SEMI-ANNUAL REPORT

AS OF 30 JUNE 2015

CONSOLIDATED SEMI-ANNUAL MANAGEMENT REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Raiffeisenlandesbank Niederösterreich-Wien

Overview of Key Data

Raiffeisenlandesbank NÖ-Wien Consolidated Interim Financial Statements (IFRS)

€m	2015	+/(–) Change	2014*
Consolidated income statement	*1/1–30/6*		*1/1–30/6*
Net interest income after impairment charges	104.4	>100%	45.2
Net fee and commission income	36.5	4.7%	34.8
Net trading income	7.9	>100%	0.3
Profit from investments in entities accounted at equity	78.5	7.2%	73.3
General administrative expenses*	(99.0)	0.2%	(98.8)
Profit for the period before tax	134.0	>100%	49.3
Consolidated profit for the period (attributable to equity holders of the parent)	134.4	>100%	66.8
Consolidated balance sheet	*30/6*		*31/12*
Loans and advances to other banks	7,993	0.7%	7,937
Loans and advances to customers	12,233	(1.5)%	12,418
Deposits from other banks	10,448	(3.6)%	10,834
Deposits from customers	7,183	(3.9)%	7,478
Equity (incl. profit)	1,865	3.7%	1,799
Consolidated assets	28,511	(3.4)%	29,514
*Regulatory information***	*30/6*		*31/12*
Risk-weighted assessment base	13,590	(6.2)%	14,485
Total qualifying capital	2,928	(7.5)%	3,166
Total capital requirement	1,216	(5.3)%	1,283
Capital surplus ratio	140.9%	(5.8) PP	146.7%
Common equity Tier 1 ratio	12.6%	0.4 PP	12.2%
Total Tier 1 ratio	14.1%	0.4 PP	13.8%
Total capital ratio	19.3%	(0.5) PP	19.7%
Performance Indicators	*1/1–30/6*		*1/1–30/6*
Return on equity before tax	14.1%	9.9 PP	4.2%
Consolidated return on equity	14.1%	8.5 PP	5.6%
Consolidated cost:income ratio	52.4%	(3.6) PP	56.0%
Return on assets after tax	0.9%	0.5 PP	0.5%
Risk:earnings ratio	<0%	–	45.9%
Additional Information			
Staff information	*1/1–30/6*		*1/1–30/6*
Employees (average full-time equivalents)	1,185	(1.7)%	1,205
Information about branches and offices	*30/6*		*30/6*
Branches and offices	49	(3)	52
*Moody's ratings****	*Long-term*	*Short-term*	*Financial strength*
	Baa1	P(2)	D+

* The previous years were adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (starting on page 29). / ** RLB NÖ-Wien does not represent a separate credit institution group in the sense of regulatory requirements and, as a group, is not subject to the regulatory requirements for banking groups because it is part of the Raiffeisen-Holding NÖ-Wien credit institution group. The current indicators were determined in accordance with the provisions of the Capital Requirements Regulation (CRR) and the Austrian Banking Act for the Raiffeisen-Holding NÖ-Wien credit institution group. / *** Moody's reduced the long-term rating to Baa2 as of 1 July 2015.

Contents

Company Profile

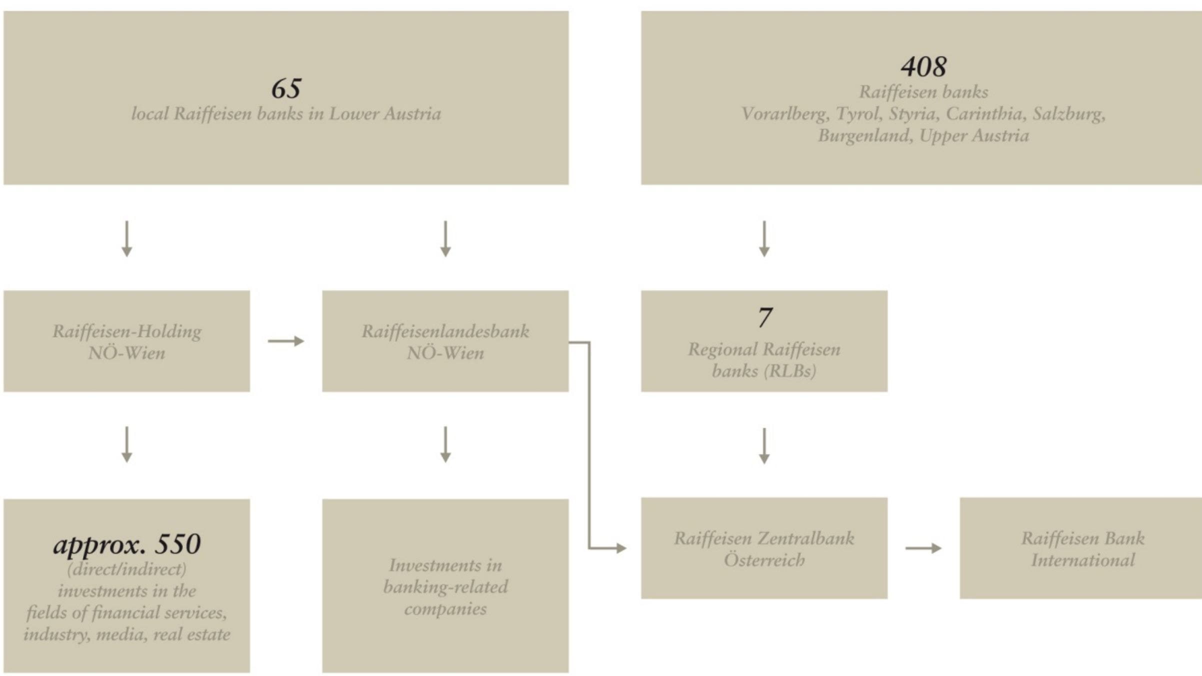
Strong regional bank

Raiffeisenlandesbank Niederösterreich-Wien AG (RLB NÖ-Wien) is a regional bank with approx. 1,280 employees who service private and commercial customers at 49 locations throughout Vienna. Its activities as a commercial bank are focused on the eastern region of Austria. Roughly 261,000 customers place their trust in RLB NÖ-Wien.

In keeping with its responsibilities as a bank for the Austrian Raiffeisen organization, RLB NÖ-Wien supports, advises and services the 65 independent Raiffeisen banks in Lower Austria. The Lower Austrian Raiffeisen banks form the leading banking group in this province with a 43% customer share, approx. 964,000 customers and 511 branches.

RLB NÖ-Wien is the principal shareholder of Raiffeisen Zentralbank Österreich AG (RZB) (34.74%) which, in turn, holds an investment in Raiffeisen Bank International AG (RBI). RBI has one of the largest branch networks in Central and Eastern Europe with over 2,800 offices. RLB NÖ-Wien is directly and indirectly owned by the Lower Austrian Raiffeisen banks (78.58% through Raiffeisen-Holding NÖ-Wien).

Raiffeisen Banking Group Austria As of 31/12/2014



With a market share of approx. 30%, the Raiffeisen Banking Group Austria is the leading banking group in this country. The group is organized in three tiers: the local Raiffeisen cooperative banks, the regional Raiffeisenlandesbank organizations and RZB.

The dense branch network underscores the commitment of the independent Raiffeisen banks to regional interests based on a foundation of security and trust. Nearly 1.7 million Austrians are members – and thereby co-owners – of the Raiffeisen banks. Raiffeisen NÖ-Wien, which is a key element of the Raiffeisen Banking Group Austria, comprises Raiffeisen-Holding, RLB NÖ- Wien and the Raiffeisen banks in Lower Austria. This gives Raiffeisen NÖ-Wien a leading role in the Raiffeisen Banking Group in Austria.

Experienced financial service provider for business and private customers

Retail and commercial businesses and self-employed persons are an important customer segment for RLB NÖ-Wien in Vienna, where the bank currently has a market share of 40%.

In the corporate customer segment RLB NÖ-Wien is an important partner for Austrian companies in the execution of payment transactions and the arrangement of working capital and investment financing, not least due to its strong market position in the eastern region of the country. RLB NÖ-Wien also helps medium-sized companies to approach the capital market and serves as a sparring partner to assist them in benefiting from foreign trade.

In the retail business, RLB NÖ-Wien advises private customers on a wide range of investment and financing issues at 44 locations across Vienna.

Digital banking as an addition to branch services

Personal customer and advising contacts still form the focal point of business activities, but RLB NÖ-Wien also offers its customers optimal and comprehensive services in all digital channels. The bank's customer service representatives have an extensive range of new technologies at their disposal – e. g. online banking, Raiffeisen App, Facebook and video meetings. At the same time, RLB NÖ-Wien is continuously optimizing its sales processes and structure.

Close cooperation with the Lower Austrian Raiffeisen Banks

RLB NÖ-Wien places high priority on increasing the use of synergies between the Lower Austrian Raiffeisen banks and RLB NÖ-Wien. As a bank for the Austrian Raiffeisen organization, it coordinates the cooperation within Raiffeisen NÖ-Wien.

A group-wide project with the working title "Shared Services" was launched in 2014 – and is designed to improve the operational efficiency of customer transactions and increase the quality of services. This project will involve the standardization and bundling of many back office activities. RLB NÖ-Wien plans to offer concrete services, for example in the areas of compliance and internal audit, and will also assist and service the Lower Austrian Raiffeisen banks in the sales area.

Raiffeisen values in today's world

Security, a regional focus and sustainable operations are the traditional values that have influenced Raiffeisen Austria for nearly 130 years. Although the economic and social framework has changed significantly over this time, Raiffeisen in Austria has always been able to successfully give these traditional values a contemporary interpretation.

These central values also include a commitment to social and environmental responsibility. For RLB NÖ-Wien this means:

- accepting responsibility for society,
- remaining a responsible and attractive employer, and
- reducing the negative effects of its operations on the environment.

Climate protection

RLB NÖ-Wien is a member of the Raiffeisen Climate Protection Initiative (RKI), which was founded in 2007. The Austrian Raiffeisen organizations have joined together in the RKI to bundle and intensify their climate protection activities. One annual focal point in February is the Raiffeisen Energy Savings Day in Lower Austria, which includes free-of-charge meetings with professional energy advisors.

Resource conservation

RLB NÖ-Wien has taken numerous steps to support the goals and objectives of RKI. For example: the purchase of new company vehicles includes a check to ensure that CO_2 emissions do not exceed the legally defined limit of 150 g CO_2/km. Special measures were also implemented to increase employees‘ awareness for the benefits created by alternative transportation means: company bicycles and e-bikes are now available for short job-related trips.

Wide-ranging support for culture and sport

RLB NÖ-Wien supports numerous cultural activities in Vienna and Lower Austria, including well-known events like the Classics under the Stars concert at Göttweig Monastery, the Theater in der Josefstadt, the Vienna Volksoper and the Filmhof Weinviertel.

In the sport area, RLB NÖ-Wien provide support, above all, for running events that are open to the general public: e.g. the Business Run and Raiffeisen Fun Run in Vienna.

Wide-ranging social commitment

The social commitment of RLB NÖ-Wien is also expressed in numerous initiatives like the “Aktion Lernhaus“, which provides free educational support for needy children at a number of locations in Vienna and Lower Austria.

