

Semi-Annual Report 30 June 2011

**IFRS-Compliant Semi-Annual Group
Management Report and Consolidated
Interim Financial Statements**

SUMMARY OF KEY DATA

IFRS-COMPLIANT CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE RLB NÖ-WIEN GROUP

Monetary values are in €m	2011	+ / (-) CHANGE ¹	2010
Income Statement	1/1 – 30/6		1/1 – 30/6
Net interest income	117.2	8.4%	108.1
Net fee and commission income	33.3	8.8%	30.6
Net trading income	4.1	(78.1%)	18.8
Profit from investments in entities accounted for using the equity method	173.2	70.0%	101.8
General administrative expenses	(89.7)	7.2%	(83.7)
Profit for the period before tax	183.6	45.3%	126.3
Consolidated net profit for the period (after minorities)	184.1	39.5%	131.9
Balance Sheet	30 June		31 December
Loans and advances to other banks	10,894	(10.6%)	12,189
Loans and advances to customers	9,794	1.2%	9,680
Deposits from other banks	14,917	(6.2%)	15,899
Deposits from customers	6,777	(4.2%)	7,071
Equity (incl. minorities and profit)	2,547	6.9%	2,383
Assets	31,475	(3.7%)	32,683
Regulatory information²	30 June		31 December
Basis of assessment (total risk)	14,164	2.8%	13,773
Total own funds	1,855	1.6%	1,826
Own funds requirement	1,133	2.8%	1,102
Surplus own funds ratio	63.7%	(2.1 ppt)	65.8%
Tier 1 ratio (credit risk)	9.6%	(0.1 ppt)	9.7%
Tier 1 ratio (total)	9.0%	(0.1 ppt)	9.1%
Total own funds ratio	13.1%	(0.2 ppt)	13.3%
Performance	1/1 – 30/6		1/1 – 30/6
Return on equity before tax	14.4%	2.6 ppt	11.8%
Consolidated return on equity (after minorities)	14.4%	2.1 ppt	12.3%
Cost:income ratio	28.0%	(8.3 ppt)	36.3%
Earnings per share, €	84.92	40.1%	60.60
Return on assets after tax	1.15%	0.31 ppt	0.84%
Risk:earnings ratio	43.4%	31.5 ppt	11.9%
Additional information	30 June		31 December
Workforce on reporting date	1,334	0.2%	1,332
Branches and offices	67	0.0%	67
Moody's rating	Long term	Short term	Financial strength
	A1	P-1	C-

¹ ppt = percentage point.

² The RLB NÖ-Wien Group is a subgroup of the *Raiffeisen-Holding NÖ-Wien Group*. Austria's *Bankwesengesetz* (BWG: banking act) does not govern the regulatory own funds of subsidiaries that make up a subgroup. The presentation of this bank regulatory information in accordance with *BWG* on the basis of partial consolidation within the credit institution group (*Kreditinstitutgruppe*) is therefore provided for informational purposes only.

CONTENTS

SUMMARY OF KEY DATA	2
RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN IN PROFILE	4
SEMI-ANNUAL GROUP MANAGEMENT REPORT	8
THE GROUP'S PERFORMANCE IN THE FIRST HALF OF 2011	9
NOTES ON THE GROUP'S PROFIT, ASSETS AND LIABILITIES AND FINANCIAL POSITION	10
FINANCIAL PERFORMANCE INDICATORS	15
THE FUTURE DEVELOPMENT OF THE RLB NÖ-WIEN GROUP	16
IFRS-COMPLIANT CONSOLIDATED INTERIM FINANCIAL STATEMENTS	19
A. STATEMENT OF COMPREHENSIVE INCOME	19
B. BALANCE SHEET	21
C. STATEMENT OF CHANGES IN EQUITY	22
D. CASH FLOW STATEMENT	22
E. NOTES	23
DETAILS OF THE INCOME STATEMENT	25
DETAILS OF THE BALANCE SHEET	29
OTHER NOTES	34
STATEMENT BY THE MANAGING BOARD	38

RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN IN PROFILE

HALF-YEAR PROFIT FOR 2011 CREATES A STRONG FOUNDATION FOR THE STABLE DEVELOPMENT OF OUR BUSINESS SEGMENTS

Thanks to its business model as a so-called *universal bank*, the *Raiffeisenlandesbank Niederösterreich-Wien Group* (RLB NÖ-Wien Group) is excellently placed and firmly anchored in the Lower Austrian and Viennese growth regions.

With conditions in the financial markets still challenging, the RLB NÖ-Wien Group's assets at the end of the first

half of 2011 were 3.7 per cent down on the end of 2010 to €31.5 billion. Operating profit came to €230.7 million, which was substantially up on the operating profit of €147 recorded in the first half of 2010.

Consolidated profit for the first half of 2011 after tax and minorities came to €184.1 million. This was €52.2 million or 39.5 per cent up on the same period of 2010.

A GOOD GRIP ON RISKS AND COSTS

In Austria too, events in the financial markets during the first half of 2011 were profoundly affected by, above all, the euro debt crisis, geopolitical unrest in North Africa and the Middle East and the environmental disaster in Japan. However, the RLB NÖ-Wien Group was well positioned with its sustainable business model. For two and a half years, we have consistently and successfully been optimizing our costs and increasing our efficiency. This has been reflected by our cost:income ratio, which

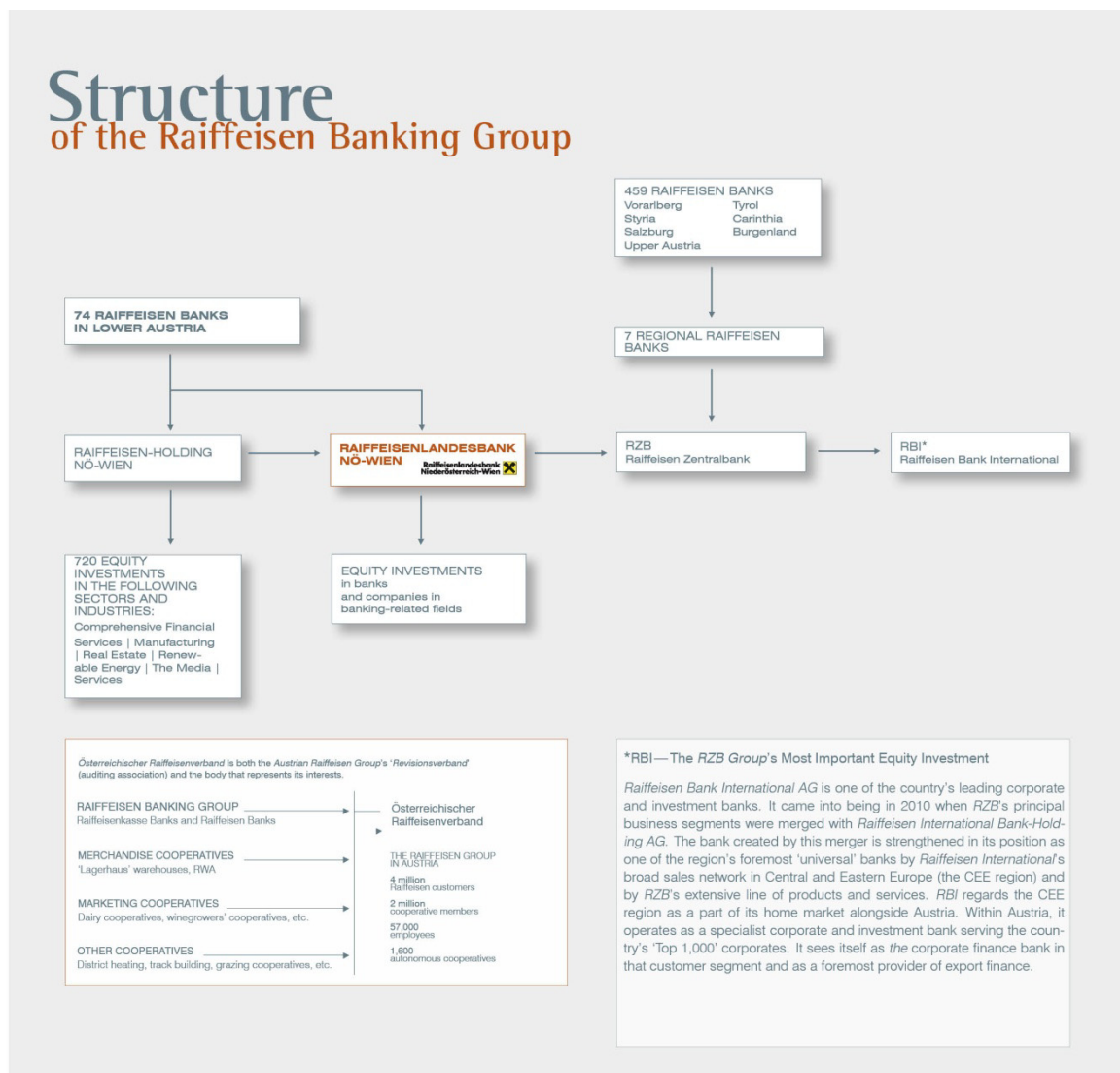
again improved considerably in the six months up to the middle of 2011, reaching 28.0 per cent. This compared with 36.3 per cent in the first half of last year.

In addition, the RLB NÖ-Wien Group is a strongly capitalized banking group. At 30 June 2011, its Tier 1 ratio (Basel II definition) was at the high level that is now being called for internationally, at 9 per cent.

A NETWORK WITH INNOVATIVE STRENGTH

The RLB NÖ-Wien Group is part of a strong network. Its cornerstones are *Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H.* (*Raiffeisen-Holding NÖ-Wien*), which holds a qualified, 78.58 per cent majority stake in RLB NÖ-Wien, and the *Raiffeisen Banks* in Lower Austria, which hold the remaining stock. RLB NÖ-Wien, its owners and the companies in which it holds equity investments — which include *Raiffeisen Zentralbank*

Österreich, building society *Raiffeisen Bausparkasse*, *Raiffeisen Capital Management*, *Raiffeisen-Leasing* and insurance broker *Raiffeisen Versicherungsmaklerdienst AKTUELL* — work closely together, generating significant synergistic benefits for its customers. RLB NÖ-Wien's equity investments supplement its banking operations, each making a significant contribution to its results.



