SEMI-ANNUAL REPORT

AS AT 30 JUNE 2022

CONSOLIDATED SEMI-ANNUAL MANAGEMENT REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Raiffeisenlandesbank Niederösterreich-Wien

Consolidated Semi-Annual Management Report

Overview of the First Half of 2022

The following factors and events characterized the economic environment in the first half of 2022:

- The first six months of 2022 were influenced, above all, by Russia's war in Ukraine and the related uncertainty over further geopolitical and economic developments. Fears of a possible recession were fuelled by ongoing supply chain disruptions, potential energy shortages and high inflation rates.
- The European Central Bank (ECB) held the key interest rate (deposit rate facility) constant at -0.5% in June but announced plans for an increase at its meeting on 21 July 2022 in reaction to the high inflation rates.
- A resolution by the ECB Council at its June meeting terminated the Asset Purchase Programme (APP) created in 2014 as of 1 July 2022. Reinvestments from the Pandemic Emergency Purchase Programme (PEPP) and the APP Programme will, in contrast, continue.
- The upward trend in the Eurozone's inflation rate accelerated sharply during the first half of 2022 and broke the 8% mark. In June, inflation equalled 8.6% versus the previous year.
- Austria's GDP rose by 0.5% over the previous quarter in the second quarter of 2022. This growth was attributable primarily to the revival of tourism and the continuing stability of the industrial sector. In addition, the less dramatic effects of the omicron variant led to the cancellation of numerous restrictions resulting from the COVID-19 pandemic.

The following major events had a considerable influence on RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG
(RLB NÖ-Wien) during the first half of the 2022 financial year:

Net interest income improved substantially by EUR 22.5 million to EUR 110.4 million due to the sound development of volumes in the customer business and a decline in refinancing and issue costs.

Raiffeisen Bank International AG (RBI), a material investment of RLB NÖ-Wien, reported a substantial year-on-year improvement in earnings during the first half of 2022. Net profit amounted to EUR 1.7 billion compared with EUR 0.6 billion in the previous year. The proportional share of earnings for RLB NÖ-Wien in the first half of 2022 equalled EUR 377.4 million (H1 2021: EUR 138.6 million). Additionally, a positive contribution of EUR 206.5 million, primarily from foreign currency measurement, was recorded under equity (other comprehensive income). The uncertainties caused by the war in Ukraine led to the recognition of a EUR -910.0 million impairment loss to the carrying amount of this investment as of 30 June 2022. The equity-accounted RBI had a negative effect of EUR -532.6 million on the results recorded by RLB NÖ-Wien for the first half of 2022 (H1 2021: EUR +138.6 million), and the negative effect on IFRS equity equalled EUR -326.1 million.

Profit after tax for the first half of 2022 totalled EUR -503.5 million (H1 2021: EUR +157.8 million) and total comprehensive income amounted to EUR -287.5 million (H1 2021: EUR +179.8 million). Excluding impairment losses, both profit after tax and total comprehensive income would have been clearly positive.

The financial institutions group of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. (Raiffeisen-Holding NÖ-Wien) had a total Tier 1 ratio of 18.6% and a total capital ratio of 20.0%. The liquidity situation remains positive with a Net Stable Funding Ratio (NSFR) of 105.5% and a Liquidity Coverage Ratio (LCR) of 121.7%.

The Economic Environment for the Banking Sector in the First Half of 2022

After the COVID-19 restrictions finally eased during the spring, the financial markets were torn between fears of inflation and rising interest rates, on the one hand, and recession anxiety, on the other hand, during the first half-year.

The US economy was hit by an "omicron wave" at the beginning of 2022 which temporarily interrupted the recovery process and led to an annualised decline of 1.6% in economic output compared to the previous quarter. The aggressive cycle of rising interest rates launched by the US Federal Reserve (Fed) in March led to a GDP decline of 0.9% (annualised) from the first to the second quarter. The economic weakness in the second quarter resulted primarily from decreasing consumption, a decline in investment activity and an increasingly rapid loss of momentum in the real estate sector. Theoretically, the economy would have slipped into a so-called technical recession – i.e., two successive quarters of negative growth – but the National Bureau of Economic Research (NBER), which is responsible for the official definition of recession in the USA, follows a different approach. The NBER not only looks at the GDP, but also evaluates a number of monthly indicators whereby, for example, the labour market has trended strongly upward in recent months.

The inflation shock in the Eurozone has not had a stronger impact on the real economy to date. Second quarter growth in this currency area was surprising at 0.6% over the previous quarter (versus 0.5% over the previous quarter from January to March). The French economy performed much better than the largest economies in the Eurozone with an increase of 0.5% over the previous quarter. Economic output in Germany stagnated during the second quarter according to preliminary estimates, but the first quarter GDP was revised upward from 0.2% to 0.8% versus the previous quarter. Spain, in contrast, benefited from the "Next-Generation EU" assistance programme and generated growth of 1.1%, while the Italian economy was almost as dynamic with an increase of 1.0% (both values versus the previous quarter).

The rapid increase in prices across the Eurozone has continued to accelerate in recent months. The inflation rate broke the 8% mark in May for the first time since the creation of the European Monetary Union, while the 8.6% year-on-year increase in June set another record. The month of June also brought noticeable increases, especially for energy (+3.3% versus the previous month) and food products (+1.1% versus the previous month). Excluding food products and energy, the inflation rate rose from 4.4% to 4.6% year-on-year in June.

The ECB presented the cornerstones of the upcoming interest rate turnaround at its June meeting. The following points were approved unanimously:

- The bond purchase programme (APP) will be terminated as of 1 July 2022.
- Reinvestments will continue: Repayments from the PEPP programme will be reinvested at least up to the end of 2024; reinvestments from the APP will be reinvested for a longer period after the start of interest rate increases (in any event, as long as necessary to ensure sufficient liquidity and to maintain an appropriate monetary course).
- Prime rates will remain unchanged (main refinancing rate: 0.0%, deposit rate: -0.5% and the peak refinancing rate: +0.25%).

A statement by the ECB's Governing Council at its meeting on 21 July confirmed plans for the increase in key interest rates, and a further step is likely to follow in September. A gradual, but lasting increase in key interest rates is also expected after September.

In Austria, economic output followed the strong plus of 1.5% in the first three months with a weaker 0.5% in the second quarter (both values versus the previous quarter). This increase, which was higher than in Germany but lower than in the Eurozone, reflected the revival of tourism and the constant strength of the industrial sector. According to the Austrian Institute of Economic Research (WIFO), this momentum is slowing – as can be seen by the decline in private consumption (-1.9% versus the previous quarter). Value added equalled 0.7% in the industrial sector and 0.1% in the construction sector (first quarter: 1.1% and 1.6%, respectively, both values versus the previous quarter). The sharp rise in costs will, however, further curb production in the corporate sector.

Earnings, Financial and Asset Position

Consolidated profit for the first half of 2022 versus the first half of 2021

The following tables can contain rounding differences.

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021	Absolute +/(–) change	Absolute +/(–) change%
Net interest income	110,384	87,906	22,478	25.6
Net fee and commission income	28,180	26,828	1,352	5.0
Profit/loss from equity-accounted investments	(530,597)	140,151	(670,748)	–
Profit/Loss from investments, financial and non-financial assets and liabilities	18,094	8,862	9,232	>100
Other	3,479	4,822	(1,343)	(27.8)
Operating income	*(370,459)*	*268,569*	*(639,028)*	-
Staff expenses	(59,061)	(57,307)	(1,754)	3.1
Other administrative expenses	(53,874)	(52,291)	(1,583)	3.0
Depreciation/amortization/write-offs	(7,547)	(6,883)	(665)	9.7
Depreciation, amortization, personnel and operating expenses	*(120,483)*	*(116,481)*	*(4,002)*	*3.4*
Consolidated operating profit	(490,942)	152,088	(643,030)	-

Net interest income improved substantially by EUR 22.5 million to EUR 110.4 million based on the sound development of volumes in the customer business and a decline in refinancing and issue costs.

Net interest income in EUR million

Net fee and commission income was slightly higher than the previous year at EUR 28.2 million (H1 2021: EUR 26.8 million). This increase is attributable to an increase in the earnings from payment transactions but was contrasted by higher costs for the credit business.

The **profit from equity-accounted investments** – which is influenced by the earnings contribution from RBI – amounted to EUR -530.6 million in the first half of 2022 (H1 2021: EUR 140.2 million). RBI reported a substantial year-on-year improvement in earnings during the first half of 2022. The proportional net at-equity earnings contribution from RBI totalled EUR -532.6 million for the reporting period (H1 2021: EUR 138.6 million) and includes an impairment loss of EUR -910.0 million to the carrying amount of the RBI investment as of 30 June 2022. The at equity contribution from Raiffeisen Informatik amounted to EUR +2.0 million (H1 2021: EUR 1.5 million).

The **profit/loss from investments and financial/non-financial assets and liabilities** totalled EUR 18.1 million in the first half of 2022 (H1 2021: EUR 8.9 million). The good results reported in the first half of 2022 are attributable, above all, to valuation gains from derivatives in connection with the development of interest rates.

The position **Other**, which includes dividend income and other operating profit/loss, declined by EUR 1.3 million year-on-year to EUR 3.5 million. This income statement item also includes the expenses for the stability levy (EUR -2.3 million) as well as the contribution to the European resolution fund and the deposit insurance fund (EUR -21.2 million) for the full 2022 financial year.

Operating income
(Operating income without at Equity) in EUR million

The position **"depreciation, amortization, personnel and operating expenses"** amounted to EUR 120.5 million and was EUR 4.0 million higher than the previous year (H1 2021: EUR 116.5 million).

The RLB NÖ-Wien Group recorded **consolidated operating profit** of EUR -490.9 million in the first half of 2022 (H1 2021: EUR 152.1 million). After an adjustment for the EUR -910.0 million impairment loss recognised to the investment in RBI, consolidated operating profit equalled EUR 419.1 million.

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021	Absolute +/(–) change	Absolute +/(–) change%
Consolidated operating profit	(490,942)	152,088	(643,030)	-
Impairment losses or reversals of impairment losses to financial assets	(6,948)	8,571	(15,519)	-
Profit/loss before tax	***(497,890)***	***160,659***	***(658,549)***	-
Income tax	(5,651)	(2,817)	(2,834)	>100
Net profit for the period	**(503,541)**	157,842	**(661,383)**	-

The **net impairment loss/reversal of impairment to financial assets** amounted to EUR -6.9 million in the first half of 2022 (H1 2021: EUR 8.6 million). Impairment allowances remained high due to the uncertainty that currently characterises the economic environment and amounted to EUR 206.2 million. The positive risk results in the previous year were influenced by the economic recovery and the related release of the general allowances (Stage 1 and 2) created in connection with COVID-19 to reflect the then uncertain economic situation.

The **loss before tax** amounted to EUR -497.9 million in the first half of 2022 (H1 2021: EUR 160.7 million). These results reflected the high impairment loss recognised to the investment in RBI. After the deduction of income tax expense, **net profit for the period** equalled EUR -503.5 million (H1 2021: EUR 157.8 million).

Profit for the period after tax in EUR million

Other comprehensive income was positive at EUR 216.1 million (H1 2021: EUR 21.9 million) and leads to total comprehensive income for the first half of 2022. It includes, above all, the proportional share of positive effects (primarily

FX effects) from the at-equity consolidation of RBI. Total comprehensive income amounted as of 30 June 2022 to EUR -287.5 million (H1 2021: EUR 179.8 million).

Segment Report

The basis for segment reporting in accordance with IFRS 8 is formed by the internal management reporting system of the RLB NÖ-Wien Group.

The **Retail/Raiffeisen Association Services Segment** covers the retail banking business in the Vienna branches, which service personal banking, trade and business and self-employed customers. It offers various banking products and services for these customer groups, in particular for investments and financing. 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 teams. This segment recorded profit before tax of EUR 4.0 million in the first half of 2022 (H1 2021: EUR 0.1 million). The volume of loans and advances rose by 9.9% to EUR 3.9 billion and also supported an increase in net interest income. The increase in interest rates also had a positive effect on net interest income from the deposit business. In total, net interest income increased by EUR 6.0 million to EUR 31.5 million in the first half of 2022 (H1 2021: EUR 25.5 million). Depreciation, amortization, personnel and operating expenses were EUR -0.7 million higher than the previous year at EUR -65.5 million. Credit risk results in the retail business were positive at EUR 1.3 million due to reversals in the first half of 2022 (H1 2021: EUR 6.2 million).

The **Corporate Clients Segment** recorded pre-tax profit of EUR 18.0 million in the first half of 2022 (H1 2021: EUR 45.6 million). Net interest income declined by EUR 2.6 million year-on-year to EUR 64.2 million (H1 2021: EUR 66.8 million). Negative valuation effects from loans and advances carried at fair value amounted to EUR -12.0 million (which reflected the significant increases in interest rates during the first half of 2022) led to a substantial decline in earnings. The credit risk result remains low at EUR -6.9 million (H1 2021: EUR 3.3 million).

The **Financial Markets Segment** generated profit before tax of EUR 41.5 million in the first half of 2022 (H1 2021: EUR 4.8 million). Net interest income improved by EUR 17.3 million to EUR 35.7 million (H1 2021: EUR 18.4 million). The sharp rise in interest rates during the first half-year led to a positive valuation effect of EUR 28.9 million (H1 2021: negative effect of EUR -7.1 million) from financial assets and liabilities.

RBI, a material investment of RLB NÖ-Wien, contributed EUR 377.4 million to earnings in the first half of 2022 (H1 2021: EUR 138.6 million). Net profit before tax in the RBI Segment equalled

EUR -910 million after the deduction of an impairment loss and EUR -555.7 million (H1 2021: EUR -114.6 million) after the deduction of refinancing and administrative costs.

The Raiffeisen Association Segment reported a pre-tax loss of EUR -2.6 million in the first half of 2022 (H1 2021: EUR -1.0 million).

The **Other Investments Segment** recorded a pre-tax loss of EUR -0.1 million (H1 2021: EUR 0.3 million).

The **Other Segment** includes, among others, the special bank levy and reported a pre-tax loss of EUR -3.1 million (H1 2021: EUR -3.9 million).

Consolidated Balance Sheet as of 30 June 2022

The balance sheet total of the RLB NÖ-Wien Group rose by EUR 444.7 million over the level on 31 December 2021 to EUR 29,037.0 million as of 30 June 2022.

Assets

Loans and advances to customers rose to EUR 14,256.3 million (31 December 2021: EUR 13,503.6 million), above all due to a higher volume of business credits and loans to private customers.

Loans and advances to other banks rose by 26.9% to EUR 3,789.6 million as of 30 June 2022 (31 December 2021: EUR 2,986.5 million), primarily due to higher volumes with Raiffeisen sector institutions.

The **interest in equity-accounted investments** declined from EUR 2,028.6 million as of 31 December 2021 to EUR 1,698.2 million at the end of June 2022. The higher earnings contribution from RBI was reduced by the impairment loss which is also included under this position.

Other assets totalled EUR 4,102.0 million as of 30 June 2022. The decline below the prior year value of EUR 5,732.9 million resulted primarily from a lower volume of deposits with the Austrian National Bank (OeNB).

€m	30/06/2022	31/12/2021	Absolute +/(–) change	Absolute +/(–) change%
Financial assets at amortized cost	22,597	20,138	2,459	12.2
Of which debt instruments	4,545	3,636	909	25.0
Of which loans and advances to other banks	3,790	2,987	803	26.9
Of which loans and advances to customers	14,256	13,504	753	5.6
Of which other financial assets	7	12	(5)	(44.3)
Financial assets designated at fair value through profit or loss	619	673	(54)	(8.0)
Of which held for trading	508	542	(35)	(6.4)
Of which investments, immaterial shares in subsidiaries and associates	10	9	1	5.7
Of which debt instruments not held for trading	1	1	0	0.0
Of which loans and advances to customers not held for trading	101	120	(20)	(16.3)
Financial assets at fair value through other comprehensive income	20	20	1	3.5
Interest in equity-accounted investments	1,698	2,029	(330)	(16.3)
Other assets	4,102	5,733	(1,631)	(28.4)
ASSETS	**29,037**	28,592	**445**	**1.6**

Liabilities and Equity

Deposits from other banks rose by EUR 520.2 million, or 5.0%, to EUR 10,969.2 million as of 30 June 2022. The increase was based primarily on a higher balance of liabilities with OeNB.

Deposits from customers, including savings deposits, declined by EUR 104.7 million to EUR 8,983.1 million, above all due to lower balance of savings deposits.

The **total volume of securitized liabilities, incl. Tier 2 capital**, equalled EUR 6,314.6 million (31 December 2021: EUR 5,986.3 million). A EUR 750 million issue was placed during the first half-year. Including the results of hedge accounting, the overall position increased by EUR 328.4 million over the previous year.

Equity declined by EUR 286.2 million to EUR 1,831.3 million as of 30 June 2022, chiefly due to the high impairment loss recognised to the investment in RBI. This reduction was, however, contrasted by the positive currency effects recorded under other comprehensive income.

The volume of **other liabilities** rose slightly by EUR 18.4 million to EUR 547.8 million.

€m	30/06/2022	31/12/2021	Absolute +/(–) change	Absolute +/(–) change%
Financial liabilities measured at amortised cost	26,366	25,624	743	2.9
Of which deposits from other banks	10,969	10,449	520	5.0
Of which deposits from customers	8,983	9,088	(105)	(1.2)
Of which securitized liabilities (incl. Tier 2 capital)	6,315	5,986	328	5.5
Of which other financial liabilities	99	101	(1)	(1.2)
Financial liabilities designated at fair value through profit or loss	292	322	(30)	(9.3)
Equity	1,831	2,117	(286)	(13.5)
Other liabilities	548	529	18	3.5
LIABILITIES & EQUITY	**29,037**	28,592	**445**	**1.6**

Financial Performance Indicators

Performance Ratios

The **Group's cost/income ratio** (CIR) – i.e. the ratio of operating expenses to operating income (incl. the profit (loss) from financial instrument and associates, and excl. impairment losses) – equalled 22.4% as of 30 June 2022. The CIR for RLB's banking business (excluding the RBI Segment) equalled 65.7%.

The **Group's return on equity after tax** – i.e. the return on equity based on average equity – was negative for the first half-year due to the impairment loss recognised to the investment in RBI (H1 2021: EUR 14.9%).

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 following 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.

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 2,572.4 million (H1 2021: EUR 2,884.7 million). At 20.0% (H1 2021: 22.2%), the Tier 1 ratio (for comprehensive risk) substantially exceeds the total capital requirement, including the buffer, of 17.10% established by the Supervisory Review and Evaluation Process (SREP). It includes the minimum capital requirement of 8.00% defined by Art. 92 of the CRR as well as the additional capital requirement of 5.60% established by the SREP. The capital buffer requirements consist of a system risk buffer of 0.50%, the buffer of 0.50% for system-relevant institutions and a capital conservation buffer of 2.50%.

Eligible capital comprises the following: The common equity Tier 1 ratio includes the superior credit institution's subscribed capital of EUR 124.6 million, appropriated capital reserves of EUR 907.7 million, retained earnings of EUR 1,485.3 million, various regulatory adjustments of EUR -98.2 million and the application of the IFRS 9 transition guidance of EUR 31.3 million. After deductions of EUR -159.3 million, common equity Tier 1 capital equals EUR 2,291.4 million. The additional Tier 1 capital comprises an additional Tier 1 capital instrument of EUR 95.0 million. Tier 1 capital, after deductions, therefore totalled EUR 2,386.4 million (31 December 2021: EUR 2,672.6 million).

Supplementary capital of EUR 185.9 million (31 December 2021: EUR 212.1 million) consists of eligible Tier 2 instruments.

Tier 1 capital as a per cent of eligible capital equalled 92.8% (31 December 2021: 92.6%).

The common equity Tier 1 ratio (CET 1 Ratio) equalled 17.8% as of 30 June 2022 (31 December 2021: 19.9%). The Tier 1 ratio for the overall risk of the Raiffeisen-Holding NÖ-Wien credit institution group equalled 18.6% (31 December 2021: 20.6%) and the total capital ratio equalled 20.0% (31 December 2021: 22.2%).

Under a fully loaded analysis, the CET 1 ratio equalled 17.5% (31 December 2021: 19.4%), the T1 ratio 18.3% (31 December 2021: 20.1%) and the total capital ratio 19.7% (31 December 2021: 21.7%).

Credit risk indicators

The following tables show the credit-impaired exposure in relation to the total exposure (1st column) based on the definition in CRR Art 47a. It covers both non-performing and performing exposure.