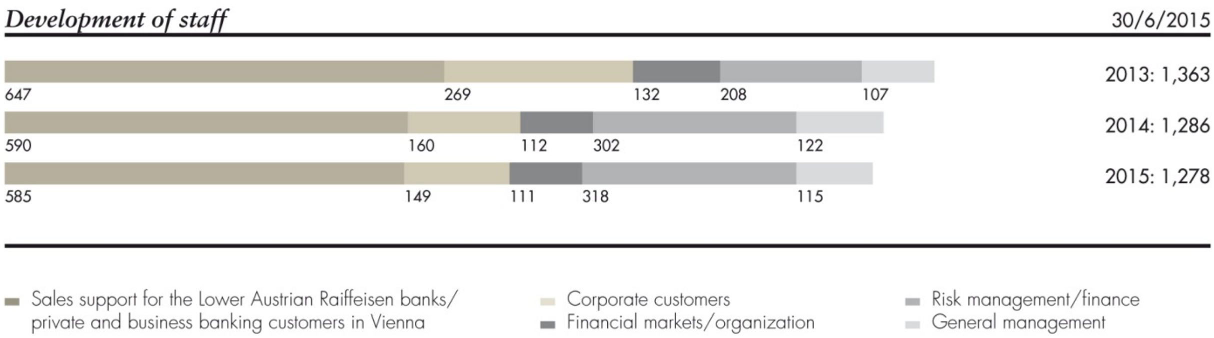
RLB NÖ-Wien is also a long-standing partner of the “Licht ins Dunkel“ fund raising drive, the Concordia social projects for orphans in Romania, Bulgaria and the Republic of Moldavia as well as the Caritas campaign “Cardinal König sponsorship” for the Gruft shelter.

Employees‘ social commitment

In connection with the “Cardinal König sponsorship” for the Gruft shelter, RLB NÖ-Wien employees volunteered to cook for the shelter’s clients in their free time during the first half of 2015. An average of 120 men and women were provided with warm meals at the Raiffeisen-sponsored dinners.

Responsible employer

RLB NÖ-Wien had an average of approx. 1,280 employees during the first half of 2015. Personnel development is based on sector-wide job profiles. A trainee programme has also been established to support the advancement of young academics. RLB NÖ-Wien and the Lower Austrian Raiffeisen Banks continued their apprenticeship campaign with the start of the fifth training course in 2014. Nearly 55 apprentices are currently being trained in Vienna and Lower Austria, and 18 former apprentices have joined RLB NÖ-Wien as employees.



Management Report

Overview of the First Half of 2015

The economic environment remained challenging throughout the first half of 2015:

- In January 2015 the president of the European Central Bank (ECB) announced wide-ranging monetary measures which include, among others, the purchase of EUR 60.0 billion in bonds each month up to September 2016. This programme has a total volume of EUR 1.1 trillion and is intended to raise the inflation rate in the eurozone to 2%.
- The president of the Swiss National Bank (SNB) announced the abandonment of the fixed EUR/CHF exchange rate at the beginning of this year. The exchange rate has since fallen from the previous level of EUR/CHF 1.20 to near-parity.
- The geopolitical tensions in Ukraine continued and had a significant influence on the economic development of both Ukraine and Russia.
- In the eurozone, the threatening insolvency of Greece and discussions over a possible "Grexit" triggered uncertainty on the financial markets.

These factors created increased pressure on the already low interest rate levels and led to the first-ever negative money market rates in the eurozone. The ongoing low interest rates were also reflected in a further decline of 3.9% in deposits from customers below the level on 31 December 2014.

The moratorium imposed by the FMA over HETA ASSET RESOLUTION AG (HETA) on 1 March 2015 led to a massive loss of confidence in Austrian issuers, above all by German investors. It was also reflected in a substantial decline in the channels open to Raiffeisenlandesbank Niederösterreich Wien AG (RLB NÖ-Wien) to access this source of funds. However, RLB NÖ-Wien has maintained its sound liquidity position and is able to utilize other financing sources. A further covered bond was successfully placed before the HETA decision in the form of a third benchmark issue with a volume of EUR 500 million based on the mortgage collateral pool.

Against the backdrop of regulatory requirements, RLB NÖ-Wien sold securities with a volume of EUR 794.1 million during the first half of 2015 to strengthen its capital base. These sales also resulted in a positive contribution to earnings.

With a total capital ratio of 19.3%, RLB NÖ-Wien clearly exceeds the minimum legal requirements as well as the capital requirements defined by the ECB in an official notification on 10 March 2015.

In spite of the challenging interest rate environment, net interest income rose by 12.5% year-on-year and net fee and commission income improved by 4.7%. Administrative expenses roughly reflected the previous year.

Profit/(loss) from investments accounted for at equity, which consist almost entirely of the earnings contribution from Raiffeisen Zentralbank Österreich AG (RZB), amounted to EUR 78.5 million and represented an important contribution to net profit for the first half of 2015.

Other operating profit/(loss) totalled EUR -27.9 million at mid-year. It includes the expenses from the measurement of interest rate derivatives and the recognition of provisions for potential damages from the customer business. This position also includes the stability levy as well as the initial contribution to the European resolution fund, which will be required in 2015 (EUR -10.0 million).

Positive development was recorded in the impairment allowance balance for the lending business: as of 30 June 2015 the amount of allowances released exceeded the new additions (net amount: EUR 10.4 million). Consequently, net interest income after impairment charges rose by EUR 59.2 million year-on-year to EUR 104.4 million. In combination with the earnings effects from the above-mentioned measures to optimize the capital ratio, which resulted in profit of EUR 33.7 million from financial investments, profit for the first half-year totalled EUR 134.4 million and substantially exceeded the results for the first half of 2014 (EUR 66.8 million).

The Economic Environment for the Banking Sector in the First Half of 2015

Global economic momentum continued at a steady pace from the previous year into the first half of 2015 – but in a different constellation: stronger growth was recorded, above all, in the industrial nations, while the emerging countries were characterized by increasing weakness. The situation with Russia remains difficult as it is heavily dependent on political decisions related to the Russia/Ukraine conflict. China has committed to a slower, more sustainable growth course in the future, and Greece is a persistent source of tension.

The USA again served as the main driver for the global economy during the first six months of the year. The favourable situation on the labour market and positive indicators for the second quarter have led the Federal Reserve (FED) to overlook the first quarter weakness and finalize plans for a cycle of interest rate hikes this year.

The International Monetary Fund (IMF) announced the first increase in its forecasts for the eurozone in several years (by 0.3 percentage points to 1.5% for 2015). This adjustment is explained by the low worldwide energy prices and the massive devaluation of the EUR in relation to the USD, which should have a positive effect on the export-oriented countries in the eurozone. The gross domestic product (GDP) rose by 0.3% quarter-on-quarter from April to June 2015. Growth in Germany accelerated slightly based on the increase in exports, while France stagnated. Spain reported another strong plus (1.0%). The economic recovery is now supported by a broad foundation – for the first time in five years, the four major eurozone countries have generated synchronized growth. Positive reports are also coming from the peripheral countries, with Spain making an important contribution to GDP growth.

The inflation rate in the eurozone equalled 0.2% in year-on-year comparison. Prices stagnated in April after four consecutive months of declines. The measures implemented by the ECB have apparently been successful in preventing a deflationary drop in prices, but the European economy is still far from the 2% inflation target.

On 22 January 2015 the ECB approved a broad-based bond purchase programme whose goal is to expand the balance sheet total by EUR 1.1 trillion – as announced, the key interest rate remained unchanged during the first half-year. This programme covers the purchase of EUR 60 billion of euro-denominated government bonds, bonds issued by European public institution, mortgage bonds and asset-backed securities each month at least up to September 2016. The ECB was extremely satisfied with the latest developments in the eurozone regarding both the economy (whereby the weakness is attributable to countries outside the currency zone) and the monetary situation. For example, financing conditions have improved since the start of the securities purchases. The growth in the money supply has recently gained momentum, and lending is moving in the right direction. In spite of these developments there is still a long way to go before the economy and inflation stabilize.

The Austrian economy has lagged significantly behind the eurozone since 2014 for a variety of reasons: on the one hand, the reluctance of companies to invest and weak consumer demand from private households; on the other hand, inadequate impulses from the export sector. Exports failed to drive growth as expected following the latest EUR devaluation. The Austrian National Bank (OeNB) attributes this situation to structural problems and the resulting deterioration in the country's competitive position during recent years.

The decline in the oil price from summer 2014 to the beginning of 2015 also exerted downward pressure on the inflation rate in Austria, which fell to 1.0% in June. This rate is substantially higher than the eurozone because of special effects like tax and duty increases and rising rents. The weak economic development in recent years has also led to an increase in the unemployment rate. Due to the low growth forecasted for 2015 and the stronger increase in the workforce (from migration as well as political efforts to retain workers in the labour market for a longer period of time), unemployment continued to rise during the first half of 2015.

Earnings, Financial and Asset Position

Consolidated operating profit first half-year 2015 versus first half-year 2014

€'000	1/1–30/6/2015	1/1–30/6/2014*	Absolute +/(–) change	Absolute +/(–) change
Net interest income	93,973	83,509	10,464	12.5
Net fee and commission income	36,453	34,820	1,632	4.7
Net trading income	7,945	324	7,621	>100
Profit from investments in entities accounted for using the equity method	78,499	73,255	5,245	7.2
Other operating profit/(loss)	(27,913)	(15,387)	(12,525)	81.4
Operating income	*188,958*	*176,522*	*12,436*	*7.0*
Staff costs'	(48,546)	(45,046)	(3,500)	7.8
Other administrative expenses	(47,911)	(50,839)	2,928	(5.8)
Depreciation/amortization/write-offs	(2,578)	(2,958)	380	(12.8)
General administrative expenses	*(99,035)*	*(98,844)*	*(192)*	*0.2*
Consolidated operating profit	**89,922**	77,678	**12,244**	**15.8**

* The previous year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (starting on page 29).

Net interest income totalled EUR 94.0 million in the first half of 2015 (first half-year 2014: EUR 83.5 million). Margins remained stable in the customer lending business and improved slightly in the customer deposit business despite the historically low interest rates. In combination with the sound profit on maturity transformation, this led to a substantial improvement in net interest income.

Net interest income in EUR million

Net fee and commission income rose by EUR 1.6 million year-on-year to EUR 36.5 million in the first half of 2015. An improvement was recorded, above all, in fees and commissions on securities and payment transactions.

Net trading income amounted to EUR 7.9 million for the reporting period (first half-year 2014: 0.3 million)

Profit/(loss) from investments accounted for at equity - which was influenced by an earnings contribution of EUR 77.2 million from RZB - totalled EUR 78.5 million for the first half of 2015.

Operating income in EUR million

Other operating profit/(loss) equalled EUR – 27.9 million for the first half of the reporting year and included the results from the measurement of interest rate derivatives and provisions for uncertain obligations arising from potential damages from the customer business. This position also includes the stability levy as well as the initial contribution to the European resolution fund which is required in 2015 (EUR -10.0 million).

General administrative expenses totalled EUR 99.0 million and remained stable at the prior year level. Personnel expenses were higher in year-on-year comparison. Other administrative expenses for the first half of 2015 included lower expenses for court and attorneys‘ fees and for consulting services.

€'000	1/1–30/6/2015	1/1–30/6/2014*	Absolute +/(–) change	Absolute +/(–) change
Consolidated operating profit	89,922	77,678	12,244	15.8
Impairment charge on loans and advances	10,412	(38,332)	48,744	-
Profit/(loss) from financial investments	33,654	9,919	23,735	>100
Profit/(loss) for the period before tax	***133,988***	*49,264*	***84,724***	***>100***
Income tax*	379	17,530	(17,151)	(97.8)
Profit/(loss) for the period after tax	**134,367**	66,795	**67,573**	**>100**

* The previous year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (starting on page 29).

The **impairment allowance balance** was positive at EUR 10.4 million for the reporting period with the amount of allowances released exceeding the new additions. The consequent monitoring and management of loans allowed for successful restructuring on a number of larger potentially impaired commitments and/or the reduction in the actual default below the originally estimated amount.

Profit/(loss) from financial investments contributed EUR 33.7 million to earnings for the period. The year-on-year increase of EUR 23.7 million was related, above all, to proceeds from the sale of securities (EUR 39.7 million). Earnings were reduced by impairment charges of EUR -7.2 million to securities.