A LONG-STANDING ALLY IN A SUSTAINED AND EQUAL PARTNERSHIP

Sustainable action in the business, social and ecological fields is firmly rooted at *Raiffeisen*. Sustainability was already an integral part of Friedrich Wilhelm Raiffeisen's thinking when he created the organization some 150 years ago. Moreover, in the fulfillment of its supportive mission, *Raiffeisen* goes even further, living out a philosophy aimed at protecting and promoting the well-being of the individual and the region where he or she lives. Its core values are security, regionality and sustainability. This means that in order to create local value added, deposits are generally used to provide loans to businesses and people within the region.

More than ever, in the first half of 2011, RLB NÖ-Wien made a crucial contribution to the realization of a variety

of projects in Vienna and Lower Austria, remaining true to its self-image as a strong and reliable regional partner to society, culture and the sporting community. The beneficiaries included *Wiener Festwochen*, *Theater in der Josefstadt*, *Volksoper Wien*, *Wiener Lustspielhaus* and *Raiffeisen Vikings Vienna* as well as a multitude of initiatives like *Kunstmeile Krems* and *Donaufestival* and projects at *Festspielhaus St. Pölten*.

RLB NÖ-Wien also supports efforts to keep the environment intact for future generations. It is thus a member of the *Raiffeisen* Climate Protection Initiative, which was set up as a joint venture by a number of Austrian *Raiffeisen* organizations. This is where all their efforts to protect the environment come together.

RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN: COMMERCIAL SUCCESS FOUNDED ON DIVERSITY, STABILITY, DEPENDABILITY AND INNOVATIVE STRENGTH

PERSONAL AND BUSINESS BANKING CUSTOMERS (RETAIL BANKING)

At the time of writing, over 600 account managers are servicing roughly 250,000 RLB NÖ-Wien customers at 67 branches and offices in Vienna. These include 49 retail banking branches, seven private banking team offices for high net worth personal banking customers and six special centres of excellence for trade and business customers. The *Raiffeisen-MitarbeiterBeratung* staff advice units provide special services at another five locations for companies within the Austrian *Raiffeisen* organization and for their employees.

Forty-four per cent of the nearly 1.8 million people living in Vienna come from an immigrant background. They are catered for by RLB NÖ-Wien's "ethnobanking" services. We were already offering customers multilingual customer services provided by staff members with Turkish, Serbian, Croatian and Bosnian roots at 10 of our branches in the first half of 2011.

CORPORATE CUSTOMERS

RLB NÖ-Wien has developed a model for building comprehensive business relationships with its corporate customers called *Mehr[Wert]Beratung*, or "Value Added Advice". What this means is that RLB NÖ-Wien's account managers, product specialists, business analysts and risk managers work closely together, drawing on the support of the bank's networks and also consulting with external advisors such as tax specialists during customer meetings. Their analyses provide the basis for recommendations for future action, making a qualitative contribution to an enterprise's strategic

development. RLB NÖ-Wien's corporate loan portfolio continued to expand in the first half of 2011, growing by roughly 2 per cent.

In addition, RLB NÖ-Wien offers its customers the infrastructure (specialist companies, representative offices and much more) that they need to operate in the Centropo region — an area surrounding the cities of Vienna, St. Pölten, Prague, Budapest and Bratislava — as well as providing the necessary quality products and services.

THE RAIFFEISEN BANKS IN LOWER AUSTRIA

RLB NÖ-Wien is the central institution of *Raiffeisen-Bankengruppe NÖ-Wien* (the *Raiffeisen* Banking Group in Lower Austria and Vienna). It supports the 74 independent *Raiffeisen Banks* in Lower Austria, providing them with a broad range of advice and other products and services. This range of products and services is being continually refined and optimized in line with medium-term goals that have been developed jointly for the entirety of *Raiffeisen-Bankengruppe NÖ-Wien*.

The Lower Austrian *Raiffeisen Banks* are the region's foremost local providers of financial services with a market share of 42 per cent and 548 branches. Personal customer advice is still at the heart of what they do.

FINANCIAL MARKETS

RLB NÖ-Wien is a stable partner to investors in a turbulent market environment. RLB NÖ-Wien's key strengths include trusting cooperation with its customers, prudent advisory services — provided on the basis of in-depth analyses of the business climate, the economy and developments in the financial markets — and innovative ideas. RLB NÖ-Wien's "advisor bank" concept stresses the early detection of problems, helping its customers map the fastest route through more difficult times.

It remains true to its motto "Invest in Markets you Know" in its management of the *Raiffeisen Centropa Regional Fund*, which is a mixed portfolio of equities and bonds from the Centrope region.

RISK MANAGEMENT AND ORGANIZATION

As a service provider, RLB NÖ-Wien strives to offer its customers the best possible products, services and advice. To enable it to do so, its risk management activities are based on active, stable and seamless management processes in both periods of calm and challenging years. Management takes place within the framework of risk limits set by the Managing Board of RLB NÖ-Wien at the overall bank level.

The RLB NÖ-Wien Group had a Tier 1 ratio of 9.0 per cent in the first half. This was well above the minimum legal requirement of 4 per cent. The security it provides strengthens savers' and investors' confidence in RLB NÖ-Wien's stability. Thanks to this safety cushion of over twice the required minimum, RLB NÖ-Wien is already well positioned to meet future requirements under Basel III.

SEMI-ANNUAL GROUP MANAGEMENT REPORT

THE BANKING ENVIRONMENT DURING THE FIRST HALF OF 2011

Developments in the financial markets were shaped by a number of factors during the first half of 2011: the euro debt crisis, which is slowly spreading from Greece and Ireland to other peripheral countries; the unexpected start of the turnaround in interest rates in the eurozone; geopolitical unrest in North Africa and the Middle East, which has stoked raw material prices and, as a consequence, inflation; the triple disaster in Japan (earthquake, tsunami and nuclear threat); and the far-reaching consequences of those events.

The economy produced some positive surprises, especially in the first quarter of 2011. For instance, the business climate indicators in the United States and the eurozone reached record highs, signalling that the economic recovery would continue. This was confirmed by the growth numbers for the first quarter of 2011. GDP in the eurozone was 0.8 per cent up on the previous quarter and, therefore, well above the long-term average.

However, as a look at the growth numbers for individual countries shows, growth rates within the European monetary union varied considerably. While the German economy recorded surprisingly strong growth of 1.5 per cent versus the previous quarter in the first quarter of 2011 — or almost four times as much as at year-end — and the Austrian economy also did well, achieving GDP growth of 1.0 per cent versus the previous quarter, Portugal's economy shrank for the second quarter in succession (negative 0.7 per cent versus the previous quarter).

Although Greece showed positive growth again for the first time since the end of 2009 (0.8 per cent growth versus the previous quarter), its GDP was still 4.8 per cent down on the same period of 2010.

Whereas the industrial sector in particular developed very well in many places, there was also a gradual increase in inflation worries. Prices were being driven up by raw materials. Above all, oil got more expensive, but not only because of increased demand. Prices were pushed up further by concern that supplies might be disrupted because of uprisings that began in Tunisia and rapidly spread to other important oil-producing countries like Libya. The price of North Sea Brent rose to nearly US\$130 a barrel in April 2011, which was its highest price since July 2008.

Consequently, inflation in the eurozone hit its peak (to date) of 2.8 per cent in April. As a result, the ECB's 2 per cent inflation ceiling was exceeded for the fifth month in succession. In order to curb the threat to price stability, the ECB felt compelled to intervene and increased its base rate for the first time since July 2008, hiking it by 25 basis points to 1.25 per cent on 7 April. Statements by the ECB made it clear that it would be increasing this key rate again (which it did in July 2011, hiking it by another 25 basis points to 1.50 per cent).

International market players responded to debt worries in the eurozone by fleeing to the safe haven of the Swiss franc. The Swiss franc appreciated massively to match. At the beginning of the year, the euro was worth SFr1.25; at the end of the first half of 2011, it was trading at SFr1.14. That is now affecting the Swiss economy as well. In particular, it is hitting Swiss exports. The SNB is likely to intervene if the Swiss franc goes on appreciating.

Worries about the economy increased again in the course of the second quarter. Attempts by a number of threshold countries to cool down their economies, which were gradually overheating, and, above all, to brake runaway inflation led to increasingly restrictive monetary policies. Since October 2010, China has hiked its benchmark rate (the rate for 1-year loans) five times, taking it to 6.56 per cent. Brazil has already increased rates four times this year, taking its policy interest rate to 12.25 per cent.

Consequently, the leading indicators weakened significantly and people became worried that some countries could suffer a hard landing. For example, the Chinese purchasing managers' index for the industrial sector fell to 50.1 points in June, leaving this important leading indicator only just above the boom-or-bust line of 50 points.

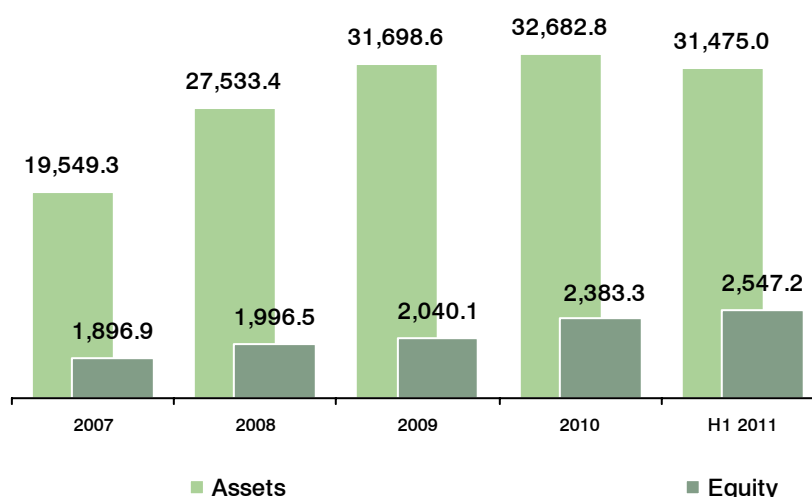
Numbers in the United States also deteriorated. Incoming orders for durable goods fell and the situation in the labour market worsened again after a bright spell at the start of the year. Some of the latest economic numbers in the eurozone have likewise disappointed.

The Group's Performance in the First Half of 2011

The *Raiffeisenlandesbank Niederösterreich-Wien Group* (RLB NÖ-Wien Group) recorded satisfactory results against the backdrop of recovery in the real economy in the first half of 2011 combined with continuing volatility in the financial markets. In view of its responsibility for the sustainable evolution of the RLB NÖ-Wien Group as a regional provider of banking services, the Managing Board focused its attention primarily on ensuring the stable development of the Group's various business segments. The continuation of the Group's efficiency enhancement programme has created the basis for following a secure path for the benefit of its customers.

