

Interim Financial Report

as of 30 June 2012



**Raiffeisen
Landesbank**

Oberösterreich



“Our entire strategy and all our activities remain centred on the customer!”

Since 31 March 2012, a new management team has been at the helm at Raiffeisenlandesbank Oberösterreich Aktiengesellschaft. They have used the time to launch a new strategic process. Raiffeisenlandesbank Oberösterreich is aiming to lay the ground for the further expansion of the market share of Raiffeisenlandesbank Oberösterreich and the entire Raiffeisen Banking Group Upper Austria.

Productivity and customer orientation

Raiffeisenlandesbank Oberösterreich seeks to further increase productivity and to incorporate new ideas. These efforts are being made while increasing the customer focus for which Raiffeisenlandesbank Oberösterreich is justifiably famous. Our entire strategy and all our activities remain centred on the customer.

Outstanding preparation for new conditions

In addition, Raiffeisenlandesbank Oberösterreich wishes to use this phase of business segment assessment to prepare for the changed conditions with which banks are faced that, for example, were brought about by the new equity requirements in Basel III. All of our activities relating to earnings and the use of capital and liquidity will be made permanently transparent in the future for our customers. Raiffeisenlandesbank Oberösterreich will be doing this to ensure that available resources are employed in a manner that maximises benefit for both customers and the bank.

Careful assessment

Raiffeisenlandesbank Oberösterreich has sufficient liquidity and equity to deal effectively with the risks of the continuing turbulent international economic environment. The evaluation phase in recent months was also used to carefully assess risks and present them in the semiannual report.

Semiannual results of the Raiffeisenlandesbank Oberösterreich Aktiengesellschaft Group at a glance

- The trend of the balance sheet total reveals Raiffeisenlandesbank Oberösterreich's ongoing qualitative growth. The balance sheet total has gone up to EUR 39.2 billion (+ 2.3 per cent).
- The tier 1 ratio remains at a high level:
 - The reported midyear core capital of Raiffeisenlandesbank Oberösterreich was EUR 2.5 billion.
This corresponds to a tier 1 ratio of 10.1 per cent.
 - The tier 1 ratio in the Raiffeisenlandesbank Oberösterreich Group was 8.6 per cent in the middle of 2012.
- Despite the weak results of the companies accounted for at equity, the operating profit in mid-2012 was EUR 231.4 million (first half of 2011: EUR 248.6 million).
- Precautionary risk provisions affected pre-tax profit for the period in addition to the profit of the companies accounted for an equity. At mid-2012, pre-tax profit for the period amounts to EUR 138.7 million. This is EUR 53.4 million or 27.8 per cent less than the first half of 2011.

Record financing despite economic uncertainty

Despite the European debt crisis, rescue packages and economic uncertainty, Raiffeisenlandesbank Oberösterreich reported record financing for the first half of 2012. In the first six months of 2012, customer financing increased by EUR 0.3 billion, or 1.5 per cent up to EUR 20 billion.

Raiffeisenlandesbank Oberösterreich thereby underscored its important role as the most important bank for local companies, a bank that closely supports their activities at home and their successful exports and foreign projects.

Outlook

Raiffeisenlandesbank Oberösterreich hopes to attract new customers with its strong customer orientation as a regionally focused financing institution with a powerful global network. We invest in our customers' success. The interim results and existing and future strategies set the stage for a successful 2012. In addition, the risk assessment and Raiffeisenlandesbank Oberösterreich's many opportunities enabled by our strong core capital reserves as well as our close relationship with our customers will enable us to meet our customer's needs in the future as well.



Heinrich Schaller

Chairman of the Managing Board of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

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Interim management report for 2012 of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

2009 and 2010 were good to Upper Austria and the nation, and 2011 was outstanding. 2012 is fraught with global economic risks. The international situation has affected Austria as well, nevertheless the national economy remains comparatively robust.

In this challenging environment, Raiffeisenlandesbank Oberösterreich has proved to be a highly stable and reliable partner to its customers. The new management of Raiffeisenlandesbank Oberösterreich which took the helm on 31 March 2012 with Heinrich Schaller as the Chief Executive and Chairman of the Managing Board seeks to retain and expand this focus.

