

Interim Financial Report as of 30 June 2011

CREATIVE STRENGTH EXPERTISE CUSTOMER FOCUS



**Raiffeisen
Landesbank**

Oberösterreich

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Foreword

Interim Report 2011 confirms our successful business model

With high levels of expertise, extraordinary creative strength and a unique customer focus, Raiffeisenlandesbank Oberösterreich was again successful in the first half of 2011. We do not solely concentrate on our core business, but try to offer our customers a wide range of products in many different areas.

By focussing on what is positive, doable and above all easy to understand, we bring sustainable transparency to all business areas and stability to our customer relations. In times where other banks left their customers and turned to speculative business we remained with our customers. Raiffeisenlandesbank Oberösterreich is an encourager, we demonstrate motivation, optimism and innovation. We apply these strengths to help our customers be successful.

Customer deposits
have gone up to
19.9 billion.

Key indicators for the financial year 2011

■ **Balance sheet total growth reflects qualitative growth**

The balance sheet total for the first six months of 2011 rose by 3.7 per cent to EUR 36.8 billion.

■ **No brakes on financing**

Growth in customer financing: 5.4 per cent to EUR 19.2 billion.

■ **High level of competitiveness and risk-bearing capacity**

Thanks to a 39.9 per cent (without VIVATIS/efko) cost-income ratio in the first half of 2011 and sufficient risk provisions, Raiffeisenlandesbank Oberösterreich is in a competitive position and has great risk-bearing capacity for its customers.

■ **Positive trend in customer deposits**

Customer deposits were further increased to EUR 19.9 billion (+3.4 per cent).

■ **Growth in operating profit**

Operating profit increased to EUR 248.5 million in the first half of 2011. This was 44.5 per cent above the same period in the previous year, the result (among other things) of applying the equity method for reporting voestalpine AG and Raiffeisen Zentralbank Österreich Aktiengesellschaft.

930,484 customers
trust Raiffeisen
Banking Group
Oberösterreich

Upper Austria's safest banking group has high customer shares

Because of its unique customer focus, Raiffeisen stands for a notable amount of stability and security: According to a Spectra survey, 88 per cent of Upper Austrians consider the Raiffeisen Banking Group Oberösterreich to be the most secure banking group. The high amount of trust people place in the Raiffeisen Banking Group Oberösterreich is reflected in particular in the number of customers and the customer shares:

- On the reporting date 30 June 2011, 930,484 customers had placed their trust in the optimal quality of customer support offered by the Raiffeisen Banking Group Oberösterreich.
- The customer shares at the end of June 2011 were:

Children (under 14)	56.8 %
Adolescents (15 – 18)	59.8 %
Students	61.1 %
Employees	60.1 %
The 50+ generation	59.6 %
Freelance professions	59.3 %
Small and medium-sized enterprises	53.1 %
Industrial companies	79.8 %
Farmers	89.1 %

Responsible for stabilising the companies

As Austria's strongest regional bank, Raiffeisenlandesbank Oberösterreich bears a special responsibility for the companies and people in the state. We lived up to this responsibility intensively, above all during the economic and financial turbulence, helping and financing 29 companies through a difficult phase. This saved 7,430 jobs. Our commitment was worth the effort: more than half of these companies are already back out of the danger zone.

Strong international network

Exports are an important economic engine. In order to help customers deal with their activities abroad in the best manner, Raiffeisenlandesbank Oberösterreich has built up a global network with the strongest banks in the world. This powerful global service network currently includes 16 partner banks and 1650 correspondent banks. These partners ensure that our customers are supported in the best way suitable for them.

We are, for example, currently supporting the following customers in the following countries:

- 21,310 companies in Central and Eastern Europe, of which
- 440 are doing business in Russia,
- 761 in China,
- 310 in India and
- 844 in Turkey.

Close connections to Southern Russia

Eastern European countries, with Russia at the forefront, will become increasingly important business partners with their dynamic growth markets. The Southern Russian region of Krasnodar, where the 2014 Olympic Games will take place in the city of Sochi, is among the most prosperous areas of Russia. In order to be able to better support our customers in these regions, Raiffeisenlandesbank Oberösterreich invested in Krayinvestbank at the beginning of this year, a bank which is owned by the Krasnodar government. This step intensifies the contacts to the government and this dynamic region.

This international network includes 16 partner banks and 1650 correspondent banks.