- The RLB NÖ-Wien Group's **assets** shrank by 3.7 per cent or €1,207.8 million to €31,475.0 million between year-end 2010 and the end of the first half of 2011. **Loans and advances to customers** — financially the most important line item on the assets side of the Balance Sheet — continued to grow, increasing by 1.2 per cent to €9,793.6 million. On the equity and liabilities side of the Balance Sheet, **primary funds**, which comprise **deposits from customers** and **liabilities evidenced by paper**, were stable at €10,879.8 million.
- First-half **operating profit** grew to €230.7 million, which was substantially up on the same period of 2010. This was mainly attributable to the growth in net interest income, net fee and commission income and profit from investments in entities accounted for using the equity method.
- **Operating income** in the first half of 2011 came to €320.3 million, which was €89.6 million or 38.8 per cent up on the same period of 2010. **General administrative expenses** increased by €6.0 million or 7.2 per cent to €89.7 million. There was another marked improvement in the Group's **cost:income ratio**, which came to 28.0 per cent. This compared with 36.3 per cent in the first half of 2010.
- **Net interest income** — the most important component of profit from the RLB NÖ-Wien Group's core operations — came to €117.2 million in the first six months of this year. This was €9.1 million or 8.4 per cent more than in the same period of 2010.
- **Net fee and commission income** advanced by €2.7 million or 8.8 per cent to €33.3 million. **Net trading income** was €14.7 million down on the first half of 2010 to €4.1 million.
- The growth in operating profit received significant support from a substantial advance in **profit from investments in entities accounted for using the equity method**, which increased by €71.3 million to €173.2 million.
- **Consolidated profit for the period after tax and minorities** came to €184.1 million, which was €52.2 million or 39.5 per cent up on the same period of 2010.
- Total risk-weighted assets increased by 2.8 per cent in the first half of 2011. It proved possible to sustain the Group's **own funds ratio** calculated in relation to total risk at a high 13.1 per cent at 30 June 2011, as against 13.3 per cent at the end of 2010. The Group's **Tier 1 ratio** calculated in relation to total risk was 9.0 per cent at the end of the first half, compared with 9.1 per cent at the end of 2010.

Assets and Equity, €m



Notes on the Group's Profit, Assets and Liabilities and Financial Position

CONSOLIDATED OPERATING PROFIT IN THE FIRST HALF OF 2011 COMPARED WITH THE SAME PERIOD OF THE PREVIOUS YEAR

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Net interest income	117,175	108,081
Net fee and commission income	33,296	30,606
Net trading income	4,120	18,792
Profit from investments in entities accounted for using the equity method	173,189	101,847
Other operating profit/(loss)	(7,435)	(28,652)
Operating income	320,345	230,674
Staff costs	(48,610)	(45,269)
Other administrative expenses	(38,647)	(35,873)
Depreciation/amortization/write-offs	(2,429)	(2,509)
General administrative expenses	(89,686)	(83,651)
Operating profit	230,659	147,023

Net interest income continued to grow well during the first half of 2011, increasing by €9.1 million or 8.4 per cent compared with the same period of 2010 to €117.2 million. As short-term interest rates rose, we were able to increase our interest earnings from both deposits and loans. Competition in the savings market was still stiff, so the increase in earnings in that area was a special achievement. During the first half, credit operations suffered from pressure on margins. On the other hand, the economy's stability was reflected by a small drop in risk premiums in the credit market. In addition, accurate interest rate forecasts made it possible to increase our net interest income from proprietary treasury operations.

First-half **net fee and commission income** grew by €2.7 million or 8.8 per cent to €33.3 million. This increase was generated by traditional banking products and services like loans and payments, demonstrating our success in implementing the RLB NÖ-Wien Group's "advisor bank" concept. Fee and commission earnings from securities operations were up on last year, as were our fee and commission earnings from insurance and building society operations.

Net trading income fell sharply to €4.1 million, having been €18.8 million in the first half of 2010. While customer trading operations remained stable, our proprietary trading operations failed to build on last year's successes.

Profit from investments in entities accounted for using the equity method came to €173.2 million, which was €71.3 million or 70.0 per cent up on the same period of 2010. This line item is largely a reflection of the performance of the *Raiffeisen Zentralbank Group* (the RZB Group). The profits recorded by the RZB Group and *Raiffeisen Bank International* (RBI) were very satisfactory in the first half of 2011. In all, RLB NÖ-Wien's direct equity investments in the Czech Republic, Slovakia and Hungary and *Raiffeisen Informatik GmbH* (R-IT) also delivered sizeable profits.

Other operating profit/(loss) consisted largely of earnings from "other" derivative operations, profit from services and cost reimbursements. It totalled negative €7.4 million, which was a significant improvement on the figure of negative €28.7 million recorded in the first half of 2010. Nonetheless, the balance of revaluation gains and losses on derivative financial instruments that were neither held for trading nor hedging instruments within the scope of IAS 39 was such that a loss still remained in the first half of 2011.

General administrative expenses increased by 7.2 per cent or €6.0 million to €89.7 million in the first half of 2011. The focus of our attention was on extending our customer operations so as to create perceptible value added for customers. The bank-wide efficiency enhancement and cost optimization programme continued in order to brake the rise in costs in spite of our growth strategy. General administrative expenses broke down as follows: €48.6 million of staff costs, €38.6 million of other administrative expenses and €2.4 million of depreciation/amortization/write-offs of property and equipment and intangible assets.

Staff costs in the first half of 2011 were a total of 7.4 per cent or €3.3 million higher than in the same period of 2010. This reflected the year-on-year increase of 34 in the workforce. Most new staff were hired in the corporate customers segment, and we also took on 13 apprentices. Our **other administrative expenses** were 7.7 per cent or €2.8 million up on the same period of 2010. The principal reasons for the increase in costs were IT costs associated with process enhancements and an increase in our outlay on marketing carried out to support the Group's marketing activities in Vienna. It

proved possible to keep **depreciation/write-offs of property and equipment and intangible assets** stable.

Operating profit came to an excellent €230.7 million. This was €83.7 million up on the operating profit of €147.0 million recorded in the same period of 2010. The increase was largely the result of the pleasing growth in net interest income and net fee and commission income and good profit from investments in entities accounted for using the equity method. At the same time, there was a comparatively small increase in general administrative expenses.

CONSOLIDATED NET PROFIT IN THE FIRST HALF OF 2011 COMPARED WITH THE SAME PERIOD OF THE PREVIOUS YEAR

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Operating profit	230,659	147,023
Impairment charge on loans and advances	(50,889)	(12,841)
Profit/(loss) from financial investments	3,824	(7,859)
Profit for the period before tax	183,594	126,323
Income tax	493	5,602
Profit for the period after tax	184,087	131,925
Minority interests in profit	(8)	(3)
CONSOLIDATED NET PROFIT FOR THE PERIOD	184,079	131,922

The net **impairment charge on loans and advances** (impairment allowances, impairment reversals, direct write-offs of receivables and recoveries of loans and receivables previously written off) was increased by €38.1 million from €12.8 million to €50.9 million. Two factors accounted for the increase in the first half of 2011. On the one hand, the figure in the same period of 2010 was very small because of reversals of impairment charges on loans and advances recognized in the crisis period. On the other, loan losses in 2011 were already recognized in the first half.

Profit from financial investments came to €3.8 million. This line item is dominated by profits or losses on financial instruments designated as at fair value through profit or loss. This profit represented a pleasing improvement compared with the figure of negative €7.9 million recorded in the same period of 2010.

These line items gave us **profit for the period before tax** of €183.6 million, which was €57.3 million or 45.3 per cent up on the figure of €126.3 million recorded in the first half of 2010.

Consolidated net profit for the period after tax and minorities came to a satisfactory €184.1 million, which was €131.9 million or 39.5 per cent more than in the first half of 2010.

SEGMENTAL REPORT FOR THE FIRST HALF OF 2011 (SEE NOTE 9)

The RLB NÖ-Wien Group is divided into the segments listed below. Our segment definitions focus strictly on the customers being serviced. (Segmental reporting in accordance with IFRS 8 is based on the RLB NÖ-Wien Group's internal management reporting system.):

- Personal and Business Banking Customers (Retail Banking)
- Corporate Customers
- Financial Markets
- Investments
- Management Services

The **Personal and Business Banking Customers (Retail Banking)** segment encompasses retail business carried on by the Group's branches in Vienna with personal banking, trade and business and self-employed customers. Within the scope of this segment, the Group provides its Viennese customers with banking products and services, including in particular investment and loan advice services; the Group's private banking teams provide professional advice to high net worth personal banking customers in Vienna; and the Group's centres of excellence for trade and business customers give support to small and medium-sized enterprises in Vienna.

Profit for the period from personal and business banking operations before tax came to a pleasing total of €16.8 million in the first half of 2011, compared with €10.4 million in the same period of 2010. We acquired a net total of 10,916 new customers in the first half of 2011. Competition between banks in Vienna was very tough, making the first six months of this year enormously challenging, especially in the deposits market.

As a result, this segment's return on equity before tax came to 21.0 per cent, compared with 15.6 per cent in the same period of 2010. Its cost:income ratio fell from 73.2 per cent in the first half of 2010 to 72.5 per cent in the period under review.

The various subsegments of the **Corporate Customers** segment continued to perform well in the first half of 2011. Uncompromising customer orientation and made-to-measure products and solutions are key to our corporate customers' success in the Centrope region. The Group continued to deepen business relationships with its existing customers at the same time as intensifying its customer acquisition strategy. In addition, customers were offered extensive support as they exported, imported or invested abroad. *Raiffeisen's* international network — including, above all, its alliances with the Centrope banks — is a significant competitive advantage.

Our business policy in the corporate customers segment generated an increase in business volumes in

the first half of 2011 as well as another advance in net interest income, which increased by €3.1 million to €61.9 million. However, because the large impairment reversals that took place in the same period of 2010 were not repeated, net interest income after the impairment charge was €19.9 million lower. As a result, profit for the period before tax in this segment came to €29.2 million, compared with €48.2 million the first half of 2010. With equity employed of €753 million, the segment delivered a return on equity before tax of 7.5 per cent, as against 14.4 per cent in the same period of 2010.