30/06/2022 €'000 Receivables categories	Credit exposure	Non Performing Amount	Risk provision	Collateral	NPE Ratio in %	Coverage Ratio I in %	Coverage Ratio II in %
Other Banks	7,552,299	670	670	0	0.0	100.0	100.0
Corporate customers	11,133,803	168,015	77,886	47,764	1.5	46.4	74.8
Retail exposures	2,809,174	82,125	45,469	25,265	2.9	55.4	86.1
Public sector exposures	5,057,124	0	0	0	0.0	0.0	0.0
Total	**26,552,400**	**250,810**	**124,025**	**73,030**	**0.9**	**49.4**	**78.6**

31/12/2021 €'000 Receivables categories	Credit exposure	Non Performing Amount	Risk provision	Collateral	NPE Ratio in %	Coverage Ratio I in %	Coverage Ratio II in %
Other Banks	6,486,185	670	670	0	0.0	100.0	100.0
Corporate customers	10,528,025	171,198	78,107	54,200	1.6	45.6	77.3
Retail exposures	2,695,275	96,632	57,181	25,240	3.6	59.2	85.3
Public sector exposures	5,871,525	0	0	0	0.0	0.0	0.0
Total	25,581,010	268,500	135,958	79,441	1.0	50.6	80.2

The non-performing exposure (NPE) ratio, which is calculated similar to the EBA Risk Indicator AQT_3.1, equalled 0.9% as of 30 June 2022 (31 December 2021: 1.0%). Coverage Ratio I is defined as the Stage 3 risk provision for non-performing credit exposure in relation to the total non-performing credit exposure, and Coverage Ratio II as the Stage 3 risk provision plus collateral (after haircuts) for non-performing credit exposure in relation to the total non-performing credit exposure. Coverage Ratio I equalled 49.4% (31 December 2021: 50.6%) and Coverage Ratio II 78.6% (31 December 2021: 80.2%).

The NPL ratio, which is calculated similar to EBA Risk Indicator AQT_3.2 equalled 1.1% as of 30 June 2022 (31 December 2021: 1.2%).

€'000	Credit exposure		NPL		NPL Ratio in %	
	30/06/2022	31/12/2021	**30/06/2022**	31/12/2021	**30/06/2022**	31/12/2021
Total	22,004,580	21,941,101	250,810	268,500	1.1	1.2

RLB NÖ-Wien has implemented processes to identify customers with payment problems at an early point in time and to restructure loans with a positive outlook. Contract amendments not related to the credit standing are not designated as forbearance. Borrowers are classified as nonperforming if restructuring measures lead to a debt reduction or if an economic loss is expected. All restructuring measures recognized for solvency reasons are classified as such in the system. These loans are flagged as forbearance and monitored constantly. The bank complies in full with the requirements of CRR Article 47a.

Risk Assessment

The first six months of 2022 were influenced by one and a half years of the COVID-19 pandemic and the war that followed the Russian invasion of Ukraine on 24 February 2022. The results of this development are a risk assessment for RLB NÖ-Wien at the half-year 2022 which reflects these two issues and the resulting economic consequences.

Explanations of the financial risks to which the RLB NÖ-Wien Group is exposed, and current developments as seen from the risk perspective as of 30 June 2022 are presented as a separate section in the Notes. Reference is made to Note (32) Risks arising from financial instruments, which provides information on financial risks as well as the current situation and effects of the COVID-19 pandemic and the Russian-Ukraine war.

Outlook on the Second Half-year 2022

The Economic Environment

The visible effects of the COVID-19 pandemic on the global economy have been intensified by multiple crises which include the disruption of worldwide supply chains, high inflation, the consequences of Russia's invasion of Ukraine and government-ordered lockdowns in China.

In reaction to these developments, the International Monetary Fund (IMF) reduced its forecast for global growth at the end of July. Projections now point to an increase of only 3.2% for the worldwide economy in 2022, or 0.4 percentage points less than assumed in April. Growth in the Eurozone is expected to be 0.2 percentage points lower at 2.6%. The IMF also reduced its outlook for the US economy, namely to 2.3% in 2022.

The Chinese economy has also weakened significantly, with growth reaching only 0.4% year-on-year in the second quarter of 2022. The zero COVID-19 policy has taken its toll on economic activity through lockdowns in major cities like Shanghai, and fiscal impulses in the form of advanced infrastructure projects and tax reductions have been unable to limit the losses. The weak first half-year makes the attainment of the government's growth target for 2022 (+5.5%) unlikely. The problems lie not only in the COVID-19 lockdowns but also in the crisis-prone real estate market and explain the IMF's forecast of limited GDP growth of 3.3% this year.

The IMF sees the major risks for these forecasts in the consequences of Russia's war in Ukraine. Russian leaders could potentially halt gas deliveries to Europe, an action that would have dramatic consequences for the European economy – and a recession would be unavoidable in many countries. A complete stop to gas deliveries from Russia would, according to the IMF, reduce global growth to only 2.6% in 2022 and 2% in 2023. Values below 2% are unusual for the global economy and have only been registered five times since 1970.

The IMF sees inflation as the greatest stress factor as it endangers the stability of the economy and financial system. Rising energy and food prices are no longer the only issue – inflation is currently spreading to more and more sectors. The inflation rate is expected to reach 6.6% in the industrial states this year and average 9.5% in the emerging and developing countries, whereby both estimates are nearly one percentage point higher than in April. IMF projections indicate that inflation will not return to the pre-COVID-19 level before the end of 2024.

The June forecasts by the Austrian Institute of Economic Research (WIFO) and the Institute for Advanced Studies (IHS) estimate GDP growth in Austria at 4.3%, respectively 3.8% in 2022. The comparatively sound growth during the first half-year was driven, above all, by strong tourism and the good development of the industrial sector. However, recovery in this sector has since come to an end. The Austrian EMI Purchasing Manager's Index stood at 51.7 points in July, which is clearly below the long-term average. Domestic industrial companies are confronted with a challenging environment that leads to expectations of a further economic slowdown in the coming months.

In spite of the growing economic weakness, the IMF has called on (monetary) policymakers to combat inflation by further raising key interest rates. The European Central Bank (ECB) followed the IMF's appeal after a longer period of hesitation and started a new cycle of interest rate hikes in July 2022. The 50 BP increase in July was followed by a 75 BP step in September: the main refinancing rate now equals 1.25%, the deposit rate 0.75% and the interest rate for the peak refinancing facility 1.50%. Further increases were also announced. Pricing reactions by the money markets (as of 13 September 2022) reflect expectations – at a probability of roughly 80% - of a further 75 BP step by the ECB at its next meeting on 27 October.

Outlook on the Development of RLB NÖ-Wien

Current forecasts by the Austrian Institute of Economic Research (WIFO) and the Institute for Advanced Studies (IHS) point to loss of economic momentum in 2022. The after-effects of the COVID-19 crisis, high inflation and the upheavals resulting from the war in Ukraine, e.g. disrupted global supply chains, have slowed the recovery in the Austrian economy. WIFO expects real GDP growth of 4.3% in 2022, while the IHS is forecasting a weaker 3.8%.

The anticipated slowdown in growth is not expected to curb the sharp upward trend in prices before 2023. Driven by the cost of energy, inflation rose to roughly 8.7% at mid-year (based on the consumer price index, CPI). The rapid increase in prices has also spread to food products and industrial goods. The average inflation rate for 2022 based on the CPI is projected to equal roughly 7.5%.

RLB NÖ-Wien is affected by the current crises through inflation, supply chain shortages, gas and energy prices as well as the after-effects of the COVID-19 pandemic – both directly and, potentially, indirectly, through its customers and its investment in RBI. Countermeasures are currently in preparation to address expectations for the development of inflation.

RBI, a material investment of RLB NÖ-Wien, is particularly affected by the current geopolitical situation surrounding the war in Ukraine due to its strong positioning in Central and Eastern Europe. The consolidated financial statements of RLB NÖ-Wien for the first half of 2022 reflect the effects of this war on the development of the enterprise value of RBI. In spite of the sound development of the operating business and positive capital effects from the appreciation of the Russian Rubel, the recognition of a substantial impairment loss to the carrying amount of this investment was required.

The management of RBI is monitoring the related developments continuously, analysing potential scenarios, and evaluating various strategic options with regard to Russia and Belarus. Based on the information currently available, the results of operations for the full 2022 financial year are estimated as good. The amount of possible further impairment losses depends primarily on the further development of the situation as well as the development of earnings and the Russian Rubel.

The current uncertainties are reflected in the continuous evaluation and appraisal of the information and situation by the Management Board of RLB NÖ-Wien and the management of Raiffeisen-Holding NÖ-Wien. However, future developments are uncertain.

In view of the currently low risk cost level, exact forecasts are connected with substantial uncertainty. The above-mentioned, still positive economic outlook leads to expectations of normalised risk costs for RLB NÖ-Wien in 2022 based on the information currently available. RLB NÖ-Wien can build on the foundation of the forward-looking and cautious risk policy followed in recent years.

The ECB's contribution to the fight against rising inflation in the Eurozone was reflected in an increase of 50 basis points in the prime interest rate in July and a further 75 basis points in September. That marked the end of the low interest policy after more than six years. The ECB's medium-term inflation target of 2% remains intact. The increase in interest rates is also expected to have a positive effect on net interest income for RLB NÖ-Wien during the second half-year.

The new lending guidelines issued by the Austrian Financial Market Authority took effect on 1 August 2022 and require stricter minimum standards for residential construction credits. Among others, these rules require 20% equity financing for the purchase of a property, loan rates that do not exceed 40% of disposable net household income, and a maximum term of 35 years. These new regulations will, from the current viewpoint, have no material effect on the quality of new business due to the responsible business policies previously followed by RLB NÖ-Wien.

As a strong partner, RLB NÖ-Wien plans to continue its growth course in the corporate clients segment through support for existing customers and the development of new customer groups. The private customer business will remain focused on the mortgage business, supplemented by a full range of services and products that will be offered to customers over conventional and broad-based online sales channels.

Strategic focal points include the further expansion of the successful corporate clients business in connection with an increased digital offering and the continued implementation of the new branch concept in Vienna to develop a modern, practical branch network which meets the changing expectations and needs of the bank's customers. Private customers will also be able to access the channels of the digital regional bank (DRB) for the fast and direct handling of their banking transactions.

As a bank for the Raiffeisen sector, the role of RLB NÖ-Wien as a synergy partner for the Lower Austrian Raiffeisen banks will be further expanded.

The expansion of sustainability and CSR throughout the RLB NÖ-Wien Group will continue, also in view of the new reporting requirements that take effect in 2022.

Risk factors for the outlook on the 2022 financial year include geo-political and macroeconomic developments, regulatory measures and global health risks as well as changes in the competitive environment. Moreover, government-ordered COVID-19 measures and their impact on economic growth are a source of greater uncertainty for the preparation of financial forecasts. The development of the war between Russia and Ukraine has a material, indirect effect on RLB NÖ-Wien through RBI, which is continuously analyses and evaluated.

Vienna, 13 September 2022
The Managing Board

Michael HÖLLERER
Chairman

Reinhard KARL Deputy Chairman	Andreas FLEISCHMANN Member of the Managing Board
Martin HAUER Member of the Managing Board	Michael RAB Member of the Managing Board

Consolidated Interim Financial Statements (acc. to IFRS)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement

€'000	Notes	01/01 - 30/06/2022	01/01 - 30/06/2021
Net interest income	(1)	110,384	87,906
Interest income calculated according to the effective interest method		160,242	143,802
Interest income not calculated according to the effective interest method		38,379	47,354
Interest expense calculated according to the effective interest method		(51,646)	(59,312)
Interest expense not calculated according to the effective interest method		(36,591)	(43,939)
Net fee and commission income	(2)	28,180	26,828
Fee and commission income		46,850	43,823
Fee and commission expenses		(18,670)	(16,996)
Dividend income	(3)	974	819
Profit/loss from equity-accounted investments	(4)	(530,597)	140,151
Depreciation, amortization, personnel and operating expenses	(5)	(120,483)	(116,481)
Profit/loss from financial assets and liabilities	(6)	18,075	7,941
Of which profit/loss from derecognition of financial assets at amortized cost		(18)	(1)
Profit/loss from non-financial assets	(7)	18	921
Net impairment loss/reversal of impairment to financial assets	(8)	(6,948)	8,571
Other operating profit/loss	(9)	2,505	4,002
Other operating income		22,824	22,111
Other operating expenses		(25,588)	(25,326)
Addition to or release of provisions		5,269	7,217
Profit/loss before tax		**(497,890)**	**160,659**
Income tax	(10)	(5,651)	(2,817)
Profit/loss after tax		**(503,541)**	**157,842**
Of which attributable to non-controlling interests		(3)	4
Of which attributable to equity owners of the parent		(503,538)	157,838

Reconciliation to Consolidated Comprehensive Income

€'000	Notes	01/01 - 30/06/2022	01/01 - 30/06/2021
Profit/loss after tax		***(503,541)***	***157,842***
Items that will not be reclassified to profit or loss in later periods		***(14,167)***	***(1,753)***
Remeasurement of defined benefit pension plans	(28)	9,646	1,441
Fair value changes in equity instruments (through other comprehensive income)	(31)	685	(387)
Deferred taxes on items not reclassified to profit or loss	(22)	(1,322)	(180)
Proportional share of other comprehensive income from equity-accounted investments	(31)	(23,176)	(2,628)
Items that may be reclassified to profit or loss in later periods		***230,233***	***23,697***
Proportional share of other comprehensive income from equity-accounted investments*	(31)	230,233	23,697
Other comprehensive income		***216,067***	***21,944***
Consolidated comprehensive income		**(287,474)**	179,786
Of which attributable to non-controlling interests		(3)	4
Of which attributable to equity owners of the parent		(287,471)	179,782

* The earnings effect in the current reporting period and the comparative period resulted primarily from currency effects in the associate Raiffeisen Bank International (RBI).

Consolidated Balance Sheet

€'000	Notes	30/06/2022	31/12/2021
Cash, cash balances at central banks and other demand deposits	(11)	3,727,028	5,188,041
Financial assets held for trading	(12)	507,727	542,368
Derivatives		306,873	309,519
Other trading assets		200,854	232,849
Non-trading financial assets mandatorily at fair value through profit or loss	(13)	111,537	130,502
Financial assets at fair value through other comprehensive income	(14)	20,262	19,577
Financial assets at amortized cost	(15) (16)	22,597,282	20,138,284
Bonds		4,544,727	3,636,067
Loans and advances to other banks		3,789,556	2,986,534
Loans and advances to customers		14,256,254	13,503,583
Other assets		6,744	12,100
Derivatives - hedge accounting	(17)	490,089	315,002
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(18)	(385,215)	(51,651)
Interest in equity-accounted investments	(19)	1,698,166	2,028,649
Property and equipment	(20)	123,919	117,075
Investment property		1,519	1,529
Intangible assets	(21)	20,785	20,155
Tax assets	(22)	12,436	19,210
Tax assets		3,056	2,427
Deferred tax assets		9,380	16,783
Other assets	(23)	111,487	123,555
Balance sheet assets		**29,037,020**	28,592,295

€'000	Notes	30/06/2022	31/12/2021
Financial liabilities held for trading - Derivatives	(24)	291,563	321,626
Financial liabilities measured at amortized cost	(25)	26,366,369	25,623,761
Deposits from banks		10,969,220	10,449,047
Deposits from customers		8,983,107	9,087,847
Debt securities issued		6,314,628	5,986,274
Other liabilities		99,414	100,594
Derivatives - hedge accounting	(26)	466,999	340,817
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(27)	(103,703)	0
Provisions	(28)	92,576	110,212
Tax liabilities	(29)	18,157	22,822
Other liabilities	(30)	73,788	55,612
Equity	(31)	1,831,270	2,117,445
Attributable to non-controlling interests		39	52
Attributable to equity owners of the parent		1,831,231	2,117,394
Balance sheet equity and liabilities		29,037,020	28,592,295

Consolidated Statement of Changes in Equity

€'000	Subscribed capital	Capital reserves	Retained earnings incl. profit or loss attributable to equity owners of the parent	Other comprehensive income	Equity attributable to owners of the parent	Non-controlling interests	Total
	Attributable to equity holders of the parent						
Equity as at 01/01/2021	*219,789*	*556,849*	*1,758,085*	*(508,012)*	*2,026,712*	*46*	*2,026,758*
Consolidated comprehensive income	0	0	157,838	21,944	179,782	4	179,786
Net profit/loss for the period	0	0	157,838	0	157,838	4	157,842
Other comprehensive income	0	0	0	21,944	21,944	0	21,944
Dividends paid	0	0	0	0	0	(10)	(10)
Enterprise's interest in other changes in equity of equity-accounted investments	0	0	(8,970)	0	(8,970)	0	(8,970)
Equity as at 30/06/2021	**219,789**	**556,849**	**1,906,953**	**(486,068)**	**2,197,524**	**40**	**2,197,564**
Equity as at 01/01/2022	*219,789*	*556,849*	*1,815,667*	*(474,912)*	*2,117,394*	*52*	*2,117,445*
Consolidated comprehensive income	0	0	(503,538)	216,067	(287,471)	(3)	(287,474)
Net profit/loss for the period	0	0	(503,538)	0	(503,538)	(3)	(503,541)
Other comprehensive income	0	0	0	216,067	216,067	0	216,067
Dividends paid	0	0	0	0	0	(10)	(10)
Enterprise's interest in other changes in equity of equity-accounted investments	0	0	1,309	0	1,309	0	1,309
Equity as at 30/06/2022	**219,789**	**556,849**	**1,313,438**	**(258,846)**	**1,831,231**	**39**	**1,831,270**

Consolidated Cash Flow Statement

€'000	Notes	01/01 - 30/06/2022	01/01 - 30/06/2021
Profit for the period after tax		*(503,541)*	*157,842*
Write-downs/(write-ups) of property and equipment and measurement of financial assets and equity investments		284,380	96,179
Profit/loss from equity-accounted investments	(4)	530,597	(140,151)
Release of/addition to provisions and impairment allowances		(11,672)	(22,611)
(Gains)/losses on disposals of property and equipment and financial investments		3,397	410
Reclassification of net interest income, dividends and income taxes		(105,708)	(85,908)
Other adjustment (net)		(12,955)	(5,206)
Subtotal before change in assets/liabilities (operating)		*184,498*	*554*
Other demand deposits		(104,156)	(77,907)
Financial assets held for trading		6,152	185,521
Financial assets designated at fair value through profit or loss		19,509	12,231
Financial assets at amortized cost		(1,540,448)	363,770
Derivatives - hedge accounting		165,613	(7,871)
Other assets		12,004	9,717
Financial liabilities held for trading		(17,425)	(115,988)
Financial liabilities measured at amortized cost		814,184	138,412
Other provisions		(3,233)	(15,079)
Other liabilities		18,176	65,743
Interest received		243,051	200,648
Dividends received		9,315	157,218
Interest paid		(116,232)	(93,091)
Income taxes paid		(4,952)	(65)
Cash flow from operating activities		*(313,944)*	*823,815*
Cash receipts from sales of financial investments		235,899	69,514
Cash receipts from sales of equity investments		26	2
Cash receipts from sales of property and equipment and intangible assets		94	637
Cash paid for financial investments		(1,413,218)	(227,513)
Cash paid for property and equipment and intangible assets		(13,167)	(3,551)
Cash flow from investing activities		*(1,190,365)*	*(160,911)*
Cash inflows from Tier 2 capital	(25)	771	0
Cash outflows from Tier 2 capital	(25)	(57,355)	(109)
Repayments from lease liabilities	(25)	(4,770)	(4,702)
Dividends paid		(10)	(10)
Cash flow from financing activities		*(61,365)*	*(4,822)*

€'000	Notes	01/01 - 30/06/2022	01/01 - 30/06/2021
Cash and cash equivalents at end of previous year	(11)	*2,847,153*	*2,664,614*
Cash flow from operating activities		(313,944)	823,815
Cash flow from investing activities		(1,190,365)	(160,911)
Cash flow from financing activities		(61,365)	(4,822)
Cash and cash equivalents at end of year	(11)	**1,281,481**	3,322,696

Notes

General Information

These condensed consolidated interim financial statements of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien) were prepared in agreement with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

The consolidated interim financial statements as of 30 June 2022 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 reporting. The condensed consolidated interim financial statements do not include all information and disclosures required for consolidated financial statements and, therefore, should be read in connection with the consolidated financial statements for 2021 of RLB NÖ-Wien. These condensed consolidated interim financial statements are based on the same principles and methods applied in preparing the consolidated financial statements for 2021. Standards and interpretations which required initial application during the reporting period were taken into account.

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

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

Judgments and estimates

The preparation of interim financial reports involves judgments, estimates and assumptions that influence the recognition of assets and liabilities, the disclosure of contingent liabilities and the presentation of income and expenses. The exercise of judgment by management in applying the various accounting policies is based on the respective standards and in keeping with the goal defined for the consolidated financial statements, which is to provide meaningful information on the company's asset, financial and earnings positions. These condensed consolidated interim financial statements are based on the same principles applied in preparing the consolidated financial statements as of 31 December 2021. Actual results may deviate from the estimated values.