Special economic programme

In addition to promoting export activities, Raiffeisen Oberösterreich also stimulates domestic business. In 2011 we carried on intensively with the special economic programme to strengthen numerous small and medium-sized enterprises in Upper Austria. At the heart of this initiative is the dynamic renewal of single and multi-family residences and public buildings and the revitalisation of town centres. This is an important stimulus to creating value.

The record so far:

7,439 single and multi-family homes have already been renewed, 8,474 are in the planning stage. This totals 15,913 renewals, generating a total investment volume of EUR 795.6 million.

Together with the 141 town centres, this amounts to a total of investment volume of more than a billion euros. That means orders in the books for companies, making an important contribution to securing jobs and helping the environment. This saving of energy means a reduction of CO₂ emissions by 49,000 tonnes every year.

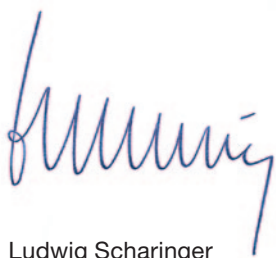
452nd Raiffeisenbank has been opened

With 96 Raiffeisen banks, Raiffeisen Oberösterreich is the most important local financial supplier in Upper Austria. In March 2011 the bank branch in Gruberstrasse in Linz was opened. This is Raiffeisenlandesbank Oberösterreich's 20th bank branch in Linz and the 452nd Raiffeisen bank branch all together.

Good perspectives for the future

In the first half of 2011 we have seen the economy stabilise further. However, we are not assuming the developments will be uniform. While in the EU Austria, Germany and Northern Europe have seen a positive trend and the Eastern member states have remained fast-growing, the Southern European countries will have to make increasing efforts. We can assume that growth rates in Eastern Europe – above all Russia – will continue to be high, as in India and China. This means that, for our economy, which is strongly focussed on exports, Eastern European and Asian markets will become more and more important.

The Raiffeisen Banking Group Oberösterreich has the creative strength to take advantage of opportunities together with its customers. With our proven principles we will continue our successes in the future as well.

A handwritten signature in blue ink, appearing to read 'L. Scharinger', with a stylized, cursive script.

Ludwig Scharinger

Chairman of the Management Board of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

Interim Management Report for 2011 of the Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

- Since the beginning of the year
 - the balance sheet total has gone up EUR 36.8 billion (+3.7 per cent),
 - customer deposits (liabilities to customers, securitised liabilities and subordinated capital) have risen from EUR 19.3 billion to EUR 19.9 billion (+3.4 per cent) and
 - customer financing has gone up from EUR 18.2 billion to EUR 19.2 billion (+5.4 per cent).

- The operating profit rose in the first half of 2011 to EUR 248.5 million (+44.5 per cent) compared to the same period in the previous year, resulting (among other things) from the equity method of reporting voestalpine AG and Raiffeisen Zentralbank Österreich Aktiengesellschaft.

- The core capital ratio remained at its continuous high level, amounting to 10.0 per cent of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft in the first half of 2011. If we were to use all our reserves we would have a core capital ratio of 13.2 per cent.

Significant developments in the first half of 2011 subdivided by segment

Corporates & Retail

The Corporates & Retail segment comprises the business areas corporate customers and groups, SME support, major institutional customers, cash management, international finance and correspondent banking and Raiffeisenlandesbank Oberösterreich's retail business.

930,484 customers as of 30 June 2011

Thanks to its special focus on customers Raiffeisen Oberösterreich was able to win over new customers in the first half of 2011 as well: as of 30 June 930,484 customers were placing their trust in the Raiffeisen Banking Group Oberösterreich

Global support and performance network

In order to maintain support efficiency at its extraordinarily high level and to keep costs as low as possible, Raiffeisenlandesbank Oberösterreich has created a dynamic and powerful support network consisting of the world's strongest banks. Raiffeisenlandesbank Oberösterreich supports customers in their global activities via a network of 16 partner and 1,650 correspondent banks with numerous special services.

Our customers make active use of this network. At this time the Raiffeisen Banking Group Oberösterreich is supporting 21,310 companies with their business in Central and Eastern Europe. Of these, 440 are doing business in Russia, 761 in China, 310 in India and 844 in Turkey.

Financing opportunities

Its lasting, successful development has enabled Raiffeisenlandesbank Oberösterreich to invest equity in various kinds of financing. Special financing models such as corporate bonds, hybrid bonds, profit participation bonds, mezzanine capital, direct shareholdings, silent partnerships and the use of profit-sharing rights are becoming increasingly important for companies. With these products, Raiffeisenlandesbank Oberösterreich helps optimise the financing for its corporate customers, increasing their competitiveness.

