balance sheet**

The rental and leasing expenses during the period under review amounted to € 202 thousand (first half of 2019: € 227 thousand), thereof € 25 thousand (2019: € 29 thousand) to affiliated companies. For the 2020 financial year, rental and leasing expenses are expected to total € 394 thousand and € 1,773 thousand for the 2020-2024 financial years, of which the rental and leasing expenses for affiliated companies will total € 36 thousand and € 186 thousand, respectively.

#### **XII. Supplementary data**

##### **Assets and liabilities in foreign currencies**

The following amounts were contained in the balance sheet total in foreign currencies:

in € thousand	<b>Current value</b>	
	<b>30/06/2020</b>	<b>31/12/2019</b>
Assets	949,653	1,415,100
Liabilities	789,360	1,217,538

##### **Trading book**

A trading book is maintained. At the balance sheet date, the trading volume at fair values (positive and negative fair values offset) estimated pursuant to internal risk calculation amounted to:

in € thousand	<b>30/06/2020</b>	<b>31/12/2019</b>
Shares/mutual funds	103,629	266,706
Listed options	7,845	11,508
Futures	33,017	10,667
Warrants/certificates with option character	(1,518,672)	(1,575,382)
OTC options	(277,947)	(2,622)
Purchased bonds/tradable money market deposits	3,175,901	3,260,011
Issued capital protection certificates and reverse convertible bonds	(1,702,188)	(1,759,507)

##### **Volume of the securities trading book**

As at the balance sheet date the securities trading book (notional amount) was made up as follows:

in € thousand	<b>30/06/2020</b>	<b>31/12/2019</b>
Securities	4,061,324	3,757,989
Other financial instruments	7,698,364	8,711,147
	<b>11,759,688</b>	<b>12,469,136</b>

**Data on transactions with derivative financial instruments and unsettled forward transactions**

Raiffeisen Centrobank AG's trading in derivative financial instruments focuses on options and forward transactions (mainly futures).

The financial instruments issued by Raiffeisen Centrobank AG can be classified as warrants, certificates mainly on equities and equity indices (turbo, discount, bonus, factor, express and index/participation certificates), as well as capital protection certificates and reverse convertible bonds with a payment structure related to equity or equity indices.

Equities held by Raiffeisen Centrobank AG represent, together with purchased options, tradable money market deposits and zero bonds depicted in other balance sheet items, the hedge positions to issued certificates and warrants, and are part of the Bank's market maker activities.

The volumes of derivative financial instruments and unsettled forward transactions as at 30/06/2020 were as follows:

in € thousand	Notional amount		thereof	Fair value	
30/06/2020	Purchase	Sale	trading book	Positive	Negative
<b>1. Foreign exchange contracts</b>	<b>78,928</b>	<b>98,736</b>	<b>79,952</b>	<b>7,160</b>	<b>(42)</b>
<b>1.1. OTC products</b>	<b>46,387</b>	<b>98,736</b>	<b>47,411</b>	<b>6,067</b>	<b>(42)</b>
Forward foreign exchange contracts	0	97,712	0	0	(42)
Currency options/gold contracts	46,387	1,024	47,411	6,067	0
<b>1.2. Products traded on stock exchange</b>	<b>32,541</b>	<b>0</b>	<b>32,541</b>	<b>1,092</b>	<b>0</b>
Future foreign exchange contracts	32,541	0	32,541	1,092	0
<b>2. Equity contracts</b>	<b>7,865,313</b>	<b>2,091,182</b>	<b>9,956,495</b>	<b>130,030</b>	<b>(406,298)</b>
<b>2.1. OTC products</b>	<b>7,372,954</b>	<b>1,682,322</b>	<b>9,055,276</b>	<b>77,379</b>	<b>(361,094)</b>
Equity/index-based options	7,372,954	1,682,322	9,055,276	77,379	(361,094)
<b>2.2. Products traded on stock exchange</b>	<b>492,359</b>	<b>408,860</b>	<b>901,219</b>	<b>52,651</b>	<b>(45,204)</b>
Equity/index-based future contracts	205,074	67,569	272,643	36,231	(4,479)
Equity/index-based options	287,285	341,291	628,575	16,420	(40,725)
<b>3. Commodities/precious metals</b>	<b>102,806</b>	<b>936</b>	<b>103,742</b>	<b>2,086</b>	<b>(1,688)</b>
<b>3.1. OTC products</b>	<b>29,728</b>	<b>901</b>	<b>30,628</b>	<b>559</b>	<b>(343)</b>
Commodity and precious metal options	29,728	901	30,628	559	(343)
<b>3.2. Products traded on stock exchange</b>	<b>73,078</b>	<b>36</b>	<b>73,114</b>	<b>1,526</b>	<b>(1,346)</b>
Commodity and precious metal future contracts	73,078	36	73,114	1,526	(1,346)
<b>4. Other transactions</b>	<b>41,450</b>	<b>0</b>	<b>41,450</b>	<b>357</b>	<b>0</b>
<b>4.1. OTC products</b>	<b>41,450</b>	<b>0</b>	<b>41,450</b>	<b>357</b>	<b>0</b>
Other options	41,450	0	41,450	357	0
<b>Total OTC products</b>	<b>7,490,519</b>	<b>1,781,959</b>	<b>9,174,766</b>	<b>84,363</b>	<b>(361,479)</b>
<b>Total stock exchange traded products</b>	<b>597,978</b>	<b>408,896</b>	<b>1,006,874</b>	<b>55,270</b>	<b>(46,550)</b>
	<b>8,088,497</b>	<b>2,190,855</b>	<b>10,181,640</b>	<b>139,633</b>	<b>(408,028)</b>