Scope of consolidation

There were no changes in the number of consolidated subsidiaries or equity-accounted entities during the reporting period. Moreover, there were no business combinations or disposals of operations during the first half of 2022.

Application of new and revised standards and interpretations

New and revised standards and interpretations which require application as of 1 January 2021 or at a later date were reflected in the preparation of the consolidated financial statements for 2021. The following section explains the changes which had an influence on the RLB-NÖ-Wien Group or the changes which were announced during the first half of 2022.

Improvement to International Financial Reporting Standards, Cycle 2018-2020 (IFRS 9)

This change clarifies the fees to be collected by a company when it applies the "10%" test described in section B3.3.6. of IFRS 9 in evaluating whether a financial liability should be derecognised. A company (the borrower) may only include the fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender ion the other's behalf. This clarification does not result in any changes for the RLB NÖ-Wien Group.

Segment Reporting

01/01 - 30/06/2022 €'000	Retail/Raiff-eisen Association Services	Corporate Customers	Financial Markets	RBI	Raiffeisen Association	Other equity invest-ments	Other	Total
Net interest income	31,494	64,166	35,706	(20,817)	(81)	(84)	0	110,384
Net fee and commission income	29,034	7,066	(9,442)	0	1,522	0	0	28,180
Dividend income	584	0	0	0	0	390	0	974
Profit/loss from equity-accounted investments	0	0	1,964	(532,561)	0	0	0	(530,597)
Depreciation, amortization, personnel and operating expenses	(65,450)	(28,057)	(9,346)	(1,309)	(16,147)	(173)	0	(120,483)
Profit/loss from financial assets and liabilities	989	(12,666)	28,893	0	859	0	0	18,075
Profit/loss from non-financial assets	9	4	2	0	3	0	0	18
Net impairment loss/reversal of impairment to financial assets	1,270	(6,915)	(1,303)	0	0	0	0	(6,948)
Other operating profit/loss	6,109	(5,614)	(4,965)	(1,018)	11,290	(187)	(3,109)	2,505
Profit/loss before tax	**4,039**	**17,984**	**41,509**	**(555,705)**	**(2,554)**	**(54)**	**(3,109)**	**(497,890)**
Income tax	(610)	360	0	1	0	(3)	(5,399)	(5,651)
Profit/loss after tax	**3,429**	**18,344**	**41,509**	**(555,704)**	**(2,554)**	**(57)**	**(8,508)**	**(503,541)**
Av. allocated capital (in EUR mill.)	262	710	612	378	0	12	0	1,974
Return on equity before tax	3.1%	5.1%	13.6%	-	-	-	-	-
Return on equity after tax	2.6%	5.2%	13.6%	-	-	-	-	-
Cost Income Ratio (incl. at equity)	96.7%	54.9%	17.9%	0.4%	> 100%	> 100%	-	22.4%

The comparative prior year data are as follows:

01/01 - 30/06/2021 €'000	Retail/Raiffeisen Association Services	Corporate Customers	Financial Markets	RBI	Raiffeisen Association	Other equity investments	Other	Total
Net interest income	25,540	66,800	18,390	(22,677)	0	(146)	0	87,906
Net fee and commission income	27,755	6,208	(8,449)	0	1,313	0	0	26,828
Dividend income	50	350	0	0	0	420	0	819
Profit/loss from equity-accounted investments	0	0	1,524	138,627	0	0	0	140,151
Depreciation, amortization, personnel and operating expenses	(64,762)	(27,180)	(8,978)	(1,347)	(14,003)	(211)	0	(116,481)
Profit/loss from financial assets and liabilities	597	(721)	7,100	0	965	0	0	7,941
Profit/loss from non-financial assets	380	161	57	9	89	225	0	921
Net impairment loss/reversal of impairment to financial assets	6,186	3,258	(873)	0	0	0	0	8,571
Other operating profit/loss	4,313	(3,253)	(3,959)	23	10,673	59	(3,854)	4,002
Profit/loss before tax	**59**	**45,623**	**4,812**	**114,635**	**(963)**	**347**	**(3,854)**	**160,659**
Income tax	(479)	115	0	0	0	(25)	(2,428)	(2,817)
Profit/loss after tax	**(420)**	**45,738**	**4,812**	**114,635**	**(963)**	**322**	**(6,282)**	**157,842**
Av. allocated capital (in EUR mill.)	255	765	596	480	0	15	0	2,112
Return on equity before tax	-	11.9%	1.6%	47.8%	-	4.5%	-	15.2%
Return on equity after tax	-	12.0%	1.6%	47.8%	-	4.2%	-	14.9%
Cost Income Ratio (incl. at equity)	> 100%	41.2%	61.0%	1.2%	> 100%	37.8%	-	44.0%

Segment reporting is based on internal management performance calculations in the form of a multi-level contribution margin income statement. Income and expenses are allocated according to their origin. Income includes net interest income, net fee and commission income, net trading income and other operating profit/loss. A market interest rate method is used to calculate net interest income. The interest income from equity is determined by applying a theoretical interest rate; it is allocated to the segments in accordance with regulatory capital requirements and presented under net interest income. The impairment allowances in the credit business include the net new creation of impairment allowances for credit risks and direct write-offs as well as the income from loans and advances previously written off. General administrative expenses include direct and indirect costs. Direct costs (staff costs and other administrative expenses) are the responsibility of the individual business segments, while indirect costs are assigned according to predefined allocation keys.

The segments are presented as independent companies with a separate capital base and profit responsibility. The basis for the definition of the individual segments is their responsibility for servicing the various customer groups of RLB NÖ-Wien.

The segments are classified as follows in accordance with IFRS 8:

- The Retail/Raiffeisen Association Segment includes the retail business in Vienna.

  This target group covers private individuals, small and medium-sized businesses and self-employed persons. The offering for personal and business banking customers consists primarily of standardized products like passbook accounts, savings deposits, time deposits, current and salary accounts, personal loans, overdrafts, mortgages and other special purpose loans.

- The Corporate Clients Segment covers business with corporate customers, special business and projects as well as transaction banking.

  This segment provides traditional credit services for corporate customers, corporate finance (project and investment financing, acquisition financing and property financing), trade and export financing, documentation services and financing for local authorities and financial institutions.

  Traditional credit services include working capital, investment and trade financing with a wide variety of financing instruments (e.g. current account loans, cash advances, direct loans, factoring, venture capital).

  Transaction Banking and Sales Management is responsible for processing export loans and foreign investments (e.g. export loans from export funds and Oesterreichische Kontrollbank (OeKB) and OeKB equity loans) as well as the structuring and settlement of letters of credit, collections and guarantees for Austrian and international clients. In addition, this department manages relations with correspondent banks (financial institutions) and international corporate customers.

  The activities of the Corporate Finance Department cover project and investment financing (specially tailored financing for specific business projects) in the Group’s core market as well as a full range of subsidized credit products. Transactions are also executed jointly with the European Investment Bank (EIB) and Kreditanstalt für Wiederaufbau (KfW).

- The Financial Markets Segment is responsible for the Group’s treasury activities, above all earnings from the management of the banking book (maturity transformation) and trading book as well as the results of liquidity management.

  The Treasury Department manages the Group's positions in on-balance sheet (e.g. money market deposits) and off-balance sheet interest rate- and currency-based products (forwards, futures and options). Included here are interest rate and foreign currency contracts, liquidity management and asset/liability management (maturity transformation). This department is also responsible for managing the RLB

NÖ-Wien portfolios of bonds, funds and short-term and long-term alternative investments (combinations of securities products and derivatives).

Financial instrument trading is organized centrally and subject to strictly controlled limits. All proprietary trading is reported under this segment, while profit contributions from treasury transactions for customers are allocated to the other segments. The portion of the earnings contribution that exceeds the market price is allocated to the customer segments.

- The Raiffeisen Bank International Segment comprises the earnings contribution from RBI, incl. allocated refinancing and administrative costs. It also includes the investment in the RBI Group, which is carried at equity, with its related activities in Central and Eastern Europe.

- The Raiffeisen Association Segment includes the services provided by RLB NÖ-Wien AG for the Raiffeisen Association (Raiffeisen banks).

- The Other Investments Segment includes a portfolio of equity investments in banks and other financial institutions. The respective dividend income, refinancing costs and a proportional share of administrative expenses are allocated to this segment.

- The Other Segment only includes the limited expenses which cannot be allocated to one of the other segments.

The RLB NÖ-Wien Group uses two central management benchmarks:

Return on equity represents the ratio of profit before tax to the average capital employed and shows the return on the capital used by the respective segment.

The cost/income ratio shows the cost efficiency of the individual segments. It is calculated by dividing general administrative expenses by operating profit/loss (incl. profit/loss from financial investments and associates and excl. impairment losses and impairment allowances). Excluding the RBI Segment, the Group's cost/income ratio equalled 65.7%.

There are no material consolidation effects between the segments or between individual items.

Details on the Consolidated Income Statement

(1) Net interest income

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Interest income		
Financial assets held for trading	36,892	45,903
Non-trading financial assets mandatorily at fair value through profit or loss	1,487	1,451
Financial assets carried at amortized cost - incl. related derivatives (interest rate risks)*	129,721	123,442
Negative interest from liabilities	30,521	20,360
Total interest income	***198,621***	***191,156***
Interest expenses		
Financial liabilities held for trading	(36,591)	(43,939)
Financial liabilities carried at amortized cost - incl. related derivatives (interest rate risks)*	(29,964)	(36,730)
Other liabilities	(3,005)	(5,100)
Negative interest from financial assets	(18,677)	(17,482)
Total interest expenses	***(88,236)***	***(103,250)***
Net interest income	**110,384**	87,906

* The interest expense from derivatives in hedge accounting for assets totals TEUR -29,868 (H1 2021: EUR -26,896); the interest income from derivatives in hedge accounting for liabilities totals TEUR 42,238 (H1 2021: EUR 35,335).

Net interest income includes interest income and expenses as well as all similar recurring and non-recurring income and expenses. Interest and similar income, respectively expenses, are calculated according to the effective interest method and accrued accordingly. Negative interest on loans and advances to customers and other banks are included under interest and similar expenses, while negative interest on non-derivative financial liabilities from the banking business are reported under net interest income. Interest income includes interest income of TEUR 3,207 (H1 2021: EUR 3,000) from impairment-adjusted loans and advances to customers and other banks.

Negative interest from liabilities includes (negative) interest expense of TEUR 13,398 for the first half of 2022 (H1 2021: EUR 10,115) from the participation of RLB NÖ-Wien in the TLTRO III Programme. The lending goals and related bonus criteria (COVID-19 bonus) for defined interest rate periods (Special Interest Rate Period, SIRP I: 24 June 2020 to 23 June 2021 and the extension to 2021 SIRP II: 24 June 2021 to 23 June 2022) were met.

(2) Net fee and commission income

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Securities	5,202	5,284
Custody business	4,772	4,618
Fiduciary operations	0	5
Services for payment transactions	15,487	13,772
Brokerage commissions	8,879	8,356
Credit business	2,684	2,702
Other fee and commission income	9,826	9,086
Fee and commission income	***46,850***	***43,823***
Securities	(1,936)	(2,200)
Custody business	(570)	(570)
Fiduciary operations	0	(5)
Services for payment transactions	(2,727)	(1,984)
Credit business	(10,364)	(9,204)
Other fee and commission expenses	(3,072)	(3,033)
Fee and commission expenses	***(18,670)***	***(16,996)***
Net fee and commission income	**28,180**	26,828

Net fee and commission income covers the income and expenses to which the company is legally entitled for the provision of services. Fee and commission income from the credit business consists primarily of liability remuneration, while fee and commission income from the securities business includes brokerage fees.

Fee and commission expenses from the credit business consist chiefly of liability remuneration in connection with cover pool collateral. The fees arising from financial instruments which are carried at amortized cost and represent part of effective interest are recognized to net interest income over the respective term.

(3) Dividend income

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Non-trading financial assets designated at fair value through profit or loss	400	353
Financial assets at fair value through other comprehensive income	574	466
Dividend income	**974**	819

This position includes the dividend income from securities and the income from unconsolidated company shares and investments. In accordance with IFRS 9.5.7.1A, dividends are recognized to profit or loss when there is a legal entitlement to receive payment.

(4) Profit/loss from equity-accounted investments

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Profit/loss from companies accounted for at equity	379,403	140,151
Revaluation gains/losses on equity-accounted investments	(910,000)	0
Profit/loss from equity-accounted investments	**(530,597)**	140,151

The profit/loss from equity-accounted investments represents the proportional share of profit or loss from the associates and equity-accounted investments in Raiffeisen Bank International AG (RBI) and Raiffeisen Informatik GmbH which flow into the consolidated financial statements of RLB NÖ-Wien.

The revaluation loss of TEUR -910,000 from equity-accounted investments resulted from the latest impairment test of the investment in RBI. As of the closing date for the comparative period (30 June 2021), there was no need for the recognition of an impairment loss or revaluation to the carrying amount of this investment. The amount of the valuation adjustment is attributable to a decline in the recoverable amount and a substantial increase in the carrying amount (the sound development of earnings at RBI during the first half of 2022 and high positive FX-effects in equity from the appreciation of the Rubel) during the reporting period. The negative effect on equity compared with the value on 31 December 2021 equals TEUR -326,068.

As of the last reporting date on 31 December 2021, the recoverable value was determined by a value in use and led to the recognition of an impairment loss. A review of all events and circumstances as of the closing date on 30 June 2022 – in particular, the expected economic effects of the Russia-Ukraine war and the development of the market price – led to objective indications of a decline in fair value as defined by IAS 28.41A – 28.41C in connection with IAS 36.12. The equity-accounted investment in RBI was therefore tested for impairment as of 30 June 2022.

In accordance with IAS 36.114 in connection with IAS 36.18, the determining factor for impairment was the recoverable amount as the higher of the value in use and fair value less selling cost. This recoverable amount was subsequently compared to the at-equity carrying amount of RBI. The market price of RBI equalled EUR 10.3/share on 30 June 2022 (31 December 2021: EUR 25.9/share). The recoverable amount was determined as a value in use based on the present value of the expected cash flows (dividend discount model). The cash flows were derived from five-year forecasts which were approved by the management of RBI and valid at the time the impairment test was carried out; they were adapted marginally by the management of RLB NÖ-Wien in connection with a plausibility check.

In order to appropriately depict the current uncertain economic environment resulting from the war in Ukraine and the related sanctions against Russia, RBI calculated two different planning scenarios and weighted the results according to probabilities assigned by the management of RLB NÖ-Wien. All strategic options for the future of Raiffeisenbank Russia – up to the carefully managed exit of the bank from the Russian market – are currently being evaluated. The most recent resolutions assume the continuation of business activities in Russia and Belarus under both scenarios. These scenarios differ, above all, in their assumptions for the duration of the war and the extent of the war's influence on RBI's most important country markets.

The management of RLB NÖ-Wien examined the assumptions underlying these forecasts extensively. The assumptions of RBI management for both scenarios were supplemented by internal assessments to reflect the uncertainties existing as of 30 June 2022 over further developments and the effects of the war as well as the related sanctions against Russia to achieve consistency with the valuation as of 31 December 2021.

The cash flows realizable from the RBI investment were discounted with an average, risk-adjusted capitalization rate of 13.65% (31 December 2021: 12.33%). A sustainable growth rate of 2.0% (31 December 2021: 2.0%) was included in determining the value in use of RBI, which reflects the ECB's communicated inflation target. The discount rate was determined according to a CAPM (Capital Asset Pricing Model) based on the peer group's beta factor and, as on 31 December 2021, calculated as a rolling beta factor.

A comparison of the resulting value in use with the carrying amount led to the recognition of an impairment loss of TEUR -910,000 (31 December 2021: EUR 0) to the equity-accounted investment in RBI.

The deviation of the value in use to the market price is attributable chiefly to the decline in industry stock prices which resulted from above-average market reactions to the war in Ukraine and an overemphasis on short-term corporate developments. RBI is heavily represented on the Russian market, and the war has led, in part, to the exit of investors. These exits do not, however, reflect the actual earning power of RBI. The development of the RBI share price, according to an assessment by RLB NÖ-Wien, includes factors which go beyond the company's cash flow generating capacity. In the opinion of RLB NÖ-Wien, the discounts currently included in the share price therefore have no relation to RBI's sustainable earning power.

The assumptions made in connection with the valuation were subjected to further sensitivity analysis through additions and reductions along the valuation range.

Potential valuation uncertainties related to key forecast assumptions – e.g. foreign exchange rates, risk costs, the cost income ratio, sustainable earnings expectations and valuation parameters for the discount rate – were evaluated as best as possible by management on the basis of sensitivity analyses and compared with externally available market data for plausibility where possible. The sensitivity analysis of the value in use included parameters for the change in valuation-relevant cash flows, a change in the interest rate (market return) and return on equity (terminal value, RoE TV).

A change of +/- 10% in the valuation-relevant cash flows leads to a change of approximately +/-10% in the value in use (31 December 2021: +/- 9%). A change of 50 basis points in the market return would have an effect of roughly -9%, resp. +10% on the value in use (31 December 2021: -9%, resp. +10%). An increase or decrease of 100 basis points in the RoE TV would lead to a change of +10% resp. -9% in the value in use (31 December: +10% resp. -10%). Each sensitivity and the related effect were calculated separately under the assumption that all other parameters remain unchanged.

(5) Depreciation, amortization, personnel and operating expenses

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Staff expenses	(59,061)	(57,307)
Other administrative expenses	(53,874)	(52,291)
Write-downs of property, equipment and intangible assets	(7,547)	(6,883)
Depreciation, amortization, personnel and operating expenses	**(120,483)**	(116,481)

(6) Profit/loss from financial assets and liabilities

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Profit/loss from financial assets and liabilities not carried at fair value through profit or loss	***455***	*(32)*
Financial assets at amortized cost	(18)	(1)
Loans and advances	(18)	(1)
Financial liabilities measured at amortized cost	472	(31)
Debt securities issued	472	(31)
Profit/loss from financial assets and liabilities held for trading	***26,494***	*8,171*
Derivatives	44,124	11,400
Equity instruments	258	0
Bonds	(17,888)	(3,229)
Profit/loss from financial assets not held for trading, mandatorily at fair value	***(12,084)***	*(2,241)*
Equity instruments	32	(5)
Bonds	0	20
Loans and advances	(12,116)	(2,255)
Profit/loss from modifications	***(976)***	*(36)*
Profit/loss from hedge accounting	***1,292***	*(526)*
Foreign exchange transactions	***2,894***	*2,605*
Profit/loss from financial assets and liabilities	**18,075**	7,941

The profit/loss from financial assets and liabilities includes all realized profits and losses as well as the results from the valuation of financial instruments.

Profit/loss from financial assets and liabilities not carried at fair value through profit or loss

The profit/loss from financial assets and liabilities carried at amortized cost include realized gains and losses from assets and liabilities. The sales of assets carried at amortized cost reflect the "hold to collect" business model applied by RLB NÖ-Wien. These sales are monitored with regard to frequency and on the basis of internally defined eligibility limits for the individual portfolio volumes and the realized results. Positive and negative results are not offset but evaluated on an individual transaction basis.

The profit/loss from financial liabilities carried at amortized cost show the results from the repurchase or premature redemption of securities issued by RLB NÖ-Wien during the reporting period (TEUR 472; H1 2021: EUR -31).

Profit/loss from financial assets and liabilities carried at fair value through profit or loss

The profit/loss from financial instruments held for trading totalled TEUR 26,494 in the first half of 2022 (H1 2021: EUR 8,171). The results from interest rate derivatives consist of the substantial higher valuation of interest rate swaps and the positive contribution of earnings from the floor portfolio established in 2022. The positive development of derivatives during the first half-year reflected the strong increase in interest rates, but this market trend influenced the valuation of the securities.

The profit/loss from financial instruments carried mandatorily at fair value amounted to TEUR -12,084 in the first half of 2022 (H1 2021: EUR -2,241) was primarily influenced by the valuation of loans and advances carried at fair value. The fair value decline in loans and advances resulted primarily from the increase in interest rates and the related decline in discount factors. Additional details on the determination of these valuation results are provided under Note (33) Fair value of financial instruments.

Profit/loss from modifications

The profit/loss from modifications shows the income and expenses which resulted from the adjustment of contractual cash flows. In the first half of 2022, the results of these modifications totalled TEUR -976 (H1 2021: EUR -36). The following table shows the amortized cost before the changes to the modified financial instruments which did not lead to derecognition according to qualitative and quantitative criteria. This table also includes the profit/loss on modifications classified by their current assignment based on the impairment logic. The financial instruments modified during the first half of 2022 which were assigned to Stage 2 or 3 on the modification date did not include any instruments assigned to Stage 1 as of 30 June 2022.

The following table shows the modification effects for the current reporting period and as of 30 June 2022.