The strengths of Raiffeisenlandesbank Oberösterreich – a healthy financial base, its focus on customers, market penetration with market leadership in customer service, a global network and broad range of business sectors – yielded positive results in the first six months of 2012.

Results of Raiffeisenlandesbank Oberösterreich Group in the first half of 2012

- The trend of the balance sheet total reveals the ongoing qualitative growth of Raiffeisenlandesbank Oberösterreich. The balance sheet total has gone up to EUR 39.2 billion (+ 2.3 per cent).
- The tier 1 ratio remains at a high level:
 - The reported midyear core capital of Raiffeisenlandesbank Oberösterreich was EUR 2.5 billion.
This corresponds to a tier 1 ratio of 10.1 per cent.
 - The tier 1 ratio in the Raiffeisenlandesbank Oberösterreich Group was 8.6 per cent in the middle of 2012.
- Despite the weak results of the companies accounted for at equity, operating profit in mid-2012 was EUR 231.4 million (first half of 2011: EUR 248.6 million).
- Precautionary risk provisions affected pre-tax profit for the period in addition to the results of companies accounted for at equity. At mid-2012, pre-tax profit for the period amounting to EUR 138.7 million was reported. This is EUR 53.4 million or 27.8 per cent less than the first half of 2011.

Significant developments in the first half of 2012 subdivided by segment

Corporates & Retail

The Corporates & Retail segment comprises the business areas corporate customers and groups, SME support, major institutional customers, international financing and correspondent banking, the branch in South Germany and Raiffeisenlandesbank Oberösterreich's retail business.

Increased competitiveness

Despite international economic insecurity, Raiffeisenlandesbank Oberösterreich reported record financing for the first half of the year. In the first six months of 2012, customer financing increased by EUR 0.3 billion, or 1.5 per cent. With special financing models offered in the context of financial engineering services, Raiffeisenlandesbank Oberösterreich helps optimise the financing of its corporate customers and increase competitiveness.

Customer deposits and own issues were at a high level as of 30 June 2012 with a total volume of EUR 19.6 billion. With a volume of EUR 9.6 billion, customer deposits trailed 5.6 per cent below the level at the end of 2011. This is chiefly due to the enhanced investment activity of our customers. Whereas savings and fixed term deposits remained largely stable, payables on demand experienced a slight downward trend. Furthermore, Raiffeisenlandesbank Oberösterreich maintained a high level of cost awareness.

Financial markets

This segment includes the results of the trading areas (money, foreign exchange, stocks and shares), the treasury results from interest-rate management and hedging with customers and from the management of the banking book, as well as the income from services arising from the sales of securities. In the trading areas, customer business continues to take priority over in-house trading.

No influence from market turbulence

The national debt crisis in some euro countries was the primary factor influencing general trends during the first half of 2012. It led to increased volatility of some currencies compared to the euro and to noticeable fluctuations in the price of euro government bonds. Particularly the second quarter of 2012 was characterised by major uncertainty in the capital and finance markets arising from the situation in some euro countries. Given its position, Raiffeisenlandesbank Oberösterreich was able to ride out the turbulence, and there were no negative effects on business activities.

Investments

The investments segment includes the following portfolios:

- banks and financial institutions,
- venture and partner capital for companies in growth or succession situations as well as investments in companies of a special location interest,
- outsourced companies whose points of emphasis are not directly in the area of classical bank services and
- real estate / private-public-partnership investments

The board member in charge of investments, Reinhard Schwendtbauer, takes over the chairmanship of the VIVATIS Board of Supervisors

In addition, the corporate group of the GFA (Gesellschaft zur Förderung agrarischer Interessen in Oberösterreich GmbH), consisting of the “VIVATIS Holding AG” Group and the “efko Frischfrucht und Delikatessen GmbH” Group, has been assigned to the investment segment. In VIVATIS, Reinhard Schwendtbauer, who has been responsible for investments on the Management Board at Raiffeisenlandesbank Oberösterreich since 31 March 2012, has assumed the chairmanship of the Supervisory Board. Raiffeisenlandesbank Oberösterreich will be more closely involved with VIVATIS in the future and placing Reinhard Schwendtbauer on the VIVATIS Supervisory Board is an expression of this strategy.