The volumes of derivative financial instruments and unsettled forward transactions as at 31/12/2019 were as follows:

in € thousand <b>31/12/2019</b>	<b>Notional amount</b>		<b>thereof trading book</b>	<b>Fair value</b>	
	<b>Purchase</b>	<b>Sale</b>		<b>Positive</b>	<b>Negative</b>
<b>1. Foreign exchange contracts</b>	<b>71,982</b>	<b>117,361</b>	<b>73,008</b>	<b>5,018</b>	<b>(156)</b>
<b>1.1. OTC products</b>	<b>44,658</b>	<b>117,361</b>	<b>45,684</b>	<b>4,272</b>	<b>(156)</b>
Forward foreign exchange contracts	0	116,335	0	0	(156)
Currency options/gold contracts	44,658	1,026	45,684	4,272	0
<b>1.2. Products traded on stock exchange</b>	<b>27,324</b>	<b>0</b>	<b>27,324</b>	<b>747</b>	<b>0</b>
Future foreign exchange contracts	27,324	0	27,324	747	0
<b>2. Equity contracts</b>	<b>2,954,755</b>	<b>2,442,255</b>	<b>5,397,010</b>	<b>179,865</b>	<b>(185,401)</b>
<b>2.1. OTC products</b>	<b>2,029,634</b>	<b>1,817,926</b>	<b>3,847,559</b>	<b>154,968</b>	<b>(168,303)</b>
Equity/index-based options	2,029,634	1,817,926	3,847,559	154,968	(168,303)
<b>2.2. Products traded on stock exchange</b>	<b>925,121</b>	<b>624,330</b>	<b>1,549,451</b>	<b>24,897</b>	<b>(17,098)</b>
Equity/index-based future contracts	189,056	76,879	265,935	9,321	(2,258)
Equity/index-based options	736,065	547,451	1,283,516	15,576	(14,840)
<b>3. Commodities/precious metals</b>	<b>98,744</b>	<b>6,000</b>	<b>104,744</b>	<b>5,142</b>	<b>(69)</b>
<b>3.1. OTC products</b>	<b>30,507</b>	<b>6,000</b>	<b>36,507</b>	<b>2,244</b>	<b>0</b>
Commodity and precious metal options	30,507	6,000	36,507	2,244	0
<b>3.2. Products traded on stock exchange</b>	<b>68,237</b>	<b>0</b>	<b>68,237</b>	<b>2,898</b>	<b>(69)</b>
Commodity and precious metal future contracts	68,237	0	68,237	2,898	(69)
<b>4. Other transactions</b>	<b>41,450</b>	<b>0</b>	<b>41,450</b>	<b>1,167</b>	<b>0</b>
<b>4.1. OTC products</b>	<b>41,450</b>	<b>0</b>	<b>41,450</b>	<b>1,167</b>	<b>0</b>
Other options	41,450	0	41,450	1,167	0
<b>Total OTC products</b>	<b>2,146,249</b>	<b>1,941,287</b>	<b>3,971,201</b>	<b>162,650</b>	<b>(168,459)</b>
<b>Total stock exchange traded products</b>	<b>1,020,682</b>	<b>624,330</b>	<b>1,645,012</b>	<b>28,542</b>	<b>(17,167)</b>
<b>Total</b>	<b>3,166,931</b>	<b>2,565,617</b>	<b>5,616,213</b>	<b>191,193</b>	<b>(185,627)</b>



## C. OTHER DISCLOSURES

### Contingent liabilities

In accordance with Section 93 of the Austrian Banking Act, the Bank is legally obliged to provide for proportionate deposit insurance as part of its membership in a professional association. Raiffeisen Centrobank AG is a member of Einlagensicherung AUSTRIA GesmbH. The contingent liabilities derived from theoretical claims were reported at a market value of € 0.07.