Financial Markets

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

General developments in the first half of 2011 focussed on the topic of debt in some euro countries. It led to increased volatility of some currencies compared to the euro and to noticeable fluctuations in the price of euro government bonds. Raiffeisenlandesbank Oberösterreich's conservative strategy in the bank book and in the trading book proved its worth in such a market environment.

Investments

The investments segment comprises 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 locational interest,
- outsourced companies whose points of emphasis are not directly in the area of classical bank services and
- real estate / private public partnership investments.

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, is assigned to this investment segment.

Corporate Center

Here, consolidation processes are shown across segments, as well as revenue and yields where the content does not fit into any other segment. One-time special effects are also recorded here to avoid distorting the results of other segments.

Outlook

We will continue along the path of success

As part of our comprehensive risk management system, market, loan, liquidity and operational risks are identified, managed and continually subjected to careful controls. These results and the strategic orientation of the Raiffeisenlandesbank Oberösterreich Aktiengesellschaft Group on several strong business fields are the best prerequisite for Raiffeisenlandesbank Oberösterreich to continue along its path of success and, together with its customers, take advantage of the chances the future has to offer. We expect primary customer business as well as the other business areas to continue to develop solidly and positively. As a result, we are anticipating good annual results for 2011.

IFRS consolidated half-year financial statements 2011 (abridged)

Income Statement

	01.01.-30.06 2011 in EUR '000	01.01.-30.06 2010 in EUR '000
Interest and interest-related income	533,102	542,363
Interest and interest-related expenses	-346,554	-344,900
Result of companies that are accounted for at equity	130,509	36,677
Net interest income	317,057	234,140
Risk provisions	-44,373	-55,591
Net interest income after risk provisions	272,684	178,549
Fee and commission income	80,224	74,018
Fee and commission expenses	-24,726	-25,438
Net fee and commission income	55,498	48,580
Trading profit	10,870	5,545
Net income from designated financial instruments	2,647	32,767
Net income from investments	-14,700	-5,729
Other financial results	-1,183	32,583
Administrative expenses	-162,933	-155,779
Administrative expenses VIVATIS/efko	-101,705	-95,440
Other operating income	24,463	37,344
Other operating income VIVATIS/efko	105,277	97,648
Profit before tax	192,101	143,485
Taxes on income and earnings	-576	-13,975
After-tax profit for the period	191,525	129,510
of which shareholders' equity	185,110	125,227
of which minority interests	6,415	4,283

Statement of Comprehensive Income

	01.01.-30.06 2011 in EUR '000	01.01.-30.06 2010 in EUR '000
Profit for the period	191,525	129,510
Change in value of AfS securities	41,596	-13,246
Other profit from companies accounted for at equity	-8,729	7,999
Change in value from the hedging of net investments	-1,449	-1,420
Currency differences	-575	623
Other changes	56	-468
Taxes recorded on this amount	-10,037	3,666
Total of other results	20,862	-2,846
Total results for the period	212,387	126,664
of which shareholders' equity	204,625	123,225
of which minority interests	7,762	3,439

Balance Sheet

ASSETS	30.06.2011 in EUR '000	31.12.2010 in EUR '000
Cash and cash equivalents	77,332	134,640
Loans and advances to banks	7,386,366	6,868,753
Loans and advances to customers	19,177,216	18,191,936
Trading assets	1,258,064	1,560,917
Financial assets	6,281,887	6,310,818
Companies accounted for at equity	1,820,625	1,649,872
Intangible assets	52,902	55,869
Property, plant and equipment	241,095	246,812
Investment property	68,239	74,866
Regular tax assets	56,927	62,416
Deferred tax assets	67,662	73,763
Other assets	347,629	299,384
Total	36,835,944	35,530,046

LIABILITIES	30.06.2011 in EUR '000	31.12.2010 in EUR '000
Amounts owed to banks	11,743,283	11,307,514
Amounts owed to customers	10,040,337	9,293,512
Liabilities evidenced by certificates	8,015,099	7,958,323
Provisions	153,580	154,610
Regular tax liabilities	8,824	18,603
Deferred tax liabilities	24,237	20,905
Trading liabilities	1,011,562	1,227,072
Other liabilities	758,081	513,865
Subordinated capital	1,859,368	2,003,371
Equity	3,221,573	3,032,271
of which shareholders' equity	3,100,091	2,917,416
of which minority interests	121,482	114,855
Total	36,835,944	35,530,046

Development of 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 01 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