AMAG shares expanded

In March of 2012, Raiffeisenlandesbank Oberösterreich acquired an additional 4.7 per cent of the share capital of AMAG Austria Metall AG from the existing shareholder, One Equity Partners. In addition, in the first half of 2012 a real estate company was acquired and incorporated into Raiffeisenlandesbank Oberösterreich’s group of companies.

Corporate Center

Under this rubric, revenue and yields are reported that do not fit into any other segment. One-time special effects are also recorded here to avoid distorting the results of the segments.

Outlook

Depending on possible political action and central bank policy, we anticipate further volatility in the markets during the second half of 2012. Given its position, Raiffeisenlandesbank Oberösterreich possesses sufficient liquidity to weather the negative effects of any future crises. For quite a while, investments in derivatives have been restricted to those with the best credit ratings. An expansion of the spread in our existing portfolio can be compensated by the profits and reserves we accumulated during the first six months of 2012.

Leading products and efficiency, and leadership in customer care

The trend of recent years and these interim results for 2012 offer a foundation for continued success at Raiffeisenlandesbank Oberösterreich. To remain on a positive track in a turbulent environment, Raiffeisenlandesbank Oberösterreich has introduced a strategy. The goals are to retain leadership in products and efficiency and in particular our leadership in customer care.

Stability within the overall Group

The strategically broad alignment of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft with its numerous strong business segments, efficient and targeted liquidity planning and administration, and comprehensive risk management, combined with prudent controlling ensure stability throughout Raiffeisenlandesbank Oberösterreich's group of companies. Both classic banking services and all other areas of business will continue to develop positively over the second half of the year, yielding an attractive annual result for 2012.

IFRS consolidated half-year financial statements 2012 (abridged)

Raiffeisenlandesbank Oberösterreich
Aktiengesellschaft, 4020 Linz, Europaplatz 1a

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Income statement

	1 Jan.-30 June 2012	1 Jan.-30 June 2011
	in EUR '000	in EUR '000
Interest and interest-related income	533,430	533,102
Interest and interest-related expenses	- 341,042	- 346,554
Result of companies that are accounted for at equity	116,373	130,509
Net interest income	308,761	317,057
Risk provisions	- 83,978	- 44,373
Net interest income after risk provisions	224,783	272,684
Fee and commission income	82,101	80,224
Fee and commission expenses	- 22,717	- 24,726
Net fee and commission income	59,384	55,498
Trading profit	8,149	10,870
Net income from designated financial instruments	3,886	2,647
Net income from investments	- 12,636	- 14,700
Other financial results	- 601	- 1,183
General administrative expenses	- 171,996	- 162,933
General administrative expenses VIVATIS/efko	- 104,851	- 101,705
Other operating income	27,751	24,463
Other operating income VIVATIS/efko	104,243	105,277
Pre-tax profit for the period	138,713	192,101
Taxes on income and earnings	- 3,638	- 576
After-tax profit for the period	135,075	191,525
of which shareholders' equity	130,702	185,110
of which minority interests	4,373	6,415

Consolidated operating result

	1 Jan.-30 June 2012 in EUR '000	1 Jan.-30 June 2011 in EUR '000
After-tax profit for the period	135,075	191,525
Change in value of AfS securities	63,095	41,596
Other profit from companies accounted for at equity	12,572	- 8,729
Change in value from the hedging of net investments	- 274	- 1,449
Currency differences	- 12	- 575
Other changes	- 66	56
Taxes recorded on this amount	- 15,705	- 10,037
Total of other results	59,610	20,862
Total results for the period	194,685	212,387
of which shareholders' equity	185,720	204,625
of which minority interests	8,965	7,762