Thanks to consistent risk-aware, profit orientated management, profit in the **Financial Markets** segment improved significantly in the first half of 2011 despite the backdrop of strongly fluctuating money and capital markets. Net interest income was again up on the same period of the previous year, to €42.1 million. This compared with €40.1 million in the first half of 2010. However, an impairment charge of €19.8 million was required.

Profit from financial investments came to €4.6 million, making another positive contribution to the segment's profit for the period before tax, which came to €10.4 million. This means that profit in this segment was €9.5 million up on the same period of 2010. The segment's return on equity before tax was again impressive, at 7.6 per cent, compared with 0.6 per cent in the same period of 2010. Its cost:income ratio reflected this, falling from 40.0 per cent to 22.3 per cent.

The **Investments** segment made another important contribution to the RLB NÖ-Wien Group's profit for the period before tax, namely €141.3 million. This compared with €71.2 million in the first half of 2010. The RZB Group's profit was a major contributor, and the direct stakes held in RBI, R-IT and the *Raiffeisen Network Banks* in the Czech Republic, Slovakia and Hungary yielded satisfactory results overall. Equity employed in this segment averaged €1,246 million, giving it a return on equity before tax of 21.9 per cent. This compared with 13.4 per cent in the same period of 2010.

The **Management Services** segment encompasses all the activities of the RLB NÖ-Wien Group within the scope of its role in the Austrian *Raiffeisen* organization — where it serves the *Raiffeisen Banks* in Lower Austria as their central institution — as well as income and expenses arising from the work done to support our activities in the market in the other business segments. In addition, the banking levy of €7.6 million paid in respect of the first half of 2011 was charged to this segment. This segment recorded a loss of €14.2 million in the first half of 2011, compared with a loss of €4.3 million in the same period of 2010. This was mainly attributable to the introduction of the banking levy in 2011.

BALANCE SHEET PERFORMANCE DURING THE FIRST HALF OF 2011

The RLB NÖ-Wien Group's **assets** decreased by €1,207.8 million or 3.7 per cent to €31,475.0 million between 31 December 2010 and 30 June 2011. The cut-back in our interbank activities was most evident. Because of its role as the central institution of the *Raiffeisen Banks* in Lower Austria, transactions within the Austrian *Raiffeisen* organization dominate the RLB NÖ-Wien Group's operations. Expansion in the loan portfolio continued during the first half of 2011, increasing it by €113.2 million to €9,793.6 million. *Primary funds* — the sum of *Deposits from customers* and *Liabilities evidenced by paper* — remained stable at €10,879.8 million.

ASSETS

€m	30/06/2011	31/12/2010	+/(-) CHANGE
Loans and advances to other banks	10,893.9	12,188.5	(10.6%)
Loans and advances to customers	9,793.6	9,680.4	1.2%
Impairment allowance balance	(290.3)	(299.1)	(2.9%)
Trading assets and other current financial assets	6,430.0	6,515.3	(1.3%)
Investments in entities accounted for using the equity method	2,455.4	2,384.3	3.0%
Other assets	2,192.4	2,213.4	(1.0%)
Total assets	31,475.0	32,682.8	(3.7%)

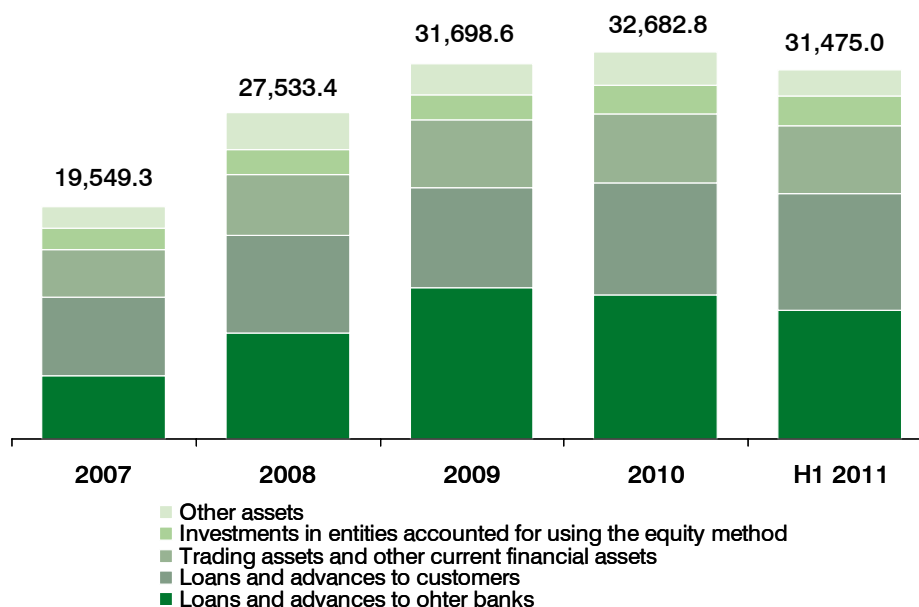
Loans and advances to other banks fell by €1,294.6 million or 10.6 per cent to €10,893.9 million in the first half of 2011. This was, above all, due to a reduction in intra-organizational receivables within the Austrian *Raiffeisen* organization.

Loans and advances to customers increased by 1.2 per cent or €113.2 million to €9,793.6 million between 31 December 2010 and 30 June 2011. This was an important line item on the assets side of the Balance Sheet, accounting for 31.1 per cent of total assets. Growth in this line item slowed somewhat in the first half of 2011 as the Group very selectively targeted only the most creditworthy customers. Both loans and advances to corporate customers and the retail loan portfolio grew.

On the other hand, the public sector loan portfolio shrank slightly. The Group continued to consistently pursue its conservative risk policy and actively manage its existing loan portfolio. As a result of small impairment reversals, the **impairment allowance balance** fell to €290.3 million.

Trading assets and **Other current financial assets** were reduced by a total of €85.3 million or 1.3 per cent. Whereas the line item *Trading assets* increased slightly because of increases in bond values, *Current financial assets* and *Financial investments* fell. **Other assets** also fell slightly, decreasing by €21.0 million to €2,192.4 million.

Structure of Assets on the Balance Sheet, €m



EQUITY AND LIABILITIES

€m	30/06/2011	31/12/2010	+ / (-) CHANGE
Deposits from other banks	14,917.5	15,899.3	(6.2%)
Deposits from customers	6,776.7	7,071.2	(4.2%)
Liabilities evidenced by paper	4,103.1	3,844.0	6.7%
Trading liabilities and other liabilities	2,402.0	2,731.4	(12.1%)
Subordinated liabilities	728.6	753.7	(3.3%)
Equity	2,547.2	2,383.3	6.9%
Total equity and liabilities	31,475.0	32,682.8	(3.7%)

Deposits from other banks fell by €981.8 million or 6.2 per cent to €14,917.5 million during the first half of 2011. Deposits from *Raiffeisen Banks* in Lower Austria and from RZB came to €7,579.1 million, or roughly 50.8 per cent of all deposits from other banks, reflecting RLB NÖ-Wien's role as the central institution of *Raiffeisen-Bankengruppe NÖ-Wien*. The *Raiffeisen Banks* in Lower Austria hold their statutory liquidity reserves at RLB NÖ-Wien. The RLB NÖ-Wien Group itself does not carry on retail banking business in Lower Austria.

Deposits from customers fell by €294.5 million or 4.2 per cent to €6,776.7 million. **Savings deposit balances** within the RLB NÖ-Wien Group accounted for €2,368.8 million of the total at 30 June 2011, having increased by 4.8 per cent compared with year-end 2010.

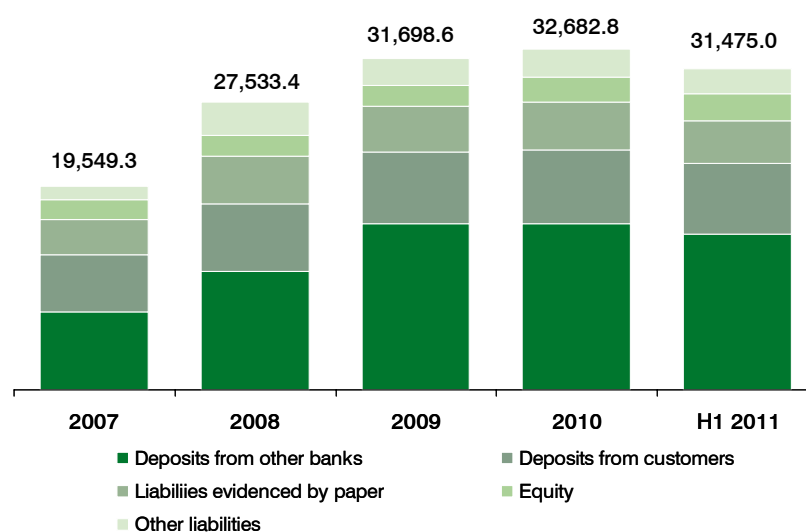
Liabilities evidenced by paper increased by €259.1 million or 6.7 per cent to €4,103.1 million.

So-called **primary funds** — comprising deposits from customers and liabilities evidenced by paper — remained stable at €10,879.8 million. They accounted for 34.6 per cent of the Group's balance sheet total.

Trading liabilities and other liabilities decreased by €329.4 million or 12.1 per cent. This was primarily the result of revaluations of derivative hedging instruments.

Equity on the face of the Balance Sheet of the RLB NÖ-Wien Group increased by a total of €163.9 million or 6.9 per cent to €2,547.2 million during the first half of 2011.

**Structure of Equity and Liabilities
on the Balance Sheet, €m**



Financial Performance Indicators

PERFORMANCE RATIOS

The Group's **cost:income ratio** in the six months ended 30 June 2011 came to 28.0 per cent, which was below the prior-year figure of 36.3 per cent. The improvement reflected the stronger growth of operating income in all key areas.

The Group's **return on equity** — its return on equity based on average equity — **after tax and minorities** came to a pleasing 14.4 per cent during the first half of 2011. This was above the figure of 12.3 per cent recorded in the first half of 2010.

REGULATORY OWN FUNDS

(of the RLB NÖ-Wien Group pursuant to *§ 24 BWG* in conjunction with *§ 30 BWG*)

At 30 June 2011, the RLB NÖ-Wien Group had total **eligible own funds** of €1,855.1 million. This compared with a **regulatory own funds requirement** of €1,133.1 million, giving the Group unappropriated own funds of €722.0 million or 63.7 per cent of the requirement at the end of the first half.