	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 01 Jan. 2010	253,000	298,765	697,838	1,110,018	2,359,621	115,890	2,475,511
Total results for the period	0	0	0	123,225	123,225	3,439	126,664
Dividends	0	0	0	-25,898	-25,898	-1,639	-27,537
Purchase of minority interests	0	0	0	-19,098	-19,098	-11,810	-30,908
Equity 30 June 2010	253,000	298,765	697,838	1,188,247	2,437,850	105,880	2,543,730

Cash Flow Statement

	01.01.-30.06 2011 in EUR '000	01.01.-30.06 2010 in EUR '000
Cash at the end of the previous period	134,640	202,962
Cash flow from operating activities	158,221	-100,659
Cash flow from investing activities	-56,912	-52,385
Cash flow from financing activities	-158,617	143,450
Cash at the end of the period	77,332	193,368

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

1. half year 2011

	Corporates & Retail in EUR '000	Financial Markets in EUR '000	Invest- ments 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
Administrative expenses	-43,992	-12,644	-186,760	-21,242	-264,638
Other operating income	-3,358	-1,585	135,397	-714	129,740
Profit before tax	51,849	37,761	119,464	-16,973	192,101

1. half year 2010

	Corporates & Retail in EUR '000	Financial Markets in EUR '000	Invest- ments in EUR '000	Corporate Center in EUR '000	Total in EUR '000
Interest and interest-related income / expenses	107,733	19,908	63,771	6,051	197,463
Result of companies that are accounted for at equity	0	0	36,677	0	36,677
Risk provisions	-50,445	0	-5,146	0	-55,591
Net interest income after risk provisions	57,288	19,908	95,302	6,051	178,549
Net fee and commission income	21,000	11,701	15,879	0	48,580
Trading profit	678	7,534	-2,667	0	5,545
Net income from designated financial instruments	0	34,911	-2,144	0	32,767
Net income from investments	-3,000	2,226	-4,955	0	-5,729
Administrative expenses	-51,996	-13,423	-179,833	-5,967	-251,219
Other operating income	231	380	133,055	1,326	134,992
Profit before tax	24,201	63,237	54,637	1,410	143,485

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 2011 conform to IAS 34.

The same accounting principles and consolidation methods have been used in this interim report as were used in compiling the 2010 consolidated financial statements.

This half-year group financial statements as of 30 June 2011 are neither subject to an audit nor to an audit review.

In accordance with the decision made at the annual general meeting on 30 May 2011 about the use of profit from 2010, in the first half of 2011 dividends of EUR 12,571,000 was paid out on preferred shares and EUR 9,379,000 on participation capital of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft. This means that the dividend for each preferred share was EUR 16.78.

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.

Linz, 22 August 2011

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz

THE MANAGING BOARD

Ludwig Scharinger
Chief Executive and Chairman of the Managing Board

Hans Schilcher
Deputy Chief Executive

Georg Starzer
Member of the Managing Board

Michaela Keplinger-Mitterlehner
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

Ludwig Scharinger Chief Executive and Chairman of the Managing Board	Hans Schilcher Deputy Chief Executive	Georg Starzer Member of the Managing Board	Michaela Keplinger-Mitterlehner Member of the Managing Board	Markus Vockenhuber Member of the Managing Board
SME support, Consulting on subsidies Finance Management Support Raiffeisen Banks	Cash management	Major institutional customers	Retail banking	Financing management
Correspondent banking and syndications, international finance	Treasury services	Groups	Treasury/Financial markets	Trust fund loans
Czech Republic market	Securities Services	Corporate customers	Marketing/Sales	Legal office
Support for Raiffeisen banks and human resources	Raiffeisen-IMPULS-Leasing Gesellschaft m.b.H.	Raiffeisenlandesbank OÖ branch in Southern Germany	PRIVAT BANK AG	Analysis Structured Financing
Security and property administration	activ factoring AG	REAL-TREUHAND Management GmbH	KEPLER-Fonds Kapitalanlagegesellschaft m.b.H.	
Controlling, organisation and accounting	TSC Telephon Service Center (Raiffeisenbanken Service GmbH)	RVM Raiffeisen-Versicherungsmakler GmbH		
Investment management	RACON Software GmbH	RVD Raiffeisen-Versicherungsdienst GmbH		
Internal auditing	GRZ IT Center Linz GmbH			
Strategic marketing	LOGIS IT Service GmbH			
Office of the Managing Board				
Economic and market research				
Public relations and media services				
Event management				
Legal Corporate Governance				
GDL Handels- und Dienstleistungs GmbH				
Reisewelt GmbH				

Organisational unit
 Subsidiary

