IFRS INTERIM FINANCIAL REPORT

2015

Raiffeisen Landesbank Oberösterreich

CONTENTS

Interim Financial Report 2015

Control measures for customer satisfaction, strength, and success

Heinrich Schaller
Chairman of the Managing Board of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

Reliability, trust, security and modernity bring success. This has made Raiffeisenlandesbank Oberösterreich the fourth-largest bank in Austria.

Stable developments

Adequate capitalisation and solid liquidity form the foundation for Raiffeisenlandesbank Oberösterreich's intense focus on customers. The profits generated from this will be used to the benefit of our customers and partners. This broad orientation also ensures stable development; strong areas of business can compensate well for negative external factors.

Ongoing strategy development

The regular repositioning and further development of strategy guarantees that the Raiffeisenlandesbank Oberösterreich will continue to enjoy solid development, even in an environment that is changing constantly and rapidly. Control measures in all segments focus on customer satisfaction as well as ongoing increases in efficiency, and therefore on strength and success.

RLB OÖ fulfils high ECB standards

In operative banking business, customers can have trust in our mobility, flexibility, and rapid decision-making, as well as our top service quality and special professional expertise. Moreover, Raiffeisenlandesbank Oberösterreich meets the high standards that the European Central Bank applies to a "significant" bank.

Very good interim results

Raiffeisenlandesbank Oberösterreich had very good results in the first six months of 2015. The stability of Raiffeisenlandesbank Oberösterreich also showed in particular in its capital resources. Growth of 0.8 percentage points to 12 per cent was posted in Tier 1 capital (banking group). The equity capital ratio (banking group) rose to 15.1 per cent (+0.4 percentage points).

Pre-tax profit for the period in the Raiffeisenlandesbank Oberösterreich Group was EUR 190.3 million (+ EUR 129.9 million), the second-highest period result in the Group's history. After-tax profit for the period was

EUR 169.3 million for the first half of 2015 (+ EUR 93.3 million).

The braking effect from external factors diminished in the first six months of 2015. In addition, there were positive valuation effects.

- There was good, stable development in the first six months of the year in the operative banking business. For example, investment financing saw growth of 1.8 per cent.

- Furthermore, the probability of default for financed companies improved significantly. This had a positive effect on the portfolio value adjustment of the “Allowances for losses on loans and advances” item.

- A positive “yo-yo” effect for valuations: While valuation effects were negative in the interim and annual balance sheets in 2014, positive effects were created in the interim balance sheet for 2015 due to measurements on the balance sheet date mandated by the IFRS international accounting guidelines, such as market value changes connected with rising long-term interest rates, or spread changes.

- The headwind from external factors has also let up, although Raiffeisenlandesbank Oberösterreich, as the primary co-owner of Hypo Salzburg and Hypo Oberösterreich, took out additional HETA allowances, which were recorded at a total of EUR 11.9 million.

Outlook

In the past months, the Raiffeisenlandesbank Oberösterreich has implemented additional measures to increase efficiency. We are planning on merging the PRIVAT BANK Group into Raiffeisenlandesbank Oberösterreich in the coming months. PRIVAT BANK and bankdirect.at will then be run as their own business areas. This will save expensive double reporting in regulatory terms while retaining excellent customer service. This will enable PRIVAT BANK and bankdirect.at to direct their resources in future to direct business with their customers.

Raiffeisenlandesbank Oberösterreich is a reliable and strong partner for its customers, thanks to organisational changes and measures that improve efficiency. Raiffeisenlandesbank Oberösterreich will continue this process in the interest of its customers.

Heinrich Schaller
Chairman of the Managing Board of
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

INTERIM MANAGEMENT REPORT 2015

Raiffeisenlandesbank Oberösterreich
Aktiengesellschaft, 4020 Linz, Europaplatz 1a

Interim Management Report 2015 of the Group of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

1. Report on business development and the economic situation

1.1 Economic background

Despite an overwhelming expansive fiscal policy and affordable raw materials, the global economy is only slowly gaining momentum. Investment activity and growth in productivity are very sluggish, and businesses are adopting a wait-and-see attitude.

In the first quarter of 2015, the global recovery was slowed by the traditionally weak start to the year in the U.S. economy. This slowdown was only temporary, though. In the second quarter, the U.S. economy delivered a solid performance at 2.3%, and preliminary indicators suggest that this dynamic may continue through the rest of the year. The labour market in particular was very robust. Accordingly, the U.S. Federal Reserve already began some time ago to send signals to prepare for an interest rate increase in the third or fourth quarter of 2015.

The euro countries were able to post slight growth of 0.4% in the first quarter generated by consumer activity and investment. Spain (+0.9%) and France (+0.6%) posted surprisingly positive results. Italy was also able to report growth (+0.3%) after a long economic slump. The eastern EU member states are developing particularly well, such as the Czech Republic, Poland, and Romania.

Inflation in the euro zone is currently at a very low to negative level, characterised by low raw material prices. The low point may have been reached however in January 2015. The ECB expects an inflation rate of 0.3% for all of 2015 and is attempting with an extremely expansionary fiscal policy (the lowest interest rate and quantitative easing) to secure medium-term inflation forecasts of close to, but under, 2%.

Austria is lagging behind the euro zone, but a good development is emerging slowly: GDP grew by 0.3% in the second quarter of 2015 after 0.2% in the first quarter and stagnation in the third and fourth quarters of 2014. Preliminary indicators remain at a very low level, and the atmosphere is very subdued. Higher growth brought on by stronger stimulation of domestic demand (effects from tax reforms, low inflation, a generally more optimistic mood due to stronger growth in the euro zone) is not expected until 2016.

Emerging countries cannot currently fulfil their earlier role as engines of global growth. Many of these countries are in difficult situations. Brazil and Russia slid into a pronounced recession with high inflation pressure. The Chinese economy continues to cool down, and the state and the central bank are working against this development with ongoing stimuli.

1.2 Business development

There was good, stable development in the first six months of the year in the operative banking business. Both deposits and financing continued to remain at a high level. The treasury result and the development of important companies in which the Raiffeisenlandesbank Oberösterreich has holdings were extremely satisfactory.

Furthermore, the effects of external factors and valuation effects in the first six months of 2015 were not just lower than in the previous year, but even brought along significantly positive results. This can be attributed to such factors as the changed market environment in the interest landscape.

The broad orientation of Raiffeisenlandesbank Oberösterreich and the intensive cooperation within the entire Raiffeisen Banking Group Upper Austria ensures sustainability and stability in our focus on customers and business development. This is also clear in the Tier 1 capital ratio at Raiffeisenlandesbank Oberösterreich: the CET 1 ratio at Raiffeisenlandesbank Oberösterreich stood at 12.0% on 30 June 2015. This represents an increase of 0.8 percentage points.

A number of different measures and projects are ensuring that we meet current challenges and additional legal regulations in the context of active cost and risk management. We are constantly thinking about utilising synergies and further intensifying our focus on the customer, thereby improving our efficiency even more.

Group structure

For the IFRS interim report as at 30 June 2015, the basis of consolidation of Raiffeisenlandesbank Oberösterreich includes 154 group companies, incl. Raiffeisenlandesbank Oberösterreich as Group parent (31 December 2014: 154) and with these companies fully consolidated in the Group, and seven (31 Dec. 2014: seven) companies reported under the equity method. There were no changes in the scope of consolidation in the first half of 2015.

Income statement

	1 Jan. – 30 June 2015	1 Jan. – 30 June 2014	Change	
	in EUR m	in EUR m	in EUR m	in %
Interest and interest-related income/expenses	193.1	211.8	–18.7	–8.8
Share of profit or loss of equity-accounted investments	78.6	51.7	26.9	52.0
Net interest income	**271.7**	**263.5**	**8.2**	**3.1**
Loan loss allowances	–13.1	–68.9	55.8	–81.0
Net interest income after Loan loss allowances	**258.6**	**194.6**	**64.0**	**32.9**
Net fee and commission income	**57.3**	**60.3**	**–3.0**	**–5.0**
Net trading income	1.9	5.8	–3.9	–67.2
Net income from designated financial instruments	37.6	–73.2	110.8	–
Net income from investments	1.8	24.3	–22.5	–
Other net financial income/ Other net finance costs	**41.3**	**–43.1**	**84.4**	–
General administrative expenses	–218.1	–204.6	–13.5	6.6
General administrative expenses OÖ Wohnbau	–17.6	–18.2	0.6	–3.3
General administrative expenses VIVATIS/efko	–128.9	–123.5	–5.4	4.4
Other net operating income	43.3	44.9	–1.6	–3.6
Other net operating income OÖ Wohnbau	23.6	23.2	0.4	1.7
Other net operating income VIVATIS/efko	130.8	126.8	4.0	3.2
Pre-tax profit for the period	**190.3**	**60.4**	**129.9**	**215.1**
Taxes on income and earnings	–21.0	15.6	–36.6	–
After-tax profit for the period	**169.3**	**76.0**	**93.3**	**122.8**
Operating profit	**164.0**	**178.2**	**–14.2**	**–8.0**

Net interest income without the share of profit or loss of equity-accounted investments fell year-on-year by EUR –18.7 million, or –8.8%, to EUR 193.1 million. In addition to interest income from loans and advances to customers and banks as well as fixed-income securities, this also reflects yields from shares and other variable-yield securities as well as from equity investments. Interest expenses arise in conjunction with amounts owed to customers and banks, with securitised liabilities and with subordinated capital.

The share of profit or loss of equity-accounted investments was higher by EUR 26.9 million, or 52.0%, at EUR 78.6 million. This is due primarily to the positive development in results from the RZB Group and voestalpine AG. This item was also affected by the amortisation on holdings in the Oberösterreichische Landesbank AG in the first half of 2015 in the amount of EUR –9.7 million (H1 2014: EUR –25.5 million).

Allowances for losses on loans and advances (loan loss allowances) fell by EUR 55.8 million, or –81.0%, to EUR –13.1 million compared with the previous same half year period. This also includes, among other things, the increased allowances for losses on loans and advances connected with the HETA ASSET RESOLUTION AG (HETA) in the Salzburger Landes-Hypothekenbank Aktiengesellschaft in the first half of 2015 in the amount of EUR –7.4 million. Furthermore, changes in the probability of defaults in the portfolio valuation led to reversals.

Net fee and commission income fell by –5.0% to EUR 57.3 million.

The other financial results – consisting of net trading income, net income from designated financial instruments and net income from investments – amounted to EUR 41.3 million in the first half of 2015. Due to interest and spread effects in market-valued positions, there was a change of EUR 110.8 million compared to the first half of 2014 in the net income from designated financial instruments.

Personnel expenses, general administrative expenses, depreciation and amortisation are recognised in the income statement under “general administrative expenses”. The general administrative expenses from the “OÖ Wohnbau” companies amounted in the first half of 2015 to EUR 17.6 million. The administrative expenses of the companies in the food sector – consisting of the “VIVATIS Holding AG” Group and the “efko Frischfrucht und Delikatessen GmbH” Group – climbed year-on-year by 4.4% or EUR 5.4 million. General administrative expenses at the other fully consolidated group companies rose by EUR 13.5 million or 6.6%.

Other operating income primarily includes the gross profit (income minus income-related expenses) of non-bank group companies. The OÖ Wohnbau companies generated other operating income of EUR 23.6 million. At the companies in the foodstuffs sector (VIVATIS/efko), other operating income rose by EUR 4.0 million or 3.2% to EUR 130.8 million. At the other group companies, other operating income stood at EUR 43.3 million. This item includes first-time expenses of EUR 12.8 million for the expected annual fees for 2015 of the credit institute in the IFRS Group for liquidation funds.

Taxes on income and earnings stood at EUR –21.0 million in the first half of 2015 (H1 2014: EUR 15.6 million). The EUR 36.6 million drop is mainly due to changes in deferred taxes.

Pre-tax profit for the period amounted in the half year results for 2015 to EUR 190.3 million. After-tax profit for the period more than doubled to EUR 169.3 million compared with the half year results for 2014.

In comparison to the first half of 2014, operating profit includes newly increased amounts from bank levies and expenses for the newly funded liquidation fund. The extent of these effects explains why the operating profit came out lower in comparison to the first half of 2014, at EUR –14.2 million.

Statement of comprehensive income

	1 Jan. – 30 June 2015 in EUR m	1 Jan. – 30 June 2014 in EUR m	Change in EUR m
After-tax profit for the period	**169.3**	**76.0**	**93.3**
Change in value of AfS reserves	–53.0	102.7	–155.7
Other share of profit or loss of equity-accounted investments	–1.6	–28.0	26.4
Additional other profit or loss	–1.4	–0.6	–0.8
Deferred taxes on these items	13.7	–25.6	39.3
Total Other Comprehensive Income (OCI)	**–42.3**	**48.5**	**–90.8**
Total comprehensive income for the period	**127.0**	**124.5**	**2.5**

The other results ("Other Comprehensive Income", OCI) in the first half of 2015 amounted to EUR –42.3 million. This development can be attributed primarily to loss on remeasurement in "financial assets available for sale (AfS)". This deals particularly with bonds, the value of which was reduced by the increase in long-term capital market interest rates as well as spread effects in the first half of 2015.