The above factors led to **profit after tax of** EUR 134.4 million. This represents an increase of EUR 67.6 million, or 101.2%, over the previous year.

Profit for the period after tax in EUR million

Other comprehensive income of EUR -0.3 million resulted from the negative development of the available-for-sale reserve (EUR -18.7 million) and from the proportional share of other comprehensive income from companies accounted for at equity (EUR 10.4 million). This position also includes actuarial gains on the provisions for staff benefits (EUR 35 million). Total comprehensive income equalled EUR 134.1 million for the first half of 2015.

Segment Report

The RLB NÖ-Wien Group is organized according to the segments listed below. This categorization is based on the various customer service areas and reflects the strict customer orientation of RLB NÖ-Wien. The basis for segment reporting in accordance with IFRS 8 is formed by the internal management reporting system of the RLB NÖ-Wien Group, which is classified under the following business areas.

- Sales support for the Lower Austrian Raiffeisen banks/ private and business banking customers in Vienna
- Corporate customers
- Financial markets
- Investments
- General management

The segment **Sales Support for the Lower Austrian Raiffeisen Banks/ Private and Business Banking Customers in Vienna** (formerly: Personal and Business Banking Customers) covers the retail business in the Vienna branch offices, which service personal banking, trade and business and self-employed customers. This segment provides various banking products and services for these customer groups, in particular for investments and financing. The private banking teams provide professional advice to high net worth personal banking customers in Vienna, while small and medium-sized businesses are supported by the trade and business competence centre. This segment recorded profit before tax of EUR 9.6 million in the first half of 2015, compared with EUR 9.3 million in the previous year. The extremely low interest rates and strong competition among banks for customer deposits led to a year-on-year reduction of EUR 2.8 million in net interest income to EUR 33.9 million. Earnings were positively influenced by an increase in net fee and commission income to EUR 21.3 million (first half-year 2014: EUR 18.7 million) and continuing low impairment allowance balances of EUR -1.5 million (first half-year 2014: EUR -1.2 million). The return on equity before tax equalled 13.9%, compared with 14.7% in the previous year, and the cost/income ratio changed from 80.8% in the previous year to 80.0% in the first half of 2015.

The **Corporate Customers** Segment generated profit before tax of EUR 64.0 million in the first half of 2015. The decisive success factors for this business are specially designed products and solutions as well as a clear-cut customer orientation. Net interest income after the impairment allowance balance rose substantially to EUR 68.8 million (first half-year 2014: EUR 19.7 million). The release of impairment allowances totalling EUR +12.1 million supported a year-on-year improvement in earnings (first half-year 2014: EUR -36.6 million). With capital employed of EUR 608.0 million, this segment generated a pre-tax return on equity of 21.1% (first half-year 2014: 4.0%).

The **Financial Markets** Segment recorded profit before tax of EUR 50.6 million in the first half of 2015 (first half-year 2014: EUR -1.4 million). The positive development of profit from maturity transformation led to an improvement of EUR 17.0 million in net interest income, after the deduction of the impairment allowance balance, to EUR 27.2 million (first half-year 2014: EUR 10.5 million). The sale of securities generated profit from financial investments of EUR 28.2 million (first half-year 2014: EUR 9.7 million). Other operating income improved from EUR -9.6 million in the previous year to EUR 2.1 million as of 30 June 2015.

The **Investments** Segment again made an important contribution of EUR 53.7 million (first half-year 2014: EUR 47.3 million) to the pre-tax net profit of the RLB NÖ-Wien Group. The results recorded by the RZB Group represented a decisive factor for this contribution. The pre-tax return on equity equalled 26.5% based on average capital employed of EUR 405.0 million.

The **General Management** Segment (formerly: Management Services) covers the activities of the RLB NÖ-Wien Group in its function as the leading institution in the Lower Austrian Raiffeisen organization. Also included here are the income and expenses from market-related activities that support the other segments. This position is also used to report the bank levy of EUR -12.5 million for the first half of 2015 as well as the initial contribution to the European resolution fund (EUR -10.0 million). This segment recorded profit before tax of EUR -43.9 million in the first half of 2015, compared with EUR -17.6 million in the previous year.

Consolidated Balance Sheet 30 June 2015

The **balance sheet total of the** RLB NÖ-Wien Group amounted to EUR 28,510.9 million as of 30 June 2015, which is EUR 1,002.9 million lower than on 31 December 2014. The development in 2015 reflected the reduction in the volume of securities (assets) as well as a substantial decline in deposits from other banks and a further decrease in deposits from customers, above all savings deposits (liabilities).

Assets

Loans and advances to other banks totalled EUR 7,993.1 million and generally reflected the level on 31 December 2014. An increase was recorded in loans and advances to companies in the Raiffeisen sector and to other Austrian credit institutions, while the volume of loans and advances to foreign credit institutions declined.

Loans and advances to customers amounted to EUR 12,233.1 million, which is slightly lower than the balance on 31 December 2014. A reduction in the volume of loans and advances to public sector institutions was contrasted by an increase in loans and advances to companies and private customers.

Against the backdrop of regulatory requirements, various measures was implemented during the first half of 2015 to improve the capital ratio. These measures included a substantial reduction in the securities portfolio that was only offset in part by new purchases. The balance sheet position **securities and equity investments** amounted to EUR 4,552.2 million at the end of the reporting period, which represents a decline of EUR 749.0 million below the level on 31 December 2014.

Investments accounted for at equity totalled EUR 1,953.7 million as of 30 June 2015 (first half-year 2014: EUR 1,876.7 million).

Other assets declined by EUR 202.2 million to EUR 1,778.7 million as of 30 June 2015 due to a decrease in the positive market value of derivative instruments.

€m	30/6/2015	31/12/2014	Absolute +/(–) change	Absolute +/(–) change
Loans and advances to other banks	7,993	7,937	56	0.7
Loans and advances to customers	12,233	12,418	(184)	(1.5)
Securities and equity investments	4,552	5,301	(749)	(14.1)
Investments in entities accounted for using the equity method	1,954	1,877	77	4.1
Other assets	1,779	1,981	(202)	(10.2)
Consolidated assets	**28,511**	29,514	**(1,003)**	**(3.4)**

Liabilities and equity

Deposits from other banks totalled EUR 10,447.8 million as of 30 June 2015. The reduction of EUR 386.5 million below the level on 31 December 2014 resulted, above all, from a decline in deposits by companies in the Raiffeisen sector and to a lower volume of refinancing with the Austrian National Bank. In contrast, an increase was recorded in deposits by foreign credit institutions.

Deposits from customers, including savings deposits, also declined during the reporting period and equalled EUR 7,183.1 million as of 30 June 2015. The continuing low level of interest rates led to a further decline in savings deposits.

Securitized liabilities totalled EUR 6,001.3 million and were EUR 199.4 million lower than on 31 December 2014.

Equity rose by EUR 66.3 million over the level on 31 December 2014 and equalled EUR 1,865.3 million as of 30 June 2015.

Other liabilities declined by EUR 188.6 million to EUR 3,013.5 million due to a decrease in the negative market value of derivative instruments.

€m	30/6/2015	31/12/2014	Absolute +/(–) change	Absolute +/(–) change
Deposits from other banks	10,448	10,834	(387)	(3.6)
Deposits from customers	7,183	7,478	(295)	(3.9)
Liabilities evidenced by paper	6,001	6,201	(199)	(3.2)
Equity	1,865	1,799	66	3.7
Other liabilities	3,013	3,202	(189)	(5.9)
Balance sheet equity and liabilities	**28,511**	29,514	**(1,003)**	**(3.4)**

Financial Performance Indicators

Performance Ratios

The following section shows the development of the major indicators during the first half of 2015:

The **Group's cost/income ratio** – i.e. the ratio of operating expenses to operating income – improved to 52.4% (first half-year 2014: 56.0%) due to the increase in income and nearly constant level of administrative expenses.

The **Group's return on equity** – i.e. return on equity based on average equity – rose from 5.6% in the first half of the previous year to 14.2% for the reporting period due to the improvement in earnings.

Regulatory Capital

RLB NÖ-Wien does not represent a separate credit institution group in the sense of regulatory requirements and, as a group, is not subject to the regulatory requirements for banking groups because it is part of the Raiffeisen-Holding NÖ-Wien credit institution group. The indicators for the first half of 2015 were determined in accordance with the provisions of the Capital Requirements Regulation (CRR) and the Austrian Banking Act for the Raiffeisen-Holding NÖ-Wien credit institution group.

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

Eligible capital as defined in Art. 72 in connection with Art. 18 of the CRR totalled EUR 2,928.3 million (first half-year 2014: 3,165.9 million). At 19.3% (first half-year 2014: 19.7%), the Tier 1 ratio (credit risk) substantially exceeded the 8% minimum requirement defined by the CRR.

Eligible capital comprises the following: The common equity Tier 1 ratio includes the superior credit institution's subscribed capital of EUR 176.1 million (first half-year 2014: EUR 184.7 million), appropriated capital reserves of EUR 373.7 million (first half-year 2014: EUR 373.7 million), retained earnings of EUR 1,048.1 million (first half-year 2014: EUR 1,068.1 million), non-controlling interests of EUR 289.8 million (first half-year 2014: EUR 327.9 million) various regulatory adjustments of EUR 26.7 million (first half-year 2014: EUR 4.1 million). After deductions of EUR -2.2 million (first half-year 2014: EUR -1.5 million), common equity Tier 1 capital equalled EUR 1,912.1 million (first half-year 2014: EUR 1,957.0 million). The additional Tier 1 capital consists of hybrid capital of EUR 224.6 million (first half-year 2014: EUR 256.7 million) and non-controlling interests of EUR 15.8 million (first half-year 2014: EUR 8.4 million) less deductions of EUR -3.0 million (first half-year 2014: EUR -4.8 million). Tier 1 capital, after deductions, therefore equalled EUR 2,149.6 million (first half-year 2014: EUR 2,217.2 million).

Tier 2 capital of EUR 778.7 million (first half-year 2014: EUR 948.7 million) comprises eligible Tier 2 instruments of EUR 653.1 million (first half-year 2014: EUR 805.1 million), hybrid capital of EUR 16.9 million (first half-year 2014: EUR 19.3 million) and an addition of EUR 108.7 million for amounts guaranteed (first half-year 2014: EUR 124.2 million).

Tier 1 capital as a per cent of eligible capital equalled 73.4% (first half-year 2014: 70.0%).

The Tier 1 capital ratio (total risk) of the Raiffeisen-Holding NÖ-Wien credit institution group equalled 14.1% (first half-year 2014: 13.8%).

The leverage ratio of the Raiffeisen-Holding NÖ-Wien financial institutions group equalled 6.9% as of 30 June 2015 (first half-year 2014: 6.9%).

Credit Risk Indicators

The following tables show the amount of non-performing exposure (NPE) by category of receivables as well as the related NPE ratio and coverage ratio indicators:

Receivables categories €'000	NPE 30/6/2015	NPE 31/12/2014	NPE ratio in % 30/6/2015	NPE ratio in % 31/12/2014
Banks	15,580	4,995	0.1	0.0
Corporates	501,833	560,519	3.6	3.8
Retail customers	144,648	145,966	7.2	7.5
Sovereigns	41,159	53,698	0.8	1.0
Total	**703,220**	765,178	**2.1**	2.2

Receivables categories €'000	NPE coverage ratio I in % 30/6/2015	NPE coverage ratio I in % 31/12/2014	NPE coverage ratio II in % 30/6/2015	NPE coverage ratio II in % 31/12/2014
Banks	4.9	15.4	4.9	15.4
Corporates	46.3	44.0	80.2	82.1
Retail customers	56.8	58.7	88.2	91.2
Sovereigns	0.2	6.4	7.0	11.6
Total	**44.8**	44.0	**75.9**	78.4

The non-performing exposure (NPE) ratio for the total credit exposure equalled 2.1% as of 30 June 2015 (first half-year 2014: 2.2%). Coverage Ratio I is defined as the impairment allowance (individual) based on the NPE in relation to the total NPE, while Coverage Ratio II equals the individual impairment allowance plus collateral (after haircuts) based on the NPE in relation to the total NPE. As of 30 June 2015, the Coverage Ratio I equalled 44.8% (first half-year 2014: 44.0%) and the Coverage Ratio II 75.9% (first half-year 2014: 78.4%).