Balance sheet

ASSETS	30 June 2012 in EUR '000	31 Dec. 2011 in EUR '000
Cash and cash equivalents	58,115	146,817
Loans and advances to banks	7,143,109	7,393,365
Loans and advances to customers	20,013,771	19,711,963
Trading assets	2,541,848	2,283,732
Financial assets	6,598,289	6,112,330
Companies accounted for at equity	2,014,289	1,848,003
Intangible assets	44,888	47,108
Property, plant and equipment	235,519	241,999
Investment property	105,370	66,928
Regular tax assets	67,386	65,599
Deferred tax assets	47,760	57,482
Other assets	338,173	350,347
Total	39,208,517	38,325,673

LIABILITIES	30 June 2012 in EUR '000	31 Dec. 2011 in EUR '000
Amounts owed to banks	13,592,749	12,452,948
Amounts owed to customers	9,573,610	10,139,857
Liabilities evidenced by certificates	8,272,941	8,268,045
Provisions	156,077	152,321
Regular tax liabilities	15,692	15,306
Deferred tax liabilities	24,495	17,675
Trading liabilities	1,906,912	1,670,187
Other liabilities	493,487	498,993
Subordinated capital	1,748,223	1,845,351
Equity	3,424,331	3,264,990
of which shareholders' equity	3,290,254	3,138,535
of which minority interests	134,077	126,455
Total	39,208,517	38,325,673

Statement of changes in equity

	Share capital in EUR '000	Participation capital in EUR '000	Capital reserves in EUR '000	Aggregate results in EUR '000	Subtotal in EUR '000	Minority interests in EUR '000	Total in EUR '000
Equity 1 Jan. 2012	253,000	298,765	697,838	1,888,932	3,138,535	126,455	3,264,990
Total results for the period	0	0	0	185,720	185,720	8,965	194,685
Dividends	0	0	0	- 34,001	- 34,001	- 1,343	- 35,344
Equity 30 June 2012	253,000	298,765	697,838	2,040,651	3,290,254	134,077	3,424,331

	Share capital in EUR '000	Participation capital in EUR '000	Capital reserves in EUR '000	Aggregate results in EUR '000	Subtotal in EUR '000	Minority interests in EUR '000	Total in EUR '000
Equity 1 Jan. 2011	253,000	298,765	697,838	1,667,813	2,917,416	114,855	3,032,271
Total results for the period	0	0	0	204,625	204,625	7,762	212,387
Dividends	0	0	0	- 21,950	- 21,950	- 1,135	- 23,085
Equity 30 June 2011	253,000	298,765	697,838	1,850,488	3,100,091	121,482	3,221,573

Cash flow statement

	1 Jan.-30 June 2012 in EUR '000	1 Jan.-30 June 2011 in EUR '000
Cash at the end of the previous period	146,817	134,640
Cash flow from operating activities	581,651	158,221
Cash flow from investing activities	- 522,921	- 56,912
Cash flow from financing activities	- 147,432	- 158,617
Cash and cash equivalents at the end of the previous period	58,115	77,332

Cash includes the balance sheet item "cash and cash equivalents" which consists of the cash in hand and balances payable on demand at central banks.

Segment reporting

1st half year 2012

	Corporates & Retail in EUR '000	Financial Markets in EUR '000	Investments in EUR '000	Corporate Center in EUR '000	Total in EUR '000
Interest and interest-related income / expenses	103,597	58,100	31,996	- 1,305	192,388
Result of companies that are accounted for at equity	0	0	116,373	0	116,373
Risk provisions	- 70,100	0	- 13,878	0	- 83,978
Net interest income after risk provisions	33,497	58,100	134,491	- 1,305	224,783
Net fee and commission income	24,439	11,558	23,387	0	59,384
Trading profit	1,152	5,968	1,029	0	8,149
Net income from designated financial instruments	0	3,226	660	0	3,886
Net income from investments	0	- 6,149	- 6,487	0	- 12,636
General administrative expenses	- 49,704	- 11,833	- 193,770	- 21,540	- 276,847
Other operating income	- 4,222	- 1,876	138,680	- 588	131,994
Pre-tax profit for the period	5,162	58,994	97,990	- 23,433	138,713