Business development in the segments

The segment reporting is based on the market segment calculation in the internal management accounts, in accordance with IFRS 8. This is a graduated breakeven analysis that illustrates customer responsibility within the Raiffeisenlandesbank Oberösterreich Group as the head of the group and the most important company in the Group. For Group purposes, the presentation of the subsidiaries, holdings balanced at equity, and related consolidation effects are presented in the Investments segment. The segments are presented regularly in the context of reporting to the Managing Board to support decision-making, management, and resource distribution.

The segment reporting is divided into the following four segments:

- Corporates & Retail
- Financial Markets
- Equity investments
- Corporate Center

Corporates & Retail segment

The "Market Corporates" in the Corporates & Retail segment is included in the form of banking locations of Raiffeisenlandesbank Oberösterreich, with the former's crucial units of Corporates, Institutions, International Finance, Real estate projects, Industrial projects, Correspondent Banking, and Southern Germany, as well as the "Retail" business area. The Corporates & Retail segment achieved a net profit in the first half year of 2015 of EUR 44.5 million in the first half of 2015. (H1 2014: EUR 16.7 million). The positive development in results can be attributed to such factors as reversals in portfolio value adjustments.

Financial Markets segment

In the Financial Markets segment, the trade and service results are summarised from customer transactions in foreign exchange, securities and derivatives. Furthermore, the result from the central interest rate and liquidity management of the banking and trading books is included in this segment. The Financial Markets segment also made a positive contribution to the pre-tax net profit for the first half year of 2015 amounting to EUR 74.4 million (H1 2014: 2.9 million). The strong rise in this segment is connected to increasing long-term capital market interest rates as well as spread effects that are expressed in market-valued items in net income from designated financial instruments.

Investments segment

The Investments segment includes all direct and indirect holdings of Raiffeisenlandesbank Oberösterreich. Aside from the most important fully consolidated subsidiaries, this segment also includes subsidiaries and other holdings that are reported under the equity method or at fair value, or at the cost of purchase if a fair value cannot be measured reliably. The Investments segment achieved a pre-tax net profit for the period of EUR 92.5 million in the first half of 2015 (H1 2014: EUR 62.7 million). This increase is particularly associated with a higher share of profit or loss of equity-accounted investments.

Corporate Center segment

This includes revenue and expenses where the content does not fit into any other segment. In the first half of 2015, this segment delivered a negative contribution of EUR –21.1 million (H1 2014: EUR –21.8 million) to the pre-tax net profits for the period.

For a detailed overview, please refer to the Segment reporting in the disclosures.

Changes in the balance sheet

The total assets of the Raiffeisenlandesbank Oberösterreich Group fell as of the middle of 2015 by about EUR –0.6 billion or –1.7% to EUR 37.9 billion in comparison to 31 Dec. 2014.

ASSETS	30 June 2015 in EUR m	in %	31 Dec. 2014 in EUR m	in %	Change in EUR m	in %
Loans and advances to banks	6,767	17.8	6,779	17.6	–12	–0.2
Loans and advances to customers	19,199	50.6	19,167	49.7	32	0.2
Trading assets	2,469	6.5	2,951	7.7	–482	–16.3
Financial assets	5,941	15.7	6,174	16.0	–233	–3.8
Companies accounted for using the equity method	1,856	4.9	1,800	4.7	56	3.1
Other items	1,702	4.5	1,703	4.4	–1	–0.1
Total	**37,934**	**100.0**	**38,574**	**100.0**	**–640**	**–1.7**

Loans and advances to banks, as well as loans and advances to customers, showed stable development with respecitve volumes of EUR 6,767 million and EUR 19,199 million as of 30 June 2015.

Trading assets – consisting of debt securities and other fixed-income securities and positive market values from derivative transactions – show a volume of EUR 2,469 million as at 30 June 2015. This corresponds, in comparison to the figures as of 31 Dec. 2014, to a decrease in the amount of EUR –482 million, or –16.3%, which is due primarily to market value changes in derivative positions.

Financial assets fell in comparison to 31 Dec. 2014 by EUR –233 million or –3.8 % to EUR 5,941 million. This setback resulted primarily from repayments and sales.

The carrying amount of companies balanced at equity rose in the first half of 2015 by EUR 56 million or 3.1% to EUR 1,856 million, which was due primarily to the positive development in results at companies balanced at equity.

EQUITY AND LIABILITIES	30 June 2015 in EUR m	in %	31 Dec. 2014 in EUR m	in %	Change in EUR m	in %
Amounts owed to banks	12,037	31.7	11,305	29.3	732	6.5
Amounts owed to customers	10,068	26.5	10,516	27.3	–448	–4.3
Liabilities evidenced by certificates	7,711	20.3	8,642	22.4	–931	–10.8
Trading liabilities	1,883	5.0	2,202	5.7	–319	–14.5
Other items	1,007	2.7	806	2.1	201	24.9
Subordinated capital	1,563	4.1	1,537	4.0	26	1.7
Equity	3,665	9.7	3,566	9.2	99	2.8
Total	**37,934**	**100.0**	**38,574**	**100.0**	**–640**	**–1.7**

The amounts owed to banks rose by EUR 732 million or 6.5% compared with 31 Dec. 2014 to EUR 12,037 million, while amounts owed to customers fell by EUR –448 million or –4.3% to EUR 10,068 million.

In the first half of 2015, securitised liabilities decreased by EUR –931 million, or –10.8 %, to EUR 7,711 million.

Trading liabilities – consisting of interest rate, exchange rate, share/index-related and other transactions – show a volume of EUR 1,883 million as at 30 June 2015. This amounts to a decrease of EUR –319 million or –14.5%.

Other items – consisting of provisions, ongoing and deferred tax liabilities, as well as other liabilities – rose by EUR 201 million or 24.9% to EUR 1,007 million.

Equity capital is comprised as follows:

	30 June 2015 in EUR m	31 Dec. 2014 in EUR m
Share capital	276.5	276.5
Participation capital	1.0	1.0
Capital reserves	972.1	972.1
Aggregate net income	2,259.6	2,165.0
Non-controlling interests	155.7	151.7
Total	**3,664.9**	**3,566.3**

Regulatory capital

Tier 1 capital (CET 1) at the level of the uppermost financial holding (Raiffeisen Banking Group Upper Austria Verbund eGen), in accordance with the Capital Requirements Regulations (CRR), amounted at mid-2015 to EUR 2,916.2 million (31 Dec. 2014: EUR 2,827.8 million). Total equity (Total Capital) amounted to EUR 3,667.8 million (31 Dec. 2014: EUR 3,701.4 million).

As of 30 June 2015, there was a total risk value (risk-weighted assets (RWA)) of EUR 24,258.9 million (31 Dec. 2014: EUR 25,169.3 million).

This results in a Tier 1 capital ratio of 12.0% (31 Dec. 2014: 11.2%) and a total capital ratio of 15.1% (31 Dec. 2014: 14.7%).

Please refer to the Equity section in the Disclosures for details.

2. Significant risks and uncertainties

The long-term success of Raiffeisenlandesbank Oberösterreich is largely dependent upon active risk management. In order to achieve this target, Raiffeisenlandesbank Oberösterreich has implemented risk management with structures that facilitate the identification and measurement of all risks (credit risks, market risks, equity risks, liquidity risks, macroeconomic risks, and operational risks) and their active managerial counteraction.

The Managing Board’s overall risk strategy ensures that risks remain synchronised and in line with the strategic orientation of the company. The Managing Board and the Supervisory Board are regularly informed.

For further information on the overall financial risks in the Raiffeisenlandesbank Oberösterreich Group in the first half of 2015, and the goals and methods of risk management, please refer to the risk report in the Disclosures.

We do not anticipate any major changes between the first and the second halves of 2015 in terms of future risks or uncertainties.

There no known risks that could jeopardise the continued existence of Raiffeisenlandesbank Oberösterreich.

3. Other

Stability fee

The stability fee was increased from 0.055% to 0.09% as of the calendar year 2014 for those parts of the assessment basis that exceed an amount of EUR 1 billion yet are less than EUR 20 billion. For those parts of the assessment basis that exceed an amount of EUR 20 billion, the stability fee was increased from 0.085% to 0.11%. The other special amount levied for the stability fee was incrementally raised in 2014 from 25.00 % in the first quarter to 55.00% in the second and third quarter, and then 60.00% in the fourth quarter. As of 2015, the special amount for the stability fee is set at a uniform 45% of the stability fee to be paid.

Restructuring and liquidation plan

On 1 January 2015, BIRG (the Banking Intervention and Restructuring Act) was replaced by the BaSAG (Federal Act on the Recovery and Resolution of Banks). This law requires every institution with a registered office within Austria that is not part of a group, that is subject to oversight on a consolidated basis according to Articles 111 and 112 of EU Directive 2013/36/EU, to produce a recovery plan (section 8) or resolution plan (section 19) and to update it on an ongoing basis.

Deposit guarantees

Austria's banks must switch to a deposit guarantee system as of 2015. An Austria-wide uniform system will replace a deposit guarantee system that is currently different for each sector. In order to do this, banks must endow a fund from which a bank's covered deposits can be covered in the event of a liquidation. Deposits will continue to be guaranteed up to EUR 100,000.

Liquidation funds

A Europe-wide bank resolution fund with a target volume of EUR 55 billion will be established by 2024.

Salzburger Landes-Hypothekenbank Aktiengesellschaft

The Austrian state of Salzburg believes that there may be cause to bring claims against the Salzburger Landes-Hypothekenbank Aktiengesellschaft (Hypo Salzburg) in connection with financial transactions that were performed on behalf of the state of Salzburg. The Hypo Salzburg is assuming that there are no such claims. At the instigation of the state of Salzburg, a mutual waiver of the statute of limitations was agreed.

4. Outlook

In May 2015, an agreement was made to sell shares in Raiffeisen Bausparkasse Gesellschaft m.b.H. and shares in Valida Holding AG to the RZB Group. The transfer of shares will take place in the second half of 2015 subject to regulatory and anti-trust authorisations.

As Austria's fourth-largest bank, Raiffeisenlandesbank Oberösterreich will continue to meet the high standards that the European Central Bank applies to a "significant" bank. The Raiffeisenlandesbank Oberösterreich is implementing further measures to increase efficiency.

Raiffeisenlandesbank Oberösterreich is creating efficient structures in the PRIVAT BANK Group and is avoiding expensive redundancies with the merger of PRIVAT BANK AG and bankdirekt.at AG into the Raiffeisenlandesbank Oberösterreich, which is scheduled for autumn 2015. Customers can continue to enjoy the high quality of services from PRIVAT BANK and bankdirekt.at.

High efficiency also secures a strong focus on customer service. The current customer satisfaction survey proved that Raiffeisen Banking Group Upper Austria has extremely happy customers, with top ratings for advising quality and customer-friendly service.

IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2015 (CONDENSED)

Raiffeisenlandesbank Oberösterreich
Aktiengesellschaft, 4020 Linz, Europaplatz 1a

Income statement

	Disclosure	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Interest and interest-related income		418,056	472,791
Interest and interest-related expenses		–224,892	–261,001
Share of profit or loss of equity-accounted investments		78,564	51,724
Net interest income	**(1)**	**271,728**	**263,514**
Loan loss allowances	(2)	–13,105	–68,877
Net interest income after loan loss allowances		**258,623**	**194,637**
Fee and commission income		93,793	85,283
Fee and commission expenses		–36,553	–24,961
Net fee and commission income	**(3)**	**57,240**	**60,322**
Net trading income	(4)	1,904	5,792
Net income from designated financial instruments	(5)	37,565	–73,223
Net income from investments	(6)	1,789	24,353
Other net financial income/other net finance costs		**41,258**	**–43,078**
General administrative expenses	(7)	–364,591	–346,368
Other net operating income	(8)	197,746	194,905
Pre-tax profit for the period		**190,276**	**60,418**
Taxes on income and earnings	(9)	–20,985	15,587
After-tax profit for the period		**169,291**	**76,005**
of which attributable to equity holders of the parent		163,608	75,978
of which attributable to non-controlling interests		5,683	27

Statement of comprehensive income

	Disclosure	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
After-tax profit for the period		**169,291**	**76,005**
Items that can be transferred into the income statement			
Actuarial profits and losses from defined benefit plans		–518	–311
Amounts recognised in equity		–691	–413
Taxes recognised in respect of this amount		173	102
Other share of profit or loss of equity-accounted investments		–21,235	–2,462
Amounts recognised in equity		–21,235	–2,462
Taxes recognised in respect of this amount		0	0
Items that can be transferred into the Income statement			
Gain or loss on remeasurement of AfS securities	(29)	–39,671	77,005
Amounts recognised in equity		–48,041	103,429
Amounts transferred into the income statement		–4,993	–756
Taxes recognised in respect of this amount		13,363	–25,668
Gain or loss from the hedging of net investments	(29)	–583	32
Amounts recognised in equity		–779	43
Amounts transferred into the income statement		0	0
Taxes recognised in respect of this amount		196	–11
Currency differences		49	–248
Amounts recognised in equity		49	–248
Amounts transferred into the income statement		0	0
Taxes recognised in respect of this amount		0	0
Other share of profit or loss of equity-accounted investments		19,681	–25,505
Amounts recognised in equity		19,681	–25,505
Amounts transferred into the income statement		0	0
Taxes recognised in respect of this amount		0	0
Total other net profit/loss		**–42,277**	**48,511**
Total comprehensive income for the period		**127,014**	**124,516**
of which attributable to equity holders of the parent		122,991	123,187
of which attributable to non-controlling interests		4,023	1,329

Balance sheet

ASSETS	Disclosure	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Cash and cash equivalents	(10), (11)	129,284	89,086
Loans and advances to banks	(10), (12), (14)	6,767,193	6,779,138
Loans and advances to customers	(10), (13), (14)	19,198,680	19,166,752
Trading assets	(10), (15)	2,468,923	2,951,476
Financial assets	(10), (16)	5,941,136	6,173,604
Companies accounted for using the equity method	(17)	1,855,668	1,800,077
Intangible assets	(18)	45,525	47,900
Property and equipment	(19)	405,976	405,852
Investment property	(19)	746,513	759,767
Current tax assets		2,730	5,536
Deferred tax assets		30,577	26,762
Other assets	(20)	296,501	368,228
Assets held for sale	(21)	45,474	0
Total		**37,934,180**	**38,574,178**

EQUITY AND LIABILITIES	Disclosure	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Amounts owed to banks	(10), (22)	12,036,777	11,304,925
Amounts owed to customers	(10), (23)	10,067,914	10,516,033
Liabilities evidenced by certificates	(10), (24)	7,711,535	8,642,403
Provisions	(14), (25)	261,518	259,352
Current tax liabilities		4,345	5,948
Deferred tax liabilities		68,254	61,690
Trading liabilities	(10), (26)	1,882,645	2,202,349
Other liabilities	(27)	673,142	478,716
Subordinated capital	(10), (28)	1,563,165	1,536,491
Equity	(29)	3,664,885	3,566,271
of which attributable to equity holders of the parent		3,509,204	3,414,530
of which attributable to non-controlling interests		155,681	151,741
Total		**37,934,180**	**38,574,178**

Statement of changes in equity

	Share capital in EUR '000	Partici-pation capital in EUR '000	Capital reserves in EUR '000	Aggre-gate net income in EUR '000	Sub-total in EUR '000	Non-controlling interests in EUR '000	Total in EUR '000
Equity 1 Jan. 2015	**276,476**	**1,032**	**972,095**	**2,164,927**	**3,414,530**	**151,741**	**3,566,271**
Change in the basis of consolidation	0	0	0	0	0	0	0
Total comprehensive income for the period	0	0	0	122,991	122,991	4,023	127,014
Dividends	0	0	0	–24,265	–24,265	–414	–24,679
Measures to strengthen capital	0	0	0	0	0	360	360
Other changes in capital	0	0	0	–4,052	–4,052	–29	–4,081
Equity 30 June 2015	**276,476**	**1,032**	**972,095**	**2,259,601**	**3,509,204**	**155,681**	**3,664,885**

	Share capital in EUR '000	Partici-pation capital in EUR '000	Capital reserves in EUR '000	Aggregate net income in EUR '000	Sub-total in EUR '000	Non-controlling interests in EUR '000	Total in EUR '000
Equity 1 Jan. 2014	**276,476**	**1,032**	**972,095**	**2,139,984**	**3,389,587**	**151,416**	**3,541,003**
Change in the basis of consolidation	0	0	0	0	0	10,783	10,783
Total comprehensive income for the period	0	0	0	123,187	123,187	1,329	124,516
Dividends	0	0	0	–28,702	–28,702	–1,626	–30,328
Measures to strengthen capital	0	0	0	0	0	0	0
Other changes in capital	0	0	0	–48,578	–48,578	9	–48,569
Equity 30 June 2014	**276,476**	**1,032**	**972,095**	**2,185,891**	**3,435,494**	**161,911**	**3,597,405**

Cash flow statement

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
After-tax profit for the period	**169,291**	**76,005**
Non-cash items contained in the after-tax profit for the period and transition to the cash flow from operating activities	–51,182	–68,925
Change in assets and liabilities from operative business after correcting for non-cash components Change in assets and liabilities from operative business after correcting for non-cash components:	–424,056	–65,172
Dividends received	78,769	66,024
Interest received	405,336	440,309
Interest paid	–222,631	–238,177
Taxes paid on income	–3,775	–2,548
Cash flow from operating activities	**–48,248**	**207,516**
Cash proceeds from the sale of:		
Financial assets and shares in companies	580,241	905,175
Property and equipment	48,638	32,069
Payments to acquire:		
Financial assets and shares in companies	–494,662	–994,505
Property and equipment	–71,774	–62,897
Cash flow from investing activities	**62,443**	**–120,158**
Capital increase	360	0
Receipt/repayment of subordinated capital	50,322	–67,893
Dividends	–24,679	–30,328
Cash flow from financing activities	**26,003**	**–98,221**
Cash at the end of the previous period	**89,086**	**91,019**
Cash flow from operating activities	–48,248	207,516
Cash flow from investing activities	62,443	–120,158
Cash flow from financing activities	26,003	–98,221
Cash and cash equivalents at the end of the period	**129,284**	**80,156**

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. H1 2015

	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	91,935	57,021	41,616	2,592	193,164
Share of profit or loss of equity-accounted investments	0	0	78,564	0	78,564
Loan loss allowances	–12,471	0	–634	0	–13,105
Net interest income after loan loss allowances	**79,464**	**57,021**	**119,546**	**2,592**	**258,623**
Net fee and commission income	22,066	10,018	23,293	1,863	57,240
Net trading income	778	746	380	0	1,904
Net income from designated financial instruments	0	37,116	449	0	37,565
Net income from investments	–611	–1,468	3,868	0	1,789
General administrative expenses	–43,945	–21,636	–271,228	–27,782	–364,591
Other net operating income	–13,242	–7,443	216,216	2,215	197,746
Pre-tax profit for the period	**44,510**	**74,354**	**92,524**	**–21,112**	**190,276**

1. H1 2014

	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	107,624	67,300	33,518	3,348	211,790
Share of profit or loss of equity-accounted investments	0	0	51,724	0	51,724
Loan loss allowances	–61,450	0	–7,427	0	–68,877
Net interest income after loan loss allowances	**46,174**	**67,300**	**77,815**	**3,348**	**194,637**
Net fee and commission income	25,052	9,847	22,042	3,381	60,322
Net trading income	785	2,264	2,743	0	5,792
Net income from designated financial instruments	–4,775	–55,706	–12,742	0	–73,223
Net income from investments	–792	603	24,542	0	24,353
General administrative expenses	–42,448	–17,609	–257,384	–28,927	–346,368
Other net operating income	–7,315	–3,817	205,635	402	194,905
Pre-tax profit for the period	**16,681**	**2,882**	**62,651**	**–21,796**	**60,418**

Further details on the “Investments” segment in H1 2015

	Subgroup Hypo Salzburg in EUR '000	IMPULS-LEASING Group in EUR '000	VIVATIS/efko in EUR '000	OÖ Wohnbau in EUR '000
Interest and interest-related income/expenses	21,333	21,418	591	–1,981
Share of profit or loss of equity-accounted investments	0	0	0	0
Loan loss allowances	3,783	767	0	0
Net interest income after loan loss allowances	**25,116**	**22,185**	**591**	**–1,981**
Net fee and commission income	7,613	–441	–128	–19
Net trading income	318	165	0	0
Net income from designated financial instruments	301	0	309	0
Net income from investments	991	2,106	0	0
General administrative expenses	–21,382	–31,220	–128,878	–17,625
Other net operating income	–2,767	22,600	130,845	23,577
Pre-tax profit for the period	**10,190**	**15,395**	**2,739**	**3,952**

Further details on the “Investments” segment in H1 2014

	Subgroup Hypo Salzburg in EUR '000	IMPULS-LEASING Group in EUR '000	VIVATIS/efko in EUR '000	OÖ Wohnbau in EUR '000
Interest and interest-related income/expenses	23,090	21,034	192	–2,043
Share of profit or loss of equity-accounted investments	0	0	0	0
Loan loss allowances	–1,000	–4,724	0	0
Net interest income after loan loss allowances	**22,090**	**16,310**	**192**	**–2,043**
Net fee and commission income	7,218	–346	–179	–9
Net trading income	–320	624	0	0
Net income from designated financial instruments	–3,185	0	–442	0
Net income from investments	–132	–1,256	–21	0
General administrative expenses	–21,331	–31,200	–123,467	–18,217
Other net operating income	–814	22,519	126,874	23,209
Pre-tax profit for the period	**3,526**	**6,651**	**2,957**	**2,940**

The presentation of the results from subgroups or subareas is done principally without assigning any actuarial or actual refinancing costs or general administrative expenses in higher-level companies.

Disclosures

Basics of the consolidated accounts according to IFRS

Principles

The consolidated financial statements of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft were prepared in compliance with the applicable International Financial Reporting Standards (IFRSs) as 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. This condensed interim financial report as at 30 June 2015 is in accordance with IAS 34.

The same accounting and valuation principles and consolidation methods were applied for the interim reporting as for the compilation of the consolidated financial statements 2014.

The interim financial report as at 30 June 2015 has not been subject to a complete audit, nor has it been inspected by a statutory auditor.

Changes in the basis of consolidation and their effects

The number of fully consolidated companies reported under the equity method developed during the financial year as follows:

	Fully consolidated		Equity method	
	2015	2014	2015	2014
As at 1 Jan.	154	154	7	9
Included for the first time during the reporting period	–	3	–	–
Merged during the reporting period	–	3	–	–
Deconsolidated during the reporting period	–	2	–	1
As at 30 June	154	152	7	8

For the IFRS interim report as at 30 June 2015, the basis of consolidation of Raiffeisenlandesbank Oberösterreich includes 154 group companies, incl. Raiffeisenlandesbank Oberösterreich as Group parent (31 December 2014: 154) and with these companies fully consolidated in the Group, and seven (31 Dec. 2014: seven) companies reported under the equity method. There were no changes in the scope of consolidation in the first half of 2015.

Foreign currency translation

The consolidated financial statements are presented in euros, reflecting the national currency. Financial statements of fully consolidated companies whose functional currency differs from the group currency are translated into euros employing the modified current rate method in accordance with IAS 21. In principle, the national currency corresponds to the functional currency.

In applying the modified current rate method, equity is translated at historical rates while all other assets and liabilities are translated using the corresponding rates prevailing on the reporting date (middle rate of the European Central Bank (ECB) as at the group balance sheet date). The items on the income statement are translated using the average currency exchange rates of the ECB. Currency differences resulting from the translation of the equity components using historical rates and the translation of the income statement using average rates compared to the translation using rates prevailing on the reporting date are recognised in the statement of comprehensive income with no effect on the income statement.

The following exchange rates were used to calculate the currencies:

Prices in currency per euro	30 June 2015	
	Rate on reporting date	Average rate
Croatian kuna (HRK)	7.5948	7.6325
Polish zloty (PLN)	4.1911	4.1521
Czech crowns (CZK)	27.2530	27.5124
Hungarian forint (HUF)	314.9300	308.0957
Romanian leu (RON)	4.4725	4.4442

Disclosures on the income statement

1. Net interest income

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Interest income		
From financial instruments in the category "loans and receivables"	210,269	251,573
From financial instruments in the category "available for sale"	37,019	40,726
From financial instruments in the category "held-to-maturity"	6,012	8,363
Subtotal	**253,300**	**300,662**
From designated and derivative financial instruments	104,288	106,323
From lease financing	41,846	44,320
Total interest income	**399,434**	**451,305**
Current income		
From shares and other variable-yield securities	2,145	10,430
From investments in affiliated companies	10,081	7,316
From other investments	5,724	3,123
Current income	**17,950**	**20,869**
Other interest-related income	**672**	**617**
Interest and interest-related income	**418,056**	**472,791**
Interest expenses		
For financial liabilities that are stated at amortised cost	109,306	–129,421
For designated and derivative financial instruments	–114,224	–129,420
Total interest expenses	**–223,530**	**–258,841**
Other interest-related expenses	**–1,362**	**–2,160**
Interest and interest-related expenses	**–224,892**	**–261,001**
Share of profit or loss of equity-accounted investments	**78,564**	**51,724**
Net interest income	**271,728**	**263,514**

The share of profit or loss of equity-accounted investments in the first half of 2015 includes depreciation and amortisation amounting to EUR –9,719 thousand (H1 2014: EUR –25,468 thousand) of the lower fair value minus sales costs of an investment reported using the equity method.