### Other contractual contingencies

The following assets were pledged as security for obligations as at 30/06/2020:

#### Item A 2 Loans and advances to credit institutions

€ 961,702 thousand (31/12/2019: € 425,516 thousand)

Collateral deposited with banks for the securities and options business and securities lending

#### Item A 3 Loans and advances to customers

€ 24,372 thousand (31/12/2019: € 3,451 thousand)

Collateral deposited with stock exchanges and other financial institutions for the securities and option business

#### Item A 4 Fixed-interest securities

€ 2,967 thousand (31/12/2019: € 3,078 thousand)

Collateral deposited with banks for the securities and options business

#### Letters of comfort

As at the balance sheet date Raiffeisen Centrobank AG had not issued any letters of comfort.

### Commitments arising from fiduciary business transactions

Commitments arising from fiduciary business transactions not included in the balance sheet referred to one equity participation held in trust in the amount of € 7,091 thousand on 30/06/2020 and 31/12/2019.

**Own funds**

The own funds pursuant to part 2 CRR were as follows:

in € thousand	30/06/2020	31/12/2019
Capital paid-in	47,599	47,599
Earned capital	68,875	68,875
<b>Core capital (tier 1 capital) before deductions</b>	<b>116,474</b>	<b>116,474</b>
Intangible fixed assets	(191)	(137)
Prudent valuation	(2,468)	(1.252)
Holdings in non-significant investments in financial sector entities	(946)	(6.992)
<b>Core capital (tier 1 capital) after deductions</b>	<b>112,870</b>	<b>108,094</b>
Supplementary own funds	0	0
<b>Core capital</b>	<b>112,870</b>	<b>108,094</b>
<b>Supplementary capital</b>	0	0
<b>Supplementary own funds (after deductions)</b>	0	0
<b>Total own funds</b>	<b>112,870</b>	<b>108,094</b>
<b>Total risk-weighted assets</b>	<b>509,451</b>	<b>520,337</b>
Core capital ratio, credit risk (core capital/risk-weighted assets credit risk)	72.3 %	73.1 %
Core capital ratio, total (core capital/total risk-weighted assets)	22.2 %	20.8 %
Own funds ratio (own funds/total risk-weighted assets)	22.2 %	20.8 %

Own funds requirements pursuant to Article 92 of Regulation (EU) No 575/2013 (total risk-weighted assets) were as follows:

in € thousand	30/06/2020	31/12/2019
Risk-weighted assets (credit risk)	156,191	147,818
Standard approach	101,434	99,577
CVA (credit value adjustment) risk	54,757	48,241
Risk-weighted assets (position risk in bonds, equities, commodities and foreign currencies)	220,931	240,312
Risk-weighted assets (settlement and delivery risks)	137	16
Risk-weighted assets (operational risk)	132,191	132,191
<b>Total risk-weighted assets</b>	<b>509,451</b>	<b>520,337</b>

Risk-weighted assets for the credit risk according to asset classes were as follows:

in € thousand	30/06/2020	31/12/2019
<b>Risk-weighted assets according to standard approach</b>	<b>101,434</b>	<b>99,577</b>
Governments and central banks	23	16
Institutions	75,780	50,978
Corporates	4,997	28,864
Equity participations	6,240	6,240
Other positions	14,395	13,479
<b>CVA risk</b>	<b>54,757</b>	<b>48,241</b>
	<b>156,191</b>	<b>147,818</b>

### Number of staff

	2020		2019	
	30/06	Average for the period	30/06	Average for the period
Salaried employees	170	181	197	194
thereof part-time	36	39	42	41

### Overall return on assets

in € thousand or in per cent	30/06/2020	31/12/2019
Net income for the period	7,683	11,573
Balance sheet total	4,682,685	4,440,234
<b>Overall return on assets</b>	<b>0.2 %</b>	<b>0.3 %</b>

### Group relations

The company is an affiliated company of Raiffeisen Bank International AG (ultimate holding company), Vienna, and is integrated in its consolidated financial statements. The consolidated financial statements are deposited with the Commercial Court in Vienna and are available at the respective parent company.

Since 17 December 2008, the company has been a member of the corporate group Raiffeisen Zentralbank Österreich Aktiengesellschaft (now Raiffeisen Bank International AG) pursuant to Section 9 Austrian Corporation Tax Act. The application submitted by the company to become a group member of the corporate group RZB as of the business year 2008 pursuant to Section 9 Austrian Corporation Tax Act was notified to the financial authorities on 19 December 2008 and was approved by notice on 22 April 2009.