Outlook on the Second Half of 2015

The Economic Environment

The latest forecast update by the IMF in early July confirmed previous expectations for the gradual recovery of worldwide economic activity. The increase in global GDP during 2015 should generally reflect the previous year (forecast for 2015: 3.3%). The eurozone will benefit from stronger worldwide demand (above all from the industrial nations), the devaluation of the euro and lower energy prices, and GDP growth is therefore expected to be nearly twice as strong as the previous year in 2015 (IMF forecast for 2015: 1.5% versus 0.8% in the previous year). The IMF reduced its forecast for the USA by 0.6 percentage points to 2.5% and explained this adjustment with the unexpected weakness at the beginning of the year. However, the US economy recovered rapidly during the following months and the labour market has remained on a steady upward trend with an increase in the number of jobs. The FED will therefore start to increase interest rates during the second half-year. The market is expecting the first interest rate hike in connection with FED meeting on 16/17 September 2015.

Austria, in contrast, is faced with substantially lower growth perspectives. Economic output is expected to rise by less than 1% in 2015 for the fourth consecutive year. The tax reform announced in March 2015 will only take effect on 1 January 2016 and will therefore have no effect on GDP this year. Consequently, the Austrian Institute of Economic Research (WIFO) has left its growth forecast for 2015 unchanged at +0.5%.

Nonetheless, the IMF has warned of risks that could lead to a quick reversal of this generally positive economic outlook. Short-term dangers could arise from a sudden increase in volatility on the financial markets, for example in connection with the debate over Greece's exit from the eurozone. Geopolitical events could also lead to further turbulence at any time. The medium-term scenario is dominated, above all, by concerns that the industrial nations will be unable to return to full employment and thereby forfeit some of their growth potential. The IMF is also warning of a stronger-than-expected slowdown in the Chinese economy as well as a continuation of the low raw material prices. This latter development could lead to distortions in the commodity-dependent developing countries that have become accustomed to substantial price increases.

The ECB will continue to hold interest rates in the eurozone at a low level. The key interest rate is not expected to increase in 2015 because the inflation rates would then remain below the ECB's 2% target for a longer period of time. Capital market yields have followed the correction of the "subdued phase" with stabilization at a level that seems basically justified. The interest rate reversal expected for the USA this autumn could lead to an increase in long-term rates in Austria. The ECB's bond purchase programme is, however, confronted with larger upward movements – the ECB intends to act as a buyer on the market up to September 2016 and will therefore contribute to the steady supply of surplus liquidity.

The major macroeconomic and monetary policy differences between the USA and the ECU are also reflected in the respective currencies. The euro remains under pressure from the US dollar – the experts surveyed by Reuters at the beginning of July expect, on average, a general shift to parity over the next year.

Risk Assessment

One of the main responsibilities of RLB NÖ-Wien is the acceptance of different types of risks. These risks are entered into based on the risk policy and strategy defined by RLB NÖ-Wien. The efficient identification, assessment and management of risk represents a central focus of the bank's activities. Additional information on this subject and on the organization of risk management is provided in the section on the "Risks arising from financial instruments (Risk Report)" in the 2014 annual report.

RLB NÖ-Wien sees the situation on the markets and in the customer business as an ongoing weak trend that is coupled with high volatility. The ongoing analysis of risk therefore focuses, above all, on this development.

The first six months were characterized by the new regulatory requirements defined by the CRR and ECB.

From the risk viewpoint, the first half of 2015 was still heavily influenced by the euro and economic crisis in Europe and a low-interest phase. The discussions over the insolvency of Greece and a possible "Grexit", i.e. the potential exit of Greece from the eurozone, also dominated the financial world and had a lasting influence on the financial markets. RLB NÖ-Wien reacted to the economic developments in Europe several years ago with a massive reduction of the limits for high-risk countries. All issuers' lines from Greece, Portugal, Spain and Ireland were suspended at the beginning of May 2010. In addition, the granting of new loans to customers in Russia was virtually discontinued in mid-2014. The effects of the euro and financial market crisis have apparently had a lasting effect on the real economy and are also reflected in weaker growth in Austria.

The risk positioning of RLB NÖ-Wien in the trading and banking book remains generally defensive. The increased share of liabilities in the banking book during March and April following the issue of a covered bond was substantially reduced beginning in May of this year. The second half-year will also involve the selective and close management of existing risk positions and will be supplemented by standardized stress- and back-testing for situation-related assessments and timely reporting to the Managing Board.

With regard to the capital market, the Austrian financial sector continues to view senior unsecured issues critically. This has also been reflected in an increase in the spreads for Austrian banks.

RLB NÖ-Wien is unable to predict with certainty the development of the sanctions imposed by the USA and the EU on Russia or the future course of the current difficult economic environment. From the present point of view, the impairment allowance balance should remain below the budgeted amount this year.

In line with our conservative appraisal, we expect further major challenges during the second half of 2015. These challenges will focus, above all, on financing and on the need to continue our extensive analysis and activities to support our customers.

The early identification of potential problems and the implementation of specially targeted counteractions and risk-reducing measures is an effective response to the economic challenges faced by our customers and, in turn, by their financiers.

These activities allow RLB NÖ-Wien to address the possible impact of the continuing weak economic growth on its credit customers and the effects arising from the uncertainties on the financial markets.

In total, the current risk monitoring and assessment has not identified any risks above and beyond the ones mentioned above that would presumably have an effect on the development of RLB NÖ-Wien.

Development of the Group

The implementation of the dual growth and consolidation strategy will continue during the second half of 2015.

The following focal points have been defined for the second half-year:

- Expansion of the customer business in the area of financing
- Monitoring and improvement of sales channels
- Continuous management and optimization of regulatory indicators
- Continuation of successful risk strategy

The greatest uncertainty factor for earnings in the second half of 2015 is the development of profit from investments accounted for at equity (RZB). These earnings are influenced by the difficult economic situation, above all in Russia and Ukraine. The political crisis in Russia and Ukraine does not have a direct influence on the business activities of RLB NÖ-Wien. However, the proportional share of earnings from RZB – which holds an investment of 60.7% in Raiffeisen Bank International AG (RBI) – represents a contribution to the earnings reported by RLB NÖ-Wien. At the beginning of this year, RBI announced its intention to reduce the volume of business as a means of lessening its risk exposure to economic and geopolitical factors that are beyond its control. This investment is currently generating a stable proportional earnings contribution, but negative effects on RBI and the related negative effects on earnings cannot be excluded.

Regulatory costs for 2015 include the bank levy as well as contributions to the deposit security fund and the European resolution fund. RLB NÖ-Wien recognized a provision of EUR 10.0 million in the first half-year balance sheet for the expected costs related to the European resolution fund.

RLB NÖ-Wien is subject to national and EU law through its business activities. The changes in laws, EU guidelines and directives are generally connected with the implementation of stricter regulations and increased requirements. Consequently, it cannot be excluded that RLB NÖ-Wien will also be involved in court cases and administrative proceedings in the future and that any possible future proceedings or their potential negative conclusion may have an adverse effect on RLB NÖ-Wien. As of the balance sheet date on 30 June 2015, all such recognizable risks had been taken into account.

Plans for the second half of 2015 include the sale of the shares in Raiffeisen Bausparkasse Gesellschaft m.b.H (8.56%) and the shares in Valida Holding AG (3.60%) to RZB – contingent upon the necessary approvals under regulatory and competition law.

Consolidated Interim Financial Statements (IFRS)

A. Consolidated Statement of Comprehensive Income

Consolidated Income Statement

€'000	Note	1/1–30/6/2015	1/1–30/6/2014*
Interest income	(1)	272,575	284,486
Interest expenses	(1)	(178,602)	(200,977)
Net interest income	***(1)***	***93,973***	***83,509***
Impairment allowance balance	(2)	10,412	(38,332)
Net interest income after impairment charges		***104,385***	***45,177***
Fee and commission income	(3)	50,512	49,727
Fee and commission expenses	(3)	(14,060)	(14,906)
Net fee and commission income	***(3)***	***36,453***	***34,820***
Net trading income	(4)	7,945	324
Profit from investments in entities accounted at equity		78,499	73,255
Profit/(loss) from financial investments	(5)	33,654	9,919
General administrative expenses*	(6)	(99,035)	(98,844)
Other operating profit/(loss)	(7)	(27,913)	(15,387)
Profit for the period before tax		***133,988***	***49,264***
Income tax*		379	17,530
Profit for the period after tax		**134,367**	**66,795**
Of which attributable to equity holders of the parent		134,367	66,795
Of which non-controlling interests in profit		0	0

* The previous year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (beginning on page 29).

Reconciliation to Consolidated Comprehensive Income

€'000	1/1–30/6/2015 Attributable to equity holders of the parent	Non-controlling interests	Total	1/1–30/6/2014* Attributable to equity holders of the parent	Non-controlling interests	Total
Profit for the period	*134,367*	*0*	*134,367*	*66,795*	*0*	*66,795*
Items that will not be reclassified to profit and loss in later periods	*3,086*	*0*	*3,086*	*(1,853)*	*0*	*(1,853)*
Acturial gains/(losses) on the revaluation of provisions for staff benefits*	3,473	0	3,473	(4,076)	0	(4,076)
Deferred taxes on items not reclassified to profit and loss*	0	0	0	512	0	512
Enterprise's interest in other comprehensive income of entities accounted for at equity, which will never be reclassified	(387)	0	(387)	1,711	0	1,711
Items that may be reclassified to profit or loss in later periods	*(3,349)*	*0*	*(3,349)*	*(6,555)*	*0*	*(6,555)*
Cash flow hedge reserve	4,628	0	4,628	6,419	0	6,419
Of which gains/(losses) reclassified to the income statement	4,628	0	4,628	6,419	0	6,419
Available-for-sale reserve	(18,734)	0	(18,734)	59,700	0	59,700
Of which unrealized gains/(losses) in the period	22,362	0	22,362	67,454	0	67,454
Of which gains/(losses) reclassified to the income statement	(42,096)	0	(42,096)	(7,754)	0	(7,754)
Of which assets held for sale	999	0	999	0	0	0
Deferred taxes*	0	0	0	(16,507)	0	(16,507)
Of which unrealized gains/(losses) in the period*	0	0	0	(16,864)	0	(16,864)
Of which gains/(losses) reclassified to the income statement*	0	0	0	356	0	356
Enterprise`s interest in other comprehensive income of entities accounted for at equity (after tax)	10,758	0	10,758	(56,166)	0	(56,166)
Other comprehensive income	*(263)*	*0*	*(263)*	*(8,409)*	*0*	*(8,409)*
Consolidated comprehensive income	**134,105**	**0**	**134,105**	58,386	0	58,386

* The previous year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (beginning on page 29).