2. Loan loss allowances

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Allocation to loan loss allowances	–149,494	–204,212
Reversal of allowances for loan losses	131,724	94,642
Direct impairment losses	–1,571	–2,905
Amounts received against loans and advances written off	6,236	43,598
Total	**–13,105**	**–68,877**

3. Net fee and commission income

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
From payment transactions	13,630	13,455
From funding transactions	10,299	13,926
From securities business	25,665	23,010
From foreign exchange, currency and precious metals transactions	1,931	1,843
From other service business	5,715	8,088
Total	**57,240**	**60,322**

4. Net trading income

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Interest-rate related business	720	4,873
Currency related business	– 4,040	542
Stock and index related business	0	0
Other business	5,224	377
Total	**1,904**	**5,792**

5. Net income from designated financial instruments

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Net gain or loss on designated financial instruments and derivatives	37,565	–73,223

6. Net income from investments

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Securities in the category “held-to-maturity”		
Gain or loss on remeasurement	0	0
Gain or loss on disposal	0	0
Securities in the category “loans and receivables”		
Gain or loss on remeasurement	–612	–1,496
Gain or loss on disposal	–2	1,591
Securities in the category “available for sale”		
Gain or loss on remeasurement	–2,720	–9,716
Gain or loss on disposal	6,609	–2,214
Shares in companies in the category “available for sale”		
Gain or loss on remeasurement	–2,876	–10,131
Gain or loss on disposal	2,137	2
Gain or loss arising from hedge accounting		
Gain or loss arising on hedging transactions	–65,834	88,955
Valuation from underlying transactions	65,087	–86,342
Gain or loss from initial consolidation and deconsolidation	0	43,704
Total	**1,789**	**24,353**

The gain or loss on the remeasurement of assets reflect the impairment losses recognised in profit or loss. The carrying amount of equity instruments measured at acquisition cost which were sold during the reporting period amounted to EUR 4,603 thousand (H1 2014: EUR 809 thousand). The resulting net gain from disposal amounts to EUR 2,114 thousand (H1 2014: EUR 189 thousand).

The profit from first-time consolidation and deconsolidation amounted to EUR 43,704 thousand in the first half of 2014 and resulted primarily from the first-time consolidation of the Upper Austrian residential building companies („OÖ Wohnbau“).

7. General administrative expenses

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Personnel expenses	–185,965	–177,117
Administrative expenses	–138,347	–131,095
Depreciation and impairment losses on property and equipment and on investment property, amortisation and impairment losses on intangible assets	–40,279	–38,156
Total	**–364,591**	**–346,368**

In the first half of 2015, the “general administrative expenses” included approximately EUR 128.9 million (H1 2014: EUR 123.5 million) from companies in the foodstuff sector (“VIVATIS Holding AG” Group and „efko Frischfrucht und Delikatessen GmbH“ Group). The companies are in the food and beverage sector and, as their business is unrelated to banking, they are mainly reported in the income statement under “other operating income” and “general administrative expenses”.

The “general administrative expenses” from the „OÖ Wohnbau“ companies were EUR 17.6 million (H1 2014: EUR 18.2 million) in the first half of 2015.

8. Other net operating income

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Other operating income	537,183	522,609
Other operating expenses	–339,437	–327,704
Total	**197,746**	**194,905**

In total, the “other operating income” of the companies in the “VIVATIS Holding AG” Group and the “efko Frischfrucht und Delikatessen GmbH” Group amounted to about EUR 130.8 million in the first half of 2015 (H1 2014: EUR 126.8 million). The companies are in the food and beverage sector and, as their business is unrelated to banking, they are mainly reported in the income statement under “other operating income” and “general administrative expenses”.

The Upper Austrian residential building companies („OÖ Wohnbau“) contribute about EUR 23.6 million to “Other operating income” in the first half of 2015 (H1 2014: EUR 23.2 million).

9. Taxes on income and earnings

	1 Jan. – 30 June 2015 in EUR '000	1 Jan. – 30 June 2014 in EUR '000
Taxes on income and earnings	–20,985	15,587

Disclosures on the balance sheet

10. Financial instruments disclosure

Categories of financial assets and financial liabilities as at 30 June 2015:

ASSETS	Financial instruments held for trading in EUR '000	Designated financial instruments in EUR '000	Financial assets available for sale (AfS) in EUR '000	Financial investments held-to-maturity in EUR '000	Loans and receivables in EUR '000	Carrying amount total 30 June 2015 in EUR '000	Fair value total 30 June 2015 in EUR '000
Cash and cash equivalents	0	0	0	0	129,284	129,284	129,284
Loans and advances to banks	0	16,668	0	0	6,750,525	6,767,193	6,750,993
Loans and advances to customers	0	855,749	0	0	18,342,931	19,198,680	19,521,934
Trading assets	2,468,923	0	0	0	0	2,468,923	2,468,923
Financial assets	0	617,526	4,214,939	443,211	665,460	5,941,136	5,978,925
Assets held for sale	0	0	45,474	0	0	45,474	45,474
Total carrying amount 30 June 2015	**2,468,923**	**1,489,943**	**4,260,413**	**443,211**	**25,888,200**	**34,550,690**	**34,895,533**

The fair value carrying amounts in the category “Financial assets available for sale (AfS)” contain equity instruments to the amount of EUR 263,282 thousand that are valued at the cost of purchase because their fair value cannot be reliably determined.

EQUITY AND LIABILITIES	Financial instruments held for trading in EUR '000	Designated financial instruments in EUR '000	Financial liabilities stated at amortised cost in EUR '000	Total carrying amount 30 June 2015 in EUR '000	Total fair value 30 June 2015 in EUR '000
Amounts owed to banks	0	1,315,649	10,721,128	12,036,777	12,097,312
Amounts owed to customers	0	959,028	9,108,886	10,067,914	10,128,333
Liabilities evidenced by certificates	0	4,008,297	3,703,238	7,711,535	7,757,466
Trading liabilities	1,882,645	0	0	1,882,645	1,882,645
Subordinated capital	0	1,007,839	555,326	1,563,165	1,575,584
Total carrying amount 30 June 2015	**1,882,645**	**7,290,813**	**24,088,578**	**33,262,036**	**33,441,340**

Categories of financial assets and financial liabilities as at 31 Dec. 2014:

ASSETS	Financial instruments held for trading in EUR '000	Designated financial instruments in EUR '000	Financial assets available for sale (AfS) in EUR '000	Financial investments held-to-maturity in EUR '000	Loans and receivables in EUR '000	Total carrying amount 31 Dec. 2014 in EUR '000	Total fair value 31 Dec. 2014 in EUR '000
Cash and cash equivalents	0	0	0	0	89,086	89,086	89,086
Loans and advances to banks	0	14,730	0	0	6,764,408	6,779,138	6,773,186
Loans and advances to customers	0	853,060	0	0	18,313,692	19,166,752	19,533,615
Trading assets	2,951,476	0	0	0	0	2,951,476	2,951,476
Financial assets	0	748,579	4,223,902	489,115	712,008	6,173,604	6,229,495
Total carrying amount 31 Dec. 2014	**2,951,476**	**1,616,369**	**4,223,902**	**489,115**	**25,879,194**	**35,160,056**	**35,576,858**

The fair value carrying amounts in the category "Financial assets available for sale (AfS)" contain equity instruments to the amount of EUR 269,106 thousand that are valued at the cost of purchase because their fair value cannot be reliably determined.

EQUITY AND LIABILITIES	Financial instruments held for trading in EUR '000	Designated financial instruments in EUR '000	Financial liabilities stated at amortised cost in EUR '000	Total carrying amount 30 June 2014 in EUR '000	Total fair value 31 Dec. 2014 in EUR '000
Amounts owed to banks	0	1,433,814	9,871,111	11,304,925	11,402,041
Amounts owed to customers	0	1,005,629	9,510,404	10,516,033	10,587,196
Liabilities evidenced by certificates	0	4,578,404	4,063,999	8,642,403	8,674,115
Trading liabilities	2,202,349	0	0	2,202,349	2,202,349
Subordinated capital	0	995,082	541,409	1,536,491	1,552,026
Total carrying amount 31 Dec. 2014	**2,202,349**	**8,012,929**	**23,986,923**	**34,202,201**	**34,417,727**

Breakdown of the fair value of financial instruments as at 30 June 2015:

	Financial instruments measured at fair value 30 June 2015 in EUR '000	Thereof market prices listed in active markets (Level I) in EUR '000	Thereof measurement methods based on Market data (Level II) in EUR '000	Thereof measurement methods not based on market data (Level III) in EUR '000
Financial instruments held for trading	2,468,923	20,054	2,448,869	0
Designated financial instruments	1,489,943	385,162	70,744	1,034,037
Financial assets available for sale (AfS)	3,997,131	3,019,434	526,307	451,390
Total financial assets measured at fair value	**7,955,997**	**3,424,650**	**3,045,920**	**1,485,427**
Financial instruments held for trading	1,882,645	0	1,882,645	0
Designated financial instruments	7,290,813	0	7,290,813	0
Total financial liabilities measured at fair value	**9,173,458**	**0**	**9,173,458**	**0**

Reclassifications between Level I and Level II as at 30 June 2015:

	Reclassifications from Level I to Level II in EUR '000	Reclassifications from Level II to Level I in EUR '000
Financial instruments held for trading	0	0
Designated financial instruments	0	6,182
Financial assets available for sale (AfS)	0	206
Total financial assets measured at fair value	**0**	**6,388**
Financial instruments held for trading	0	0
Designated financial instruments	0	0
Total financial liabilities measured at fair value	**0**	**0**

The calculation of translation reserves in the first half of 2015 of financial instruments measured at fair value in Level III:

	Financial assets available for sale (AfS) in EUR '000	Designated financial assets in EUR '000
As at 1 Jan.	**498,820**	**1,046,747**
Additions	0	56,117
Disposals	0	–57,069
Effective results	–3,760	–11,758
Effect-neutral results	–348	0
Breakdown in Level III	0	0
Breakdown from Level III	–43,322	0
As at 30 June	**451,390**	**1,034,037**

The amount of income-statement related gains and losses recorded from recurring measurements of the fair value in Level III of the assets and liabilities found in the portfolio on the reporting date amounts to EUR –14,739 thousand.

For the sensitivity analysis, credit spreads spaced by 100 basis points were varied for all securities and loans and advances that are fixed-interest and balanced at fair value. Fair value changes were simulated on the basis of these shifted credit spreads, which went into the evaluation as an addition or subtraction into the discount curve. For loans and advances (carrying amount as of 30 June 2015: EUR 872,417 thousand), an addition to the discount curve led to a fall of 5.37% in fair values, and a subtraction led to an increase of 3.33%. For fixed-rate securities (carrying amount as of 30 June 2015: EUR 161,620 thousand), an addition led to a decrease of 4.66%, and a subtraction led to an increase of 4.49%.

Breakdown of the fair value of financial instruments as at 31 Dec. 2014:

	Financial instruments measured at fair value 31 Dec. 2014 in EUR '000	Thereof market prices listed in active markets (Level I) in EUR '000	Thereof measurement methods based on Market data (Level II) in EUR '000	Thereof measurement methods not based on market data (Level III) in EUR '000
Financial instruments held for trading	2,951,476	50,635	2,900,841	0
Designated financial instruments	1,616,369	456,455	113,167	1,046,747
Financial assets available for sale (AfS)	3,954,796	2,954,429	501,547	498,820
Total financial assets measured at fair value	**8,522,641**	**3,461,519**	**3,515,555**	**1,545,567**
Financial instruments held for trading	2,202,349	0	2,202,349	0
Designated financial instruments	8,012,929	0	8,012,929	0
Total financial liabilities measured at fair value	**10,215,278**	**0**	**10,215,278**	**0**

Reclassifications between Level I and Level II in the first half of 2014:

	Reclassifications from Level I to Level II in EUR '000	Reclassifications from Level II to Level I in EUR '000
Financial instruments held for trading	0	0
Designated financial instruments	0	0
Financial assets available for sale (AfS)	0	3,303
Total financial assets measured at fair value	**0**	**3,303**
Financial instruments held for trading	0	0
Designated financial instruments	6,850	0
Total financial liabilities measured at fair value	**6,850**	**0**

The calculation of translation reserves in the first half of 2014 of financial instruments measured at fair value in Level III:

	Financial assets available for sale (AfS) in EUR '000	Designated financial assets in EUR '000
As at 1 Jan.	**178,256**	**1,134,699**
Additions	0	147,421
Disposals	–435	–125,181
Effective results	764	16,399
Effect-neutral results	0	0
Breakdown in Level III	0	0
Breakdown from Level III	0	0
As at 30 June	**178,585**	**1,173,338**