Because of the increase in its aggregate risk-weighted assets, the Group's **own funds ratio** calculated in relation to total risk fell only slightly, decreasing from 13.3 per cent at the end of 2010 to 13.1 per cent at 30 June 2011. It was therefore still well above the legislative minimum of 8.0 per cent. The Group's **Tier 1 ratio** calculated in relation to total risk was 9.0 per cent. This too was only slightly down on 31 December 2010, when it came to 9.1 per cent, and well above the legislative minimum of 4.0 per cent.

The Future Development of the RLB NÖ-Wien Group

OUTLOOK FOR THE SECOND HALF OF 2011

Given current movements in the leading indicators, we expect economic growth to slow in the second half of 2011, although we do not anticipate a relapse into recession. The crisis has flared up again. If not before, it did so when the rating agency Standard & Poor's downgraded U.S. debt to AA+. It is also having a far-reaching impact in the eurozone. The markets are very nervous. Besides renewed massive increases in spreads on peripheral government bonds and new peaks in currency volatilities, this is also causing a sharp drop in yields. It still remains to be seen whether the 10-year swap rate can settle down above the 3 per cent mark again by year-end. The ECB has decided to continue to buy massive quantities of bonds from the affected peripheral countries. In this tense macro-economic environment, the base rate is likely to stay at its present level of 1.50 per cent until year-end.

The RLB NÖ-Wien Group's outlook for the second half of 2011 is cautiously positive.

Against the backdrop of continuing volatility in the financial markets, the RLB NÖ-Wien Group's commercial activities are following a path on which sustainability is consistently prioritized. At the same time, the Group remains closely tied to its cooperative roots.

The RLB NÖ-Wien Group services its customers in markets with which it is familiar and in which it has had sustained success. As Vienna's *Best Advisor Bank*, the RLB NÖ-Wien Group will continue to advise and support its retail and corporate customers in 2011. Both its conservative lending operations and its sustainability-orientated investment activities will profit from a more stable world economy and the cautiously positive economic outlook.

The RLB NÖ-Wien Group's strengths also make it a reliable partner to the *Raiffeisen Banks* in Lower Austria, to RZB and to RZB's subsidiary *Raiffeisen Bank International AG* (RBI). Cooperation within the Austrian *Raiffeisen* organization will be extended further in 2011.

Based on its business model, the RLB NÖ-Wien Group is striving for further growth in its customer operations in 2011. It plans to stay on its success path and deliver another increase in profit. It was, for instance, able to continue to increase its first-half operating profit in the six months ended 30 June 2011 versus the same period of 2010. The Managing Board expects consolidated net profit for the year to grow by about 5 per cent.

RISK ASSESSMENT FOR THE SECOND HALF OF 2011

The RLB NÖ-Group still believes that markets will remain weak and volatilities high. Based on this assumption, Risk Management is carrying out its routine analyses with an additional focus on these factors.

The RLB NÖ-Wien Group's risk positioning in its trading and banking books is currently correspondingly defensive. This has also been clearly mirrored by the Group's low average value at risk during the year to date. Nonetheless, the selective and tighter management of existing risk positions will continue in the second half. Besides standardized stress testing and backtesting, it is being supplemented by ad hoc assessments as the need arises as well as by close to real-time reporting to the Managing Board.

The increase in uncertainty in the peripheral countries domain is also being allowed for by applying appropriate stress scenarios. Besides examining and assessing the impact of direct exposures in the sovereigns and banks domain, we are also looking at the indirect adverse effects of scenarios that are

conceivable for the RLB NÖ-Wien Group's correspondents.

Present market movements mean that our profit for the year 2011 is likely to be dented by an increase in the requisite credit impairment allowance. However, as things stand at the moment, it looks as if that charge will remain within the range that we have budgeted for. This means that the RLB NÖ-Wien Group has already made allowance for the possible repercussions for the borrowers among its customers of the economy's continued weakness, the impact of uncertainty in the financial markets and the burdens caused by a stronger Swiss franc and, in addition, has created a cushion for any downward revaluations.

Overall, our ongoing risk monitoring activities and risk assessments have not revealed any signs of risks besides those mentioned above that would be likely to materially affect the development of the RLB NÖ-Wien Group.

IFRS-COMPLIANT CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

€'000	Note	1/1 – 30/6 2011	1/1 – 30/6 2010
Interest income	(1)	374,038	341,300
Interest expenses	(1)	(256,863)	(233,219)
Net interest income	(1)	117,175	108,081
Impairment charge on loans and advances	(2)	(50,889)	(12,841)
Net interest income after impairment charge		66,286	95,240
Fee and commission income	(3)	48,313	45,335
Fee and commission expenses	(3)	(15,017)	(14,729)
Net fee and commission income	(3)	33,296	30,606
Net trading income	(4)	4,120	18,792
Profit from investments in entities accounted for using the equity method		173,189	101,847
Profit/(loss) from financial investments	(5)	3,824	(7,859)
General administrative expenses	(6)	(89,686)	(83,651)
Other operating profit/(loss)	(7)	(7,435)	(28,652)
Profit for the period before tax		183,594	126,323
Income tax		493	5,602
Profit for the period after tax		184,087	131,925
Minority interests in profit		(8)	(3)
CONSOLIDATED NET PROFIT FOR THE PERIOD		184,079	131,922
		1/1 – 30/6 2011	1/1 – 30/6 2010
Undiluted earnings per share, €	(8)	84.92	60.60

There were no conversion or option rights in issue. Consequently, earnings per share were undiluted.

RECONCILIATION TO COMPREHENSIVE INCOME

€'000	Attributable to Equity Holders of the Parent			Minorities
	1/1 – 30/6 2011	1/1 – 30/6 2010	1/1 – 30/6 2011	1/1 – 30/6 2010
Consolidated net profit for the period	184,079	131,922	8	3
Cash flow hedge reserve	7,695	(11,442)	0	0
Available-for-sale reserve	7,115	(16,587)	(3)	1
Enterprise's interest in other comprehensive income of the entities accounted for using the equity method	(24,442)	118,805	0	0
Deferred taxes	(3,503)	6,736	0	0
Other comprehensive income	(13,136)	97,512	(3)	0
Comprehensive income	170,943	229,434	5	4

B. BALANCE SHEET

ASSETS, €'000	Note(s)	30/6/2011	31/12/2010
Cash and balances with the central bank		58,598	42,837
Loans and advances to other banks	(10, 27)	10,893,892	12,188,513
Loans and advances to customers	(11, 27)	9,793,628	9,680,435
Impairment allowance balance	(12, 27)	(290,305)	(299,122)
Trading assets	(13, 27)	618,523	588,348
Other current financial assets	(14, 27)	2,294,696	2,320,545
Financial investments	(15, 27)	3,444,630	3,548,723
Investments in entities accounted for using the equity method		2,455,433	2,384,329
Intangible assets	(16)	5,271	5,947
Property and equipment	(17)	8,314	8,879
Other assets	(18, 27)	2,192,357	2,213,411
Total assets		31,475,037	32,682,845

EQUITY AND LIABILITIES, €'000	Note(s)	30/6/2011	31/12/2010
Deposits from other banks	(19, 27)	14,917,493	15,899,314
Deposits from customers	(20, 27)	6,776,740	7,071,160
Liabilities evidenced by paper	(21, 27, 28)	4,103,053	3,843,953
Trading liabilities	(22, 27)	214,825	242,383
Other liabilities	(23, 27)	2,081,215	2,428,127
Provisions	(24, 27)	105,955	60,905
Subordinated debt capital	(25, 27, 28)	728,605	753,739
Equity	(26)	2,547,151	2,383,264
Attributable to equity holders of the parent		2,362,972	2,383,165
Consolidated net profit for the period ¹		184,079	0
Minorities		100	99
Total equity and liabilities		31,475,037	32,682,845

¹ Because of the profit-transfer agreement in place with *Raiffeisen-Holding NÖ-Wien* — the principal equity holder of *RLB NÖ-Wien AG* — profit for the year ended 31 December remaining after transfers to the contractually provided reserves was transferred to *Raiffeisen-Holding NÖ-Wien*.

C. STATEMENT OF CHANGES IN EQUITY

€'000	Subscribed Capital	Non-voting Non-ownership Capital (Partzi- pationskapital)	Capital Reserves	Retained Earnings	Consolidated Net Profit for the Period	Minority Interests	Total
Equity at 1 January 2011	214,520	76,500	432,688	1,659,457	0	98	2,383,264
Comprehensive income				(13,136)	184,079	5	170,948
Distributions						(3)	(3)
Other changes				(7,057)			(7,057)
Equity at 30 June 2011	214,520	76,500	432,688	1,639,264	184,079	100	2,547,151

€'000	Subscribed Capital	Non-voting Non-ownership capital (Partzi- pationskapital)	Capital Reserves	Retained Earnings	Consolidated Net Profit for the Period	Minority Interests	Total
Equity at 1 January 2010	214,520	76,500	432,688	1,316,335	0	93	2,040,136
Comprehensive income				97,512	131,922	4	229,438
Distributions						(3)	(3)
Other changes				(13,961)			(13,961)
Equity at 30 June 2010	214,520	76,500	432,688	1,399,886	131,922	94	2,255,611

D. CASH FLOW STATEMENT

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Cash and cash equivalents at end of previous period	42,837	47,420
Net cash from/(used in) operating activities	8,854	(49,040)
Net cash from/(used in) investing activities	92,367	(11,594)
Net cash from/(used in) financing activities	(85,459)	54,463
Effect of exchange rate changes	(1)	53
Cash and cash equivalents at end of period	58,598	41,302

E. NOTES

RECOGNITION AND MEASUREMENT POLICIES

The Consolidated Financial Statements of *RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG* (RLB NÖ-Wien) are prepared in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB) inclusive of the applicable interpretations by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. This Interim Report as at and for the six months ended 30 June 2011 complies with the IFRS provisions collected together in IAS 34 laying down the minimum components of an interim financial report and identifying the recognition and measurement principles that should be applied in an interim reporting period.

Unless specifically stated otherwise with respect to the item in question, figures are stated in thousands of euros.

The number of consolidated entities and entities accounted for using the equity method was unchanged in the period under review.

During the period under review, neither business combinations nor restructurings took place and no business operations were discontinued.