B. Consolidated Balance Sheet

Assets, €'000	Note	30/6/2015	31/12/2014
Cash and balances with the central bank		67,739	60,682
Loans and advances to other banks	(9)	7,993,116	7,937,345
Loans and advances to customers	(10)	12,233,114	12,417,567
Impairment allowance balance	(11)	(326,681)	(336,761)
Trading assets	(12)	752,992	608,763
Securities and equity investments	(13)	4,552,198	5,301,201
Entities accounted for using the equity method		1,953,706	1,876,687
Intangible assets	(14)	4,702	5,783
Property and equipment	(15)	7,428	8,303
Other assets	(16)	1,272,550	1,634,182
Of which assets held for sale		45,163	0
Of which current tax receivables		24	0
Balance sheet assets		**28,510,863**	29,513,752

Equity and Liabilities, €'000	Note	30/6/2015	31/12/2014
Deposits from other banks	(17)	10,447,814	10,834,318
Deposits from customers	(18)	7,183,056	7,477,732
Securitized liabilities	(19)	6,001,252	6,200,633
Trading liabilities	(20)	365,284	428,466
Other liabilities	(21)	1,532,609	1,650,121
Of which current tax liabilities		9,705	10,175
Provisions	(22)	161,103	147,126
Tier 2 capital	(23)	954,489	976,356
Total borrowed capital		***26,645,607***	*27,714,750*
Attributable to equity holders of the parent		1,865,257	1,799,002
Non-controlling interests		0	0
Equity	(24)	***1,865,257***	*1,799,002*
Balance sheet equity and liabilities		**28,510,863**	29,513,752

C. Consolidated Statement of Changes in Equity

€'000	Attributable to equity holders of the parent							
	Subscribed capital	Non-voting non-ownership 'participation' capital	Capital reserves	Retained earnings	Net profit/(loss) for the period	Total	Non-controlling interests	Total
Equity at 1/1/2015	**214,520**	**76,500**	**432,688**	**1,348,243**	**(272,949)**	**1,799,002**	**0**	**1,799,002**
Consolidated comprehensive income	0	0	0	(263)	134,367	134,105	0	134,105
Net profit for the period	0	0	0	0	134,367	134,367	0	134,367
Other comprehensive income	0	0	0	(263)	0	(263)	0	(263)
Use of retained earnings	0	0	0	(328,948)	328,948	0	0	0
Distributions	0	0	0	0	(55,998)	(55,998)	0	(55,998)
Enterprise's interest in other changes in the equity of entities accounted for at equity	0	0	0	(11,851)	0	(11,851)	0	(11,851)
Equity at 30/6/2015	**214,520**	**76,500**	**432,688**	**1,007,181**	**134,367**	**1,865,257**	**0**	**1,865,257**

€'000	Attributable to equity holders of the parent							
	Subscribed capital	Non-voting non-ownership 'participation' capital	Capital reserves	Retained earnings	Net Profit/(Loss) for the Period	Total	Non-controlling interests	Total
Equity at 1/1/2014	214,520	76,500	432,688	1,639,955	0	2,363,663	55	2,363,718
Consolidated comprehensive income*	0	0	0	(8,409)	66,795	58,386	0	58,386
Net profit for the period*	0	0	0	0	66,795	66,795	0	66,795
Other comprehensive income*	0	0	0	(8,409)	0	(8,409)	0	(8,409)
Enterprise's interest in other changes in the equity of entities accounted for at equity	0	0	0	(117,644)	0	(117,644)	0	(117,644)
Other changes	0	0	0	(141)	0	(141)	(55)	(196)
Equity at 30/6/2014	214,520	76,500	432,688	1,513,761	66,795	2,304,264	0	2,304,264

* The previous year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (beginning on page 29).

D. Consolidated Cash Flow Statement

€'000	Notes	1/1–30/6/2015	1/1–30/6/2014*
*Profit for the period after tax**		*134,367*	*66,795*
Non-cash items in profit/(loss) for the period in reconciliation to cash flow from operating activities:			
Write-downs/(write-ups) of property and equipment, financial investments and equity investments	(6)	156	(4,476)
Revaluation (gains)/losses on investments in entities accounted for at equity		(78,499)	(73,255)
Release of/addition to provisions and impairment allowances*	(2, 7)	(28,412)	26,375
(Gains)/losses on disposals of property and equipment, financial investments and equity investments	(5, 7)	(32,984)	(2,873)
Other adjustments (net)*		(143,639)	(79,557)
Subtotal		*(149,011)*	*(66,991)*
Change in assets and liabilities arising from operating activities after corrections for non-cash items			
Loans and advances to customers and other banks	(9, 10)	138,989	610,558
Trading assets	(12)	(143,607)	(180,562)
Securities (except financial investments)	(13)	303,800	98,987
Other assets	(16)	344,814	(179,807)
Deposits from customers and other banks	(17, 18)	(679,482)	(776,949)
Securitized liabilities	(19)	(201,108)	19,505
Trading liabilities	(20)	(63,182)	94,565
Other liabilities	(21)	(82,755)	327,893
Subtotal		*(531,542)*	*(52,801)*
Interest and dividends received		298,223	293,645
Interest paid		(172,521)	(189,249)
Income taxes paid		2,718	15,675
Cash flow from operating activities		*(403,122)*	*67,271*
Cash receipts from sales of:			
Financial and equity investments	(5)	901,349	181,015
Property and equipment and intangible assets	(7)	91	(766)
Cash paid for:			
Financial and equity investments	(13)	(417,580)	(573,167)
Property and equipment and intangible assets	(14, 15)	(713)	(1,019)
Cash flow from investing activities		*483,148*	*(393,937)*
Cash inflows from capital increases		0	0
Net cash inflows/(outflows) from subordinated debt capital	(23)	(17,029)	44,221
Transfer of profit/(loss) incl. payments on participation capital		(55,998)	(60,008)
Cash flow from financing activities		*(73,028)*	*(15,787)*

* The previous year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (beginning on page 29).

€'000	1/1–30/6/2015	1/1–30/6/2014
Cash and cash equivalents at end of previous period	*60,682*	*404,646*
Cash flow from operating activities	(403,122)	67,271
Cash flow from investing activities	483,148	(393,937)
Cash flow from financing activities	(73,028)	(15,787)
Effect of exchange rate changes	59	6
Cash and cash equivalents at end of period	**67,739**	**62,198**

E. Notes

Significant Accounting Policies

The consolidated financial statements of RAIFFEISEN-LANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien) are prepared in agreement with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the applicable interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. The consolidated interim financial statements as of 30 June 2015 are in agreement with International Accounting Standard (IAS) 34, which defines the minimum content of an interim financial report and the accounting and measurement principles applicable to interim financial reports.

All amounts are stated in thousands of euros, unless indicated otherwise under a specific position. The tables and charts may include rounding errors. The changes shown in the tables are based on underlying data that is not rounded.

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

Number of entities	Consolidated 1/1–30/6/2015	Consolidated 1/1–30/6/2014	Equity method 1/1–30/6/2015	Equity method 1/1–30/6/2014
At beginning of period	2	5	2	2
Changes during the period	0	(3)	0	0
At end of period	2	2	2	2

No business combinations or discontinued operations were recognized during the reporting period.

There were no unusual seasonal influences during the first half of 2015 that would have had a material influence on the asset, financial or earnings position.

The economic environment remained challenging during the first half of 2015, with the decisive factors including the continued low interest climate, the first-ever negative money market interest rates in the eurozone and weak growth. In spite of the very low interest rates and subdued demand for credits, net interest income increased year-on-year due to an improvement in the margins on borrowed funds and higher contribution from maturity transformation.

Against the backdrop of regulatory requirements, various measures was implemented during the first half of 2015 to improve the capital ratio. These measures included a substantial reduction in the securities portfolio that was only offset in part by new purchases.

As of 30 June 2015 there were no outstanding legal proceedings whose outcome could endanger the continued existence of the company.

This interim financial report was neither audited nor reviewed by a chartered accountant.

Restatement

In the consolidated financial statements as of 31 December 2014, the interest rates used to calculate the provisions for staff benefits (post-employment benefit provisions, on the one hand, and termination and jubilee provisions, on the other hand) were differentiated. The calculation of the post-employment benefit provisions also included a change in the parameter for beneficiaries with STATUT or KV 6 commitments. Additional information on these changes can be found under the section “Restatement” in the notes to the consolidated financial statements as of 31 December 2014. The amounts for the comparable prior year period from 1 January 2014 to 30 June 2014 were therefore adjusted in accordance with IAS 8.

This restatement led to the following changes in general administrative expenses and income tax in the consolidated financial statements for the first half of 2014:

€'000	1/1–30/6/2014	Restatement	Restatement 1/1–30/6/2014
General administrative expenses	(99,484)	640	(98,844)
Profit for the period before tax	*48,624*	*640*	*49,264*
Income tax	13,830	3,700	17,530
Profit for the period after tax	**62,454**	**4,340**	**66,795**
Of which attributable to equity holders of the parent	62,454	4,340	66,795
Of which non-controlling interests in profit	0	0	0

The following table shows the effects of this restatement on the actuarial gains and losses from the revaluation of provisions for staff benefits and on the deferred taxes recorded under other comprehensive income without recognition through profit or loss for the first half of 2014:

€'000	1/1–30/6/2014	Restatement	Restatement 1/1–30/6/2014
Actuarial gains/(losses) on the revaluation of provisions for staff benefits	(5,441)	1,365	(4,076)
Deferred tax	(14,066)	(1,929)	(15,996)

Change in Significant Accounting Policies

These consolidated interim financial statements were prepared on the basis of the same accounting policies applied in preparing the consolidated financial statements as of 31 December 2014, with the exception of the following new rules that were adopted by the EU:

New standards and interpretations		Effective for financial years beginning on or after	Adopted by the EU
Amendments to Standards			
IAS 19	Employee Benefits - Defined benefit plans - employee contributions	1/7/2014	Yes
Various	Improvements to the International Financial Reporting Standards 2010(2012)	1/7/2014	Yes
Various	Improvements in International Financial Reporting Standards 2011(2013)	1/7/2014	Yes

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

The changes to IAS 19 (EU endorsement: 17 December 2014) – Employee Benefits – clarify the allocation of contributions from employees or third parties which are linked to the number of years of service and also simplify the accounting for contributions that are independent of the number of years of employee service.

The annual improvements to IFRS – Cycle 2010–2012 (EU endorsement: 17 December 2014) and Cycle 2011–2013 (EU endorsement: 18 December 2014) involve a number of changes to various standards with effects on the recognition, measurement and presentation of business transactions as well as terminology or editorial corrections.

For the purpose of this interim financial report, the changes in the accounting rules have no effect on the presentation of the earnings, financial or assets position of the RLB NÖ-Wien Group.