Valuation procedures and input factors in determining fair values

Level	Instrument	Types	Valuation procedure	Input factors
III	Loans and advances to banks		capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; cost of risk premiums based on internal calculations for the credit risk of the contract partners * Those input factors that cannot be observed are credit spreads for designated loans that move within a range of 1 to 1,127 basis points - the capital-weighted average amounts to 70 basis points when considering securities.
III	Loans and advances to customers		capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; cost of risk premiums based on internal calculations for the credit risk of the contract partners * Those input factors that cannot be observed are credit spreads for designated loans that move within a range of 1 to 1,127 basis points - the capital-weighted average amounts to 70 basis points when considering securities.
I	Derivatives	Publicly traded	Market value oriented	Stock market price
II	Derivatives	Over the counter	Capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; credit risk of the contract partners; own credit risk
I	Financial assets	Listed securities	Market value oriented	Stock market prices; prices quoted by market participants
II	Financial assets	Non-listed securities	Market value oriented	Prices quoted by market participants for equivalent financial instruments; cash flows already fixed or determined using forward rates; interest yield curve; credit risk of the contract partners; refinancing curves
III	Financial assets	Non-listed securities	Capital value oriented	Expected returns derived from internal calculations; interest yield curve; credit risk of the contract partners * The input factors that cannot be observed are credit spreads for Corporates. These move within a range of 65 to 872 basis points for financial assets measured at fair value - the capital-weighted average amounts to 132 basis points.
I	Financial assets	Shares	Market value oriented	Stock market price
III	Financial assets	Shares in non-consolidated subsidiaries, other investments and participation rights	Earnings oriented	Risk-free base rate: Interest rate structure of German federal bonds using the Svensson method Market price premium: Reliance on the recommendation of the Company Evaluation Working Group of the Professional Committee for Economics and Organisation Beta factor: The basis is the evaluation of beta factors in peer group companies Small stock premium: additional risk premium of a maximum of 3% Growth factor: A maximum growth rate of 2%
III	Financial assets	Shares in non-consolidated subsidiaries, other investments and participation rights	Net Asset Value	This evaluation method is applied to holding companies and their investments. The hidden reserves in the investments are also added to the net asset value of the parent company. Company value for real estate (project) companies is typically determined by means of market value assessments.
	Financial assets	Shares in non-consolidated subsidiaries, other investments and participation rights		Valued at acquisition cost less any impairments because a reliable determination of future cash flows is not possible
II	Amounts owed to banks		Capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; liquidity costs of own refinancing
II	Amounts owed to customers		Capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; liquidity costs of own refinancing
II	Liabilities evidenced by certificates		Capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; liquidity costs of own refinancing
II	Subordinate capital		Capital value oriented	Cash flows already fixed or determined using forward rates; interest yield curve; liquidity costs of own refinancing

* Risk surcharges are determined depending on the average probability of default (PD, through-the-cycle), for each rating and origination time as well as loss given default (LGD). The default and transition probabilities for Corporate and Retail customers are determined on a quarterly basis and are based on the Group's own default data since 2004. The term components of the actuarial risk cost factors are represented by matrix multiplication of the transition matrices produced.

Possible effects of netting agreements

The following tables contain information on the offsetting effects on the consolidated balance sheet and the financial implications of a set-off in the case of derivative instruments which are subject to a framework netting agreement or similar agreement.

Assets

		Unrecognised amounts		
	Financial assets (gross) = recognised financial assets (net) in EUR '000	Offsetting effect of framework agreements in EUR '000	Cash collateral in EUR '000	Net amount in EUR '000
Loans and advances to banks	6,767,193	–701,404	0	6,065,789
Positive market value from derivative financial instruments	2,441,788	–1,334,774	–562,813	544,201
Total 30 June 2015	**9,208,981**	**–2,036,178**	**–562,813**	**6,609,990**

		Unrecognised amounts		
	Financial assets (gross) = recognised financial assets (net) in EUR '000	Offsetting effect of framework agreements in EUR '000	Cash collateral in EUR '000	Net amount in EUR '000
Loans and advances to banks	6,779,138	–693,512	0	6,085,626
Positive market value from derivative financial instruments	2,892,725	–1,589,504	–669,293	633,928
Total 31 Dec. 2014	**9,671,863**	**–2,283,016**	**–669,293**	**6,719,554**

Liabilities

		Unrecognised amounts		
	Financial liabilities (gross) = recognised financial liabilities (net) in EUR '000	Offsetting effect of framework agreements in EUR '000	Cash collateral in EUR '000	Net amount in EUR '000
Amounts owed to banks	12,036,777	–701,404	0	11,335,373
Negative market values from derivative financial instruments	1,882,645	–1,334,774	–481,998	65,873
Total 30 June 2015	**13,919,422**	**–2,036,178**	**–481,998**	**11,401,246**

		Unrecognised amounts		
	Financial liabilities (gross) = recognised financial liabilities (net) in EUR '000	Offsetting effect of framework agreements in EUR '000	Cash collateral in EUR '000	Net amount in EUR '000
Amounts owed to banks	11,304,925	–693,512	0	10,611,413
Negative market values from derivative financial instruments	2,202,349	–1,589,504	–510,519	102,326
Total 31 Dec. 2014	**13,507,274**	**–2,283,016**	**–510,519**	**10,713,739**

The column “Offsetting effect of framework agreements" shows the amounts which are subject to a framework netting agreement, but that are not set off due to fulfilment of the conditions.

The “Cash collateral” column contains the amounts of cash collateral received or given.

11. Cash and cash equivalents

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Cash in hand	31,257	34,586
Balances at central banks	98,027	54,500
Total	**129,284**	**89,086**

12. Loans and advances to banks

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Loans and advances payable on demand	3,257,814	3,453,848
Money market transactions	2,081,777	1,933,013
Loans to banks	983,059	970,463
Purchased loans and advances	444,543	421,814
Total	**6,767,193**	**6,779,138**
In Austria	5,621,893	5,521,128
Abroad	1,145,300	1,258,010
Total	**6,767,193**	**6,779,138**

13. Loans and advances to customers

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Money-market transactions	1,176,899	1,262,205
Loan transactions	14,848,300	14,777,387
Mortgage loans	219,052	233,534
Covering loans	473,773	436,096
Purchased loans and advances	367,053	373,194
Lease financing	2,063,806	2,039,374
Other	49,797	44,962
Total	**19,198,680**	**19,166,752**
In Austria	12,511,809	12,525,046
Abroad	6,686,871	6,641,706
Total	**19,198,680**	**19,166,752**

14. Loan loss allowances

Loan loss allowances 1 Jan. 2015 – 30 June 2015

	As at 1 Jan. 2015 in EUR '000	Change in basis of consolida-tion in EUR '000	Currency differences in EUR '000	Allocations in EUR '000	Reversals in EUR '000	Utilised in EUR '000	As at 1 Jan. 2015 in EUR '000
Loans and advances to banks	913	0	0	99	0	0	1,012
of which in Austria	0	0	0	0	0	0	0
of which foreign	913	0	0	99	0	0	1,012
Loans and advances to customers	929,927	0	429	112,618	–32,074	–54,479	956,421
of which in Austria	641,166	0	0	99,508	–23,685	–43,235	673,754
of which foreign	288,761	0	429	13,110	–8,389	–11,244	282,667
Revaluations in the portfolio	93,491	0	30	14,042	–58,651	0	48,912
Subtotal	**1,024,331**	**0**	**459**	**126,759**	**–90,725**	**–54,479**	**1,006,345**
Risks for off-balance-sheet transactions	34,764	0	0	19,219	–22,735	–223	31,025
Revaluations in the portfolio for off-balance-sheet transactions	27,285	0	0	3,516	–18,264	0	12,537
Total	**1,086,380**	**0**	**459**	**149,494**	**–131,724**	**–54,702**	**1,049,907**

Loan loss allowances 1 Jan. 2014 – 30 June 2014

	As at 1 Jan. 2014 in EUR '000	Change in basis of consolida-tion in EUR '000	Currency differences in EUR '000	Allocations in EUR '000	Reversals in EUR '000	Utilised in EUR '000	As at 30 June 2014 in EUR '000
Loans and advances to banks	896	0	0	0	–83	0	813
of which in Austria	0	0	0	0	0	0	0
of which foreign	896	0	0	0	–83	0	813
Loans and advances to customers	978,194	–22,362	72	176,591	–50,719	–64,425	1,017,351
of which in Austria	639,661	0	0	122,903	–36,944	–59,132	666,488
of which foreign	338,533	–22,362	72	53,688	–13,775	–5,293	350,863
Revaluations in the portfolio	80,664	–183	3	5,483	–4,907	0	81,060
Subtotal	**1,059,754**	**–22,545**	**75**	**182,074**	**–55,709**	**–64,425**	**1,099,224**
Risks for off-balance-sheet transactions	46,845	0	0	22,138	–31,731	–760	36,492
Revaluations in the portfolio for off-balance-sheet transactions	21,581	0	0	0	–7,202	0	14,379
Total	**1,128,180**	**–22,545**	**75**	**204,212**	**–94,642**	**–65,185**	**1,150,095**

The following developments arose in the first half of 2015 in connection with the debt moratorium for HETA ASSET RESOLUTION AG ("HETA") for Hypo Salzburg, which is fully consolidated in the IFRS group of Raiffeisen Landesbank Oberösterreich: In accordance with Section 2 PfBrStG, the member institutions and respective guarantors of the member institutions are jointly liable for the liabilities of the Pfandbriefstelle (the bond division of the association of Austrian state mortgage banks). The Pfandbriefstelle held liabilities from bond issues in the amount of EUR 5,484.9 million as at 31 Dec. 2014, of which EUR 1,239.1 million affected the HETA ASSET RESOLUTION AG. In its letter of 1 March 2015, the Federal Minister of Finance announced that no further capital and liquidity measures would be implemented in the Republic of Austria according to the Financial Market Stabilisation Act (FinStaG) at HETA. In a decision dated 1 March 2015, the Financial Supervisory Authority (FMA), in its function as a resolution authority in accordance with Section 3 (1) of the Federal Act on the Recovery and Resolution of Banks (BaSAG), announced that, due to the fulfilment of resolution prerequisites in accordane with Section 49 BaSAG, the maturities of all debt issues emitted by HETA, and their liabilities, are postponed with immediate effect to 31 May 2016. In the implementation of the "agreement on the fulfilment and resolution of joint and several liability in accordance with Section 2 of the Pfandbriefstelle Act, as well as the resolution of internal compensation claims" dated 2/7 April 2015, concluded between the Pfandbriefstelle and the Austrian state mortgage banks, the Pfandbriefbank (Austria) AG, the individual member institutions, and the state of Carinthia, the Salzburger Landes-Hypothekenbank had already paid on 30 June 2015 EUR 37.2 million in per capita rates. Loss allowances in the amount of EUR 15.5 million were included in the consolidated statements as at 31 Dec. 2014 for the risk that the Pfandbriefstelle cannot cover its obligation to service relevant debt issues in full, which would mean that the Salzburger Landes-Hypothekenbank Aktiengesellschaft, the other Landes-Hypotheken banks, and the guarantors for the creditors of the Pfandbriefbank AG or Pfandbriefstelle would be subject to claims of joint and several liability. The loss allowance amount was calculated to one-sixteenth of the excessive indebtedness of HETA (average) announced in the FMA's decision of 1 March 2015, the guarantee of the state of Carinthia, and the per capita rate of possible obligations. On the balance sheet date of 30 June 2015, the requirement for loss allowances arising from joint and several liability was reviewed again in light of the balance sheet published by HETA on 31 Dec. 2014, taking into consideration the aforementioned agreement. Accordingly, the loss allowance was increased by EUR 7.4 million, resulting in a total loss allowance of EUR 22.9 million as at 30 June 2015. The amount of an expected outflow of funds, as well as the recoverability of possible claims against HETA and the state of Carinthia, are subject to uncertainties.

15. Trading assets

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Bonds and other fixed-income securities	27,135	58,751
Positive market value from derivative transactions	2,441,788	2,892,725
Total	**2,468,923**	**2,951,476**

The (positive) fair value of derivative financial instruments that were employed under fair value hedge accounting as hedging transactions amounted to EUR 193,373 thousand as at 30 June 2015 (31 Dec. 2014: EUR 273,060 thousand).

16. Financial assets

Designated financial assets

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Bonds and other fixed-income securities	580,362	711,996
Shares and other variable-yield securities	37,164	36,583
Total	**617,526**	**748,579**

Financial assets in the category “available for sale” (AfS)

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Bonds and other fixed-income securities	3,389,137	3,337,747
Shares and other variable-yield securities	420,091	432,347
Shares in companies	405,711	453,808
Total	**4,214,939**	**4,223,902**

Financial assets in the category “held-to-maturity” (HtM)

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Bonds and other fixed-income securities	443,211	489,115
Total	**443,211**	**489,115**

Financial assets in the category "loans and receivables"

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Bonds and other fixed-income securities	665,460	712,008
Total	**665,460**	**712,008**

17. Companies accounted for using the equity method

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Banks	1,157,684	1,124,899
Non-banks	697,984	675,178
Total	**1,855,668**	**1,800,077**

The investment in the Oberösterreichische Landesbank AG was amortised at value in use in the 2015 financial year by EUR –9,719 thousand (H1 2014: EUR –25,468 thousand). The trigger for this impairment were valuation-relevant effects connected to the debt moratorium for HETA ASSET RESOLUTION AG.