The taxable results of the members of the group are attributed to the parent company. Any tax adjustments between the parent company and the individual members of the corporate group are regulated in the form of a tax allocation agreement.

## **Members of the Management Board, the Supervisory Board and State Commissioners**

### **Management Board**

Harald Kröger (Chief Executive Officer)

Heike Arbter (Member of the Management Board)

### **Supervisory Board**

Łukasz Januszewski (Chairman)

Member of the Management Board, Raiffeisen Bank International AG, Vienna

Hannes Mösenbacher (Deputy Chairman)

Member of the Management Board, Raiffeisen Bank International AG, Vienna

Michael Höllerer (Member)

Plenipotentiary Raiffeisen Bank International AG

Andrii Stepanenko (Member)

Member of the Management Board, Raiffeisen Bank International AG, Vienna

Christian Moucka (Member)

General Management, Raiffeisenbank Region Baden

Matthias Zitzenbacher (Member)

General Management, Raiffeisenbank Leoben-Bruck eGen (mbH)

### **State Commissioners**

Alfred Hacker

Karl-Heinz Tscheppe

## **Significant Events after the Balance Sheet Date**

The forthcoming two years will be a period of transformation for Raiffeisen Centrobank AG. On 17 June 2020, the Supervisory Board of RBI approved the two-phase integration of Raiffeisen Centrobank AG into RBI. In the first phase the demerger of the equity business of Raiffeisen Centrobank AG, i.e. the segments Global Equity Sales, Equity Capital Markets and Company Research, is being prepared. The remaining business segments Structured Products and Trading & Treasury are merged into RBI by the end of 2022. This transformation process is still subject to the approval of the responsible committees and supervisory bodies of Raiffeisen Centrobank AG and RBI, the approval of the Austrian Financial Market Supervision and the entry into the Commercial Register.

Vienna, 27 August 2020

The Management Board

Harald Kröger  
Chief Executive Officer

Heike Arbter  
Member of the Management Board

## Development of Fixed Assets as at 30/06/2020

	Balance as at 1/1/2020 €	Cost of acquisition		Balance as at 30/06/2020 €	Balance as at 1/1/2020 €	Accumulated depreciation		Disposals	Balance as at 30/06/2020 €	Carrying amount	
		Additions €	Disposals €			Additions / Depreciation €	Write-up			30/06/2020 €	31/12/2019 €
<b>I. Intangible fixed assets</b>											
Software licenses	1,675,128.85	103,004.90	0.00	1,778,133.75	1,538,329.84	49,281.87	0.00	0.00	1,587,611.71	190,522.03	136,799.01
<b>II. Tangible fixed assets</b>											
1. Land and buildings used by the credit institution for own purposes	12,694,367.11	0.00	0.00	12,694,367.11	3,669,319.19	125,708.01	0.00	0.00	3,795,027.20	8,899,339.91	9,025,047.92
thereof value of property: € 2,637,765.92; previous year: € 2,638 thousand											
2. Office furniture and equipment	14,501,645.68	66,943.82	48,066.17	14,520,523.33	12,518,940.97	360,829.98	0.00	47,073.17	12,832,697.78	1,687,825.55	1,982,704.71
	<b>27,196,012.79</b>	<b>66,943.82</b>	<b>48,066.17</b>	<b>27,214,890.44</b>	<b>16,188,260.16</b>	<b>486,537.99</b>	<b>0.00</b>	<b>47,073.17</b>	<b>16,627,724.98</b>	<b>10,587,165.47</b>	<b>11,007,752.63</b>
<b>III. Financial investments</b>											
1. Shares in affiliated companies	1,100,000.00	0.00	0.00	1,100,000.00	0.00	0.00	0.00	0.00	0.00	1,100,000.00	1,100,000.00
thereof in credit institutions: € 0.00											
2. Equity participations	5,140,450.88	0.00	0.00	5,140,450.88	436.00	0.00	0.00	0.00	436.00	5,140,014.88	5,140,014.88
thereof credit institutions: € 0.00											
	<b>6,240,450.88</b>	<b>0.00</b>	<b>0.00</b>	<b>6,240,450.88</b>	<b>436.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>436.00</b>	<b>6,240,014.88</b>	<b>6,240,014.88</b>
	<b>35,111,592.52</b>	<b>169,948.72</b>	<b>48,066.17</b>	<b>35,233,475.07</b>	<b>17,727,026.00</b>	<b>535,819.86</b>	<b>0.00</b>	<b>47,073.17</b>	<b>18,215,772.69</b>	<b>17,017,702.38</b>	<b>17,384,566.52</b>