€'000	**Stage 1**	**Stage 2-3**	**Total**
Modification effect from financial assets	(1,662)	686	(976)
Carrying amount before modification of financial assets	276,296	139,742	416,038

The comparative data as of 30 June 2021 are as follows:

€'000	**Stage 1**	**Stage 2-3**	**Total**
Modification effect from financial assets	(245)	209	(36)
Carrying amount before modification of financial assets	134,989	309,302	444,291

Profit/loss from hedge accounting

The profit/loss from hedge accounting shows the ineffectiveness of the hedges recognized by RLB NÖ-Wien (TEUR 1,292; H1 2021: EUR -526). This amount includes TEUR 193,630 (H1 2021: EUR 42,026) from the measurement of hedging derivatives and TEUR -192,337 (H1 2021: EUR -42,552) from changes in the carrying amounts of the underlying transactions within the framework of hedge accounting. Additional details on hedge accounting are provided under Note (34) Hedge accounting.

(7) Profit/loss from investments and non-financial assets

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Profit/loss from the derecognition of non-financial assets	18	282
Profit/loss from land, equipment and buildings	(31)	(16)
Profit/loss from investment property	0	224
Profit/loss from other assets	20	21
Profit/loss from usage rights	30	53
Impairment losses or reversals of impairment losses to non-financial assets	0	638
Usage rights	0	638
Profit/loss from non-financial assets	**18**	921

This position shows the profit/loss on the derecognition or impairment of non-financial assets as well as the derecognition of rights of use following the termination or modification of rental and operating leases.

(8) Net impairment loss / reversal of impairment to financial assets

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Net impairment loss/reversal of impairment to financial assets at amortized cost	(6,948)	8,571
Bonds	750	(345)
Loans and advances	(7,750)	8,893
Trade receivables	52	23
Net impairment loss/reversal of impairment to financial assets	**(6,948)**	8,571

This position covers all income and expenses arising from valuation adjustments to financial instruments carried at amortized cost. The income and expenses related to other credit risks which were accounted for through provisions are included under other operating profit/loss. Additional details on the risk provisions are provided under Note (16).

(9) Other operating profit/loss

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Other operating income	*22,824*	*22,111*
Revenue from service and real estate subsidiaries	5,482	7,682
Revenues from services provided to Raiffeisen banks	9,333	9,305
Other income	8,010	5,123
Other operating expenses	*(25,588)*	*(25,326)*
Sector facilities	(6,213)	(6,450)
Bank levy	(2,349)	(2,476)
Resolution fund	(15,009)	(13,438)
Cost of materials and purchased services from service and real estate subsidiaries	(404)	(1,818)
Other expenses	(1,613)	(1,144)
Addition to or release of provisions	*5,269*	*7,217*
Addition to or release of provisions for obligations and granted guarantees	2,453	4,009
Release of other provisions	2,816	3,208
Other operating profit/loss	**2,505**	4,002

Other operating profit/loss includes the results from the service and real estate subsidiaries and, among others, the income and expenses from non-banking activities. It also includes the annual contribution to the bank levy and settlement fund, the expenses arising from damages and the actual and uncertain obligations arising from compensation for damages related to potential customer complaints.

The results from the addition to or release of provisions include the change from provisions for obligations and guarantees given. Additional details are provided under Note (16).
The sector facilities included under other operating expenses represent the contributions to deposit protection schemes.

(10) Income tax

€'000	01/01 - 30/06/2022	01/01 - 30/06/2021
Current taxes	342	(754)
Deferred taxes	(5,993)	(2,064)
Income tax	**(5,651)**	(2,817)

Details on the Consolidated Balance Sheet

(11) Cash, cash balances at central banks and other demand deposits

€'000	30/06/2022	31/12/2021
Cash	55,130	50,995
Balances at central banks	1,226,067	2,796,078
Other demand deposits	2,445,832	2,340,968
Total	**3,727,028**	5,188,041

Cash balances at central banks include the statutory minimum reserve of TEUR 319,311 (31 December 2021: EUR 318,667).

This balance sheet position includes Stage 1 impairment losses of TEUR 1,209 (31 December 2021: EUR 1,799).

The following table reconciles cash and cash equivalents to the balance sheet position “cash, cash balances at central banks and other demand deposits” (see the consolidated cash flow statement).

€'000	30/06/2022	31/12/2021
Cash	55,130	50,995
Balances at central banks	1,226,067	2,796,078
Other sight deposits from customers	284	80
Cash and cash equivalents	***1,281,481***	*2,847,153*
Other sight deposits from other banks	2,445,548	2,340,888
Total cash, cash balances at central banks and other demand deposits	3,727,028	5,188,041

(12) Financial assets held for trading

€'000	30/06/2022	31/12/2021
Derivatives	306,873	309,519
Bonds	200,854	232,849
Debt instruments from other banks	114,530	139,618
Debt instruments from customers	86,323	93,231
Total	**507,727**	542,368

Derivatives that do not serve as hedging instruments in hedge relationships are assigned to this balance sheet position. Also included here are bonds which are held not to collect contractual cash flows, but to realize fair value in accordance with the underlying business model.

(13) Non-trading financial assets mandatorily at fair value through profit or loss

€'000	30/06/2022	31/12/2021
Equity instruments	10,041	9,497
Bonds	989	989
Loans and advances from customers	100,507	120,016
Total	**111,537**	130,502

The equity instruments assigned to this valuation category consist entirely of investments which, according to their strategic focus, were not assigned to the category "financial assets at fair value through other comprehensive income" (also see Note (14) Financial assets at fair value through other comprehensive income). The bonds, loans and advances to customers in this valuation category have contractual cash flows that do not consist entirely of interest and principal payments and must therefore be measured at fair value. Most of the equity instruments in this category are financial instruments with incongruent interest components.

(14) Financial assets at fair value through other comprehensive income

€'000	30/06/2022	31/12/2021
Equity instruments	20,262	19,577
Total	**20,262**	19,577

These equity instruments consist primarily of investments in companies that provide ancillary services for banking operations or represent financial institutions. The optional presentation of the fair value changes in these instruments reflects the strategic focus. The equity instruments in this portfolio are not intended for sale. Dividends of TEUR 574 were recognised from these equity instruments during the first half of 2022 (H1 2021: EUR 466) (see Note (3)). There were no sales from this asset category during the reporting period.

(15) Financial assets at amortized cost

€'000	30/06/2022	31/12/2021
Bonds	***4,544,727***	*3,636,067*
Debt instruments from other banks	1,321,120	1,156,551
Debt instruments from customers	3,223,607	2,479,515
Loans and advances	***18,045,810***	*16,490,117*
Loans and advances to other banks	3,789,556	2,986,534
Loans and advances to customers	14,256,254	13,503,583
Trade receivables	***6,744***	*12,100*
Total	**22,597,282**	20,138,284

This balance sheet position includes the bonds in the "hold to collect" business model that meet the cash flow criterion as well as the related risk provisions. Additional details are provided under Note (16) Risk provisions.

(16) Risk provisions

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired	POCI	Total
Risk provisions - On-Balance	***25,634***	***38,773***	***121,165***	***2,897***	***188,469***
Loans and advances to other banks	6,271	0	670	0	6,941
Loans and advances to customers	17,431	38,600	120,495	2,897	179,424
Bonds to other banks	813	173	0	0	986
Bonds to customers	1,118	0	0	0	1,118
Risk provisions - Off-Balance	***4,679***	***7,792***	***5,112***	***0***	***17,584***
Provisions for granted commitments and financial guarantees	4,679	7,792	5,112	0	17,584
Risk provisions - Total 30/06/2022	**30,313**	**46,565**	**126,277**	**2,897**	**206,053**

Risk provisions of TEUR 129 (H1 2021: EUR 85) were also recorded for other assets.

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired	POCI	Total
Risk provisions - On-Balance	*26,045*	*34,727*	*133,089*	*2,913*	*196,774*
Loans and advances to other banks	4,305	0	670	0	4,975
Loans and advances to customers	18,912	34,703	132,419	2,913	188,947
Bonds to other banks	679	24	0	0	703
Bonds to customers	2,149	0	0	0	2,149
Risk provisions - Off-Balance	*5,203*	*9,185*	*5,625*	*0*	*20,013*
Provisions for granted commitments and financial guarantees	5,203	9,185	5,625	0	20,013
Risk provisions - Total 31/12/2021	31,248	43,912	138,714	2,913	216,787

The following tables provide detailed information on the gross carrying amounts and the development of the impairment allowances for loans and advances as well as the bonds classified as financial assets at amortized cost. Details on the assessment, development and effects of the COVID-19 pandemic are provided in this section under "Calculation logic: 12-month ECL and lifetime ECL (Expected Credit Loss, "ECL")".

Gross carrying amounts and impairment allowances for loans and advances to other bank, at amortized cost, as well as deposits with central banks and demand deposits

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross Carrying amount						
Gross Carrying amount as at 01/01/2022	8,127,805	0	670	0	0	8,128,475
Gross Carrying amount as at 30/06/2022	7,467,441	0	670	0	0	7,468,111
Risk provisions						
Opening balance sheet risk provisions 01/01/2022	***4,305***	***0***	***670***	***0***	***0***	***4,975***
Increase due to new additions	3,013	0	0	0	0	3,013
Decreases due to disposals	(2,730)	0	0	0	0	(2,730)
Changes in credit risk	1,657	0	0	0	0	1,656
Foreign currency effects and other adjustments	27	0	0	0	0	27
Closing balance sheet risk provisions 30/06/2022	**6,271**	**0**	**670**	**0**	**0**	**6,941**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross Carrying amount						
Gross Carrying amount as at 01/01/2021	7,456,373	0	670	0	0	7,457,043
Gross Carrying amount as at 30/06/2021	8,258,284	0	670	0	0	8,258,954
Risk provisions						
Opening balance sheet risk provisions 01/01/2021	*3,688*	*0*	*670*	*0*	*0*	*4,358*
Increase due to new additions	340	0	0	0	0	340
Decreases due to disposals	(93)	0	0	0	0	(93)
Changes in credit risk	(50)	0	0	0	0	(50)
Foreign currency effects and other adjustments	(1)	0	0	0	0	(1)
Closing balance sheet risk provisions 30/06/2021	3,885	0	670	0	0	4,555

Gross carrying amounts and impairment allowances for loans and advances to customers, at amortized cost

€'000	**Stage 1 Performing**	**Stage 2 Under Performing**	**Stage 3 Credit impaired significant**	**Stage 3 Credit impaired not significant**	**POCI**	**Total**
Gross Carrying amount						
Gross Carrying amount as at 01/01/2022	10,723,334	2,717,083	122,637	88,716	40,760	13,692,530
Gross Carrying amount as at 30/06/2022	11,747,065	2,453,802	119,821	74,700	40,291	14,435,678
Risk provisions						
Opening balance sheet risk provisions 01/01/2022	***18,912***	***34,703***	***74,815***	***57,604***	***2,913***	***188,947***
Increase due to new additions	7,758	488	0	2	0	8,248
Decreases due to disposals	(774)	(675)	(65)	(1,129)	0	(2,642)
Changes resulting from reclassification between stages	2,102	(2,087)	378	(394)	0	0
Transfers to Stage 1	(3,857)	3,822	26	9	0	0
Transfers to Stage 2	5,936	(6,535)	367	233	0	0
Transfers to Stage 3	23	626	(14)	(635)	0	0
Changes in credit risk	(10,596)	6,076	3,347	1,593	(16)	404
Changes due to modifications, excl. disposal	0	0	(1)	(4)	0	(5)
Decreases due to use of impairment losses	0	0	(3,815)	(12,052)	0	(15,868)
Foreign currency effects and other adjustments	29	95	106	109	0	338
Closing balance sheet risk provisions 30/06/2022	**17,431**	**38,600**	**74,765**	**45,730**	**2,897**	**179,424**

The direct write-downs to loans receivable totalled TEUR -1,635 in the first half of 2022 (H1 2021: EUR -17). Income, excluding the effects of changes in the risk provisions (e.g. income from loans receivable which were previously written off) amounted to TEUR 557 during the reporting period (H1 2021: EUR 4).

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross Carrying amount						
Gross Carrying amount as at 01/01/2021	10,939,924	2,667,911	163,413	92,859	9,523	13,873,630
Gross Carrying amount as at 30/06/2021	10,702,407	2,476,831	132,847	88,246	38,400	13,438,730
Risk provisions						
Opening balance sheet risk provisions 01/01/2021	*29,089*	*36,328*	*85,788*	*60,978*	*3,010*	*215,193*
Increase due to new additions	5,592	587	4	73	0	6,256
Decreases due to disposals	(1,591)	(3,035)	(11,794)	(1,796)	0	(18,216)
Changes resulting from reclassification between stages	(3,913)	1,938	1,749	227	0	0
Transfers to Stage 1	(7,681)	7,679	0	2	0	0
Transfers to Stage 2	3,753	(6,121)	1,749	619	0	0
Transfers to Stage 3	15	380	0	(395)	0	0
Changes in credit risk	(6,975)	(3,016)	(814)	3,276	289	(7,241)
Changes due to modifications, excl. disposal	0	0	(1)	(3)	0	(3)
Decreases due to use of impairment losses	0	0	(301)	(5,892)	0	(6,192)
Foreign currency effects and other adjustments	16	0	(7)	0	0	8
Closing balance sheet risk provisions 30/06/2021	22,218	32,801	74,624	56,862	3,299	189,805

Gross carrying amounts and impairment allowances for debt instruments issued by other banks, at amortized cost

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired		POCI	Total
			significant	not significant		
Gross Carrying amount						
Gross Carrying amount as at 01/01/2022	1,154,163	3,092	0	0	0	1,157,255
Gross Carrying amount as at 30/06/2022	1,301,657	20,449	0	0	0	1,322,106
Risk provisions						
Opening balance sheet risk provisions 01/01/2022	***679***	***24***	***0***	***0***	***0***	***703***
Increase due to new additions	174	0	0	0	0	174
Decreases due to disposals	(83)	0	0	0	0	(83)
Changes resulting from reclassification between stages	432	(432)	0	0	0	0
Transfers to Stage 1	(37)	37	0	0	0	0
Transfer to Stage 2	470	(470)	0	0	0	0
Changes in credit risk	(373)	581	0	0	0	208
Foreign currency effects and other adjustments	(16)	0	0	0	0	(16)
Closing balance sheet risk provisions 30/06/2022	**813**	**173**	**0**	**0**	**0**	**986**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross Carrying amount						
Gross Carrying amount as at 01/01/2021	1,134,637	10,931	0	0	0	1,145,569
Gross Carrying amount as at 30/06/2021	1,105,964	4,776	0	0	0	1,110,740
Risk provisions						
Opening balance sheet risk provisions 01/01/2021	*967*	*70*	*0*	*0*	*0*	***1,037***
Increase due to new additions	1	0	0	0	0	1
Decreases due to disposals	(3)	(7)	0	0	0	(10)
Changes in credit risk	(60)	(23)	0	0	0	(83)
Foreign currency effects and other adjustments	5	0	0	0	0	5
Closing balance sheet risk provisions 30/06/2021	911	40	0	0	0	951

Gross carrying amounts and impairment allowances for debt instruments issued by customers, at amortized cost

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross Carrying amount						
Gross Carrying amount as at 01/01/2022	2,481,665	0	0	0	0	2,481,665
Gross Carrying amount as at 30/06/2022	3,224,725	0	0	0	0	3,224,725
Risk provisions						
Opening balance sheet risk provisions 01/01/2022	***2,149***	***0***	***0***	***0***	***0***	***2,149***
Increase due to new additions	70	0	0	0	0	70
Decreases due to disposals	(30)	0	0	0	0	(30)
Changes in credit risk	(1,087)	0	0	0	0	(1,087)
Foreign currency effects and other adjustments	16	0	0	0	0	16
Closing balance sheet risk provisions 30/06/2022	**1,118**	**0**	**0**	**0**	**0**	**1,118**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross Carrying amount						
Gross Carrying amount as at 01/01/2021	2,450,514	0	0	0	0	2,450,514
Gross Carrying amount as at 30/06/2021	2,546,960	0	0	0	0	2,546,960
Risk provisions						
Opening balance sheet risk provisions 01/01/2021	*1,840*	*0*	*0*	*0*	*0*	*1,840*
Increase due to new additions	178	0	0	0	0	178
Decreases due to disposals	(11)	0	0	0	0	(11)
Changes in credit risk	253	0	0	0	0	253
Foreign currency effects and other adjustments	(5)	0	0	0	0	(5)
Closing balance sheet risk provisions 30/06/2021	2,255	0	0	0	0	2,255

Provision for granted commitments and financial guarantees

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	Total
Opening balance sheet risk provisions 01/01/2022	***5,203***	***9,185***	***3,263***	***2,361***	***20,013***
Increase due to new additions	2,175	5	981	4	3,166
Decreases due to disposals	(860)	(399)	(692)	(506)	(2,457)
Changes resulting from reclassification between stages	(111)	107	63	(59)	0
Transfers to Stage 1	(1,018)	1,018	0	0	0
Transfers to Stage 2	903	(990)	82	4	0
Transfers to Stage 3	4	79	(19)	(64)	0
Changes in credit risk	(1,732)	(1,111)	(757)	452	(3,148)
Foreign currency effects and other adjustments	4	6	0	0	10
Closing balance sheet risk provisions 30/06/2022	**4,679**	**7,792**	**2,860**	**2,253**	**17,584**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	Total
Opening balance sheet risk provisions 01/01/2021	*5,689*	*11,993*	*5,079*	*1,945*	*24,705*
Increase due to new additions	1,356	2	40	22	1,419
Decreases due to disposals	(508)	(1,704)	(258)	(77)	(2,546)
Changes resulting from reclassification between stages	(100)	244	0	(144)	0
Transfers to Stage 1	(999)	999	0	0	0
Transfers to Stage 2	897	(904)	0	7	0
Transfers to Stage 3	2	149	0	(151)	0
Changes in credit risk	(1,162)	(1,593)	(267)	141	(2,881)
Foreign currency effects and other adjustments	3	(2)	(5)	0	(4)
Closing balance sheet risk provisions 30/06/2021	5,279	8,941	4,587	1,887	20,694

Calculation logic: 12-month ECL and lifetime ECL (expected credit loss, "ECL")

RLB NÖ-Wien recognizes impairment losses for financial assets arising from debt instruments, with the exception of assets carried at fair value. Impairment losses are also recognized for off-balance sheet credit risks arising from financial guarantees and unused credit lines. These impairment losses are based on expected credit losses which reflect the following:

- An undistorted and probability-weighted amount that is based on various scenarios,
- the time value of money and
- plausible and comprehensible information on past events and current conditions as well as forecasts for future economic development which are available as of the valuation date.

An impairment allowance must be recognized for financial instruments which are classified under IFRS 9 at amortized cost (AC) or at fair value through other comprehensive income (FVOCI). This applies to loans and securities from the on-balance segment of the balance sheet as well as contingent liabilities and open credit commitments from the off-balance segment.

In accordance with the requirements of IFRS 9, financial instruments are measured according to the stage concept (Stages 1-3). The ECL for Stage 1 (good credit quality) and the lifetime ECL for Stage 2 (reduced credit quality) are calculated with complex models. These models utilize both historical and future-oriented information, in general based on the following formula: PD (probability of default) x LGD (loss given default) x EAD (exposure at default). The resulting expected credit losses are discounted back to the reporting date based on the effective interest rate.

Risk parameters under IFRS 9

Segmentation

The credit risk-relevant assets held by RLB NÖ-Wien are allocated to appropriate portfolios. The parameters for the "high-default“ portfolios are calculated at the portfolio level, while a more granular approach is applied to the “low default“ portfolios (banks, countries). In the portfolio for banks, a probability of default is calculated individually for each customer with the help of external data. The default probabilities for the “country“ portfolio are calculated at the individual country level. Forecasted country default probabilities are used to derive PDs for all rating categories in order to assign reasonable PD curves to products with different credit ratings in the same country.

The LGD of the portfolios is estimated with the help of a component model, whereby a differentiation is made between the value of the underlying collateral and the LGD for the unsecured part. The CCF (credit conversion factor) model not only differentiates between the various customer groups, but also reflects the type of product.

Modelling

The multi-year PDs for the high-default portfolios were calculated with a continuous time Markov chain. Migration matrices were developed on the basis of rating information from the regulatory rating models and then used to determine the multi-year, through-the-cycle (TTC) default probabilities. These TTC-PD curves, together with future-oriented macroeconomic information, formed the basis for deriving the required point-in-time, future-oriented default probability.

The approaches applied to the low-default portfolios were based on external migration matrices with a subsequent PiT adjustment (country portfolio) or a direct PiT adjustment to the parameters relevant for rating (bank portfolio).

All point-in-time adjustments to the risk parameters (PD, LGD, CCF) were individually selected for the respective portfolio. Many different models were tested for this purpose, and the final model was selected from the best alternatives. The models are monitored regularly and validated annually. The results of the validation are translated into an action plan which is approved by management and subsequently implemented. This can lead to the adjustment of the models within the framework of the applicable modelling logic.