18. Intangible assets

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Customer base	283	388
Brand	19,679	20,751
Goodwill	13,622	13,622
Other intangible assets	11,941	13,139
Total	**45,525**	**47,900**

19. Property and equipment and investment property

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Land and buildings used for bank operations	235,048	239,733
Other property and equipment	170,928	166,119
Investment property	746,513	759,767
Total	**1,152,489**	**1,165,619**

The overwhelming part of investment properties – EUR 483.7 million (31 Dec. 2014: EUR 490.6 million) – is from the OÖ Wohnbau companies. Access to these investment properties is subject to legal restrictions due to the Austrian Public House Building Act (WGG).

20. Other assets

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Receivables from non-bank activities	137,431	132,489
Prepaid expenses	24,323	20,088
Other assets	134,747	215,651
Total	**296,501**	**368,228**

The proportion of "Other assets" of the „OÖ Wohnbau" companies amounts to EUR 37.3 million (31 Dec. 2014: EUR 36.7 million).

21. Assets held for sale

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Assets held for sale	45,474	0
Total	**45,474**	**0**

In May 2015, an agreement was made to sell shares in Raiffeisen Bausparkasse Gesellschaft m.b.H. and shares in Valida Holding AG to the RZB Group. The transfer of shares will take place in the second half of 2015 subject to regulatory and anti-trust authorisations. The presentation of shares valued in accordance with the “Financial assets available for sale (AfS)” category with a carrying amount of EUR 45.5 million was done as of 30 June 2015 under IFRS 5 in the balance sheet item, “Assets held for sale.” The ongoing income from these investments amounted in the first half of 2015 to EUR 984 thousand in the income statement in the post, “Interest and interest-related income.” An amount of EUR 1,158 thousand was reported in the first half of 2015 in “Other comprehensive income” (OCI) under “Gain or loss on remeasurement of AfS securities.”

22. Amounts owed to banks

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Liabilities payable on demand	4,163,983	3,601,607
Money market transactions	4,291,908	3,886,277
Long-term financing	3,307,488	3,533,598
Other	273,398	283,443
Total	**12,036,777**	**11,304,925**
In Austria	9,052,832	8,130,969
Abroad	2,983,945	3,173,956
Total	**12,036,777**	**11,304,925**

23. Amounts owed to customers

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Demand deposits	4,495,348	4,571,852
Term deposits	3,865,417	4,160,350
Savings deposits	1,504,880	1,574,341
Other	202,269	209,490
Total	**10,067,914**	**10,516,033**
In Austria	7,242,053	7,455,701
Abroad	2,825,861	3,060,332
Total	**10,067,914**	**10,516,033**

24. Liabilities evidenced by certificates

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Bonds issued	2,985,664	3,693,441
Listed mortgage bonds/ public sector certificates	73,170	90,134
Non-listed mortgage bonds/municipal bonds	260,151	258,026
Other securitised liabilities	4,392,550	4,600,802
Total	**7,711,535**	**8,642,403**

25. Provisions

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Provisions for personnel expenses	176,347	173,783
of which severance provisions	98,501	95,968
of which pension provisions	58,885	59,509
of which bonus fund provisions	18,961	18,306
Other provisions	85,171	85,569
Total	**261,518**	**259,352**

26. Trading liabilities

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Interest rate transactions	1,855,677	2,172,922
Currency exchange transactions	26,704	29,249
Stock and index related business	250	172
Other transactions	14	6
Total	**1,882,645**	**2,202,349**

The (negative) fair value of derivative financial instruments that were employed under fair value hedge accounting as hedging transactions amounted to EUR 130,267 thousand as at 30 June 2015 (31 Dec. 2014: EUR 141,278 thousand).

27. Other liabilities

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Liabilities from non-bank activities	120,903	117,467
Deferred income	13,521	12,452
Other liabilities	538,718	348,797
Total	**673,142**	**478,716**

28. Subordinated capital

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Supplementary capital	1,545,865	1,519,191
Profit-sharing rights	17,300	17,300
Total	**1,563,165**	**1,536,491**

29. Equity

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Share capital	276,476	276,476
Participation capital	1,032	1,032
Capital reserves	972,095	972,095
Aggregate net income	2,259,601	2,164,927
Non-controlling interests	155,681	151,741
Total	**3,664,885**	**3,566,271**

In the first half of 2015, dividends of EUR 23,374 thousand were paid on the preferred shares and EUR 892 thousand on participation capital of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft, in accordance with the decision made at the annual general meeting on 28 May 2015 concerning the use of the profit from 2014. This means that the planned dividend for each ordinary no-par share will be EUR 12.09.

Changes in AfS reserves

	2015 in EUR '000	2014 in EUR '000
As at 1 Jan.	295,180	112,670
Changes in the valuation of AfS securities	–48,041	103,429
Amounts transferred into the income statement	–4,993	–756
of which through impairment loss of AfS assets	–379	0
of which through sale of AfS assets	–5,064	–1,336
of which from redesignated AfS assets	450	580
Taxes recognised in respect of this amount	13,363	–25,668
As at 30 June	**255,509**	**189,675**

The AfS provisions reflect changes in valuation recorded under equity with no effect on the consolidated income statement of financial instruments in the category “Financial assets available for sale (AfS)” in accordance with IAS 39.

Hedging of net investments in a foreign business

	2015 in EUR '000	2014 in EUR '000
As at 1 Jan.	1,380	1,014
Gain or loss from the hedging of net investments	–779	43
Taxes recognised in respect of this amount	196	–11
As at 30 June	**797**	**1,046**

Exchange rate hedging transactions for investments in economically independent entities are recorded as hedging of net investments, in accordance with IAS 39.102. Hedge positions represent refinancing in foreign currency.

Risk report

Summary

Raiffeisenlandesbank Oberösterreich Group's long-term success has largely been due to active risk management. In order to achieve this target, Raiffeisenlandesbank Oberösterreich, as the dominant group company, has implemented risk management with structures that facilitate the identification and measurement of all risks in the group (credit risks, market risks, equity risks, liquidity risks, macroeconomic risks, and operational risks) and their active managerial counteraction.

The Raiffeisenlandesbank Oberösterreich in general only aims its work at areas of the business in which it has the requisite expertise in the assessment of the specific risks. Before it moves into new areas of business or products, the group always carries out an adequate analysis of the risks posed by that specific business.

Risk Controlling analyses all risks and examines adherence to the defined risk limits by means of ongoing variance analyses. Internal/Group Auditing assesses the effectiveness of working procedures, processes and internal controls.

Market risks

Market risks take the form of changes in interest rates, currency and exchange rates relating to securities, interest rates and foreign exchange items.

The basis for all business is a balanced risk/reward ratio.

The strict division of labour between front, middle and back office and risk controlling ensures that risks can be described comprehensively, transparently and objectively to the Managing Board and supervisory authorities.

New products and markets are evaluated in an approval process and then authorised by the Managing Board.

The trades and the market price risk are limited by an extensive limit system. All trading positions are valued every day at market prices.

The market risks are measured every day with the value-at-risk index for the trading and banking books. This indicates a possible loss which, with 99% probability, will not be exceeded during a one-month holding period.

The market risks are managed using a limit system based on the value at risk. All market risk activities are assigned a risk limit which is included in full in the risk-bearing capacity analysis.

In addition to value-at-risk, stop-loss limits and scenario analyses are used to limit risk.

The other fully consolidated group companies minimise their market risks through maturity-matched funding via Raiffeisenlandesbank Oberösterreich.

The following table shows the value-at-risk figures for the Raiffeisenlandesbank Oberösterreich Group (confidence level 99%, holding period one month) as at 30 June 2015.

Raiffeisenlandesbank Oberösterreich Group	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Total	100,547	100,210
Interest	84,175	83,936
Spread	57,096	46,732
Currency	884	693
Shares	3,851	2,895
Volatility	1,395	1,392

As at 30 June 2015, total value at risk was EUR 100.5 million which was EUR 0.3 million higher than on 31 December 2014.

In addition, stress tests are conducted to take account of risks in the event of extreme market movements. The crisis scenarios include the simulation of large fluctuations in the risk factors and are designed to highlight potential losses which are not covered by the value-at-risk model. The stress scenarios comprise both the extreme market fluctuations which have actually occurred in the past and also a series of standardised shock scenarios involving interest rates, credit spreads, share prices, currency exchange rates and volatility.

A stress test with a 200 basis point interest rate shift was performed for the trading and banking book.

The following table shows the results of the stress test as at 30 June 2015:

	30 June 2015		31 Dec. 2014	
(in EUR '000)	+ 200 BP	–200 BP	+ 200 BP	–200 BP
EUR	–321,991	260,389	–335,174	328,191
USD	–1,622	1,991	–2,052	2,416
GBP	1,745	–1,845	2,001	–2,140
CHF	–5,073	5,727	–4,249	4,854
JPY	–349	356	–465	485
CZK	–14,324	17,262	–11,020	13,404
Other currencies	–133	218	–382	477

The stress test shows the change in present value when the yield curve is shifted in parallel by one and two percentage points respectively.

Credit risk

The credit risk constitutes the risk to the bank that a loss will occur as a result of the non-fulfilment of the contractual obligations of customers or contractual partners. Credit risk is mainly generated by the loans and advances to customers and banks and from securities from the banking book.

In terms of the risk associated with the debt moratorium for HETA ASSET RESOLUTION AG ("HETA") and the related provisions established in the Group for this purpose on 30 June 2015 in the amount of EUR 22.9 million, we refer to the discussion of loan loss allowances.

A report on the credit risk is given to the Managing Board once each quarter, or as needed.

The principles of the customers' credit ratings are incorporated in the "Rating Standards" manual. This set of regulations is a compact representation of the standards valid for Raiffeisenlandesbank Oberösterreich, which are in accordance with the international "Basel III" standards.

An organisational separation between front and back offices has been implemented.

In order to measure the credit risk, the bank carries out its own internal ratings and classifies financing transactions into credit rating and risk classes. The risk class of a borrower accordingly comprises two dimensions – recording and assessing their financial situation and measuring the collateral provided.

The following rating classes are used for internal rating in the Raiffeisenlandesbank Oberösterreich Group:

10 point scale	Subclasses	Text
0.5	0.5	risk-free
1.0	1.0	outstanding creditworthiness
1.5	1.5	very good creditworthiness
2.0	2 +	good creditworthiness
	2.0	
2.5	2 –	average creditworthiness
	2.5	
3.0	3 +	satisfactory creditworthiness
	3.0	
3.5	3 –	mediocre creditworthiness (-)
	3.5	poor creditworthiness
4.0	4 +	very poor creditworthiness (+)
	4.0	
4.5	4.5	in danger of default
5.0	5.0	Default criteria reached
	5.1	
	5.2	

Individual rating classes are defined and delineated by means of calculations which assess statistical default probabilities. The descriptions in words are simply for illustrative purposes.

Credit value at risk

The overall risk of all assets exhibiting counterparty default risk is assessed on a monthly basis. Risk may arise due to credit default or worsening of creditworthiness – and it is communicated through the key figures expected loss, unexpected loss and credit value at risk. Risk may arise due to credit default or worsening of creditworthiness – and it is communicated through the key figures expected loss, unexpected loss and credit value at risk.

The expected loss represents the most probable value decrease of a given portfolio. This specified decrease in value should be expected each year. This loss is covered by the calculated risk costs.

The unexpected loss represents a portfolio's possible loss beyond the expected loss. Thus, it communicates possible negative deviation from the expected loss. The unexpected loss is covered by the equity capital and is the maximum loss that can possibly arise within a single year, and which – with a certain amount of probability – will not be exceeded. Raiffeisenlandesbank Oberösterreich calculates unexpected loss at probabilities of 95% and 99.9%.

The calculation is carried out by the credit manager software from the RiskMetrics company. The risks/opportunities from loan defaults or changes in creditworthiness are determined using a market valuation model. The market data required for the portfolio value distribution (interest rates, credit spreads and sector indices) are updated every month.

Overall structure by balance sheet item

Maximum credit risk exposure pursuant to IFRS 7.36 a

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Cash and cash equivalents (credit balance at central banks)	98,027	54,500
Loans and advances to banks	6,767,193	6,779,138
Loans and advances to customers	19,198,680	19,166,752
Trading assets	2,468,923	2,951,476
Financial assets	5,082,374	5,255,112
Total	**33,615,197**	**34,206,978**
Contingent liabilities	3,376,764	3,424,218
Credit risks	4,413,645	4,594,948
Total	**7,790,409**	**8,019,166**
Total maximum credit exposure	**41,405,606**	**42,226,144**

Collateral for overall structure

The stated collateral values correspond to the values determined within internal risk management. They reflect a conservative estimate of receipts in the event of any necessary non-performing loan workout.