Details on the Consolidated Income Statement

(1) Net interest income

€'000	1/1–30/6/2015	1/1–30/6/2014
Interest income	*269,498*	*280,819*
From loans and advances to other banks	28,661	46,244
From loans and advances to customers	121,573	126,738
From trading assets and liabilities	882	1,127
From other fixed-interest securities	50,948	69,226
From derivative financial instruments	67,435	37,484
Current income	*3,077*	*3,667*
From shares and other variable-yield securities	1,156	2,572
From equity investments in subsidiaries	0	13
From other equity investments	1,921	1,082
Total interest and similar income	***272,575***	***284,486***
Interest expenses	*(178,602)*	*(200,977)*
On deposits from other banks	(35,807)	(47,992)
On deposits from customers	(21,099)	(34,555)
On securitized liabilities	(67,707)	(82,838)
On subordinated debt capital	(22,246)	(20,253)
On derivative financial instruments	(31,713)	(15,299)
Other	(29)	(40)
Total interest expenses and similar charges	***(178,602)***	***(200,977)***
Net interest income	**93,973**	**83,509**

(2) Impairment allowance balance

€'000	1/1–30/6/2015	1/1–30/6/2014
Individual impairment allowances	***8,680***	*(29,748)*
Addition to impairment allowances	(26,750)	(44,634)
Reversal of impairment allowances	34,066	14,157
Direct write-offs	(144)	(187)
Recoveries of loans and advances previously written off	1,507	917
Collective impairment allowances to the portfolio	***(2,095)***	*(9,440)*
Addition to impairment allowances	(2,227)	(9,440)
Reversal of impairment allowances	131	0
Off-balance sheet obligations	***3,827***	*856*
Addition to impairment allowances	(1,380)	(916)
Reversal of impairment allowances	5,207	1,772
Total	**10,412**	(38,332)

(3) Net fee and commission income

€'000	1/1–30/6/2015	1/1–30/6/2014
Payment services	10,200	9,467
Loan processing and guarantee operations	4,769	5,684
Securities operations	11,394	10,659
Foreign exchange, notes-and-coin and precious-metals business	2,013	2,031
Other banking services	8,077	6,980
Total	**36,453**	34,820

(4) Net trading income

€'000	1/1–30/6/2015	1/1–30/6/2014
Interest rate contracts	3,239	(2,324)
Currency contracts	3,482	1,255
Equity and index contracts	115	373
Other contracts	1,109	1,020
Total	**7,945**	324

(5) Profit/(loss) from financial investments

€'000	1/1–30/6/2015	1/1–30/6/2014
Net gains/(losses) on financial instruments classified as held to maturity	(6,421)	63
Net gains/(losses) on financial instruments classified as available for sale and measured at fair value	41,291	7,754
Net gains/(losses) on financial instruments classified as available for sale and measured at cost	(22)	0
Net gains/(losses) on financial instruments designated at fair value through profit or loss	559	2,482
Gain/(loss) on liabilities measured at amortized cost	(1,752)	(381)
Total	**33,654**	9,919

In the first quarter of 2015 RLB NÖ-Wien implemented a number of measures to strengthen its regulatory capital ratio, which also included the sale of bonds. The resulting gain on these sales amounted to TEUR 39,679 and is reported under net gains/losses) on financial instruments classified as available for sale.

(6) General administrative expenses

€'000	1/1–30/6/2015	1/1–30/6/2014*
Staff costs*	(48,546)	(45,046)
Other administrative expenses	(47,911)	(50,839)
Depreciation/amortization/write-offs of property and equipment and intangible assets	(2,578)	(2,958)
Total	**(99,035)**	(98,844)

* The prior year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (starting on page 29).

(7) Other operating profit/(loss)

€'000	1/1–30/6/2015	1/1–30/6/2014
Effect of hedge accounting	(5,712)	(1,859)
Net gains/(losses) from other derivatives	6,954	(8,167)
Other operating income	9,813	9,725
Other operating expenses	(38,967)	(15,086)
Total	**(27,913)**	(15,387)

Other operating expenses include TEUR 12,545 for the bank levy and TEUR 10,000 for the expected contribution to the European resolution fund.

(8) Segment reporting in detail*

1/1–30/6/2015 €'000	Sales Support for the Lower Austrian Raiffeisen Banks / Private and Business Banking Customers in Vienna	Corporate Customers	Financial Markets	Investments	General Management	Total
Net interest income	33,868	56,711	27,153	(23,659)	(100)	93,973
Impairment allowance balance	(1,509)	12,113	(192)	0	0	10,412
Net interest income after impairment charges	32,359	68,824	26,961	(23,659)	(100)	104,385
Net fee and commission income	21,300	12,122	(2,633)	0	5,664	36,453
Net trading income	764	2,543	3,709	0	929	7,945
Profit from investments in entities accounted at equity	0	0	0	78,499	0	78,499
Profit/(loss) from financial investments	0	709	28,209	(22)	4,758	33,654
General administrative expenses	(44,409)	(20,623)	(7,742)	(1,196)	(25,065)	(99,035)
Of which staff costs	(25,771)	(12,033)	(3,524)	(295)	(6,924)	(48,546)
Of which other administrative expenses	(17,133)	(8,381)	(3,624)	(883)	(17,890)	(47,911)
Of which amortization	(1,506)	(209)	(595)	(18)	(250)	(2,578)
Other operating profit/(loss)	(431)	427	2,137	35	(30,081)	(27,913)
Profit for the period before tax	**9,583**	**64,002**	**50,641**	**53,657**	**(43,895)**	**133,988**
Average allocated equity, €m	138	608	109	405	639	1,899
Return on equity before tax (%)	13.9	21.1	92.9	26.5	(13.7)	14.1
Cost:income ratio	80.0	28.7	25.5	2.2	> 100	52.4

* Detailed information is presented under "Segment reporting" starting on page 12 in the management report on the first half of 2015.

1/1–30/6/2014* €'000	Retail Banking**	Corporate Customers	Financial Markets	Investments	Management Services**	Total
Net interest income	36,663	56,283	10,502	(24,478)	4,539	83,509
Impairment allowance balance	(1,213)	(36,611)	(508)	0	0	(38,332)
Net interest income after impairment charges	35,450	19,672	9,994	(24,478)	4,539	45,177
Net fee and commission income	18,734	13,115	(2,161)	0	5,132	34,820
Net trading income	837	(384)	(730)	0	601	324
Profit from investments in entities accounted at equity	0	0	0	73,255	0	73,255
Profit/(loss) from financial investments	0	200	9,719	0	0	9,919
General administrative expenses	(44,069)	(19,523)	(8,694)	(1,486)	(25,071)	(98,844)
Of which staff costs*	(24,482)	(11,699)	(4,208)	(337)	(4,319)	(45,046)
Of which other administrative expenses	(17,944)	(7,566)	(3,728)	(1,135)	(20,467)	(50,839)
Of which amortization	(1,642)	(258)	(758)	(14)	(285)	(2,958)
Other operating profit/(loss)	(1,682)	(1,435)	(9,550)	39	(2,759)	(15,387)
Profit for the period before tax	**9,270**	**11,645**	**(1,422)**	**47,330**	**(17,559)**	**49,264**
Average allocated equity, €m	126	581	150	908	577	2,343
Return on equity before tax (%)	14.7	4.0	–	10.4	–	4.2
Cost:income ratio	80.8	28.9	> 100	3.0	> 100	56.0

* The prior year was adjusted in accordance with IAS 8. Detailed information is provided under "Restatement" in the notes (starting on page 29).
** The designations of the private and business customers segment and management services segment were changed in 2015.

Details on the Consolidated Balance Sheet

(9) Loans and advances to other banks

€'000	30/6/2015	31/12/2014
Demand deposits	560,930	647,770
Time deposits	5,340,705	5,341,518
Other loans and advances	2,056,983	1,899,009
Debt instruments	5,480	5,480
Other	29,018	43,567
Total	**7,993,116**	7,937,345

(10) Loans and advances to customers

€'000	30/6/2015	31/12/2014
Current accounts	1,437,010	1,387,061
Cash advances	1,105,739	1,479,498
Loans	9,533,446	9,464,816
Debt instruments	79,731	82,416
Other	77,188	3,776
Total	**12,233,114**	12,417,567

€'000	30/6/2015	31/12/2014
Public sector exposures	1,719,000	2,023,468
Retail exposures	1,735,394	1,701,528
Corporate customers	8,778,718	8,692,570
Other	3	0
Total	**12,233,114**	12,417,567

(11) Impairment allowance balance

30/6/2015 €'000	At 1 January	Added	Reversed	Used	At 30 June
Individual impairment allowances	*317,812*	*26,750*	*(34,066)*	*(4,858)*	*305,637*
Loans and advances to other banks	770	0	0	0	770
Loans and advances to customers	317,042	26,750	(34,066)	(4,858)	304,867
Collective impairment allowances to the portfolio	*18,949*	*2,227*	*(131)*	*0*	*21,044*
Loans and advances to other banks	1,034	28	0	0	1,062
Loans and advances to customers	17,915	2,198	(131)	0	19,982
*Impairment allowance balance (loans and advances)**	*336,761*	*28,977*	*(34,198)*	*(4,858)*	*326,681*
*Risks arising from off-balance-sheet obligations***	*31,003*	*1,380*	*(5,207)*	*(1,345)*	*25,831*
Total	**367,764**	**30,357**	**(39,405)**	**(6,204)**	**352,512**

31/12/2014 €'000	At 1 January	Added	Reversed	Used	At 30 June
Individual impairment allowances	*272,385*	*44,634*	*(14,157)*	*(9,867)*	*292,995*
Loans and advances to other banks	495	0	0	(395)	100
Loans and advances to customers	271,890	44,634	(14,157)	(9,472)	292,895
Collective impairment allowances to the portfolio	*25,942*	*9,440*	*0*	*0*	*35,382*
Loans and advances to other banks	1,758	33	0	0	1,791
Loans and advances to customers	24,184	9,407	0	0	33,591
*Impairment allowance balance (loans and advances)**	*298,327*	*54,075*	*(14,157)*	*(9,867)*	*328,377*
*Risks arising from off-balance-sheet obligations***	*23,029*	*916*	*(1,772)*	*(110)*	*22,063*
Total	**321,356**	**54,991**	**(15,929)**	**(9,977)**	**350,440**

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

(12) Trading assets

€'000	30/6/2015	31/12/2014
Bonds and other fixed-interest securities	368,059	168,534
Positive fair values of derivative contracts	351,807	406,419
Accruals arising from derivatives	33,126	33,809
Total	**752,992**	608,763

(13) Securities and equity investments

€'000	30/6/2015	31/12/2014
Bonds and other fixed-interest securities	***4,487,618***	*5,166,792*
Classified as held to maturity	478,954	645,698
Designated as at fair value through profit or loss	539,489	819,241
Classified as available for sale, measured at fair value	3,469,174	3,701,854
Shares and other variable-yield securities	***41,479***	*68,029*
Designated as at fair value through profit or loss	12,631	28,738
Classified as available for sale, measured at fair value	28,848	39,292
Equity investments	***23,101***	*66,379*
Classified as available for sale, measured at fair value	0	43,324
Classified as available for sale, measured at cost*	23,101	23,055
Total	**4,552,198**	5,301,201

* This position includes participation capital of TEUR 277 (first half-year 2014: TEUR 277) in Raiffeisen-Holding NÖ-Wien.

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

€'000	30/6/2015	31/12/2014
Designated as at fair value through profit or loss	***552,120***	*847,978*
Bonds and other fixed-interest securities	539,489	819,241
Shares and other variable-yield securities	12,631	28,738
Classified as available for sale	***3,521,123***	*3,807,525*
Measured at fair value	3,498,022	3,784,470
Bonds and other fixed-interest securities	3,469,174	3,701,854
Shares and other variable-yield securities	28,848	39,292
Equity investments	0	43,324
Measured at cost	23,101	23,055
Equity investments	23,101	23,055
Classified as held to maturity	***478,954***	*645,698*
Bonds and other fixed-interest securities	478,954	645,698
Total	**4,552,198**	5,301,201

In the first quarter of 2015 RLB NÖ-Wien implemented a number of measures to meet the expected regulatory capital requirements. These measures included the sale of bonds with a total nominal volume of EUR 794.1 million.

The sales covered bonds which were purchased by the Corporate Customers Segment with the intention to hold them to maturity as well as positions in the Financial Markets Segment that were purchased for different holding periods. These latter positions represent securities classified as held for trading, available for sale, designated at fair value and intended for holding to maturity.

The positions originally purchased as held-to-maturity investments were reclassified at the carrying amount of TEUR 191,893 in accordance with the valuation principles applicable to the held-to-maturity category on the reclassification date.

Based on the intention to sell, equity investments with a carrying amount of TEUR 44,164 were reclassified from equity investments available for sale to available-for-sale assets. These equity investments are still classified as available for sale and carried at their fair value.