During the first half of 2011, no special seasonal factors arose and no business transactions of an unusual kind, scope or frequency took place that could have materially affected the Group's assets, liabilities, financial position or profit or loss.

Although the mood among Austrian companies was darkened by turbulence on the stock markets, GDP growth increased again from 0.8 per cent in the first quarter to 1.0 per cent in the second. However, looking back 12 months, real GDP growth in the second quarter slowed from 4.2 per cent in 2010 to 3.7 per cent in 2011. The RLB NÖ-Wien Group profited from the recovery. However, the outlook for the second half of 2011 is no longer so good, as also indicated by the volatility of the stock markets.

No material events occurred between the end of the interim reporting period and the time of preparation of the Interim Report that were not reflected in the Interim Report.

On the reporting date, there were no pending legal disputes whose outcome might threaten the enterprise's continued existence. Following the Annual General Meeting held on 6 May 2011, the amount of €60.3 million was paid to *RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung (Raiffeisen-Holding NÖ-Wien)*, the parent of RLB NÖ-Wien, under the current profit transfer agreement.

The semi-annual financial report has been neither audited in full nor examined by an auditor.

CHANGES IN RECOGNITION AND MEASUREMENT POLICIES

With the exception of the following new requirements, the same recognition and measurement principles were applied as in the Consolidated Financial Statements as at and for the 12 months ended 31 December 2010:

New Provisions		Effective for Periods Beginning on or After	Already Adopted by the EU
Amendments to Standards			
IAS 24	Revised definition of related parties (revised 2009)	1 January 2011	Yes
IAS 32	Amendments relating to classification of rights issues	1 February 2010	Yes
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 July 2010	Yes
Various	Enhancements to International Financial Reporting Standards (2009 to 2010)	Mostly 1 January 2011	Yes
New Interpretations			
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010	Yes
Amendments to Interpretations			
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011	Yes

As a result of the revision of the definition of “*related party*” in IAS 24 (2009), the list of related parties of the RLB NÖ-Wien Group changed compared with the Consolidated Financial Statements as at and for the 12 months ended 31 December 2010 to include the associates of *Raiffeisen-Holding NÖ-Wien*, the entities accounted for using the equity method and the subsidiaries of the entities accounted for using the

equity method. The changes contained in IAS 24 (2009) must be applied retrospectively. Comparative figures for prior periods have been restated accordingly.

Otherwise, as no applications for the other revised standards currently exist within the RLB NÖ-Wien Group, the new provisions have not had any other effect for interim reporting purposes.

DETAILS OF THE INCOME STATEMENT

(1) NET INTEREST INCOME

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Interest income	365,876	332,346
from loans and advances to other banks	91,101	89,105
from loans and advances to customers	140,597	117,073
from other current financial assets	34,072	32,837
from trading assets and liabilities	2,973	2,256
from financial investments	56,230	52,285
from derivative financial instruments	40,888	38,790
Other	15	0
Current income	8,162	8,954
from shares and other variable-yield securities	7,040	7,874
from equity investments in subsidiaries	19	16
from other equity investments	1,103	1,064
Total interest and similar income	374,038	341,300
Interest expenses	(256,863)	(233,219)
on deposits from other banks	(109,063)	(95,468)
on deposits from customers	(44,126)	(39,828)
on liabilities evidenced by paper	(58,176)	(55,680)
on subordinated debt capital	(15,994)	(14,594)
on derivative financial instruments	(29,463)	(27,609)
Other	(41)	(40)
Total interest expenses and similar charges	(256,863)	(233,219)
Net interest income	117,175	108,081

(2) IMPAIRMENT CHARGE ON LOANS AND ADVANCES

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Item-by-item allowances for impairment	(50,739)	(10,939)
Impairment allowances	(75,723)	(44,691)
Impairment reversals	24,516	33,407
Direct write-offs	(172)	(268)
Recoveries of loans and receivables previously written off	640	613
Collective assessment of impairments of portfolios	(150)	(1,902)
Impairment allowances	(741)	(1,991)
Impairment reversals	591	89
Total	(50,889)	(12,841)

(3) NET FEE AND COMMISSION INCOME

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Payment services	8,449	7,496
Credit and guarantee operations	5,373	4,802
Securities operations	10,884	10,116
Foreign exchange, notes-and-coin and precious-metals business	2,246	2,357
Other banking services	6,344	5,835
Total	33,296	30,606

(4) NET TRADING INCOME

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Interest rate contracts	87	3,085
Currency contracts	1,216	11,450
Equity and index contracts	2,363	2,460
Other contracts	454	1,797
Total	4,120	18,792

(5) PROFIT/(LOSS) FROM FINANCIAL INVESTMENTS

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Gains less losses from financial investments classified as held to maturity	(372)	506
Gains less losses from financial investments classified as available for sale and measured at fair value	(67)	130
Gains less losses from financial investments classified as available for sale and measured at cost	(1,156)	0
Gains less losses from investments in entities accounted for using the equity method	0	572
Gains less losses from unlisted securities recognized as receivables and classified as loans and receivables	295	562
Gains less losses from financial instruments designated as at fair value through profit or loss	5,124	(10,426)
Realized gains and losses from liabilities measured at cost	0	797
Total	3,824	(7,859)

(6) GENERAL ADMINISTRATIVE EXPENSES

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Staff costs	(48,610)	(45,269)
Other administrative expenses	(38,647)	(35,873)
Depreciation/amortization/write-offs of property and equipment and intangible assets	(2,429)	(2,509)
Total	(89,686)	(83,651)

(7) OTHER OPERATING PROFIT/(LOSS)

€'000	1/1 – 30/6 2011	1/1 – 30/6 2010
Effect of hedge accounting	1,188	(1,630)
Gains less losses from other derivatives	(7,365)	(33,878)
Other operating income	6,814	7,320
Other operating expenses	(8,072)	(464)
Total	(7,435)	(28,652)

(8) EARNINGS PER SHARE

	1/1 – 30/6 2011	1/1 – 30/6 2010
Consolidated net profit for the period, €'000	184,079	131,922
Less distribution in respect of non-voting non-ownership capital (<i>Partizipationskapital</i>)	(1,913)	(1,913)
Adjusted consolidated net profit for the period	182,167	130,010
Number of ordinary shares in issue	2,145,201	2,145,201
Undiluted earnings per share, €	84.92	60.60

There were no conversion or option rights in circulation. Consequently, earnings per share were undiluted.

(9) DETAILED SEGMENTAL BREAKDOWN¹

1/1 – 30/6 2011	Retail Banking	Corporate Customers	Financial Markets	Investments	Management Services	Total
€000						
Net interest income	43,042	61,853	42,118	(29,461)	(377)	117,175
Impairment charge on loans and advances	(303)	(30,769)	(19,817)	0	0	(50,889)
Net interest income after impairment charge	42,739	31,084	22,301	(29,461)	(377)	66,286
Net fee and commission income	16,752	11,800	(752)	0	5,496	33,296
Net trading income	1,817	1,323	(645)	0	1,625	4,120
Profit from investments in entities accounted for using the equity method	0	0	0	173,189	0	173,189
Profit/(loss) from financial investments	0	723	4,608	(1,507)	0	3,824
General administrative expenses	(45,063)	(17,492)	(7,359)	(913)	(18,859)	(89,686)
Of which staff costs	(26,683)	(11,007)	(3,188)	(270)	(7,461)	(48,610)
Of which other administrative expenses	(17,002)	(6,295)	(3,637)	(635)	(11,078)	(38,647)
Of which depreciation/amortization/write-offs	(1,378)	(189)	(534)	(8)	(320)	(2,429)
Other operating profit/(loss)	563	1,802	(7,732)	(26)	(2,042)	(7,435)
Profit/(loss) for the period before tax	16,808	29,240	10,421	141,282	(14,157)	183,594
Average risk-weighted assets, €m	1,600	7,818	2,760	1,557	480	14,215
Average allocated equity, €m	154	753	266	1,246	46	2,465
Return on equity before tax	21.0%	7.5%	7.6%	21.9%	—	14.4%
Cost:income ratio	72.5%	22.8%	22.3%	0.6%	401.1%	28.0%

1/1 – 30/6 2010	Retail Banking	Corporate Customers	Financial Markets	Investments	Management Services	Total
€000						
Net interest income	39,113	58,813	40,092	(29,656)	(281)	108,081
Impairment charge on loans and advances	(5,036)	(7,805)	0	0	0	(12,841)
Net interest income after impairment charge	34,077	51,008	40,092	(29,656)	(281)	95,240
Net fee and commission income	15,476	10,022	(563)	0	5,671	30,606
Net trading income	2,310	1,262	12,463	0	2,757	18,792
Profit from investments in entities accounted for using the equity method	0	0	0	101,847	0	101,847
Profit/(loss) from financial investments	0	564	(8,290)	(133)	0	(7,859)
General administrative expenses	(42,103)	(16,183)	(6,110)	(960)	(18,296)	(83,651)
Of which staff costs	(24,186)	(11,091)	(3,896)	(260)	(5,836)	(45,269)
Of which other administrative expenses	(17,346)	(4,860)	(1,691)	(601)	(11,375)	(35,873)
Of which depreciation/amortization/write-offs	(571)	(232)	(523)	(98)	(1,085)	(2,509)
Other operating profit/(loss)	605	1,495	(36,709)	58	5,899	(28,652)
Profit/(loss) for the period before tax	10,365	48,168	883	71,156	(4,250)	126,323
Average risk-weighted assets, €m	1,448	7,289	3,386	1,311	476	13,910
Average allocated equity, €m	133	669	311	1,061	44	2,218
Return on equity before tax	15.6%	14.4%	0.6%	13.4%	—	11.8%
Cost:income ratio	73.2%	22.6%	40.0%	1.3%	130.3%	36.3%

¹ See page 12 of this Semi-Annual Group Management Report: *Segmental Report for the First Half of 2011*.