Collateral values pursuant to IFRS 7.36 b

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Loans and advances to banks	1,645,087	1,582,149
Loans and advances to customers	9,921,728	9,878,994
Trading assets	2,082,001	2,074,056
Financial assets	1,079,105	997,295
Total	**14,727,921**	**14,532,494**
Contingent liabilities*	1,593,293	1,605,632
Credit risks	1,076,532	920,595
Total	**2,669,825**	**2,526,227**
Total collateral values	**17,397,746**	**17,058,721**

As at 30 June 2015, the total collateral values consisted of 43.3%* (31 Dec. 2014: 44.6%*) collateral on immovable goods (i.e. mortgages, rankings).

* Taking into consideration shares held as collateral in housing loans from Oberösterreichische Landesbank Aktiengesellschaft

Industry structure/Concentration risk

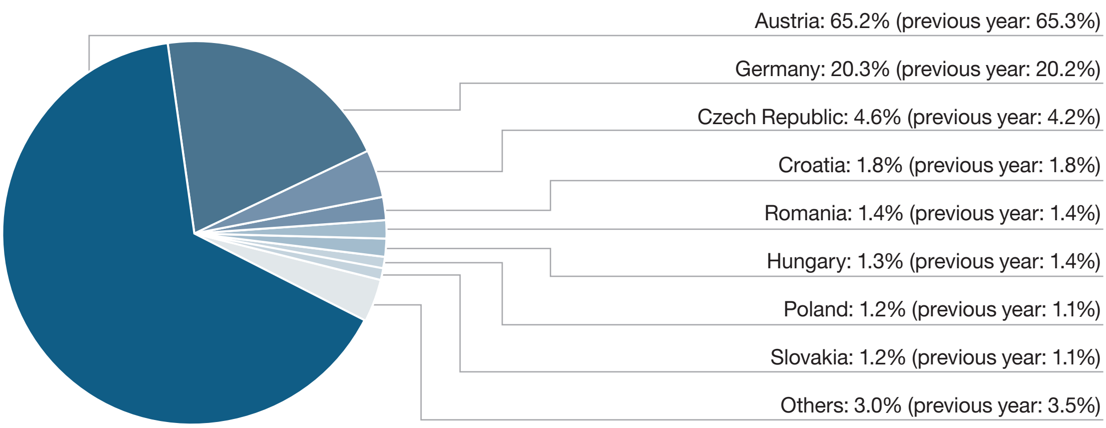
Maximum credit risk exposure by industry

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Banks	11,699,213	12,179,730
Real estate projects, property management and residential building management	6,006,694	5,873,663
Public sector and non-profit organisations	3,884,473	3,506,826
Retail (natural persons)	2,929,304	2,997,884
Engine and plant construction	1,746,351	1,623,864
Supplementary construction trade	1,501,408	1,472,630
Transport (goods, people, on land, on water)	1,123,494	1,111,171
Metal production and processing	948,048	883,426
Consumer goods	909,796	897,904
Construction	887,528	919,259
Motor vehicles	824,890	828,883
Energy and utilities	738,834	780,301
Electronic/electrical	736,419	755,213
Foodstuffs	707,753	673,543
Tourism	623,748	619,041
Finance holdings	553,096	1,147,828
Health, veterinary and social work	482,704	469,423
Chemicals and rubber	458,387	492,171
Legal, corporate and tax consultancy, other consultancy	346,649	379,151
Subtotal	**37,108,789**	**37,611,911**
Subtotal other	4,296,817	4,614,233
Total	**41,405,606**	**42,226,144**

In the CRR specified in sentencefinance holding (Raiffeisenbankengruppe OÖ Verbund eGen) there were 21 major loans* (without loans to Group members) as at 30 June 2015 (31 Dec. 2014: 22). Of these, nine major loans were in the commercial sector (31 Dec. 2014: ten), four major loans to the banking sector (31 Dec. 2014: four), and eight major loans to the public sector (31 Dec. 2014: eight).

* Value (before application of exemptions and before deduction of collateral) greater than 10 % of capital eligible for inclusion for major loans according to CRR

Geographic distribution of the loans and advances to customers



Disclosures on government bonds from selected European countries

Carrying amounts	Designated financial instruments		Financial assets available for sale (AfS)		Financial assets "held-to-maturity"		Total	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014
	in EUR m		in EUR m		in EUR m		in EUR m	
Spain	0	0	0	0	0	0	0	0
Greece	0	0	0	0	0	0	0	0
Ireland	0	0	12.2	12.5	50.0	49.9	62.2	62.4
Italy	83.4	87.2	0	0	0	0	83.4	87.2
Ukraine	0	0	0.6	0.8	0	0	0.6	0.8
Portugal	0	0	0	0	15.0	15.1	15.0	15.1
Total	**83.4**	**87.2**	**12.8**	**13.3**	**65.0**	**65.0**	**161.2**	**165.5**

The government bonds listed in the category "financial assets available for sale" as of 30 June 2015 contained a total positive AfS reserve of about EUR 2.2 million (31 Dec. 2014: EUR 2.6 million). On 30 June 2015 the fair value of the government bonds listed in the category "financial assets held to maturity" was about EUR 3.1 million (31 Dec. 2014: EUR 4.3 million) above their carrying amount. Beyond that we held no credit default swaps (CDS) in connection with the aforementioned countries.

Rating structure for credit risk exposure which is neither overdue nor impaired

The quality of the financial assets which are neither overdue nor impaired are depicted as follows on the basis of the internal rating classification:

Very low / low risk:	Rating classes 0.5 to 1.5
Normal risk:	Normal risk: Rating classes 2 + to 3 +
Increased risk:	Rating classes 3 and poorer

	Very low / low risk		Normal risk		Increased risk	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014
	in EUR '000	in EUR '000	in EUR '000	in EUR '000	in EUR '000	in EUR '000
Cash and cash equivalents	98,027	54,500	0	0	0	0
Loans and advances to banks	5,554,078	6,056,733	1,201,360	689,976	10,430	30,867
Loans and advances to customers	5,214,273	5,183,445	9,550,637	9,213,344	2,969,782	3,243,067
Trading assets	2,080,172	1,781,413	378,492	1,156,297	10,259	13,766
Financial assets	4,704,860	4,047,649	350,360	1,146,480	25,556	58,405
Contingent liabilities	1,016,084	1,063,466	2,045,836	2,000,106	264,137	301,078
Credit risks	1,292,980	1,613,970	2,498,303	2,437,239	539,274	457,328
Total	**19,960,474**	**19,801,176**	**16,024,988**	**16,643,442**	**3,819,438**	**4,104,511**

Structure of overdue or impaired credit risk exposure

Carrying amounts of overdue or impaired financial assets:

	30 June 2015	31 Dec. 2014
	in EUR '000	in EUR '000
Loans and advances to banks	1,325	1,562
Loans and advances to customers	1,463,988	1,526,896
Financial assets	1,598	2,578
Contingent liabilities	50,707	59,568
Credit risks	83,088	86,411
Total	**1,600,706**	**1,677,015**

Collateral relating to overdue or impaired credit risk exposure

The following value-based collateral applies to the overdue or impaired financial assets:

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Loans and advances to customers	982,502	885,380
Contingent liabilities	24,726	24,473
Credit risks	44,341	10,051
Total collateral values	**1,051,569**	**919,904**

Collateral values for impaired credit risk exposures are reviewed without delay - and correspond to a conservative estimate of the proceeds that could be expected over the long term from recovery of the collateral.

As at 30 June 2015, 52.9% (31 Dec. 2014: 53.9%) of the total collateral values relating to overdue or impaired credit exposure consisted of collateral on immovable goods (e.g. mortgages, rankings).

Appropriated collateral

Collateral taken into possession by Raiffeisenlandesbank Oberösterreich or related companies is sold in an orderly and proper manner and the proceeds from the sale applied to the repayment of the loan or advance concerned. Appropriated collateral is not generally used in the bank's own operations. These acquired securities generally take the form of commercial property. Other types of property collateral may also be prepossessed. The principle objective is to dispose of these properties within an appropriate timeframe. In cases where the disposal of a property proves difficult, alternative uses will be considered, especially letting the property. The carrying amount of these assets at 30 June 2015 amounted to EUR 1,848 thousand (31 Dec. 2014: EUR 8,247 thousand) and was broken down as follows:

	30 June 2015		31 Dec. 2014	
	Carrying amount (in EUR '000)	Number	Carrying amount (in EUR '000)	Number
Undeveloped land	152	1	146	1
Residential buildings	609	1	603	1
Commercial properties	0	0	6,411	1
Mixed use buildings	1,087	1	1,087	1
Total of collateral taken into possession	**1,848**	**3**	**8,247**	**4**

In the first half of 2015 no securities were taken into possession by the Raiffeisenlandesbank Oberösterreich Group or its related companies.

Age structure of overdue credit risk exposure

The financial assets which were overdue but not impaired as at the balance sheet date had the following age structure:

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
up to 30 days	487,650	565,763
31 to 60 days	79,874	89,251
61 to 90 days	9,949	13,715
over 90 days	44,112	32,367
Total	**621,585**	**701,096**

The ageing structure is accounted for on the basis of individual accounts without consideration of the materiality thresholds, as in accordance with Article 178 CRR.

Impaired credit risk exposure

The financial assets that were determined to be impaired on the reporting date exhibit the following structure:*

	Loans and advances to banks		Loans and advances to customers		Contingent liabilities		Credit risks	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014
	in EUR '000		in EUR '000		in EUR '000		in EUR '000	
Gross value	1,025	922	1,800,127	1,757,280	60,319	67,527	104,502	97,716
Loan loss allowances	–1,011	–913	–956,414	–929,927	–9,611	–7,959	–21,414	–11,305
Carrying amount	**14**	**9**	**843,713**	**827,353**	**50,708**	**59,568**	**83,088**	**86,411**
Collateral	0	0	515,267	476,452	24,726	24,473	44,341	10,051

*Amounts without portfolio value adjustment

Allowances for losses on loans and advances are recognised primarily if a debtor is experiencing economic or financial difficulties, fails to make interest payments or repayments of principal, or other circumstances arise that indicate a probability of default based on regulatory standards. A portfolio loan loss allowance is recognised for potential losses on loans and advances that cannot be individually assigned. This portfolio loan loss allowance takes into account probabilities of default.

Raiffeisenlandesbank Oberösterreich's definition of default includes payments overdue by more than 90 days in addition to insolvency, pending insolvency, legal cases, deferments, restructuring, significant loan risk modifications, debt waivers, direct impairment losses, creditworthiness-related interest exemptions, repayments with an expected financial loss, and moratoria/payment stoppage/withdrawal of licence for banks. Customers with a default on their record are assigned a credit rating of 5.0, 5.1 or 5.2 (corresponds to Moody's Ca and C ratings or Standard & Poor's CC, C and D ratings). The new definition of default is also the basis for calculating the non-performing loans ratio (NPL ratio).

The NPL ratio among the loans and advances to customers amounted to 9.67% as at 30 June 2015 (31 Dec. 2014: 9.32%).

Credit-rating-related impairment of securities in the category "financial assets available for sale (AfS)," "financial assets held to maturity" and "loans and receivables" are recognised as valuation allowances. In the first half of 2015, these valuation allowances on debt capital securities came to EUR 1,010 thousand (previous year: EUR 1,968 thousand). The carrying amount of these securities which have already been amortised was EUR 1,598 thousand as at 30 June 2015 (31 Dec. 2014: EUR 2,565 thousand). Triggering events include substantial financial difficulties of the issuer, significant worsening of ratings and the default of interest payments or repayments. The reversal of allowances on the previous year's impaired debt portfolio amounted to EUR 0 thousand in the first half of 2015 (H1 2014: EUR 0 thousand).

Forbearance

Financial assets that were subjected to forbearance-relevant measures as at the balance sheet date were structured as follows:

Performing	1 Jan. 2015 in EUR '000	Absorption H1 2015 in EUR '000	Disposal H1 2015 in EUR '000	30 June 2015 in EUR '000
Loans and advances to customers	266,886	52,421	–123,399	195,908
Credit risks	13,232	2,505	–3,405	12,332
Total	**280,118**	**54,926**	**–126,804**	**208,240**
Loan loss allowances	0	0	0	0

Non-performing	1 Jan. 2015 in EUR '000	Absorption 1. H1 2015 in EUR '000	Disposal H1 2015 in EUR '000	30 June 2015 in EUR '000
Loans and advances to customers	569,090	86,882	–83,812	572,160
Credit risks	58,498	16,546	–31,766	43,278
Total	**627,588**	**103,428**	**–115,578**	**615,438**
Loan loss allowances	604,321	66,887	–84,665	586,543

"Forbearance" refers to measures that are characterised by an alteration of conditions included in the credit agreement to the borrower's advantage (i.e., deferments) or the refinancing of the loan because the borrower can no longer fulfil the existing conditions due to financial hardship. A borrower's financial hardship and alterations to the credit agreement do not necessarily result in losses for the lending institution in every case. Should the lending institution experience losses as a result of forbearance measures, appropriate value adjustment measures in accordance with IAS 39 will be undertaken.