The exposure at default represents the amount expected to be outstanding at the time of default during the next 12 months (Stage 1) or over the remaining lifetime (Stage 2).

The calculation of this amount is based on the payment profile for the contractually agreed repayments. Early repayments which were not defined by the respective contract are included, if necessary, with a prepayment model. For open credit commitments, the exposure at default is calculated with a credit conversion factor (CCF) to develop the expected drawdown at the time of default.

Scenarios and macroeconomic, future-oriented information

All risk parameters were calculated for three different scenarios (also see Note (32) Risk Report):

- “baseline“ scenario – the expected economic development
- “optimistic“ scenario – somewhat better than the expected economic development
- “pessimistic“ scenario – somewhat more negative than the expected economic development

An ECL is calculated separately for each scenario. The final ECL represents a probability-weighted average of the individual scenario ECLs. The probabilities of occurrence for the scenarios and the macroeconomic forecasts were supplied and quality-assured by Moody’s Analytics.

This information reflects the effects of the COVID-19 crisis and the related government reactions (short-time work, etc.) specifically for Austria and, therefore, is suitable for determining the material parameters. Moody's Analytics also provides optimistic and pessimistic projections for all specific country scenarios.

COVID-19 pandemic and the Russia-Ukraine war

The Covid-19 crisis has caused deep economic distortions across the world since March 2020 (closed borders, interrupted supply chains, national lockdowns, i.e. restricted or interrupted business operations in many branches).

The government support measures initially introduced in spring 2020 moderated the effects of these distortions in Austria. However, catch-up effects from the economic distortions and an increased number of insolvencies are still expected after the end of the crisis. Statistics show an increase in company insolvencies since the third quarter of 2021.

The course of the COVID-19 pandemic was significantly altered by the appearance of the omicron variant in spring 2022. It has caused substantially fewer serious reactions and led to a decline in the number of new infections. Most of the restrictions and measures were cancelled or suspended, and numerous government support measures were also reduced.

Wide-ranging government measures delayed the negative effects of the crisis, and the current macroeconomic outlook was adjusted to reflect the expected catch-up effects (COVID-19-induced bankruptcies, payment difficulties, etc.). In this way, it was possible to depict the credit risk expectations related to the delay in bankruptcies which resulted from the delay in bankruptcies attributable to government assistance measures.

The Russia-Ukraine war has led to a further fundamental change in the economic environment. The general outlook on the effects was included in the current economic scenarios (among others, through the economic downturn and rising inflation). In addition, a qualitative trigger activated a stage transfer at the individual level for directly affected customers (sanctions, direct commitment in Russia or Ukraine).

Due to the ongoing economic uncertainty, the impairment allowance for Stage 1 and 2 loans and advances to customers remains at a high level (from EUR 75.2 million as of 31 December 2021 to EUR 76.9 million as of 30 June 2022).

No adjustments were required to the models. Since the applied scenarios adequately reflect the effects of COVID-19 and the current situation of the Russia-Ukraine war, no post-model adjustments were necessary. The previous weighting of the optimistic - pessimistic - baseline scenarios at 30%-40%-30% proved to be suitable for past analyses, and the weighting remained constant at the year-end 2021 level.

Significant increase in credit risk (“staging”)

IFRS 9 provides a three-stage approach for developing the risk provision:

Stage 1: Transactions with no significant increase in the credit risk since inception. The risk provision is based on the one-year ECL.

Stage 2: Transactions with a provable, significant increase in the credit risk since inception. The ECL is based on the remaining term.

Stage 3: Transactions in default or impaired. For significant customers, the risk provision represents the difference between the carrying amount and present value of the expected future cash flows. The risk provision is based on the remaining term of the transaction. Details on the identification of default incidents and the definition of default can be found under Note (32).

Determination of a "significant increase in credit risk“

The determination of a significant increase in credit risk is based on several criteria, whereby a differentiation is made between qualitative and quantitative indicators.

Qualitative criteria

- 30 days overdue: A significant increase in the credit risk is assumed when customers have a material payment which is more than 30 days overdue.
- Forbearance: Customers designated as "forbearance“ (deferral, etc.) are considered to have a significant increase in credit risk.
- Watch list: The customer has appeared in the early warning process. This represents an indicator for a significant increase in the credit risk.
- Private moratorium: Customers who were granted a COVID-19-related deferral in the sense of a private

moratorium in accordance with the EBA Guideline are considered to have a significant increase in credit risk.

For deferrals based on the legal and private moratoria, forbearance measures were only taken in exceptional cases in accordance with the respective EBA Guideline (EBA/GL/2020/02). Most of the transactions with voluntary deferrals and bridge loans are characterized as forborne.

Quantitative criteria

- The current, PiT-adjusted, annualized PD has doubled in comparison with the PiT-adjusted, annualized PD on the lending date.
- The current, PiT-adjusted, annualized PD has increased by more than 0.5 percentage points in comparison with the PiT-adjusted, annualized PD on the lending date.

The staging model used by RLB NÖ-Wien designates an increase in the credit risk of a transaction as significant when either one (or more) of the qualitative criteria or both quantitative criteria have been met. The "low credit risk“ exemption in the form of an absolute threshold of 0.5 percentage points was applied; an increase in the credit risk of a transaction is not considered significant if the PD has doubled, but the increase in the absolute default probability is less than 0.5 percentage points.

Sensitivity analysis risk provision

The risk provision for Stage 1 and 2 financial assets (active portfolio) is calculated for three scenarios (optimistic – baseline – pessimistic) based on the expected credit loss (ECL) method and weighted at a ratio of 30%-40%-30%. In order to illustrate the sensitivity of the risk provision, the following table shows the effect on each of the three scenarios at a weighting of 100%.

€m	30/06/2022	100% optimistic	100% baseline	100% pessimistic
Risk provisions Stage 1&2	76.9	59.1	73.8	99.3

The comparative prior year data are shown below.

€m	31/12/2021	100% optimistic	100% baseline	100% pessimistic
Risk provisions Stage 1&2	75.2	53.0	71.3	102.9

The risk provision is calculated over a one-year ECL (Stage 1) or the lifetime ECL (Stage 2) depending on the stage of the financial asset. For the sensitivity analysis, the following table shows the effect on the risk provision that would result from the transfer of 100% of the active portfolio (all Stage 1 and 2 financial instruments not in default) in Stage 1 or 100% of the active portfolio in Stage 2. However, the probability that one of these two scenarios would actually occur is extremely unlikely.

€m	30/06/2022	100% in Stage 1	100% in Stage 2
Risk provisions Stage 1&2	76.9	64.9	134.1

The comparative prior year data are shown below.

€m	31/12/2021	100% in Stage 1	100% in Stage 2
Risk provisions Stage 1&2	75.2	67.6	119.7

(17) Derivatives – hedge accounting

€'000	30/06/2022	31/12/2021
Fair value hedges	490,089	315,002
Positive fair values of derivatives in micro fair value hedges	127,092	263,239
Positive fair values of derivatives in portfolio fair value hedges	362,997	51,763
Total	**490,089**	315,002

Derivative financial instruments are reported as hedging instruments when the conditions for hedge accounting under IFRS 9 are met. RLB NÖ-Wien has specified that it will not hedge any payment flows in the form of cash flow hedges. Details on the recognized fair value hedges as well as the underlying transactions, hedging instruments and hedged risks can be found in Note (34) Hedge Accounting.

(18) Fair value changes in the underlying transactions for portfolio hedges of interest rate risks

€'000	30/06/2022	31/12/2021
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(385,215)	(51,651)

RLB NÖ-Wien applies hedge accounting to hedge the fair value of a portfolio against interest rate risks as defined in IAS 39.AG114-AG132. Additional details can be found in Note (34) Hedge accounting.

(19) Interest in equity-accounted investments

€'000	30/06/2022	31/12/2021
Interest in equity-accounted investments	**1,698,166**	2,028,649

This balance sheet position includes the shares in the following equity-accounted companies

- Raiffeisen Bank International AG, Vienna (A)
- Raiffeisen Informatik GmbH & Co KG, Vienna (A)

Management has classified RBI as a significant associate: RLB NÖ-Wien is the primary shareholder of RBI since it holds 22.66% of that company's shares. RBI is the leading institution in the Raiffeisen banking group Austria and offers a wide range of services for its members. It holds and coordinates the individual Raiffeisen institutions' minimum reserve and statutory liquidity reserve and provides support for liquidity management.

(20) Property and equipment

€'000	30/06/2022	31/12/2021
Property and equipment	***31,258***	*22,110*
Land and buildings - own use	6,426	6,617
Other property and equipment	24,713	15,355
IT hardware	119	138
Usage rights	***92,661***	*94,965*
Usage rights for land and buildings	92,207	94,495
Usage rights for autos and other tangible assets	453	469
Total	**123,919**	117,075

(21) Intangible assets

€'000	30/06/2022	31/12/2021
Purchased software and licenses	20,785	20,155
Total	**20,785**	20,155

(22) Tax assets

€'000	30/06/2022	31/12/2021
Tax assets	3,056	2,427
Deferred tax assets	9,380	16,783
Total	**12,436**	19,210

Deferred taxes are measured at the rate resulting from the surplus of temporary differences in the individual years (see the section on income tax under Significant Accounting Policies in the Notes to the consolidated financial statements as of 31 December 2021).

(23) Other assets

€'000	30/06/2022	31/12/2021
Trust receivables - federal and provincial IPS	42,527	42,643
Deposits	28,915	28,977
Prepayments made and accrued income	890	102
Semi- and finished goods/unfinished goods/inventories	750	592
Receivables from other taxes and duties	3,449	2,097
Other assets	34,956	49,144
Total	**111,487**	123,555

This position consists chiefly of the trust receivables related to the Institutional Protection Scheme (IPS) as well as security deposits and receivables from other taxes and duties.

The line item "miscellaneous other assets" includes, above all, prepaid expenses and deferred charges as well as outstanding amounts from the operating business which were settled after the closing date.

(24) Financial liabilities held for trading

€'000	30/06/2022	31/12/2021
Derivatives	291,563	321,626
Total	**291,563**	321,626

This balance sheet position consists entirely of derivatives which do not serve as hedging instruments in hedge relationships.

(25) Financial liabilities at amortized cost

€'000	30/06/2022	31/12/2021
Deposits from banks	10,969,220	10,449,047
Demand deposits	4,920,311	4,415,288
Time deposits	6,048,909	6,033,760
Deposits from customers	8,983,107	9,087,847
Sight deposits	7,013,462	7,045,710
Time deposits	741,933	732,543
Savings deposits	1,227,712	1,309,593
Debt securities issued	6,314,628	5,986,274
Issued bonds	5,885,091	5,495,875
Tier 2 capital	429,537	490,399
Other financial liabilities	99,414	100,594
Lease liabilities	95,721	97,970
Trade payables	3,693	2,624
Total	**26,366,369**	25,623,761

The position “deposits from banks“ includes liabilities of TEUR 3,294,882 (H1 2021: EUR 3,308,280) from participation in the ECB’s TLTRO III programme.

The following table reconciles Tier 2 capital and leasing liabilities from 31 December 2021 to 30 June 2022, classified by cash and non-cash changes (see the consolidated cash flow statement).

€'000	At 01/01/2022	Cash changes	Non-Cash changes	At 30/06/2022
Tier 2 capital	490,399	(56,584)	(4,277)	429,537
Lease liabilities	97,970	(4,770)	2,521	95,721
Total	**588,368**	**(61,355)**	**(1,756)**	**525,258**

The comparative prior year data are shown below.

€'000	At 01/01/2021	Cash changes	Non-Cash changes	At 30/06/2021
Tier 2 capital	566,401	(109)	4,292	570,583
Lease liabilities	91,518	(4,702)	3,171	89,986
Total	657,919	(4,812)	7,462	660,570

(26) Derivatives – hedge accounting

€'000	30/06/2022	31/12/2021
Fair value hedges	466,999	340,817
Negative fair values of derivatives in micro fair value hedges	269,972	340,817
Negative fair values of derivatives in portfolio fair value hedges	197,028	0
Total	**466,999**	340,817

(27) Fair value changes in the underlying transactions for portfolio hedges of interest rate risks

€'000	30/06/2022	31/12/2021
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(103,703)	0

RLB NÖ-Wien uses hedge accounting as defined in IAS 39.AG114-AG132 to hedge the fair value of a portfolio against changes in interest rates. Liability transactions were designated as underlying transactions for the first time in the first half of 2022. Additional details can be found in Note (34) Hedge Accounting.

(28) Provisions

€'000	30/06/2022	31/12/2021
Post-employment benefits	23,538	30,210
Termination benefits	18,286	21,954
Long-service bonuses	5,053	5,641
Restructuring	280	1,242
Pending legal proceedings	25,137	24,164
Obligations and issued guarantees	17,584	20,013
Other provisions	2,699	6,988
Total	**92,576**	110,212

The provision for post-employment benefits, termination benefits and long-service bonuses reflected the increase in interest rates during the first half of 2022.

The provisions for negative indicator values total TEUR 21,475 (H1 2021: EUR 20,490). This position also includes provisions of TEUR 214 (H1 2021: EUR 569) for procedural costs and attorneys' fees. These items are related to consulting and information obligations connected with the sale or conclusion of financial products. Additional information on these proceedings and the related risk for the company, above all measures undertaken in this connection, is not disclosed in accordance with IAS 37.92 so as not to prejudice the outcome of the proceedings.

Restructuring provisions of TEUR 954 for the renovation of existing branch offices were released during the reporting period (H1 2021: EUR 1,008).

The development of the provisions for obligations and issued guarantees is presented in detail under Note (16) Risk provisions.

(29) Tax liabilities

€'000	30/06/2022	31/12/2021
Tax liabilities	18,157	22,822
Total	**18,157**	22,822

The tax liabilities consist solely of obligations from the group tax charge.

(30) Other liabilities

€'000	30/06/2022	31/12/2021
Liabilities from other taxes and duties	7,869	16,563
Prepayments received and accrued expenses	812	103
Other liabilities	65,107	38,945
Total	**73,788**	55,612

"Other liabilities" consist primarily of outstanding settlements from the operating business which were settled after the closing date on 30 June 2022 as well as accruals for employee-related expenses and other accrued items.

(31) Equity

€'000	30/06/2022	31/12/2021
Attributable to non-controlling interests	***39***	*52*
Attributable to equity owners of the parent	***1,831,231***	*2,117,394*
Share capital, paid in	219,789	219,789
Capital reserves	556,849	556,849
Other comprehensive income for the period (OCI)	(258,845)	(474,912)
Other comprehensive income for the period (OCI) - not recyclable	(2,636)	11,530
IAS 19 reserve (revaluation of net liability from defined benefit plans)	(11,322)	(19,646)
Share of other comprehensive income from associates, at equity	7,843	31,019
Financial assets - equity instruments at fair value through other comprehensive income	842	158
Other comprehensive income for the period (OCI) - recyclable	(256,209)	(486,442)
Share of other comprehensive income from associates and joint ventures, at equity	(256,209)	(486,442)
Retained earnings	1,816,976	1,760,601
Share of profit from associates, other changes in equity	(169,234)	(170,543)
Other retained earnings	1,986,210	1,931,145
Profit or loss attributable to equity owners of the parent	(503,538)	55,065
Equity	**1,831,270**	2,117,445

The following table shows the effects on other comprehensive income which are recorded under reserves and the amount of deferred taxes recognized under other comprehensive income:

€'000	IAS 19 reserve	Fair value OCI reserve	Total
At 01/01/2021	***(24,235)***	***66***	***(24,169)***
Unrealized gains/losses in the period	0	(387)	(387)
Actuarial gains and losses	1,441	0	1,441
Tax effects	(180)	0	(180)
At 30/06/2021	***(22,974)***	***(320)***	***(23,294)***
At 01/01/2022	***(19,646)***	***158***	***(19,488)***
Unrealized gains/losses in the period	0	685	685
Actuarial gains and losses	9,646	0	9,646
Tax effects	(1,322)	0	(1,322)
At 30/06/2022	***(11,322)***	***842***	***(10,479)***

The fair value OCI reserve includes the measurement of investments which are assigned to this category based on their strategic focus (also see Note (14) Financial assets at fair value through other comprehensive income).

(32) Risk Report

The business activities of a bank are connected with the acceptance of branch-specific risks. These risks are undertaken in accordance with the risk policy and strategy defined by RLB NÖ-Wien. The efficient identification, evaluation and active management of risks represents a central focus of the bank's activities. Additional information on the handling of risk and the organization of risk management is provided in the 2021 Annual Report under "Risks arising from financial instruments (Risk Report)". Risk management, as a corporate function, reports to the Managing Board member responsible for Risk Management/Accounting and consists of four departments: Models & Analytics, Risk/Data Service, Credit Risk Management and Administration. The group's overall perspective forms the focal point for the Raiffeisen Holding financial institution group in connection with the Internal Capital Adequacy Assessment Process (ICAAP)

The **Models & Analytics Department** is responsible for aggregated risk analysis (risk capacity analysis and stress testing), the selection and implementation of models, the analysis, monitoring and management of all risk areas, the internal control system (ICS) and the operational risk allocated to "non-financial risk". Activities in the **Risk/Data Service Department** concentrate primarily on optimizing the data structure for reporting, controlling and risk issues, and are accompanied by BCBS 239. Operational risk management is the responsibility of the **Credit Risk Management Department** and includes the management and analysis of loans during the approval procedure and throughout the entire term. This analysis is based on concrete facts derived from company data (financial reports and company analyses) and on the results of on-site visits and analyses in the individual companies. This department is supported by the **Administration Department**, which oversees the organizational part of the lending process.

A separate section – Recovery – reports to the Managing Board member responsible for Risk Management/Accounting and deals with customers in financial difficulties. This section provides recovery support and advising as well as resolution for customers with payment difficulties.

The models and methods used to quantify risk reflect the descriptions provided in the consolidated financial statements for 2021 under the section "Risk Report".

From a business and risk viewpoint, the first half of 2022 was characterized by great uncertainty. Soaring inflation, the future course of economic growth and the Russia-Ukraine war as well as the accompanying effects and impact of the COVID-19 crisis continue to define the 2022 financial year. This risk report explains, among others, the development of risk including the previous effects of rising inflation, the Russia-Ukraine war and the ongoing COVID-19 crisis on the RLB NÖ-Wien Group in the first half of 2022. The reported quantitative data are intended to clarify these effects. The information contained in the risk report to the annual financial statements as of 31 December 2021 applies to all other general descriptions concerning the risk strategy, culture and management (also see the commentary at the beginning of this risk report).

Macroeconomic environment and economic situation – the Russia-Ukraine war, inflation and the COVID-19 pandemic

Great uncertainty characterized the global economy and the financial markets during the first half of 2022. The Russia-Ukraine war, the resulting energy crisis and the related sharp rise in inflation were the cause and trigger of these economic troubles. Another negative factor is the COVID-19 pandemic, which is not yet over. In this distressed environment, economic growth throughout the world and across Europe, in particular, will be weaker than predicted.

Russia-Ukraine war
In reaction to the invasion of Ukraine by Russian troops on 24 February 2022 and the ongoing hostilities, the EU imposed numerous sanctions against Russia. The Russian response included countersanctions in the form of partial gas delivery interruptions. These countersanctions with their substantial cutback in gas and oil deliveries led to a sharp rise in energy sector prices, far above the scope that would have resulted from the energy transformation and sustainability factors.

Inflation
The inflation rate in the Eurozone rose to a record 8.6% in June, a level not seen in four decades, with energy prices and the resulting higher cost of food products and services as the main drivers. Excluding food products and energy, inflation rose from 4.4% in June 2021 to 4.6%. The rapid increase in prices across the Eurozone has accelerated in recent months, and inflation is only expected to peak later this autumn because energy prices are likely to remain high for the foreseeable future due to the ongoing war in Ukraine. At the same time, product supplies have been limited by continuing material and supply shortages that will almost certainly be intensified by recent corona-related plant closings in China. Companies are increasingly passing on the related higher production costs to business and consumers. These developments lead to expectations of constant high inflation rates over the coming six months, and there are no signs of a decline in the inflationary pressure in 2022. Forecasts by Moody's, however, indicate that inflation should weaken around the turn of the year.

Forecasts by the Austrian National Bank (OeNB) point towards a recovery of the global economy and, in turn, also for the Austrian economy with an increase of 2.8% in 2022 despite inflation, the uncertainty resulting from the Russia-Ukraine war and the ongoing COVID-19 pandemic. Growth is also estimated at 2.1% in both 2023 and 2024. Projections for the Euro system are based, according to the OeNB, on the assumption that the intense hostilities in the Russia-Ukraine war will subside by the end of 2022, that the sanctions against Russia will remain in effect up to 2024, and that there will be no complete halt to energy deliveries from Russia. In a downside scenario with a longer continuation of combat operations in the Russia-Ukraine war, increasing geopolitical tensions, further packages of sanctions and the absence of Russian energy deliveries, GDP growth in the Eurozone is estimated at only 1.3% in 2022 and 1.7% in 2023 but should be followed by an increase to 3.0% in 2024.