DETAILS OF THE BALANCE SHEET

(10) LOANS AND ADVANCES TO OTHER BANKS

€'000	30/6/2011	31/12/2010
Demand deposits	860,608	1,161,530
Time deposits	7,538,992	8,497,247
Other loans and advances	2,414,367	2,446,658
Debt instruments	24,217	23,784
Other	55,708	59,294
Total	10,893,892	12,188,513

(11) LOANS AND ADVANCES TO CUSTOMERS

€'000	30/6/2011	31/12/2010
Current accounts	1,454,272	1,463,536
Cash advances	658,729	744,955
Loans	7,626,314	7,415,477
Debt instruments	20,346	20,223
Other	33,967	36,244
Total	9,793,628	9,680,435

€'000	30/6/2011	31/12/2010
Public sector exposures	479,106	568,539
Retail exposures	1,585,254	1,526,227
Corporate customer exposures	7,729,252	7,585,669
Other	16	0
Total	9,793,628	9,680,435

(12) IMPAIRMENT ALLOWANCE BALANCE

2011	At				
€'000	1 January	Added	Reversed	Used	At 30 June
Item-by-item allowances for impairment	274,506	29,643	(21,005)	(17,605)	265,539
Loans and advances to other banks	12,140	58	(1,609)	(7,608)	2,981
Loans and advances to customers	262,366	29,585	(19,396)	(9,997)	262,558
Collective assessment of impairments of portfolios	24,616	741	(591)	0	24,766
Loans and advances to other banks	2,821	0	(116)	0	2,705
Loans and advances to customers	21,795	741	(475)	0	22,061
Impairment allowance balance (loans and advances)¹	299,122	30,384	(21,596)	(17,605)	290,305
Risks arising from off-balance-sheet liabilities²	13,877	46,080	(3,511)	0	56,446
Total	312,999	76,464	(25,107)	(17,605)	346,751

¹ The balance of impairment charges on loans and advances is reported on the Balance Sheet in the line item *Impairment allowance balance*.

² Risks arising from off-balance-sheet liabilities are reported on the Balance Sheet in the line item *Provisions*.

2010 €'000	At 1 January	Added	Reversed	Used	At 30 June
Item-by-item allowances for impairment	258,611	40,966	(30,181)	(8,077)	261,319
Loans and advances to other banks	15,245	999	0	(3,857)	12,387
Loans and advances to customers	243,366	39,967	(30,181)	(4,220)	248,932
Collective assessment of impairments of portfolios	22,424	1,991	(89)	0	24,326
Loans and advances to other banks	2,811	0	(89)	0	2,722
Loans and advances to customers	19,613	1,991	0	0	21,604
Impairment allowance balance (loans and advances)¹	281,035	42,957	(30,270)	(8,077)	285,645
Risks arising from off-balance-sheet liabilities²	18,443	3,725	(3,226)	0	18,942
Total	299,478	46,682	(33,496)	(8,077)	304,587

¹ The balance of impairment charges on loans and advances is reported on the Balance Sheet in the line item *Impairment allowance balance*.

² Risks arising from off-balance-sheet liabilities are reported on the Balance Sheet in the line item *Provisions*.

(13) TRADING ASSETS

€'000	30/6/2011	31/12/2010
Bonds and other fixed-interest securities	393,041	340,026
Shares and other variable-yield securities	10,098	4,500
Positive fair values of derivative contracts	166,404	181,954
Accruals arising from derivatives	48,980	61,868
Total	618,523	588,348

(14) OTHER CURRENT FINANCIAL ASSETS

€'000	30/6/2011	31/12/2010
Bonds and other fixed-interest securities	1,980,880	1,930,522
Designated as at fair value through profit or loss	1,980,880	1,930,522
Shares and other variable-yield securities	313,816	390,023
Designated as at fair value through profit or loss	313,816	390,023
Total	2,294,696	2,320,545

(15) FINANCIAL INVESTMENTS

€'000	30/6/2011	31/12/2010
Bonds and other fixed-interest securities	3,040,395	3,145,506
Classified as held to maturity	1,414,287	1,529,477
Classified as available for sale and measured at fair value	1,626,108	1,616,029
Shares and other variable-yield securities	356,166	354,123
Classified as available for sale and measured at fair value	327,466	325,423
Classified as available for sale and measured at cost	28,700	28,700
Equity investments	48,069	49,094
Classified as available for sale and measured at cost ¹	48,069	49,094
Total	3,444,630	3,548,723

¹ This total includes non-voting non-ownership capital (*Partizipationskapital*) of Raiffeisen Holding NÖ-Wien in the amount of €277 thousand (year-end 2010: €277 thousand)

(16) INTANGIBLE ASSETS

€'000	30/6/2011	31/12/2010
Other intangible assets	5,271	5,947
Total	5,271	5,947

(17) PROPERTY AND EQUIPMENT

€'000	30/6/2011	31/12/2010
Land and buildings used by the Group for its own operations	720	779
Other property and equipment	7,594	8,100
Total	8,314	8,879

(18) OTHER ASSETS

€'000	30/6/2011	31/12/2010
Tax assets	20,977	20,708
Positive fair values of derivative hedging instruments in fair value hedges	127,379	145,163
Positive fair values of derivative hedging instruments in cash flow hedges	14,686	21,414
Positive fair values of derivative financial instruments designated as at fair value through profit or loss	14,348	23,291
Positive fair values of other derivative financial instruments	1,095,624	1,333,145
Interest accruals arising from derivative financial instruments	475,488	511,523
Remaining other assets	443,855	158,167
Total	2,192,357	2,213,411

(19) DEPOSITS FROM OTHER BANKS

€'000	30/6/2011	31/12/2010
Demand deposits	3,999,458	4,870,185
Time deposits	9,940,500	9,884,838
Borrowed funds	977,535	1,144,291
Total	14,917,493	15,899,314

(20) DEPOSITS FROM CUSTOMERS

€'000	30/6/2011	31/12/2010
Sight deposits	3,396,394	3,835,424
Time deposits	1,011,539	975,593
Savings deposits	2,368,807	2,260,143
Total	6,776,740	7,071,160

€'000	30/6/2011	31/12/2010
Public sector exposures	538,471	697,037
Retail exposures	4,247,191	3,971,109
Corporate customer exposures	1,796,078	2,174,401
Other	195,000	228,613
Total	6,776,740	7,071,160

(21) LIABILITIES EVIDENCED BY PAPER

€'000	30/6/2011	31/12/2010
Measured at amortized cost	3,231,159	2,961,884
Designated as at fair value through profit or loss	871,894	882,069
Total	4,103,053	3,843,953

(22) TRADING LIABILITIES

€'000	30/6/2011	31/12/2010
Negative fair values of derivative contracts	167,531	178,620
Accruals arising from derivatives	47,294	63,763
Total	214,825	242,383

(23) OTHER LIABILITIES

€'000	30/6/2010	31/12/2010
Tax liabilities	10,019	8,703
Negative fair values of derivative hedging instruments in fair value hedges	74,839	88,694
Negative fair values of derivative hedging instruments in cash flow hedges	40,204	55,412
Negative fair values of derivative financial instruments designated as at fair value through profit or loss	32,292	44,866
Negative fair values of other derivative financial instruments	1,173,251	1,384,459
Interest accruals arising from derivative financial instruments	448,300	466,451
Contractual profit transfer	0	56,500
Remaining other liabilities	302,310	323,042
Total	2,081,215	2,428,127

(24) PROVISIONS

€'000	30/6/2011	31/12/2010
Termination benefits	21,550	20,580
Post-employment benefits	19,708	18,442
Jubilee benefits and part-time work by older staff	4,783	4,557
Taxes	81	43
Other	59,833	17,283
Total	105,955	60,905

(25) SUBORDINATED DEBT CAPITAL

€'000	30/6/2011	31/12/2010
Measured at amortized cost	655,770	666,384
Designated as at fair value through profit or loss	72,835	87,355
Total	728,605	753,739

(26) EQUITY

€'000	30/6/2011	31/12/2010
Attributable to equity holders of the parent	2,362,972	2,383,165
Subscribed capital	214,520	214,520
Non-voting non-ownership capital (<i>Partizipationskapital</i>)	76,500	76,500
Capital reserves	432,688	432,688
Retained earnings	1,639,264	1,659,457
Consolidated net profit for the period¹	184,079	0
Minorities	100	99
Total	2,547,151	2,383,264

¹ Because of the profit-transfer agreement in place with *Raiffeisen-Holding NÖ-Wien* — the principal equity holder of *FLB NÖ-Wien AG* — profit for the year ended 31 December remaining after transfers to the contractually provided reserves was transferred to *Raiffeisen-Holding NÖ-Wien*.

OTHER NOTES

(27) RELATED PARTY DISCLOSURES

Receivables from, payables to and contingent liabilities to entities in which the RLB NÖ-Wien Group held equity investments and from or to *Raiffeisen-Holding NÖ-Wien* and its subsidiaries and entities accounted for by it using the equity method:

€'000	30/06/2011	31/12/2010 ¹
Loans and advances to other banks		
Parent	1,551,367	1,471,960
Entities accounted for using the equity method	5,667,092	6,522,702
Loans and advances to customers		
Entities related via the parent	304,643	381,731
Non-consolidated subsidiaries	30,817	31,592
Entities accounted for using the equity method	492,569	502,790
Entities accounted for using the equity method via the parent	166,204	177,355
Impairment allowance balance		
Non-consolidated subsidiaries	(4,413)	(5,140)
Trading assets		
Entities accounted for using the equity method	49,390	20,527
Entities accounted for using the equity method via the parent	6,430	1,121
Other current financial assets		
Non-consolidated subsidiaries	5,898	0
Entities accounted for using the equity method	82,378	87,172
Entities accounted for using the equity method via the parent	1,998	4,036
Financial investments		
Parent	277	277
Entities accounted for using the equity method	131,719	144,306
Entities accounted for using the equity method via the parent	15,386	20,902
Other assets		
Parent	72,746	111,208
Entities related via the parent	210	233
Entities accounted for using the equity method	97,180	58,387

¹ As a result of the revision of the definition of "related party" in IAS 24 (2009), the list of related parties of the RLB NÖ-Wien Group changed compared with the Consolidated Financial Statements as at and for the 12 months ended 31 December 2010 to include the associates of *Raiffeisen-Holding NÖ-Wien*, the entities accounted for using the equity method and the subsidiaries of the entities accounted for using the equity method. The changes contained in IAS 24 (2009) must be applied retrospectively. Comparative figures for prior periods have been restated accordingly.