1st half year 2011

	Corporates & Retail in EUR '000	Financial Markets in EUR '000	Investments in EUR '000	Corporate Center in EUR '000	Total in EUR '000
Interest and interest-related income / expenses	108,817	37,200	35,548	4,983	186,548
Result of companies that are accounted for at equity	0	0	130,509	0	130,509
Risk provisions	- 31,008	0	- 13,365	0	- 44,373
Net interest income after risk provisions	77,809	37,200	152,692	4,983	272,684
Net fee and commission income	22,693	12,331	20,474	0	55,498
Trading profit	647	8,307	1,916	0	10,870
Net income from designated financial instruments	0	6,998	- 4,351	0	2,647
Net income from investments	- 1,950	- 12,846	96	0	- 14,700
General administrative expenses	- 43,992	- 12,644	- 186,760	- 21,242	- 264,638
Other operating income	- 3,358	- 1,585	135,397	- 714	129,740
Pre-tax profit for the period	51,849	37,761	119,464	- 16,973	192,101

Other information

The consolidated financial statements of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft were prepared in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and international accounting and financial reporting standards based on the IAS Regulation (EC) 1606/2002 as adopted by the EU. These abbreviated interim financial statements as of 30 June 2012 conform to IAS 34.

The same accounting principles and consolidation methods have been used in this interim report as were used in compiling the 2011 consolidated financial statements.

These half-year group financial statements as of 30 June 2012 are neither subject to an audit nor to an audit review.

In accordance with the decision made at the annual general meeting on 21 May 2012 about the use of profit from 2011, in the first half of 2012 dividends of EUR 22,910,000 were paid out on preferred shares and EUR 11,091,000 on participation capital of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft. This means that the dividend for each preferred share was EUR 30.58.

Statement of the Managing Board

We confirm to the best of our knowledge that these abridged half-year consolidated financial statements, prepared according to proper accounting standards, present a true and fair view of the group's assets, financial position and earnings and that the group's half-year management report presents a true and fair view of the group's assets, financial position and earnings

in respect of the most important events in the first six months of the business year and their effects on the abridged half-year consolidated financial statements and in respect of the most significant risks and uncertainties in the remaining six months of the business year.

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz

Linz, 20 August 2012

THE MANAGING BOARD



Heinrich Schaller
Chief Executive and Chairman of the Managing Board



Hans Schilcher
Deputy Chief Executive



Michaela Keplinger-Mitterlehner
Member of the Managing Board



Reinhard Schwendtbauer
Member of the Managing Board



Georg Starzer
Member of the Managing Board



Markus Vockenhuber
Member of the Managing Board

The responsibilities of the individual Board members are shown in the following organisational chart.

Managing Board of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft and their responsibilities

Heinrich Schaller Chief Executive and Chairman of the Managing Board	Hans Schilcher Deputy Chief Executive	Michaela Keplinger-Mitterlehner Member of the Managing Board	Reinhard Schwendtbauer Member of the Managing Board	Georg Starzer Member of the Managing Board	Markus Vockenhuber Member of the Managing Board
International Business Division	Cash management	Retail banking	Groups/ Czech Republic market	Major institutional customers	Financing management
Support for Raiffeisen banks and human resources	Treasury services	Treasury/financial- markets	SME support, Consulting on subsidies, Financing management Support for Raiffeisen banks	Corporate & project finance	Trust fund loans
Security and property administration	Securities services	Marketing/sales	Investment management	Corporate customers	Legal office
Controlling, organisa- tion and accounting	Raiffeisen-IMPULS- Leasing Gesellschaft m.b.H.	PRIVAT BANK AG		Raiffeisenlandesbank Oberösterreich branch in Southern Germany	Structured financing analysis
Internal auditing	activ factoring AG	KEPLER-Fonds Kapitalanlagegesells- chaft m.b.H.		REAL-TREUHAND Management GmbH	
Strategic marketing	TSC telephone service center (Raiffeisenbanken Service GmbH)			RVM Raiffeisen- Versicherungsmakler GmbH	
Public affairs	RACON Software GmbH			RVD Raiffeisen- Versicherungsdienst GmbH	
Public relations and media services	GRZ IT Center Linz GmbH				
Legal Corporate Governance					
GDL Handels- und Dienstleistungs GmbH					
Reisewelt GmbH					

■ Organisational unit
■ Subsidiary



**Raiffeisen
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Oberösterreich

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