The situation in Austria is similar to the Eurozone: The Russia-Ukraine war and high inflation have also slowed economic recovery here. The main drivers for this development include energy, above all gas and oil, followed by food products and industrial goods without energy. These cost increases are expected to result in higher wage agreements beginning in autumn 2022 that could hold inflation substantially above the long-term average at 4.2% in 2023 and 3.0% in 2024 despite a possible slight decline in energy prices.

COVID-19 pandemic
The COVID-19 pandemic and the related containment measures have led to severe distortions and uncertainty on financial markets and triggered the most severe global recession in the post-war era. The extensive monetary and fiscal assistance packages swiftly implemented by national banks and governments were unable to prevent the economic results.

The current wide-ranging vaccination programme – which, at least selectively, provides for a fourth COVID-19 vaccination – represents an attempt to prevent further effects of the pandemic and support the easing of tensions in the economy.

RLB NÖ-Wien Group - Risk management in the COVID-19 crisis –
Business Continuity Management (BCM)
The COVID-19 crisis has continued into 2022. Numerous virus mutations have already been reflected in a high number of infections this summer 2022 that led to the temporary loss of staff in all areas of the economy. This requires continued, high attention by the bank's management and the implementation of appropriate rules and preventive measures in the Raiffeisen-Holding NÖ-Wien Financial Institutions Group.

The COVID-19 crisis has confronted RLB NÖ-Wien, Raiffeisen-Holding NÖ-Wien and the Raiffeisen-Holding NÖ-Wien Financial Institutions Group with particular challenges concerning the health of their employees as well as the economic situation and decisively changed future perspectives.

In contrast to normal business and risk procedures, additional groups were established to deal with the effects of the COVID-19 crisis. These groups are responsible for issuing instructions and taking strategic decisions for business operations such as security, incl. IT security, and risk minimization.

Business Continuity Management (BCM) in the Raiffeisen-Holding NÖ-Wien Financial Institutions Group included the installation of the **"Team Health Protection"** as a crisis staff which meets regularly. This team was established by the Managing Board of RLB NÖ-Wien and the management of Raiffeisen-Holding NÖ-Wien in February 2020. It includes representatives from all relevant areas, beginning with the Managing Board and management as well as security, BCM and IT managers, representatives of the Lower Austrian Raiffeisen banks, representatives from the Vienna branch offices, corporate communications, the company physician and psychologists, and the Staff Council. Under the direction of the Head of Human Resources, the crisis staff defined the following goals for the correct continuation of business operations in this challenging situation:

- Protection of employees' health
- Protection of ongoing business operations
- Protection of infrastructure

The existing Business Impact Analyse (BIA), which defines critical procedures and the required resources, allowed business processes to quickly continue in an adjusted form. These resources and procedures were held in reserve during 2022 for a potential renewed outbreak of COVID-19-related pandemic activity. Included here are a reserved spare trading room for Treasury and the possible distribution of teams among different floors or buildings and home office (with full technical equipment) for most of the staff. Operations were therefore able to continue under these difficult conditions, and the infrastructure is ready for use at any time if necessary. As part of a system-relevant sector, special focus was placed on maintaining full operations in the branch offices and uninterrupted access to the customer contact centres.

Activities continue to focus on the adaptation of business processes, the evaluation of customer and staff needs for protection and as the assessment of providers' functionality. Fast reaction to the different phases of the pandemic is, as a result, ensured and possible necessary actions are anticipated.

Internal Capital Adequacy Assessment Process (ICAAP) and stress testing

The starting point for efficient risk management in the Raiffeisen Holding NÖ-Wien Financial Institutions group and, consequently, also in the RLB NÖ-Wien Group, is an appropriate and clearly defined risk strategy that is adjusted annually and approved by the Managing Board. The core of this strategy is formed by the definition of the risk appetite, meaning the proportion of capital which is dedicated to risk. The central element of risk measurement and management is the risk capacity analysis, which quantifies and aggregates the individual types of risk and the relevant cover pool.

The economic perspective of the RLB NÖ-Wien Group, which compares the quantified risk with the available cover pool, is evaluated quarterly (dynamic adjustment). Risk is quantified at a confidence level of 99.9%, which represents the probability with which potential losses will not exceed economic capital (represents the risk appetite) within a one-year time horizon. The risk appetite is determined annually in the form of overall bank limits (at the bank level and at the level of the individual risk types) and approved by the Managing Board. The utilization of this risk capacity is monitored quarterly through a risk capacity analysis by the Risk Circle, the committee responsible for risk management at the overall bank level. In the event any limits are exceeded, a clearly defined action and escalation process is triggered.

A risk landscape is prepared as part of the annual risk inventory and includes all relevant risks and sub-risks which are relevant for the Raiffeisen-Holding NÖ-Wien Financial Institutions Group (and therefore also for the RLB NÖ-Wien

Group). The materiality of the risks and sub-risks forms the criterion for inclusion in the risk landscape.

The RLB NÖ-Wien Group monitors the following types of risk, including the related sub-risks:

- Credit risk
- Country risk
- CVA risk
- Investment risk
- Market risk, incl. credit spread risk
- Non-financial risk, incl. operational risk
- Liquidity risk
- Macroeconomic risk
- Other risks

This Risk Report as of 30 June 2022 provides detailed information on the types of risk which comprise the major component of materiality and have, or had, a substantial influence on the bank through the Russia-Ukraine war, the sharp rise in inflation and the COVID-19 crisis.

The utilization of the risk capacity in Pillar II has remained relatively stable since 31 December 2021 despite the effects of the Russia-Ukraine war, inflation and the ongoing COVID-19 pandemic. The risk capacity analysis reflects, among others, the strong dependence on the RBI investment as well as the development of the credit spread risk, market risk and other risks. The results are presented, discussed and any necessary measures are taken at the quarterly meetings of the Risk Circle. No major default incidents have been recorded since the expiration of the moratoria and suspension of insolvency application requirements at the end of March 2021. An increase in the default rate is projected for 2022/23 but is expected to be much lower than the level seen in 2020.

The risk capacity analysis and stress tests are integrated in risk management, capital management and planning processes in the Raiffeisen-Holding NÖ-Wien Financial Institutions Group (and, therefore, also in the RLB NÖ-Wien Group). The stress tests are presented and discussed semi-annually in the Risk Circle and strategic measures are developed. The reports presented, resolutions passed, and measures developed at the quarterly Risk Circle meetings are subsequently approved by the Managing Board.

The review carried out in the first half of 2022 to evaluate the impact of the Russia-Ukraine war and the development of the inflation rate showed a corresponding strain in utilization. This strain was reduced by the implementation of countermeasures and the positive development of the economy. A scenario with very negative inflationary trends was designed and analysed for the stress test as of 31 December 2021. This stress test confirms that the Raiffeisen-Holding NÖ-Wien Financial Institutions Group, similarly to the results of the risk capacity analysis, is substantially dependent on investments, loans and the credit spread as risk drivers. The risk capacity of the bank is met under every scenario. The risk appetite at the RLB NÖ-Wien Group level is currently defined as 90% of the coverage pool.

Credit risk

RLB NÖ-Wien defines credit risk as the risk that a borrower may make contractually required payments only in part or not at all.

The largest risk category for RLB NÖ-Wien is formed by the credit risks arising from loans and advances to other banks, corporate customers, government bodies and personal and business banking customers. Credit risk covers the results of traditional lending operations (losses through loan defaults and the resulting loan management due to a decline in creditworthiness) as well as the risks arising from trading in and acquiring market risk instruments (counterparty default risk on derivatives).

Credit risk also includes the country or transfer risk caused by distressed sovereign states and the counterparty risk arising from derivative transactions. Country and transfer risks involve the inability of a debtor to discharge an obligation because of a country’s sovereign actions. Transfer risk also includes the risk that a distressed country's debt might be rescheduled under an intergovernmental agreement. This risk is limited separately.

RLB NÖ-Wien controls counterparty risk through individual limits and incorporates these risks in credit risk measurement and management. The risk arising from these transactions is minimized with offsetting procedures (offsetting of receivables and liabilities) and collateral agreements (exchange of collateral).

Credit risk includes the limitation and management of economic capital at the business segment level. Concentration risks in the credit business are minimized by a detailed line and limit system.

The strategic credit management process covers the formulation and implementation of appropriate risk-related strategic goals and measures by the Managing Board. These goals and measures represent an integral part of the company and segment strategies and are integrated with all (sub-) strategies. The process also defines which segments are authorized to make loans and which products can be used for this purpose.

Credit risk is the most important risk category for RLB NÖ-Wien. The risk management process includes accompanying support during the approval procedure and the term of the loan, support by the Models & Analytics/Overall Group Risk Department (Credit Risk Analysis Group), the Credit Risk Management Department and, for customer commitments requiring special assistance, by the Recovery Department through its Recovery and Risk Resolution Departments. The primary responsibilities of the Risk Management Department include support and control during the initial evaluation, the assessment and management of credit risk as well as the reorganization and restructuring and, under certain circumstances, the liquidation of problem loans.

The credit risk to which RLB NÖ-Wien is exposed is monitored and analysed at both the individual customer loan and portfolio level. Credit risk management and credit decisions are based on the strategic principles approved by the Managing Board of RLB NÖ-Wien, which cover credit checks, the evaluation of sub-risks (including country risk and the special consideration of banking risk), collateral and risk/return requirements.

RLB NÖ-Wien has installed an extensive credit limit system at the overall bank level and at the individual bank, country and corporate customer levels. The evaluation of individual commitments is also designed to ensure that the bank's approval ceilings remain below regulatory limits.

The risk content of a commitment is recorded in an extensive rating system which includes various models for the different customer segments. For the risk assessment process, customers are assigned to nine active credit classes based on these rating and scoring models. Default cases are classified in accordance with CRR/CRD IV and assigned to default class "D". All rating systems used by RLB NÖ-Wien are validated at least once each year, and performance improvement measures are implemented where necessary.

The periodic updating of ratings and the evaluation of collateral also include the regular recognition of any necessary risk provisions. Impairment losses are recognized to loans that are expected to become uncollectible, taking any collateral received into account, while risk provisions are recognized for off-balance sheet exposures. In identifying and calculating the risk provisions, RLB NÖ-Wien follows the requirements defined by IFRS 9. The accounting definition of default applied by RLB NÖ-Wien in the sense of assignment to Stage 3 reflects the regulatory definition of default provided in Article 178 CRR. RLB NÖ-Wien applies the CRR definition of default in full. Default in every customer segment always covers all receivables attributable to the respective customer (from the customer's viewpoint).

Effect of the current macroeconomic environment on credit risk

The COVID-19 pandemic and the resulting economic restrictions led to extensive measures in the credit portfolio of RLB NÖ-Wien during 2020 and 2021. Consumers and small businesspeople who were negatively affected financially by the COVID-19 crisis were given the right to defer principal payments between 1 April 2020 and 30 June 2020 as part of a legal moratorium. The Austrian government subsequently extended the legal moratorium twice the during the course of the pandemic: to 31 October 2020 and to 31 January 2021.

RLB NÖ-Wien also took part in a private, non-legislative moratorium in accordance with the EBA Guideline and, based on the criteria defined by the Austrian Financial Market Authority, deferred loans to businesspeople who were negatively affected by the COVID-19 crisis but not covered by the legal moratorium. The deferrals under the non-legislative moratorium expired on 31 March 2021 at the latest.

Furthermore, RLB NÖ-Wien concluded bilateral agreements for contract adjustments (so-called voluntary deferral measures) with private and corporate customers affected by the COVID19 crisis. Most of these deferrals expired in 2021, which means the customers are again servicing these receivables. The credit portfolio has shown no material increase in risk costs from these expired deferrals to date in 2022.

In addition to the adjustment of existing credit agreements, credit customers were supported by bridge financing and the pre-financing of short-time payroll expenses in the event of liquidity shortages resulting from the COVID-19 crisis. Borrowers who meet certain requirements qualify for 80% to 100% loan guarantees from government agencies (ÖHT, aws, COFAG, etc.).

Only EUR 5 million (19 transactions) of new COVID-19 instruments (bridge financing or voluntary deferrals) were granted in 2022 (up to 30 June 2022).

COVID-19 bridge financing and loans granted covered 398 transactions with a total credit exposure of EUR 87 million as of 30 June 2022, and an additional credit exposure of EUR 4 million was related to the pre-financing of payroll expenses for short-time work. As of 30 June 2022, 72% of this financing was covered by government guarantees (ÖHT, aws, COFAG, etc.).

The process used by RLB NÖ-Wien to identify default according to CRR Article 178 and forbearance classification under CRR Article 47b did not change as a result of the COVID-19 crisis. Individual reviews are still based on the existing criteria. In accordance with the applicable EBA Guideline (EBA/GL/2020/02), forbearance actions were only taken in connection with legal and non-legislative moratoria on an exception basis. Most of the transactions with voluntary deferrals and bridge loans are classified as forborne.

Voluntary deferrals covered 467 transactions with a credit exposure of EUR 315 million as of 30 June 2022. Of this total, EUR 240 million were classified as forborne under CRR Article 47b. A credit exposure of EUR 6 million from customers with voluntary deferral measures was subsequently classified as in default under CRR Article 178. The voluntary deferrals include 440 with an exposure of EUR 304 million which expired as of 30 June 2022, which means the customers must meet their regular payment schedules.

The Russia-Ukraine war does not expose RLB NÖ-Wien to any country risk. RLB NÖ-Wien has no exposure in Ukraine and only a very limited exposure towards Russian customers. There is no exposure towards the Russian government or physical presence in either of these two countries.

The outbreak of the war also led to an analysis of the potential impact on the corporate customer business. This analysis is updated on a weekly basis in agreement with the Market and Risk Management Departments and reported to the Management Board as part of the weekly evaluation of the status in Ukraine-Russia.

Apart from a limited number of individual cases, the analysis has not identified any increased deterioration in the credit quality of the portfolios. Moreover, there has been no accumulation of payment difficulties in the identified, potentially affected portfolio.

Analyses and stress tests were also carried out on the private customer portfolio to depict the effects of the increase in interest rate levels on expenses or instalment payments caused by inflation.

The current economic outlook (rising inflation, higher interest rates etc.) has been reflected in the calculations for the credit impairment allowances. Details are provided in Note (16).

Information on expected credit losses

As described in Note (16), it can be assumed that the expected credit risks from the Covid-19 crisis will not be realized immediately, but the resulting defaults will be distributed over several quarters. The catch-up effects will also gradually decline over a period of several quarters.

Two different scenarios were prepared to show the decline in the catch-up effects. The first scenario includes – similar to the procedure used for modelling possible catch-up effects – resetting the risk parameters to the beginning of the COVID-19 pandemic. The major risk parameters used for this purpose are designated as “modified” in the following table. The risk parameters from this forecast were reduced by one-eighth each over a period of eight quarters. For the second scenario, the risk parameters were based on current economic developments and increased by one-eighth each over a period of eight quarters. The major risk parameters can be found under “current” in the following table. The final risk parameters represent the total of these two scenarios over time. The resulting risk parameters were used to calculate the credit impairment allowances. As of 30 June 2022, the modified scenarios were weighted at 6/8 and the current scenarios at 2/8. This procedure gradually aligned the forecasts with the scenarios for the current economic situation, and no adjustments to the models were required.

The estimates of the economic trends required for the calculation of period-based expected credit losses are subject to uncertainty concerning the occurrence – or non-occurrence – of the related events. The RLB NÖ-Wien Group sees the following assumptions as the best possible estimates. The forecasts were developed by Moody’s Analytics, which provides macroeconomic forecast values for various possible economic scenarios. The individual scenarios are weighted according to recommendations made by Moody’s Analytics and show the following distribution as of 30 June 2022: 30% optimistic/40% baseline/30% pessimistic for all transactions. These weightings remain unchanged compared to the previous year.

The following tables show the estimates for economic development in Austria under various scenarios based on the material macroeconomic factors used to calculate credit losses. The column “current“ includes the latest economic forecasts by Moody´s Analytics as of the data retrieval date (May 2022). The column “modified“ shows the macro factors used to model possible catch-up effects:

Variable	Scenario	2022		2023		2024	
		Current	Modified	Current	Modified	Current	Modified
Annual GDP growth in %	baseline	3.79%	(4.18)%	1.68%	3.88%	1.24%	3.15%
	optimistic	4.16%	(4.09)%	2.66%	4.12%	1.10%	3.39%
	pessimistic	2.67%	(4.46)%	(3.43)%	2.60%	1.94%	2.48%
Unemployment rate	baseline	5.30%	6.12%	5.17%	5.51%	4.79%	4.90%
	optimistic	5.24%	6.06%	4.97%	5.31%	4.56%	4.68%
	pessimistic	5.46%	6.30%	6.15%	6.47%	5.94%	6.02%
Short-term yield (3M Euribor)	baseline	(0.45)%	(0.39)%	0.30%	(0.25)%	0.93%	(0.09)%
	optimistic	(0.41)%	(0.38)%	0.63%	(0.14)%	1.40%	0.58%
	pessimistic	(0.40)%	(0.16)%	(0.49)%	(0.45)%	(0.55)%	(0.46)%
Stock index (Euro Stoxx)	baseline	164.46	127.81	166.97	132.40	171.49	151.16
	optimistic	174.06	134.08	193.32	153.04	188.78	168.05
	pessimistic	146.02	112.03	115.89	95.13	141.44	124.39
Residential property prices - Annual growth rate	baseline	4.94%	1.20%	2.85%	3.15%	2.35%	3.06%
	optimistic	5.18%	1.79%	3.69%	4.57%	1.96%	2.97%
	pessimistic	2.90%	(0.98)%	1.37%	1.19%	4.84%	3.69%

Market risk (incl. credit spread risk)

The market risk calculation was adjusted at the end of January 2022 (capitalization/adjustment of floors under assets, floors under liabilities, modelling of deposits with indefinite terms) to increase interest sensitivity and interest rate risk and allow interest rate risk to replace credit spread risk as the most important sub-risk for the RLB NÖ-Wien Group. The subsequent interest hedging and increase in interest rates caused, in part, by the Russia-Ukraine war led to a substantial decline in the interest risk standalone VaRs from TEUR 668,673 at the end of January to TEUR 229,158 at the end of June.

The general upturn in the credit spread led to a significant 20.4% increase in the proportional credit spread VaR of the RLB NÖ-Wien Group from the start of the Russia-Ukraine war to the end of May based on a volume that remained nearly constant from the end of February (EUR 233 million) to the end of March (EUR 280 million). This effect was, however, overshadowed in the RLB NÖ-Wien Group by the above-mentioned, simultaneous, sharp drop in the interest rate VaRs. As a result, the end of the month with the highest overall gone concern market risk in 2022 was the end of January – before the start of the Russia-Ukraine war.

Inflation does not represent a direct risk factor for the calculation of the VaR, but the model includes the resulting changes in interest rates.

The following table shows the monthly VaR for the entire gone concern market risk of the RLB NÖ-Wien Group as a parameter for the risk capacity analysis, classified by type of risk and including correlations in the first half of 2022. In view of the Russia-Ukraine war, 31 December 2021 was intentionally selected as the comparative date.

€'000	VaR* at 30/06/2022	Average-VaR	VaR* at 31/12/2021
Currency risk	5,408	4,220	1,959
Interest rate risk	229,158	357,219	164,030
Price risk	339	360	363
Credit spread risk	395,670	437,341	456,567
Total	**461,963**	**524,069**	505,169

* Market values are used to calculate the gone concern VaR (99.9% VaR, 250 days) for the overall market risk of the RLB NÖ-Wien Group.

The market risk in the trading book dropped dramatically following a decline of roughly one-third in the volume of bonds from the end of February to the end of March.

The following table shows the VaR (99% VaR, 1 day) for the market risk in the trading book, classified by type or risk and including correlations. In view of the Russia-Ukraine war, 31 December 2020 was intentionally selected as the comparative date.

€'000	VaR* at 30/06/2022	Average-VaR	VaR* at 31/12/2021
Currency risk	13	15	4
Interest rate risk	65	127	110
Price risk	15	19	19
Credit spread risk	64	182	336
Total	**107**	**233**	425

* Market values are used to calculate the VaR (99% VaR, 1 day) for the market risk in the trading book.

Liquidity risk

Structural liquidity and the refinancing concentration risks as of 30 June 2022 are substantially higher than the prescribed lower limits and, in the range up to seven years, remained nearly unchanged compared with 31 December 2021.

The Russia-Ukraine war has had no significant effects on the liquidity situation or liquidity indicators to date and is reflected primarily in higher spreads and new issue premiums on the primary market. Deposits by customers are stable and show no declines. The available tender potential is also stable.