(14) Intangible assets

€'000	30/6/2015	31/12/2014
Other intangible assets	4,702	5,783
Total	**4,702**	5,783

(15) Property and equipment

€'000	**30/6/2015**	**31/12/2014**
Land and buildings used by the Group for its own purposes	487	510
Other property and equipment	6,940	7,793
Total	**7,428**	8,303

(16) Other assets

€'000	**30/6/2015**	**31.12.2014**
Tax receivables	24	0
Positive fair values of derivative hedging instruments in fair value hedges	363,139	510,386
Positive fair values of derivative financial instruments designated as at fair value through profit or loss	7,179	9,329
Positive fair values of other derivative financial instruments	546,257	754,102
Interest accruals arising from derivative financial instruments	203,034	192,974
Assets held for sale	45,163	0
Miscellaneous other assets	107,755	167,392
Total	**1,272,550**	1,634,182

The assets held for sale (IFRS 5) include financial instruments classified as available for sale which are carried at fair value. The current income on these equity investments totalled TEUR 984 in the first half of 2015 and is reported on the income statement under interest and similar income. In addition, these equity investments are measured at fair value without recognition through profit or loss – the resulting accumulated unrealized gains and losses amounted to TEUR 28,904 as of 30 June 2015. This amount is reported in equity under retained earnings as part of accumulated other comprehensive income. A total of TEUR 999 was recorded in other comprehensive income for these equity investments in the first half of 2015.

(17) Deposits from other banks

€'000	**30/6/2015**	**31/12/2014**
Demand deposits	3,482,260	3,254,188
Time deposits	6,189,147	6,967,567
Borrowed funds	776,406	612,562
Total	**10,447,814**	10,834,318

(18) Deposits from customers

€'000	30/6/2015	31/12/2014
Sight deposits	4,538,201	4,613,295
Time deposits	928,501	1,025,704
Savings deposits	1,716,354	1,838,733
Total	**7,183,056**	7,477,732

€'000	30/6/2015	31/12/2014
Public sector exposures	565,405	580,663
Retail exposures	4,074,467	4,079,610
Corporate customers	1,871,907	2,119,978
Other	671,278	697,480
Total	**7,183,056**	7,477,732

(19) Securitized liabilities

€'000	30/6/2015	31/12/2014
Measured at amortized cost	5,892,348	6,091,560
Designated as at fair value through profit or loss	108,904	109,073
Total	**6,001,252**	6,200,633

(20) Trading liabilities

€'000	30/6/2015	31/12/2014
Negative fair values of derivative contracts	335,331	394,461
Accruals arising from derivatives	29,952	34,004
Total	**365,284**	428,466

(21) Other liabilities

€'000	30/6/2015	31/12/2014
Tax liabilities	9,705	10,175
Negative fair values of derivative hedging instruments in fair value hedges	432,224	562,098
Negative fair values of derivative financial instruments designated as at fair value through profit or loss	29,502	44,532
Negative fair values of other derivative financial instruments	604,231	831,821
Interest accruals arising from derivative financial instruments	127,158	125,886
Miscellaneous other liabilities	329,788	75,609
Total	**1,532,609**	1,650,121

(22) Provisions

€'000	30/6/2015	31/12/2014
Termination benefits	31,389	32,222
Post-employment benefits	35,731	39,615
Jubilee benefits and part-time work by older staff	6,623	6,596
Other	87,359	68,692
Total	**161,103**	147,126

Other provisions include provisions for guarantees of TEUR 20,415 (first half-year 2014: TEUR 24,734), provisions for restructuring costs of TEUR 2,297 (first half-year 2014: TEUR 2,297) and provisions for damages and uncertain obligations arising from compensation for damages of TEUR 38,615 (first half-year 2014: TEUR 26,964) which could results from customer complaints (also including pending legal proceedings).

Among others, customers claim that RLB NÖ-Wien violated consultation and information requirements in connection with the sale and brokering of financial products. Further information on these proceedings and the related risk for the company, above all regarding the implemented measures, is not disclosed in accordance with IAS 37.92 so as not to prejudice the outcome of the proceedings.

Other provisions also include TEUR 10,000 for the expected contribution to the European resolution fund.

(23) Tier 2 capital

€'000	30/6/2015	31/12/2014
Measured at amortized cost	907,070	927,645
Designated as at fair value through profit or loss	47,419	48,711
Total	**954,489**	976,356

(24) Equity

€'000	30/6/2015	31/12/2014
Attributable to equity holders of the parent	***1,865,257***	*1,799,002*
Subscribed capital	214,520	214,520
Participation capital	76,500	76,500
Capital reserves	432,688	432,688
Retained earnings	1,007,181	1,348,243
Profit/(loss) for the period	134,367	(272,949)
Non-controlling interests	***0***	*0*
Total	**1,865,257**	1,799,002

(25) Fair values of financial instruments

Financial instruments recognized at fair value

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

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

The RLB NÖ-Wien Group uses generally accepted, well-known valuation models to measure derivatives. OTC derivatives such as interest rate swaps, cross currency swaps and forward rate agreements are measured using the discounted cash flow model (DCF), which is generally applied to these products. OTC option such as foreign exchange or interest rate options are measured on the basis of standard market valuation models, e.g. the Garman-Kohlhagen-Modell and Black '76.

The counterparty risk on OTC derivatives not secured by collateral is included through a credit value adjustment (CVA) which represents the costs of hedging this risk on the market. The CVA is calculated by multiplying the expected positive exposure of the derivative (EPE) by the loss given default

(LGD) and the probability of default (PD), associated with the counterparty. The EPE is determined by simulation, while the LGD and PD are based on market data (credit default swap (CDS) spreads if this information is directly available for the respective counterparty or by mapping the counterparty's creditworthiness to reference counterparties). The debt value adjustment (DVA) represents an adjustment for the company's own default probability. The calculation method is similar to the CVA, but the expected negative fair value (ENE or expected negative exposure) is used instead of the expected positive exposure.

All parameters (e.g. interest rates, volatilities) used for the valuation are obtained from independent market information systems and reviewed regularly.

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

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

The financial instruments are assigned to a level and/or reclassified at the end of each reporting quarter.

30/6/2015 €'000	**Level I**	**Level II**	**Level III**	**Total**
Assets				
Trading assets	61,956	648,692	42,344	752,992
Securities and equity investments classified at fair value through profit and loss	346,146	196,730	9,245	552,120
Securities and equity investments classified as available for sale (measured at fair value)	3,255,094	227,503	15,426	3,498,022
Other assets (positive fair values of derivative financial instruments)	0	1,119,608	0	1,119,608
Other assets, of which held-for-sale assets classified as available for sale	0	45,163	0	45,163
Liabilities				
Securitized liabilities designated at fair value through profit or loss	0	108,904	0	108,904
Trading liabilities	0	365,284	0	365,284
Other liabilities (negative fair values of derivative financial instruments)	0	1,193,116	0	1,193,116
Tier 2 capital designated as fair value through profit or loss	0	0	47,419	47,419

31/12/2014 €'000	Level I	Level II	Level III	Total
Assets				
Trading assets	109,870	456,670	42,222	608,763
Securities and equity investments classified at fair value through profit and loss	615,981	188,492	43,504	847,978
Securities and equity investments classified as available for sale (measured at fair value)	3,523,244	207,960	53,266	3,784,470
Other assets (positive fair values of derivative financial instruments)	0	1,466,790	0	1,466,790
Liabilities				
Securitized liabilities designated at fair value through profit or loss	0	109,073	0	109,073
Trading liabilities	0	428,466	0	428,466
Other liabilities (negative fair values of derivative financial instruments)	0	1,564,336	0	1,564,336
Tier 2 capital designated as fair value through profit or loss	0	0	48,711	48,711

The fair value of the derivatives are now presented at their clean price (fair value excl. accrued interest) plus recognized accrued interest as determined by the settlement system. Up to 31 December 2014 the fair values of these derivatives were reported at the dirty price (fair value incl. accrued interest) based on the front office system. The comparable prior year amounts were adjusted accordingly.

Reclassifications between Level I and Level II:

30/6/2015 €'000	From Level I to Level II	From Level II to Level I
Assets		
Securities and equity investments classified at fair value through profit and loss	2,075	9,862

31/12/2014 €'000	From Level I to Level II	From Level II to Level I
Assets		
Securities and equity investments classified at fair value through profit and loss	73,108	0
Securities and equity investments classified as available for sale (measured at fair value)	33,366	0

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

The reclassifications from Level I to Level II involve securities with a decline in the observable market quotations, while the reclassifications from Level II to Level I represent securities with a significant increase in the observable market quotations.

Reconciliation of the financial instruments classified under Level III:

30/6/2015 €'000	**Trading assets**	**Securities and equity investments**	**Tier 2 capital**
At 1 January	***42,222***	***96,771***	***48,711***
Reclassification to Level III	0	0	0
Purchases	0	165	0
Issuances	0	0	0
Valuation results (trading results)	125	143	0
Revaluation gains and losses (profit/(loss) from financial investments)	0	(678)	(2,179)
Revaluation gains and losses (without being recognized in the income statement)	0	(249)	0
Revaluation gains and losses (other operating profit/loss)	0	0	0
Realized in profit or loss through disposals	0	155	0
Interest accruals	(3)	168	948
Reclassified from level III	0	(43,324)	0
Sales	0	(4,502)	0
Performance	0	(23,900)	(62)
Premium/discount	0	(77)	0
At 30 June	**42,344**	**24,671**	**47,419**
Revaluation gains and losses on financial instruments recognized to the income statement at 30 June	125	(785)	(2,179)

There have been no reclassifications to Level III since the last reporting period. The reclassifications of securities and equity investments from Level III to Level II involve equity investments which are designated for sale through a transaction expected in the near future.

31/12/2014 €'000	Trading assets	Securities and equity investments	Tier 2 capital
At 1 January	*42,265*	*189,129*	*44,329*
Reclassification to Level III	0	59,618	0
Purchases	0	4,523	0
Valuation results (trading results)	(35)	0	0
Revaluation gains and losses (profit/(loss) from financial investments)	0	(594)	2,693
Revaluation gains and losses (without being recognized in the income statement)	0	(4,369)	0
Realized in profit or loss through disposals	0	517	0
Interest accruals	(8)	(283)	0
Sales	0	(62,273)	(131)
Performance	0	(89,336)	0
Premium/discount	0	(161)	1,821
At 31 December	42,222	96,771	48,711
Revaluation gains and losses on financial instruments recognized to the income statement at 30 June	(35)	(4,962)	2,693

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

30/6/2015	Type	Market value in €m	Valuation method	Major unobservable input factors	Scope of unobservable input factors in %
Financial assets					
Shares and other variable-yield securities	Shares and funds	3.0	External valuation	Discounts	5(12)
Shares and other variable-yield securities	Non-fixed-interest bonds	56.2	DCF method	Credit margin	0(3)
Bonds and other fixed-interest securities	Fixed-interest bonds	7.8	DCF method	Credit margin	2(20)
Bonds and other fixed-interest securities	Credit-linked notes	0.1	External valuation	Credit margin	1(4)
Financial liabilities					
Tier 2 capital	Index-linked notes	37.0	External valuations	Credit margin	5(15)
Tier 2 capital	Fixed-interest bonds	10.4	DCF method	Credit margin	5(15)

31/12/2014	Type	Market value in €m	Valuation method	Major unobservable input factors	Scope of unobservable input factors in %
Financial assets					
Shares and other variable-yield securities	Shares and funds	2.8	External valuation	Discounts	4(20)
Bonds and other fixed-interest securities	Fixed-interest bonds	84.7	DCF method	Credit margin	2(40)
Bonds and other fixed-interest securities	Credit-linked notes	7.7	External valuation	Credit margin	1(5)
Shares and other variable-yield securities	Non-fixed-interest bonds	0.1	DCF method	Credit margin	0(3)
Other equity investments	GmbH-shares	43.3	DCF method	Internal forecasts	-
Financial liabilities					
Tier 2 capital	Index-linked notes	38.1	External valuation	Credit margin	5(15)
Tier 2 capital	Fixed-interest bonds	10.7	DCF method	Credit margin	5(15)

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

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

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

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

A range of alternative parameters is available for selection and application in cases where the value of a financial instrument is dependent on non-observable data. A shift in the parameters at the ends of these ranges would lead to an increase in the fair value of assets by EUR 1.2 million or a decrease of EUR 10.9 million as of 30 June 2015. The fair value of liabilities would increase by EUR 6.1 million or decrease by EUR 5.5 million. These estimates reflect the corresponding market conditions and internal valuation guidelines.