€'000	30/06/2011	31/12/2010 ¹
Deposits from other banks		
Parent	76,192	0
Entities accounted for using the equity method	3,455,813	4,584,161
Deposits from customers		
Entities related via the parent	230,989	276,560
Non-consolidated subsidiaries	14,001	6,235
Entities accounted for using the equity method	8,974	19,066
Entities accounted for using the equity method via the parent	22,968	40,469
Liabilities evidenced by paper		
Non-consolidated subsidiaries	487	3,407
Entities accounted for using the equity method	8,840	9,180
Trading liabilities		
Entities accounted for using the equity method	274	387
Other liabilities		
Parent	19,252	82,415
Entities related via the parent	158	0
Entities accounted for using the equity method	47,014	59,707
Provisions		
Entities related via the parent	2	0
Subordinated debt capital		
Parent	16,372	19,312
Entities accounted for using the equity method	6,024	5,619
Entities accounted for using the equity method via the parent	201	207

€'000	30/06/2011	31/12/2010 ¹
Contingent liabilities		
Parent	5,665	5,814
Entities related via the parent	32,886	17,509
Non-consolidated subsidiaries	51	51
Entities accounted for using the equity method	401,489	359,200
Entities accounted for using the equity method via the parent	91,500	80,359

¹ As a result of the revision of the definition of "related party" in IAS 24 (2009), the list of related parties of the RLB NÖ-Wien Group changed compared with the Consolidated Financial Statements as at and for the 12 months ended 31 December 2010 to include the associates of *Raiffeisen-Holding NÖ-Wien*, the entities accounted for using the equity method and the subsidiaries of the entities accounted for using the equity method. The changes contained in IAS 24 (2009) must be applied retrospectively. Comparative figures for prior periods have been restated accordingly.

RLB NÖ-Wien AG's parent is *Raiffeisen-Holding NÖ-Wien*. Business relations between *RLB NÖ-Wien* and *Raiffeisen-Holding NÖ-Wien* primarily involved the funding of *Raiffeisen-Holding NÖ-Wien* and the use of derivative financial instruments. There is a function allocation agreement (*Geschäftsbesorgungsvertrag*) between *RLB NÖ-Wien* and *Raiffeisen-Holding NÖ-Wien*. This agreement regulates the mutual rendering of services in detail to prevent duplication and ensure cost efficiency. In addition, a liquidity management agreement is in place between *RLB NÖ-Wien* and *Raiffeisen-Holding NÖ-Wien* that regulates relations between the two parties with respect to supplying, measuring and monitoring liquidity and taking the appropriate related measures.

Business relationships with related parties were conducted on arm's length terms and conditions.

In view of the immaterial amounts involved, receivables from and payables to members of the Managing Board and members of the Supervisory Board of *RLB NÖ-Wien AG*, management personnel, members of the Managing Board and members of the Supervisory Board of *Raiffeisen-Holding NÖ-Wien* and members of their families as related parties for the purposes of IAS 24 were not disclosed. Those business relations did not have any material effects on the Consolidated Interim Financial Statements.

(28) ISSUANCES, REDEMPTIONS AND REPURCHASES OF BONDS

€'000	2011	2010
At 1 January	4,597,692	4,380,694
Issuances	525,053	894,168
Redemptions	(212,002)	(505,878)
Repurchases	(25,324)	(65,006)
Revaluation gains and losses, interest accruals	(53,761)	3,786
At 30 June	4,831,658	4,707,764

(29) CONTINGENT LIABILITIES AND OTHER OFF-BALANCE-SHEET LIABILITIES AND COMMITMENTS

€'000	30/06/2011	31/12/2010
Contingent liabilities	1,265,023	1,175,532
Commitments	5,891,003	6,004,913

(30) REGULATORY OWN FUNDS

The RLB NÖ-Wien Group is a subgroup of the *Raiffeisen-Holding NÖ-Wien Group*. The calculation of regulatory own funds in accordance with § 24 BWG in conjunction with § 30 BWG is geared to the superordinate institution in a credit institution group (*Kreditinstitutsgruppe*). Consequently, regulatory own funds are presented in the consolidated financial statements of the *Raiffeisen-Holding NÖ-Wien Group*. BWG does not govern the regulatory own funds of subsidiaries that make up a subgroup. The following presentation of RLB NÖ-Wien's own funds in accordance with BWG on the basis of partial consolidation within the credit institution group is therefore provided for informational purposes only. Calculations were carried out in accordance with the applicable provisions of BWG 1993 as amended in 2006 (*Basel II*).

€'000	30/06/2011	31/12/2010
Paid-in capital	290,743	290,743
Earned capital	1,130,224	1,116,686
Minorities	59	59
Hybrid capital	0	0
Intangible assets	(5,271)	(5,947)
Tier 1 capital	1,415,755	1,401,541
Deductions from Tier 1 capital	(145,688)	(147,286)
Eligible Tier 1 capital (after deductions)	1,270,067	1,254,255
Supplementary capital within the meaning of § 23 (1) 5 BWG	258,702	272,151
Hidden reserves	50,700	50,700
Supplement in respect of amounts guaranteed	0	0
Long-term subordinated debt capital	392,048	377,968
Additional own funds	701,450	700,819
Deductions from additional own funds	(145,687)	(147,286)
Additional own funds (after deductions)	555,763	553,533
Eligible own funds	1,825,830	1,807,788
Tier 2 capital available to be reclassified as Tier 3 capital	29,299	18,665
Total own funds	1,855,129	1,826,453
Surplus own funds	722,024	724,615
Surplus own funds ratio	63.72%	65.76%
Tier 1 ratio (credit risk)	9.63%	9.70%
Total Tier 1 ratio	8.97%	9.11%
Own funds ratio (credit risk)	13.84%	13.98%
Total own funds ratio	13.10%	13.26%

The Tier 1 ratio and own funds ratio are stated in relation to the risk-weighted basis of assessment pursuant to § 22 BWG.

The total own funds requirement was made up as follows:

€'000	30/06/2011	31/12/2010
Own funds requirement		
Credit risk pursuant to § 22 (2) BWG	1,055,056	1,034,423
Trading book pursuant to § 22 o (1) BWG	29,299	18,665
Operational risk pursuant to § 22 i BWG	48,750	48,750
"Qualified" equity investments pursuant to § 29 (4) BWG	0	0
Total own funds requirement	1,133,105	1,101,838
Basis of assessment (credit risk) pursuant to § 22 (2) BWG	13,188,200	12,930,288
Basis of assessment (total risk)	14,163,813	13,772,975

(31) AVERAGE NUMBER OF STAFF

The average number of staff employed during the period under review (full time equivalents) broke down as follows:

	1/1 – 30/6 2011	1/1 – 30/6 2010
White collar	1,252	1,214
Blue collar	0	0
Total	1,252	1,214

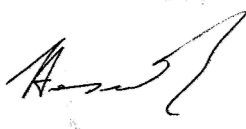
STATEMENT BY THE MANAGING BOARD

The Managing Board of *RLB NÖ-Wien AG* completed these Condensed Consolidated Interim Financial Statements as at and for the six months ended 30 June 2011 on 22 August 2011 in accordance with the provisions of the International Financial Reporting Standards (IFRSs) as adopted by the European Union. In addition, it prepared a Semi-Annual Group Management Report. The requirements regarding interim financial reporting have thus been satisfied for the purposes of § 87 *Börsengesetz* (Austrian stock exchange act).

“We confirm that, to the best of our knowledge, the Condensed Consolidated Interim Financial Statements prepared in accordance with the applicable financial reporting standards present fairly, in all material respects, the assets, liabilities, financial position and profit or loss of the RLB NÖ-Wien Group and that the Semi-Annual Group Management Report of the RLB NÖ-Wien Group presents fairly, in all material respects, the assets, liabilities, financial position and profit or loss of the RLB NÖ-Wien Group with respect to the important events occurring during the first six months of the financial year and their impact on the Condensed Consolidated Interim Financial Statements and with respect to the material risks and uncertainties for the remaining six months of the financial year.”

Vienna
22 August 2011

The Managing Board



Erwin HAMESEDER
CEO
Responsible for
Raiffeisen Banks and Management Services



Georg KRAFT-KINZ
Deputy CEO
Responsible for
Personal and Business Banking Customers
(Retail Banking)



Reinhard KARL
Member of the Managing Board
Responsible for
Corporate Customers



Gerhard REHOR
Member of the Managing Board
Responsible for
Financial Markets



Michael RAB
Member of the Managing Board
Responsible for
Risk Management and Organization

INFORMATION IN THE INTERNET

Raiffeisenlandesbank Niederösterreich-Wien's website provides detailed, up-to-date information about *Raiffeisen* at www.raiffeisenbank.at.

Publication details:

Published by:

RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien)
Friedrich-Wilhelm-Raiffeisen-Platz 1, A-1020 Vienna, Austria

Phone: +43-5-1700; Fax: +43-5-1700-901; e-mail: info@raiffeisenbank.at
Bank Sort Code: 32000; S.W.I.F.T Code: RLNW AT WW; Internet: www.raiffeisenbank.at

IFRS-Compliant Consolidated Interim Financial Statements and Semi-Annual Group Management Report

Edited by: Reinhold Grossebner and Team, Accounts and Controlling, RLB NÖ-Wien

Typesetting:

Produced in-house using FIRE.sys, *Michael Konrad GmbH*, Frankfurt

Translated by Adrian Weisweiller BA (Oxon), MA (Oxon), London

Copy deadline date:

22 August 2011

The English translation of the Interim Report for the First Half of 2011 is available as a PDF file in the Internet at www.raiffeisenbank.at/interimreport2011.

Enquiries should be addressed to RLB NÖ-Wien's Press Office at the above address.

Note and Disclaimer:

Certain market participants tend to attempt to derive claims from statements regarding expected future developments and assert those claims in court. Because of the rare but serious effects of such actions on the company concerned and on its equity holders, many companies keep statements about their expectations regarding future developments to the mandatory minimum required by legislation. However, the RLB NÖ-Wien Group does not see the publication of its semi-annual and annual financial reports merely as a duty. It would also like to use them as an opportunity for open communication.

To ensure that this will continue to be possible, we stress the following:

The forecasts, plans and forward-looking statements contained in this Report are based on the RLB NÖ-Wien Group's state of knowledge and assessments at the time of its preparation. Like all forward-looking statements, they are subject to risks and uncertainties that could cause actual results to differ substantially from those being predicted. No guarantee can be given that forecasts, planned values and forward-looking statements will actually prove accurate. We prepared this semi-annual financial report with the greatest possible care and checked the data. Nonetheless, we cannot rule out rounding, transmission, typesetting or printing errors. This Report was written in German. The English report is a translation of the German report. The German version is the only authentic version.