The following table shows the structural liquidity of the RLB NÖ-Wien Group as of 30 June 2022:

€'000 Maturity band	Gap (absolute)	GoA	GoA limit	Accumulated from behind	S-LFT	S-LFT limit
18 months	(2,018,977)	(3.1)%	(10.0)%	(74,783)	121.5%	> 80%
2 years	520,564	2.2%	(10.0)%	1,944,194		
3 years	(1,710,335)	2.7%	(10.0)%	1,423,630	132.8%	> 70%
5 years	665,868	3.7%	(10.0)%	3,133,965	122.2%	> 60%
7 years	229,288	1.2%	(10.0)%	2,468,097		
10 years	(1,947,331)	-	-	2,238,809	133.5%	> 50%
15 years	676,383	-	-	4,186,140		
20 years	1,293,790	-	-	3,509,757		
30 years	2,177,386	-	-	2,215,967		
> 30 years	38,582	-	-	38,582		

The following table shows the structural liquidity of the RLB NÖ-Wien Group as of 31 December 2021:

€'000 Maturity band	Gap (absolute)	GoA	GoA limit	Accumulated from behind	S-LFT	S-LFT limit
18 months	896,398	2.3%	(10.0)%	22,810	122.2%	> 80%
2 years	(1,193,933)	(3.8)%	(10.0)%	(873,588)		
3 years	(2,146,252)	0.7%	(10.0)%	320,344	129.8%	> 70%
5 years	974,741	3.7%	(10.0)%	2,466,596	122.3%	> 60%
7 years	900,129	3.8%	(10.0)%	1,491,855		
10 years	(3,466,786)	-	-	591,726	163.9%	> 50%
15 years	658,243	-	-	4,058,512		
20 years	1,076,716	-	-	3,400,269		
30 years	2,126,256	-	-	2,323,553		
> 30 years	197,296	-	-	197,296		

The overhang of deposits in the 18-month gap resulted primarily from the early maturity of large volume central bank refinancing (TLTRO) and the shift of RLB NÖ-Wien's own issues through earlier maturity from the two-year gap to the 18-month gap.

As of 30 June 2022, the LCR of the RLB NÖ-Wien Group equalled 120.40% (2021: 127.36%). The decisive factor for the decline was the increase in deposits to non-payment accounts over the level in December 2021.

The following table shows the quantitative data as of 30 June 2022 in comparison with 31 December 2021:

		All currencies 30/06/2022	31/12/2021
Liquidity buffer		7,448,034,536	7,416,705,756
Net liquidity outflow		6,186,243,388	5,823,202,325
MINIMUM LIQUIDITY RATIO (LIQUIDITY COVERAGE RATIO LCR)		**120.40%**	127.36%
	Total unweighted amount	*Total weighted amount*	*Total weighted amount*
HIGH-QUALITY LIQUID ASSETS			
Level 1 - assets excl. extremely high quality covered bonds	9,609,080,737	6,490,871,617	7,167,021,642
Level 1 - extremely high quality covered bonds	965,409,051	897,830,418	202,755,510
Level 2A - assets	32,474,874	27,603,643	3,794,754
Level 2B - assets	63,457,717	31,728,859	43,133,850
Liquidity buffer	**10,670,422,379**	**7,448,034,536**	7,416,705,756
CASH OUTFLOWS			
Outflows from unsecured transactions/deposits	18,543,960,544	7,640,667,443	6,472,772,411
1.1 Personal banking customer deposits	4,796,559,225	392,099,528	416,465,260
1.2 Operational deposits	3,928,596,595	3,320,805,989	3,302,655,467
1.3 Excess operational deposits	0	0	0
1.4 Non-operational deposits	4,334,969,179	2,208,876,109	1,609,419,263
1.5 Additional outflows (i.e. outflows from derivatives)	1,265,233,098	1,265,233,098	639,952,342
1.6 Committed facilities	2,213,612,665	253,525,795	258,818,421
1.7 Other products and services	1,981,901,698	177,038,840	194,315,906
1.8 Other liabilities	23,088,084	23,088,084	51,145,753
Outflows from secured lending and capital market-driven transactions	0	0	0
TOTAL OUTFLOWS	**18,543,960,544**	**7,640,667,443**	6,472,772,411
CASH INFLOWS			
Inflows from unsecured transactions/deposits	1,930,730,356	1,454,424,055	649,570,086
1.1 monies due from non-financial customers (except for central banks)	141,502,737	74,836,837	31,912,372
1.2 monies due from central banks and financial customers	593,467,054	183,826,653	67,914,026
1.3 inflows corresponding to outflows in accordance with promotional loan commitments	0	0	0
1.4 monies due from trade financing transactions	0	0	0
1.5 monies due from securities maturing within 30 days	42,197,442	42,197,442	4,675,137
1.6 Loans and advances with an undefined contractual end date	0	0	
1.7 monies due from positions in major index equity instruments provided that there is no double counting with liquid assets	0	0	0

		All currencies 30/06/2022	31/12/2021
1.8 inflows from the release of balances held in segregated accounts in accordance with regulatory requirements for the protection of customer trading assets	0	0	0
1.9 inflows from derivatives	1,153,563,123	1,153,563,123	545,068,551
1.10 inflows from undrawn credit or liquidity facilities provided by members of a group or an institutional protection scheme where the competent authorities have granted permission to apply a higher inflow rate	0	0	0
1.11 Other inflows	0	0	0
Inflows from secured lending and capital market-driven transactions	0	0	0
TOTAL INFLOWS	**1,930,730,356**	**1,454,424,055**	649,570,086
Inflows subject to 75% Cap	1,930,730,356	1,454,424,055	649,570,086
Fully exempt inflows	0	0	0
NET LIQUIDITY OUTFLOW	**16,613,230,189**	**6,186,243,388**	5,823,202,325

Investment risk

In line with its focus as a full-service bank, RLB NÖ-Wien only holds strategic equity investments within the Raiffeisen sector and other equity investments that support banking operations.

The largest equity investment is the shareholding in RBI, the leading institution in the Raiffeisen sector, whereby RLB NÖ-Wien holds shares directly as well as indirectly.

The management and control of equity investments and the related risks are the responsibility of Raiffeisen-Holding NÖ-Wien.

Diligent and detailed investment management and controlling form the basis for the systematic management of investments (Information is provided in the 2021 consolidated financial statements of the RLB NÖ-Wien Group under the section "Risks arising from financial instruments (Risk Report)".

Equity investment risks can have the following effect on the RLB NÖ-Wien Group:

- Reduction of the carrying amount (value in use)
- Legal or contractual funding obligations

The quantification of risk is based on a simulation model (Monte Carlo simulation) that was evaluated and modified in 2021. This tool uses historical volatilities to evaluate the changes in the market capitalization of peer companies and the base interest rate.

The determination of a potential loss in the (market) value of the simulated investments is calculated at a specific confidence level (95% and 99.9%) in the sense of value-at-risk based on the assumption of a normal distribution. The investment risk model also transfers the calculated risk premiums to the value in use of the investments. The risk potential is still viewed at the individual and portfolio levels. This simulation tool is used to generate a quarterly evaluation – extreme case (95.0%) and liquidation case (99.9%) – of the risk potential and risk cover pools from the investments, which is then transferred to the risk capacity analysis which is calculated regularly at the overall bank level.

An external appraiser was commissioned to perform a trend analysis of RBI as of 30 June 2022 based on the latest medium-term forecasts. The impact of the conflict between Russia and Ukraine and, above all, the outbreak of the war in February of this year were reflected in substantially higher risk costs for

RBI in Eastern Europe and led to corresponding valuation adjustments by RBI. RLB NÖ-Wien recognised impairment losses to its investment based on these intra-year trend analyses. Details on the valuation of RBI are provided in Note (4) Profit/loss from equity-accounted investments

The increase in inflation currently has no direct effect on investment risk.

The COVID-19 pandemic had no material impact during the first half of 2022 and is not expected to have any long-term effects on RBI's business model. Close and continuous monitoring and corresponding measures are the answer to the effects of the Russia-Ukraine war.

The following table shows the carrying amounts of the equity investments held by the RLB NÖ-Wien Group as of 30 June 2022 and the comparative date on 31 December 2021.

€ '000	Carrying amount 30/06/2022	Percentage held	Carrying amount 31/12/2021	Percentage held
Investments in other banks	1,720,357	99.5%	2,050,186	99.6%
Investments in banking-related fields	7,829	0.5%	7,254	0.4%
Total equity investments	**1,728,186**	**100.0%**	2,057,440	100.0%

The carrying amounts of the investments declined by EUR 330.5 million during the first half of 2022 as a result of the impairment loss recognised to the RBI investment.

Non-financial risk

The Raiffeisen-Holding NÖ-Wien Financial Institutions group (and therefore also the RLB NÖ-Wien Group) defines non-financial risk (NFR) as a separate type for risk strategy and risk management. This risk type includes the sub-risk "operational risk" (incl. IT risk and legal risk) as well as outsourcing risk, compliance risk and model risks as sub-risks. (Information on the sub-risk types is provided in the 2021 consolidated financial statements of the RLB NÖ-Wien Group under the section "Risks arising from financial instruments (Risk Report)").

Non-financial risk flows into the risk capacity analysis together with the risk type "operational risk".

The COVID-19 crisis was reflected in NFR through a variety of related measures. One of the most important instruments during this crisis was the functioning Business Continuity Management (BCM). It has been extensively used, adapted and further developed since 2020 to deal with the special challenges created by the COVID-19 pandemic. Additional information on this subject is provided in the Risk Report under "Risk management in the COVID-19 crisis – Business Continuity Management (BCM)". The RLB NÖ-Wien Group has implemented processes and frameworks as part of the BCM, which are available to everyone for use as needed. The suitability of the BCM is regularly evaluated through emergency testing, and the results are reported to the Managing Board.

At all times, and especially during crises, the RLB NÖ-Wien Group works, among others, to ensure the smooth and efficient functioning of IT and system security. Increased steps have also been taken to prevent fraud. IT risks are depicted through risk scenarios in the IT risk management framework. The goals of this framework are to define and assess the IT risks to which the company is exposed and to manage these risks with specific actions and appropriate controls. The risks and controls from the IT risk management framework are mapped in the company's internal control and operating risk system.

The development of inflation has had no direct impact on the sub-risks which comprise non-financial risk. The Russia-Ukraine war has had an effect on compliance risk and IT risk. The increased due diligence requirements in connection with the Russian sanctions were reflected in extensive system and process measures to limit compliance risk. Due to the ongoing, high cybersecurity threat risk, measures were implemented together with the major IT service providers to further strengthen IT security.

The ESG requirements for the sub-risks assigned to non-financial risk were evaluated and are gradually being implemented. The influence of ESG factors on risk identification and assessment as part of operational risk represented the focal point of this work in 2021 and the first half of 2022.

Internal control system - ICS

The RLB NÖ-Wien Group has implemented an internal control system (ICS) which includes a detailed description of ICS procedures as the basis for the ongoing documentation of the bank's risk-relevant processes and the related control measures. Responsibilities and roles in the ICS and the related control activities are clearly defined. Regular reports are issued on the design and development of the ICS in the Raiffeisen-Holding NÖ-Wien Group. The COVID-19 crisis has led to the development and implementation of new processes and controls in internal guidelines to meet the related legal requirements.

Sustainability and ESG risks

Increased attention to and the integration of sustainability aspects (ESG - Environment, Social, Governance) has represented part of the business strategy of the Raiffeisen Holding NÖ-Wien Group for roughly two years. Sustainability & CSR (Corporate Social Responsibility) were integrated in the Raiffeisen Holding NÖ-Wien organization as part of corporate communications, which anchors this issue in the financial institutions group and, therefore, also in the RLB NÖ-Wien Group.

The implementation of necessary measures relating to the risks arising from sustainability and ESG factors has been a focus of activities since 2020 and represented a priority objective during the reporting period. As part of the sustainability strategy, these issues are also an integral part of the risk strategy. ESG risks represent possible negative effects for companies, above all, as the result of climate and environmental factors. Banks are exposed to sustainability and ESG risks in a number of ways. ESG risks are taken into consideration as partial aspects of the risk types identified by the risk inventory, e.g. credit, market, liquidity, non-financial (and here, above all, operational) and reputation risk. The effects of ESG factors can result, on the one hand, from physical risks like the consequences of climate change and can lead to default by borrowers or the impairment of collateral. On the other hand, the effects can result from so-called transition risks caused, for example, by political or technological developments. The intervention measures implemented to attain certain climate policy goals can have a significant negative influence on branches with a greater environmental impact. Accordingly, banks with financing in these branches are involved to a significant degree.

In addition to the social and environmental motivation to examine ESG factors, lawmakers and supervisory authorities have placed high demands on the financial sector for sustainability risk management and reporting. The Raiffeisen-Holding NÖ-Wien Group is currently working on a project to implement and integrate sustainability issues in all areas of the banking association. That means ESG issues and factors will be included in the banking group's governance as well as its corporate identity, product offering and customer support as well as risk management, risk measurement and stress tests.

Additional information on sustainability in the Raiffeisen-Holding NÖ-Wien Group can be found in the "Non-financial statement" which represents part of the management report as of 31 December 2021.

(33) Fair value of financial instruments

Financial instruments carried at fair value

Fair value measurement is based on a multi-level hierarchy (fair value hierarchy). Level I valuations are based on available market prices (generally for securities and derivatives traded on exchanges and in functioning markets). All other financial instruments are measured with valuation models, above all present value or generally accepted option pricing models. Valuations for Level II use input factors that are directly or indirectly based on observable market data. Level III valuations use 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 asset or liability transactions take place with sufficient frequency and volume to provide continuous pricing information. The indicators for an active market can 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 can also be signs of an active market.

- **Derivatives (incl. hedge accounting)**

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

The counterparty default risk for non-collateralized OTC derivatives 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), the loss given default (LGD) and the counterparty's probability of default (PD). The EPE is determined by simulation, while the LGD and PD are based on market data (credit default swap (CDS) spreads, if these spreads are directly available for the respective counterparty or if they can be determined by mapping the counterparty's credit standing 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 that flow into the valuation (e.g. interest rates, volatilities) are regularly evaluated and established with independent market data information systems.

- **Bonds**

The bonds held by RLB NÖ-Wien are principally valued on the basis of tradable market prices. If 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 risk premium. The risk premium is determined on the basis of comparable financial instruments currently on the market. A more conservative approach is applied to a smaller part of the portfolio and default risk premiums are used for valuation.

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

- **Loans and advances**

RLB NÖ-Wien values loans and advances based on a DCF method, whereby the input parameters include a yield curve as well as an appropriate credit risk and funding premium. The determination of the funding premium is based on spread curves which are observable on the market. The credit risk premium corresponds to a CDS spread which is observable on the market, a weighted sector CDS spread, or a credit spread calculated on the basis of internal IFRS 9 risk parameters – independent of the counterparty. In cases where a day-one gain or loss was not recognized, a residual spread for the transaction is also calculated at the beginning of the term and held constant over the full term. This spread reflects the requirement that the amount of the discounted cash flows – including the residual spread – must equal the recognized carrying amount on the origination date of the loan or advance Termination rights and interest options are measured with the Bachelier model. This involves the evaluation of past experience with premature repayments based on a regression analysis and the development of a model to allocate the expected prepayment rate to the operating level. This model is reviewed annually.

- **Equity instruments**

The valuation of equity instruments, which consist primarily of investments, is based on internal forecasts (DCF models).

The assignment to or reclassification of financial instruments between levels takes place each quarter at the end of the reporting period.

The following table shows the classification of the financial instruments carried at fair value based on the IFRS 13 valuation hierarchy (classified by the fair value level):

€'000			30/06/2022			31/12/2021
	Level I	**Level II**	**Level III**	Level I	Level II	Level III
Balance sheet assets						
Financial assets held for trading	***71,783***	***435,944***	***0***	*92,357*	*450,010*	*0*
Derivatives	0	306,873	0	0	309,519	0
Bonds	71,783	129,070	0	92,357	140,492	0
Non-trading financial assets mandatorily at fair value through profit or loss	***0***	***989***	***110,548***	*0*	*989*	*129,513*
Equity instruments	0	0	10,041	0	0	9,497
Bonds	0	989	0	0	989	0
Loans and advances	0	0	100,507	0	0	120,016
Financial assets at fair value through other comprehensive income	***0***	***0***	***20,262***	*0*	*0*	*19,577*
Equity instruments	0	0	20,262	0	0	19,577
Derivatives - hedge accounting	***0***	***490,089***	***0***	*0*	*315,002*	*0*

€'000	Level I	Level II	30/06/2022 Level III	Level I	Level II	31/12/2021 Level III
Balance sheet equity and liabilities						
Financial liabilities held for trading	***0***	***291,563***	***0***	*0*	*321,626*	*0*
Derivatives	0	291,563	0	0	321,626	0
Derivatives - hedge accounting	***0***	***466,999***	***0***	*0*	*340,817*	*0*

Every financial instrument is evaluated to determine whether quoted market prices are available on an active market (Level I). No securities were reclassified from Level I to Level II or from Level II to Level I during the first half of 2022.

The following table shows the development from 1 January 2022 to 30 June 2022 of the assets carried at fair value which are assigned to Level III:

€'000	1 January 2022	Additions	Disposals	Profit, income statement	Profit, other comprehensive income	30/06/2022
Balance sheet assets						
Non-trading financial assets mandatorily at fair value through profit or loss	***129,513***	***3,420***	***(10,392)***	***(11,993)***	***0***	***110,548***
Equity instruments	9,497	538	(26)	32	0	10,041
Loans and advances	120,016	2,882	(10,366)	(12,025)	0	100,507
Financial assets at fair value through other comprehensive income	***19,577***	***0***	***0***	***0***	***685***	***20,262***
Equity instruments	19,577	0	0	0	685	20,262

There were no reclassifications to or from Level III since the last reporting period.

As of 30 June 2022, all loans and advances carried at fair value were assigned to Level III in the fair value hierarchy.

The financial assets carried at fair value which are assigned to Level III developed as follows from 1 January 2021 to 30 June 2021:

€'000	01/01/2021	Additions	Disposals	Profit, income statement	Profit, other comprehensive income	30/06/2021
Balance sheet assets						
Non-trading financial assets mandatorily at fair value through profit or loss	*138,910*	*713*	*(10,193)*	*(2,751)*	*0*	*126,679*
Equity instruments	9,014	6	0	(5)	0	9,014
Loans and advances	129,896	707	(10,193)	(2,746)	0	117,665
Financial assets at fair value through other comprehensive income	*19,472*	*0*	*(2)*	*0*	*(387)*	*19,083*
Equity instruments	19,472	0	(2)	0	(387)	19,083

The results recognized to the income statement for the financial instruments allocated to Level III totalled TEUR -11,346 in the first half of 2022 (H1 2021: EUR -2,602) and are reported under profit/loss from financial assets and liabilities.

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

30/06/2022	Type	Market value in €m	Valuation method	Major unobservable input factors	Scope of unobservable input factors
Balance sheet assets					
Non-trading financial assets mandatorily at fair value through profit or loss					
Equity instruments	Equity investments	10.0	DCF method	Internal forecasts	-
Loans and advances	Loans and advances	100.5	DCF method	Credit risk premiums	0.035% - 40.7%
Financial assets at fair value through other comprehensive income					
Equity instruments	Equity investments	20.3	DCF method	Internal forecasts	-

The comparative prior year data are as follows:

31/12/2021	Type	Market value in €m	Valuation method	Major unobservable input factors	Scope of unobservable input factors
Balance sheet assets					
Non-trading financial assets mandatorily at fair value through profit or loss					
Equity instruments	Equity investments	9.5	DCF method	Internal forecasts	-
Loans and advances	Loans and advances	120.0	DCF method	Credit risk premiums	0.03% - 46.9%
Financial assets at fair value through other comprehensive income					
Equity instruments	Equity investments	19.6	DCF method	Internal forecasts	-

Valuation guidelines

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

Automated controls ensure that the quality of the applied models and input parameters meets the defined standards.

The valuation of new financial instruments is preceded 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.

Sensitivity analysis of the non-observable parameters for financial instruments carried at fair value Level III

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. As of 30 June 2022, RLB NÖ-Wien held no securities classified under Level III.

A range of alternative parameters is available for selection and application in cases where the value of a loan or an advance is dependent on non-observable parameters (Level III). As of 30 June 2022, a shift in the parameters at the ends of these ranges (+/- 100 bps with a floor at 0) would lead to an increase of EUR +1.1 million (31 December 2021: EUR +1.2 million) or a decrease of EUR -1.2 million (31 December 2021: EUR -1.6 million) in the fair value of loans and advances (assets). This calculation reflects the applicable market conditions and internal valuation requirements.

Financial instruments not carried at fair value

The following table shows the fair values and carrying amounts of financial instruments which are carried at amortized cost in accordance with the respective business model. Classification is based on the classes of financial instruments defined by RLB NÖ-Wien.