It is extremely unlikely that all non-observable parameters would simultaneously shift to the ends of the ranges. Consequently, these results do not support any conclusions concerning actual future changes in market values.

Fair value of financial instruments not carried at fair value

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

The carrying amount of the available-for-sale financial instruments measured at cost totals TEUR 23,101 (first half-year 2014: TEUR 23,055). RLB NÖ-Wien has no plans to sell these financial instruments. In the first half of 2015, available-for-sale financial instruments measured at cost with a carrying amount of TEUR 240 (first half-year 2014: TEUR 0) and proceeds on sale of TEUR 18 (first half-year 2014: 0) were derecognized.

Additional Information

(26) Information on receivables and liabilities due from/to related parties

The following tables provide information on the receivables, liabilities and contingent liabilities due from/to companies in which RLB NÖ-Wien Group holds an investment or due from/to Raiffeisen-Holding NÖ-Wien or its subsidiaries or companies accounted for at equity:

€'000	**30/6/2015**	31/12/2014
Loans and advances to other banks		
Parent	1,497,590	1,650,813
Associates	4,072,156	4,077,296
Loans and advances to customers		
Entities related via the parent	342,894	337,885
Unconsolidated subsidiaries	17,089	18,743
Associates	686,218	684,453
Associates related via the parent	188,671	266,198
Impairment allowance balance		
Unconsolidated subsidiaries	(2,081)	(2,081)
Associates	(3,992)	(3,906)
Associates related via the parent	(9,227)	(8,411)
Trading assets		
Associates	204,498	41,796
Securities and equity investments		
Parent	553	0
Unconsolidated subsidiaries	92,161	0
Associates	134,394	71,570
Associates related via the parent	2,979	7,464
Other assets		
Parent	162,574	198,673
Entities related via the parent	210	449
Associates	122,732	99,754
Associates related via the parent	0	2,023

€'000	30/6/2015	31/12/2014
Deposits from other banks		
Parent	251,488	248,610
Associates	2,781,172	2,757,829
Deposits from customers		
Entities related via the parent	130,018	220,861
Unconsolidated subsidiaries	17,986	14,553
Associates	96,439	75,516
Associates related via the parent	40,437	31,440
Securitized liabilities		
Parent	1,861	2,885
Entities related via the parent	42	0
Unconsolidated subsidiaries	343	565
Associates	35,558	21,640
Associates related via the parent	0	41
Trading liabilities		
Associates	5	6
Other liabilities		
Associates	51,384	67,737
Provisions		
Unconsolidated subsidiaries	0	134

€'000	30/6/2015	31/12/2014
Contingent liabilities		
Parent	7,166	7,166
Entities related via the parent	8,794	9,392
Unconsolidated subsidiaries	1,559	1,055
Associates	326,936	316,527
Associates related via the parent	53,990	61,831

The following legal and business relations existed with related companies during the reporting period:

1/1–30/6/2015 €'000	**Purchased services and merchandise**	**Services provided and sale of merchandise and fixed assets**
Parent	10,741	1,107
Entities related via the parent	86	109
Unconsolidated subsidiaries	1,530	609
Associates	12,654	100
Associates related via the parent	1,253	9

The sale of equity investments in an associate was planned during the first half of 2015 and is expected to be finalized during the second half of 2015. These equity investments were reclassified to other assets under available-for-sale assets at their carrying amount of TEUR 45,163.

The parent company of RLB NÖ-Wien is Raiffeisen-Holding NÖ-Wien. The business relationships between RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien consist primarily of refinancing for Raiffeisen-Holding NÖ-Wien and transactions with derivative financial instruments. RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien have concluded a management service agreement that regulates the details of mutually provided services in order to reduce redundancy and improve cost efficiency. RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien have concluded a liquidity management agreement which regulates the relationship between these two parties with respect to the provision, measurement and monitoring of liquidity as well as the related measures.

The business transactions and relations with related companies reflect arm's length terms and conditions.

Key management includes the members of the Managing Board and Supervisory Board of RLB NÖ-Wien as well as the members of management, the managing board and supervisory board of Raiffeisen-Holding NÖ-Wien.

The relationships between key management and RLB NÖ-Wien are as follows:

€'000	30/6/2015	31/12/2014
Sight deposits	3,065	2,740
Bonds	10	10
Savings deposits	593	586
Other receivables	147	156
Total	**3,816**	3,492
Current accounts	3	8
Loans	1,248	1,372
Other liabilities	115	127
Total	**1,366**	1,507

The relationships of persons closely related to the key management of RLB NÖ-Wien are shown below:

€'000	30/6/2015	31/12/2014
Sight deposits	240	195
Bonds	8	8
Savings deposits	70	89
Other receivables	2	2
Total	**319**	294
Current accounts	0	0
Loans	54	55
Other liabilities	1	1
Total	**55**	56

(27) Issuances, redemptions and repurchases of bonds during the reporting period

€'000	2015	2014
At 1 January	*7,176,989*	*7,712,962*
Issuances	667,832	618,554
Redemptions	(759,328)	(685,775)
Repurchases	(25,187)	(11,667)
Revaluation gains and losses/interest accruals	(104,565)	138,760
At 30 June	**6,955,741**	7,772,834

(28) Contingent liabilities and other off-balance sheet obligations

€'000	30/6/2015	31/12/2014
Contingent liabilities	*1,058,054*	*1,077,375*
Commitments	*5,249,129*	*5,426,669*
Of which arising from revocable loan commitments	3,286,174	3,051,732
Of which arising from irrevocable loan commitments	1,962,955	2,374,937

(29) Regulatory capital

RLB NÖ-Wien is part of the Raiffeisen-Holding NÖ-Wien financial institution group and is therefore not subject to the regulations governing financial institution groups or requirements on a consolidated basis. Raiffeisen-Holding NÖ-Wien, the parent company, is responsible for compliance with these regulatory requirements at the financial institution group level. Accordingly, the regulatory capital requirements for the financial institution group are reported below.

€'000	**30/6/2015**	**31/12/2014**
Paid-in capital	549,516	558,140
Retained earnings	1,375,102	1,400,944
Accumulated other comprehensive income and other equity	(84,052)	(96,442)
Common equity Tier 1 before deductions	***1,840,565***	***1,862,642***
Intangible assets incl. goodwill	(1,969)	(1,203)
Deductions in respect of equity instruments of financial sector entities	0	0
Corrections in respect of cash flow hedge reserves	74,825	95,935
Corrections for credit standing related changes in values of own liabilities	5,310	5,310
Corrections for credit standing related changes in values of derivatives	(2,371)	(2,371)
Value adjustment due to the prudent valuation requirement	(4,215)	(3,296)
Common equity Tier 1 capital after deductions (CET1)	***1,912,145***	***1,957,016***
Additional Tier 1 capital	237,468	260,229
Tier 1 capital after deductions (T1)	***2,149,613***	***2,217,246***
Eligible Tier 2 capital	778,679	948,651
Deductions from ancillary own funds	0	0
Ancillary own funds after deductions	***778,679***	***948,651***
Total eligible own funds	***2,928,293***	***3,165,896***
Total capital requirement	**1,215,681**	**1,283,250**
Common equity Tier 1 ratio (CET1 ratio), %	12.6	12.2
Tier 1 ratio (T1 ratio), %	14.1	13.8
Own funds ration (total capital ratio), %	19.3	19.7
Surplus capital ratio, %	140.9	146.7

Under a fully loaded analysis, the common equity Tier 1 Ratio equalled 11.8% (first half-year 2014: 11.5%) and the total capital ratio 14.5% (first half-year 2014: 14.2%).

Total capital requirements include the following:

€'000	30/6/2015	31/12/2014
Own funds requirement		
Own funds requirement for credit risk	1,087,217	1,158,839
Capital requirements for position risk in debt instruments and assets	30,850	26,085
Own funds requirement for the CVA	15,514	16,227
Own funds requirement for operational risk	82,100	82,100
Total own funds requirement (total risk)	**1,215,681**	1,283,250
Basis of assessment (credit risk)	*13,590,215*	*14,485,483*
Total basis of assessment (total risk)	***15,196,010***	*16,040,626*

The leverage ratio of the Raiffeisen-Holding NÖ-Wien financial institution group equalled 6.9% as of 30 June 2015 (first half-year 2014: 6.9%).

(30) Average number of employees

The average workforce (full-time equivalents) employed during the reporting period is as follows:

	1/1–30/6/2015	1/1–30/6 2014
Salaried employees	1,185	1,205
Total	**1,185**	1,205

(31) Events after the balance sheet date

Moody's rating agency reduced the long-term rating of RLB NÖ-Wien from Baa1 to Baa2 as of 1 July 2015.

The following information on RBI is worthy of mention because of the significant investment in the RZB Group:

- The Lower House of the Polish Parliament has approved a bill that would allow private persons holding foreign currency mortgage loans to convert these loans to fixed-interest rates under certain conditions. Since the law has not yet been passed and the final parameters are not available, the potential effects on RBI cannot be conclusively determined at the present time.
- Furthermore, AO Raiffeisenbank, Moscow, has signed a contract for the sale of its subsidiary ZAO NPF Raiffeisen - a Russian pension fund. The closing is expected to take place as soon as the necessary official approvals are received.

Statement by the Managing Board

The Managing Board of RLB NÖ-Wien prepared these condensed consolidated interim financial statements as of 30 June 2015 in accordance with the requirements of International Financial Reporting Standards (IFRS), as adopted by the European Union, on 20 August 2015. A consolidated half-year management report was also prepared. Therefore, the requirements for interim reporting defined in § 87 of the Austrian Stock Exchange Act are also met.

"We confirm to the best of our knowledge that these condensed consolidated interim financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the RLB NÖ-Wien Group as required by the applicable accounting standards and that the half-year management report provides a true and fair view of the assets, liabilities, financial position and profit or loss of the RLB NÖ-Wien Group with respect to the major events occurring during the first six months of the current financial year and their effects on these condensed consolidated interim financial statements and on the principal risks and uncertainties expected during the remaining six months of the current financial year. We note that IFRS accounting - for systemic reasons - is becoming increasingly future-oriented. Accordingly, IFRS financial statements include a growing number of planning elements and uncertainty factors."

Vienna, 20 August 2015

The Managing Board

Klaus BUCHLEITNER
Responsible for
General Management

Georg KRAFT-KINZ
Deputy Chairman
Responsible for Sales Support for the Lower Austrian
Raiffeisen Banks / Private and Business Banking Customers
in Vienna

Andreas FLEISCHMANN
Member
Responsible for
Financial Markets/Organization

Reinhard KARL
Member
Responsible for
Corporate Customers

Michael RAB
Member
Responsible for
Risk Management/Finance

Information in the Internet

Detailed, up-to-date information on Raiffeisen can be found in the RLB NÖ-Wien website under: www.raiffeisenbank.at.

The 2014 Annual Report and the 2015 Semi-Annual Report are also available in the Internet under: www.raiffeisenbank.at

Imprint

Owner, editor and publisher:

Raiffeisenlandesbank Niederösterreich-Wien AG
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IFRS consolidated interim financial statements and management report:

Edited and coordinated by:
Overall Bank Management/Finance at RLB NÖ-Wien

Stefan Puhm and his team

Typesetting: Produced in-house using FIRE.sys, FIRE.sys GmbH, Frankfurt

Copy deadline:

24 August 2015

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