The financial instruments listed in the following table are not managed on the basis of fair value and, consequently, are not carried at fair value on the balance sheet. In these cases, fair value has no direct influence on the consolidated balance sheet or consolidated income statement

Additional details in this connection are provided under Note (32) Risks arising from financial instruments (Risk Report).

30/06/2022 €'000	Fair value	Carrying amount	Difference
Balance sheet assets			
Cash, cash balances at central banks and other demand deposits	***3,728,237***	***3,727,028***	***1,209***
Financial assets at amortized cost	***21,947,635***	***22,590,537***	***(642,902)***
Bonds	4,424,023	4,544,727	(120,704)
Loans and advances	17,523,612	18,045,810	(522,198)
Balance sheet equity and liabilities			
Financial liabilities measured at amortized cost	***25,910,477***	***26,266,955***	***(356,479)***
Deposits	19,724,575	19,952,328	(227,752)
Debt securities issued	6,185,902	6,314,628	(128,726)

The decline in the market values resulted primarily from the increase in interest rates.

The comparative prior year data are shown below:

31/12/2021 €'000	Fair value	Carrying amount	Difference
Balance sheet assets			
Cash, cash balances at central banks and other demand deposits	*5,189,840*	*5,188,041*	*1,799*
Financial assets at amortized cost	*20,694,416*	*20,126,184*	*568,233*
Bonds	3,697,684	3,636,067	61,617
Loans and advances	16,996,732	16,490,117	506,615
Balance sheet equity and liabilities			
Financial liabilities measured at amortized cost	*25,758,820*	*25,523,167*	*235,653*
Deposits	19,641,999	19,536,894	105,105
Debt securities issued	6,116,821	5,986,274	130,548

The following table shows the classification of the financial instruments carried at amortized cost, based on the fair value hierarchy:

30/06/2022 €'000	Fair Value Level I	Fair Value Level II	Fair Value Level III
Balance sheet assets			
Cash, cash balances at central banks and other demand deposits	55,130	3,586,061	87,046
Bonds	4,072,354	351,669	0
Loans and advances	0	0	17,523,612
Balance sheet equity and liabilities			
Deposits	0	0	19,724,575
Debt securities issued	0	5,761,149	424,753

The comparative prior year data are shown below:

31/12/2021 €'000	Fair Value Level I	Fair Value Level II	Fair Value Level III
Balance sheet assets			
Cash, cash balances at central banks and other demand deposits	50,995	5,124,628	14,217
Bonds	3,260,630	437,054	0
Loans and advances	0	0	16,996,732
Balance sheet equity and liabilities			
Deposits	0	0	19,641,999
Debt securities issued	0	5,602,218	514,604

The methods used to determine the fair values of the bonds, loans and advances reported “at amortized cost“ in the above tables reflect the methods described in the previous section (“Financial instruments carried at fair value“).

The deposits carried at amortized cost are assigned to Level III since the credit spreads used for valuation can only be observed indirectly. The securitized liabilities which are carried at amortized cost and assigned to Level III consist primarily of subordinated liabilities whose valuation was based on parameters in the form of indirectly derived risk premiums.

(34) Hedge accounting

The following section provides detailed information on the accounting treatment of hedges, the underlying transactions, hedging instruments and hedged risks in the form of tables. The risk strategy applied by the RLB NÖ-Wien Group remains unchanged and reflects the description in the consolidated financial statements for 2021.

The following table shows the nominal volumes, carrying amounts and fair value changes of the derivatives used as hedging instruments. These derivatives represent the interest rate swaps used to hedge interest risk which are classified according to the underlying transaction and also include floors. The changes in fair value are reported on the income statement under "profit/loss from financial assets and liabilities“ (see Note (6)). The carrying amounts of these interest hedges are reported on the balance sheet as assets or liabilities under “Derivatives – hedge accounting“.

€'000	Nominal Value 30/06/2022	Carrying amount 30/06/2022 Balance sheet assets	Carrying amount 30/06/2022 Balance sheet equity and liabilities	Change in fair value 01/01 - 30/06/2022	Income statement presentation - fair value change	Income statement effect - ineffectiveness 01/01 - 30/06/2022	Income statement presentation ineffectiveness
Interest rate risk - micro-hedges							
Interest Rate Swaps - Bonds	1,905,098	50,080	60,443	280,346	Profit or loss from hedge accounting	1,523	Profit or loss from hedge accounting
Interest Rate Swaps - Loans and advances	673,126	34,003	13,409	63,123	Profit or loss from hedge accounting	1,827	Profit or loss from hedge accounting
Interest Rate Swaps - Deposits	486,681	23,185	3,129	(80,175)	Profit or loss from hedge accounting	(148)	Profit or loss from hedge accounting
Interest Rate Swaps - Securitized liabilities	4,888,521	19,824	192,990	(308,508)	Profit or loss from hedge accounting	(2,447)	Profit or loss from hedge accounting
Interest rate risk - portfolio hedges							
Interest Rate Swaps - Assets	1,942,917	327,263		277,212	Profit or loss from hedge accounting	(2,657)	Profit or loss from hedge accounting
Interest Rate Swaps - Liabilities	2,025,750		96,393	(105,440)	Profit or loss from hedge accounting	768	Profit or loss from hedge accounting
Floors - Assets	5,474,200	35,733	100,635	67,071	Profit or loss from hedge accounting	2,427	Profit or loss from hedge accounting

The comparative prior year data are shown in the following table:

€'000	Nominal Value 31/12/2021	Carrying amount 31/12/2021 Balance sheet assets	Carrying amount 31/12/2021 Balance sheet equity and liabilities	Change in fair value 01/01 - 30/06/2021	Income statement presentation fair value change	Income statement effect-ineffect-iveness 01/01 - 30/06/2021	Income statement presentation ineffect-iveness
Interest rate risk - micro-hedges							
Interest Rate Swaps - Bonds	1,957,376	2,649	293,550	92,819	Profit or loss from hedge accounting	(346)	Profit or loss from hedge accounting
Interest Rate Swaps - Loans and advances	628,345	18	42,118	16,684	Profit or loss from hedge accounting	926	Profit or loss from hedge accounting
Interest Rate Swaps - Deposits	520,862	100,758	8	(29,396)	Profit or loss from hedge accounting	(90)	Profit or loss from hedge accounting
Interest Rate Swaps - Securitized liabilities	2,880,464	159,814	5,141	(75,244)	Profit or loss from hedge accounting	(457)	Profit or loss from hedge accounting
Interest rate risk - portfolio hedges							
Interest Rate Swaps - Assets	1,807,187	51,763	0	37,163	Profit or loss from hedge accounting	(560)	Profit or loss from hedge accounting

The underlying transactions in recognized hedges show the following carrying amounts as of the balance sheet date and the following development during the reporting period:

€'000	Carrying amount 30/06/2022		Value of cumulative basis adjustments for hedged items		Changes in hedged fair value 01/01 - 30/06/2022	Cumulative basis adjustments for designated hedged items 30/06/2022
	Balance sheet assets	Balance sheet equity and liabilities	Balance sheet assets	Balance sheet equity and liabilities		
Interest rate risk - micro-hedges						
Financial assets at amortized cost	***2,600,876***		***(25,166)***		***(340,119)***	***(2,055)***
Bonds	1,937,415		(6,262)		(278,823)	50
Other loans and advances	663,461		(18,904)		(61,295)	(2,105)
Financial liabilities measured at amortised cost		***5,975,864***		***(182,703)***	***(386,087)***	
Deposits		507,854		10,877	(80,027)	
Securitized liabilities		5,468,010		(193,580)	(306,061)	
Interest rate risk - portfolio hedges						
Portfolio-Hedge*	***6,187,013***	***2,135,973***	***(56,207)***	***31,985***	***(238,306)***	***(257,291)***
Portfolio-Hedge Assets	1,844,504		(55,983)		(279,869)	(265,602)
Portfolio-Hedge Liabilities		2,135,973		31,985	106,207	71,717
Portfolio- Hedge Floors Assets	4,342,509		(224)		(64,644)	(63,406)

* The amounts reported under the carrying amount represent the synthetic underlying transactions as of 30 June 2022, including the designation quota.

The comparative prior year data are shown in the following table:

€'000	Carrying amount 31/12/2021		Value of cumulative basis adjustments for hedged items		Changes in hedged fair value 01/01 30/06/2021	Cumulative basis adjustments for designated hedged items 31/12/2021
	Balance sheet assets	Balance sheet equity and liabilities	Balance sheet assets	Balance sheet equity and liabilities		
Interest rate risk - micro-hedges						
Financial assets at amortized cost	*2,895,530*		*315,166*		*(108,923)*	*(2,192)*
Bonds	2,274,621		272,817		(93,165)	18
Other loans and advances	620,909		42,350		(15,757)	(2,210)
Financial liabilities measured at amortised cost		*4,719,994*		*203,589*	*(104,093)*	*(168)*
Deposits		622,789		90,904	(29,306)	(168)
Securitized liabilities		4,097,205		112,685	(74,787)	
Interest rate risk - portfolio hedges						
Portfolio-Hedge Assets*	1,568,512		(31,584)		(37,723)	(20,067)

* The amounts reported under the carrying amount represent the synthetic underlying transactions as of 30 June 2021, including the designation quota.

(35) Related party disclosures

The following section provides details on the receivables, liabilities and contingent liabilities as well as the income and expenses due from/to companies in which the RLB NÖ-Wien Group holds an investment or from/to Raiffeisen-Holding NÖ-Wien or its subsidiaries or equity-accounted companies.

€'000	30/06/2022	31/12/2021
Cash, cash balances at central banks and other demand deposits	***2,208,979***	*2,126,668*
Associates	2,208,979	2,126,668
Financial assets held for trading	***109,227***	*124,803*
Parent	6,900	12,835
Associates	102,277	111,845
Entities accounted for using the equity method via the parent	50	123
Financial assets at amortized cost	***1,946,782***	*1,837,742*
Parent	1,180,717	1,181,952
Subsidiary / subsidiaries	47,707	45,909
Entities related via the parent	248,856	255,092
Associates	295,278	220,708
Entities accounted for using the equity method via the parent	174,194	133,944
Joint ventures	31	138
Derivatives - hedge accounting	***1,235***	*23,107*
Associates	1,235	23,107
Other assets	***28,929***	*28,981*
Parent	28,915	28,948
Subsidiary / subsidiaries	0	17
Entities related via the parent	4	5
Associates	5	6
Entities accounted for using the equity method via the parent	5	5

€'000	30/06/2022	31/12/2021
Financial liabilities held for trading	***89,618***	*15,604*
Parent	82,834	3,245
Associates	6,784	12,359
Financial liabilities measured at amortized cost	***822,461***	*726,574*
Parent	267,707	246,612
Subsidiary / subsidiaries	3,419	3,409
Entities related via the parent	181,122	203,250
Associates	318,616	187,618
Entities accounted for using the equity method via the parent	33,804	72,457
Joint ventures	17,793	13,229
Other liabilities	***3,371***	*264*
Parent	3,361	203
Subsidiary / subsidiaries	0	47
Associates	5	0
Entities accounted for using the equity method via the parent	5	13

€'000	30/06/2022	31/12/2021
Contingent liabilities and other off-balance sheet obligations	***577,832***	*612,075*
Parent	0	294
Subsidiary / subsidiaries	20,327	25,495
Entities related via the parent	68,913	77,296
Associates	204,886	163,974
Entities accounted for using the equity method via the parent	283,205	334,615
Joint ventures	500	10,400

The business relationships with related entities are shown below:

01/01 - 30/06/2022 €'000	Interest income	Interest expenses	Purchased services and merchandise and other expenses	Services provided, sale of merchandise and fixed assets and other income
Parent	7,441	4,340	8,801	2,606
Subsidiary / subsidiaries	309	5	2,852	144
Entities related via the parent	2,324	37	18	3
Associates	6,985	4,299	13,769	1,167
Entities accounted for using the equity method via the parent	1,526	33	351	0
Joint ventures	0	35	3,063	0
Other related parties	2	1	0	0

The comparative prior year data are as follows:

01/01 - 30/06/2021 €'000	Interest income	Interest expenses	Purchased services and merchandise and other expenses	Services provided, sale of merchandise and fixed assets and other income
Parent	8,101	5,791	9,819	2,281
Subsidiary / subsidiaries	310	2	2,551	44
Entities related via the parent	2,557	32	36	2
Associates	6,845	4,302	14,037	1,055
Entities accounted for using the equity method via the parent	1,672	1	423	0
Joint ventures	13	24	3,417	0
Other related parties	5	1	0	0

The following legal and business relations exist with related companies:

- 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.
- RLB NÖ-Wien has been a member of a corporate tax group created in accordance with § 9 of the Austrian Corporate Income Tax Act since the 2005 assessment year. The head of the tax group is RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung (Raiffeisen-Holding NÖ-Wien), with which RLB NÖ-Wien has concluded a tax contribution agreement. As of 30 June 2022, the corporate tax group with Raiffeisen-Holding NÖ-Wien as its head included RLB NÖ-Wien as well as 42 (H1 2021: 40) other members. The tax base for the entire group equals the total income of the head of the group plus the allocated taxable income of the group members after the maximum allowable deduction of the tax loss carryforwards held by the head of the group. RLB NÖ-Wien is charged a proportional share of group corporate income tax, which is assessed at the level of the head of the group, Raiffeisen-Holding NÖ-Wien. A tax charge based on the contractually agreed rate is payable to the head of the group, Raiffeisen-Holding NÖ-Wien, on the untaxed portion of the taxable income recorded by RLB NÖ-Wien. In the event of a tax loss, RLB NÖ-Wien receives a negative tax charge. As of 30 June 2022, the receivables from tax charges equalled TEUR 2,894 (H1 2021: TEUR 7,932) and the liabilities from tax charges amounted to TEUR 15,656 (H1 2021: TEUR 15,359).
- The liquidity management agreement concluded between RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien regulates the relationship between these two parties with respect to liquidity provision, measurement and monitoring as well as the related measures. This agreement was concluded for an indefinite period of time and can be cancelled by both parties.
- RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien have concluded a management service agreement which is designed to realize synergies and ensure the competent provision of services for central functions in the Group.
- RLB NÖ-Wien and the following companies have established tax groups for VAT purposes:
  - RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung
  - "AKTUELL" Raiffeisen Versicherungs-Maklerdienst Gesellschaft m.b.H.
  - MODAL-Gesellschaft für betriebsorientierte Bildung und Management GmbH
  - Raiffeisen Beratung direkt GmbH
  - RBE Raiffeisen Beratungs- und Entwicklungs GmbH
  - Raiffeisen Versicherungs- und Bauspar-Agentur GmbH
  - Veritas Treuhandgesellschaft für Versicherungsüberprüfung und -vermittlung m.b.H.
  - Raiffeisen Analytik GmbH
- RLB NÖ-Wien has arranged for Directors and Officers (D&O) insurance and fidelity insurance to cover its corporate bodies and key managers as well as the corporate bodies and key managers of its subsidiaries and carries the related costs.
- Raiffeisen Einlagensicherung and the national Raiffeisen institution-based protection scheme established by the Raiffeisen banks are described in the consolidated financial statements for 2021.
- As of 30 June 2022, leases with the parent company included TEUR 74,767 (H1 2021: EUR 78,429) for rights of use and TEUR 77,687 (H1 2021: EUR 81,269) for lease liabilities. The resulting interest expense totalled TEUR 530 (H1 2021: TEUR 549) and amortization amounted to TEUR 3,374 (H1 2021: EUR 3,545).
- A conditional agreement to offset the loans and advances to and deposits from other banks was concluded with an associate.

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	30/06/2022	31/12/2021
Sight deposits	3,721	4,420
Bonds	10	33
Savings deposits	515	669
Total	**4,245**	5,123
Current accounts	0	12
Loans	943	1,224
Other liabilities	15	16
Total	**958**	1,252

The following table shows the business relationships between RLB NÖ-Wien and other related parties over which persons holding key management positions with RLB NÖ-Wien have control:

€'000	30/06/2022	31/12/2021
Current accounts	0	126
Loans	0	106
Total	**0**	232
Nominal amounts of loan commitments, financial guarantees and contingent liabilities	0	62

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

€'000	30/06/2022	31/12/2021
Sight deposits	178	153
Savings deposits	50	11
Total	**227**	165
Current accounts	1	2
Loans	42	37
Other liabilities	1	0
Total	**44**	39

(36) Issues, redemptions and repurchases of bonds during the reporting period

RLB NÖ-Wien issued bonds totalling TEUR 811,940 in the first half of 2022 (H1 2021: EUR 17,490). Bods with a value of TEUR 147,514 (H1 2021: EUR 635,674) were redeemed and TEUR 31,850 (H1 2021: EUR 3,183) were repurchased.

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

€'000	30/06/2022	31/12/2021
Contingent liabilities	***587,287***	*530,962*
Of which arising from other guarantees	558,512	517,957
Of which arising from letters of credit	20,520	4,751
Of which other contingent liabilities	8,255	8,255
Commitments	***3,639,661***	*4,126,606*
Of which arising from revocable loan commitments	1,389,017	1,585,461
Of which arising from irrevocable loan commitments	2,250,644	2,541,145
To 1 year	379,354	856,386
More than 1 year	1,871,291	1,684,759

(38) Regulatory capital

RLB NÖ-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 Raiffeisen-Holding NÖ-Wien Financial Institution Group are reported below.

€'000	**30/06/2022**	**31/12/2021**
Paid-in capital	1,032,072	1,031,406
Retained earnings	1,738,771	2,202,859
Less qualified investments	(134,842)	(118,316)
Accumulated other comprehensive income and other equity	(253,423)	(564,395)
Common equity Tier 1 before deductions	***2,382,578***	***2,551,553***
Intangible assets incl. goodwill	(21,714)	(20,816)
Other transition adjustments to common equity Tier 1 capital	31,258	53,418
Risk provisions-backstop for non-performing loans (NPLs)	(2,508)	(670)
Corrections in respect of cash flow hedge reserves	(92,449)	(3,619)
Corrections for credit standing related to changes in values of derivatives	(3,421)	(683)
Value adjustment based on the prudent valuation requirement	(2,295)	(1,614)
Common equity Tier 1 capital after deductions (CET1)	***2,291,449***	***2,577,569***
Additional core capital after deductions	95,000	95,000
Additional own funds	***2,386,449***	***2,672,569***
Eligible supplementary capital	185,909	212,149
Supplementary capital after deductions	***185,909***	***212,149***
Total qualifying capital	***2,572,358***	***2,884,718***
Total capital requirement	**1,028,988**	**1,038,511**
Common equity Tier 1 ratio (CET1 ratio)	17.82%	19.86%
Tier 1 ratio (T1 ratio)	18.55%	20.59%
Total capital ratio	20.00%	22.22%
Surplus capital ratio	149.99%	177.77%

Under a fully loaded analysis, the Common Equity Tier 1 Ratio equalled 17.54% (H1 2021: 19.37%) and the Total Capital Ratio 19.75% (H1 2021: 21.67%).

Total capital requirements comprise the following:

€'000	30/06/2022	31/12/2021
Capital requirements for credit risk	977,373	986,605
Capital requirements for position risk in debt instruments and assets	4,973	5,543
Capital requirement CVA	4,962	4,683
Capital requirements for operational risk	41,680	41,680
Total capital requirement (total risk)	**1,028,988**	**1,038,511**
Assessment base for credit risk	***12,217,162***	***12,332,568***
Total basis of assessment (total risk)	***12,862,350***	***12,981,393***

(39) Average number of employees

Information on the average workforce (full-time equivalents) employed during the reporting period is shown below:

	01/01 - 30/06/2022	01/01 - 31/12/2021
Salaried employees	1,210	1,199
Wage earners	12	12
Total	**1,221**	**1,211**

(40) Events after the balance sheet date

Up to the present date, there were no transactions or other events which would have had a material effect on the consolidated interim financial statements.

Statement by the Managing Board

The Managing Board of RLB NÖ-Wien prepared these condensed consolidated interim financial statements as of 30 June 2022 in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as of 13 September 2022. A half-year management report was also prepared. The requirements for interim financial reporting defined by § 125 of the Austrian Stock Exchange Act were therefore 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 in accordance with the applicable accounting standards; that the half-year management report of the RLB NÖ-Wien Group presents a true and fair view of the assets, liabilities, financial position of the RLB NÖ-Wien Group with regard to significant events which occurred during the first six months of the financial year and their effects on the condensed consolidated interim financial statements; and that the half-year management report describes the principal risks and uncertainties to which the Group will be exposed during the remaining six months of the 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, 13 September 2022

The Managing Board

Michael HÖLLERER
Chairman,
responsible for the Directorate General

Reinhard KARL
Deputy Chairman, responsible for
the Corporate Clients Segment

Andreas FLEISCHMANN
Member, responsible for
the Financial Markets/Organisation Segment

Martin HAUER
Member, responsible for
the Retail/Raiffeisen Association Services Segment

Michael RAB
Member, responsible for
the Risk Management/Accounting Segment