Other changes to credit agreements that are not related to the borrower's experience of financial hardship will not be considered forbearance measures.

Liquidity risk

The liquidity risk encompasses the risk of not being able to fulfil one's payment obligations by the due date or, in the case of a liquidity shortage, of not being able to acquire enough liquidity at the terms expected (structural liquidity risk).

Ensuring that there is sufficient liquidity takes top priority at Raiffeisenlandesbank Oberösterreich as the central institution for the Raiffeisen Banking Group Upper Austria. Liquidity has to be safeguarded at all times.

Liquidity and liquidity risk is managed under a standardised model which, besides normal circumstances, also encompasses stress scenarios arising from reputational risk, systemic risk, a non-performing loan or a crisis involving several risks.

The Liquidity Coverage Ratio (LCR) as at 30 June 2015 stood at 114% (31 Dec. 2014: 104%) and therefore significantly exceeded the 60% level that is required for the introduction of LCR on 1 October 2015. In addition, this value also already exceeds the 100% limit that will apply as of 1 January 2018. This demonstrates the good liquidity situation of the Raiffeisenlandesbank Oberösterreich Group

The Net Stable Funding Ratio (NSFR) is currently still in the observation phase from the perspective of the regulator. The NSFR as at 30 June 2015 stood at 100% at the group level (31 Dec. 2014: 106%) and therefore significantly exceeded the ratio that is required upon introduction as a minimum standard on 1 January 2018.

As of 1 July 2015 Moody's upgraded Raiffeisenlandesbank Oberösterreich to Baa2 in their Long Term Issuer Ratings.

The moratorium imposed by the financial supervisory authority also affects the liabilities of HETA owed to the Austrian Pfandbriefstelle (the bond division of the association of Austrian state mortgage banks). Due to regulatory liability provisions, mortgage banks and the federal states are required to put up advance liquidity to service liabilities from the Pfandbriefstelle. EUR 800.0 million in HETA bonds issued via the Pfandbriefstelle are due at the expiration of the moratorium; they are to be carried by the aforementioned parties in proportion to involvement in the scheme. To ensure the provision of liquidity, the "Agreement on the fulfilment and resolution of joint and several liability in accordance with Section 2 of the Pfandbriefstelle Act, as well as the resolution of internal compensation claims" was concluded between the Pfandbriefestelle of the Austrian Landes-Hypotheken banks, the Pfandbriefbank (Austria) AG, the individual member institutes, and the state of Carinthia. HYPO Salzburg has sufficient liquidity reserves to cover payment obligations should they arise.

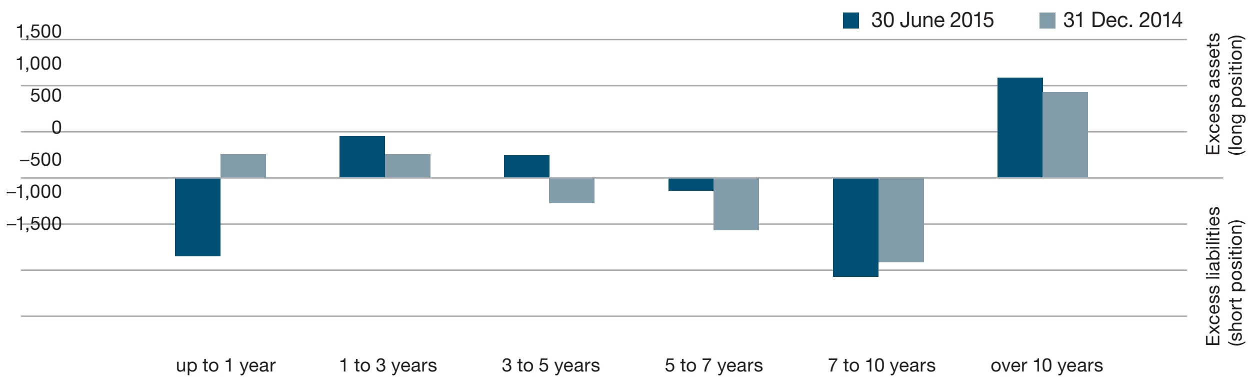
The following table summarises the maturities of the non-discounted liabilities including the respective interest payments and depicts the earliest possible utilisation of guarantees and credit approvals:

30 June 2015	Payable on demand/ no term in EUR '000	Up to 3 months in EUR '000	3 months to 1 year in EUR '000	1 to 5 years in EUR '000	More than 5 years in EUR '000	Total in EUR '000
Amounts owed to banks	4,472,634	1,275,107	821,034	3,869,785	1,919,888	12,358,448
Amounts owed to customers	4,709,955	1,103,490	983,171	1,429,817	2,197,472	10,423,905
Liabilities evidenced by certificates	2,930	216,571	1,417,058	4,467,618	3,246,462	9,350,639
Trading liabilities	0	106,209	298,155	1,363,635	2,660,729	4,428,728
Subordinated capital	0	1,583	228,152	1,116,516	381,511	1,727,762
Total	**9,185,519**	**2,702,960**	**3,747,570**	**12,247,371**	**10,406,062**	**38,289,482**
Contingent liabilities	3,376,764	0	0	0	0	3,376,764
Credit risks	4,413,645	0	0	0	0	4,413,645

31 Dec. 2014	Payable on demand/ no term in EUR '000	Up to 3 months in EUR '000	3 months to 1 year in EUR '000	1 to 5 years in EUR '000	More than 5 years in EUR '000	Total in EUR '000
Amounts owed to banks	3,943,515	1,074,262	968,990	3,628,214	2,015,589	11,630,570
Amounts owed to customers	4,686,206	1,261,724	1,368,045	1,396,271	2,202,531	10,914,777
Liabilities evidenced by certificates	10,000	499,400	1,172,842	4,236,934	3,335,643	9,254,819
Trading liabilities	0	157,623	280,461	1,377,239	2,567,135	4,382,458
Subordinated capital	0	5,007	203,970	987,960	486,934	1,683,871
Total	**8,639,721**	**2,998,016**	**3,994,308**	**11,626,618**	**10,607,832**	**37,866,495**
Contingent liabilities	3,424,218	0	0	0	0	3,424,218
Credit risks	4,594,948	0	0	0	0	4,594,948

From the gap analysis below it can be seen that there is no substantial liquidity risk in the individual maturity periods. There is a large amount of potential collateral available for tender transactions with the ECB and the Swiss National Bank for ongoing liquidity equalisation as well as for other repurchase transactions.

Gap in EUR m [1)]



[1)] Items without fixed capital commitment are analysed in light of more realistically described historical developments and are modelled as at 30 June 2015; values as at 31 December 2014 are also described using this new method.

Investment portfolio risk

Equity risk covers potential losses caused by dividends not paid, adjustments, disposal losses, regulatory funding obligations, strategic financial restructuring responsibilities, and the reduction of hidden reserves.

The Raiffeisenlandesbank Oberösterreich Group has a broadly diversified investment portfolio. The investment rating is a central component when measuring equity risk in the risk-bearing capacity analysis. The equity risk is determined on the basis of expert assessments that take into account the current rating classification of the respective investment company.

The basis for the determination of equity risk are the risk factors (= haircuts) that are derived from the rating classification of the respective investment company, and the exposure value of the investment. The investment portfolio risk results from the respective exposure and the haircuts applied to it.

The following table presents the carrying amount of equity investments held by the Raiffeisenlandesbank Oberösterreich Group as at 30 June 2015 and 31 December 2014, organised by risk classes:

	Very low / low risk		Normal risk		Increased risk	
	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Banks	1,179,485	1,189,202	15,303	12,025	1,557	5,675
Non-banks	593,879	617,705	868,399	831,902	49,406	56,365
Total	**1,773,364**	**1,806,907**	**883,702**	**843,927**	**50,963**	**62,040**

On a quarterly basis, the risk potentials determined by expert evaluations (in problematic and extreme cases) and risk coverage from investment companies are used in the risk-bearing capacity analyses conducted periodically at the overall bank level. The Risk Controlling organisational unit produces a quarterly report on equity risk.

Macroeconomic risk

Macroeconomic risk measures the effects of a slight or severe recession on the risk situation at Raiffeisenlandesbank Oberösterreich. To this end, a statistics-based macroeconomic model analyses the correlation between macroeconomic factors (e.g. GDP, real wages index) and the probability of default. The simulated economic downturn in the model is used to determine the additional risk based on the CVaR figures.

Operational risk

The group defines operational risk as being the risk of losses derived from the inadequacies or failure of internal procedures, people and systems, or external events.

Raiffeisenlandesbank Oberösterreich uses the basis indicator approach to quantify operational risk. The group has used organisational and technical computing measures in order to restrict this type of risk. A high degree of protection is attained by limit systems, authority regulations, a risk-adequate internal control system, as well as scheduled and unscheduled audits by Internal / Group Auditing in the individual group companies. The goal of the self assessments done in the group is to make an appraisal of the operational risks and to increase the awareness of operational risks (early warning system).

To limit operational risks, the subgroup Gesellschaft zur Förderung agrarischer Interessen in Oberösterreich GmbH maintains production and quality assurance programs and is insured against natural perils or product liability.

Other risk

Raiffeisenlandesbank Oberösterreich takes into account other, non-quantifiable risks in terms of risk-bearing capacity by means of a risk buffer. These include: Strategic risk, reputation risk, equity risk, systemic risk, income and business risk, risk of excessive indebtedness, remaining risk from techniques used to reduce credit risks, risks from money laundering and the financing of terrorism

Risk-bearing capacity analysis

The risk-bearing capacity analysis compares the aggregated overall bank risk of the group, organised by credit risks, market risks, equity risks, refinancing risks (as a measurement criterion of liquidity risk), macroeconomic risks, operational risks and other risks (= strategic risks, reputation risks, equity capital risks, and profit risks) to risk coverage (= operating profit, hidden reserves, reserves, and equity capital).

This comparison of the group risks with the available coverage depicts the risk-bearing capacity.

With this comparison, the Raiffeisenlandesbank Oberösterreich Group is able to guarantee that it can cover extremely unexpected losses from its own funds without major negative effects. Economic capital is the measurement of risk used to calculate extremely unexpected losses. It is defined as the minimum amount of capital necessary to cover unexpected losses with a probability of 99.9% within one year.

Details regarding risk capital

Segment / Type of risk	Corporates & Retail		Financial Markets		Invest-ments		Corporate Center		Total	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec. 2014
	in EUR m		in EUR m		in EUR m		in EUR m		in EUR m	
Market risks [1]			469.4	469.4	38.9	38.9			508.3	508.3
Credit risks [2]	1,219.7	1,385.6	158.1	144.9	242.6	262.7	48.3	35.1	1,668.7	1,828.3
Investment portfolio risk					949.3	931.3			949.3	931.3
Refinancing risks			7.9	0.0					7.9	0.0
Operational risk [3]	26.6	43.3	25.3	23.2	44.2	29.6	1.8	1.8	97.9	97.9
Macroeconomic risks	242.3	299.4	9.6	16.3	45.8	52.9	3.6	3.6	301.3	372.2
Others risks/buffers	2.7	4.4	2.6	2.4	4.5	3.0	0.2	0.2	10.0	10.0
Total	**1,491.3**	**1,732.7**	**672.9**	**656.2**	**1,325.3**	**1,318.4**	**53.9**	**40.7**	**3,543.4**	**3,748.0**

The assignment of risk capital follows asset allocation as it is done in the IFRS consolidated financial statements of Raiffeisenlandesbank.

1) Market risks are incurred in the Financial Markets and Investments segments. Reason: Hypo Salzburg is included in its entirety in the Investments section of the IFRS statements.
2) Credit risks are also incurred in Corporate Center, because financing is also allocated to this segment in the IFRS statements.
3) Operational risks and the risk buffer were distributed aliquot to income.

Institutional protection scheme

Raiffeisen Banking Group Upper Austria

The Austrian Raiffeisen Banking Group (RBG Ö) is the largest banking group in Austria with about 498 locally operating Raiffeisen branches, eight regional Raiffeisen headquarters, and Raiffeisen Zentralbank Österreich AG as central institution in Vienna. Some 1.7 million Austrians are members and thus owners of Raiffeisen banks.

The Raiffeisen Banking Group Upper Austria (RBG OÖ) is made up of a central institution, Raiffeisenlandesbank Oberösterreich AG, and 94 Raiffeisen banks with a total of 440 bank branches.
About 303,000 Upper Austrians are co-owners of the Upper Austrian Raiffeisen banks.

As credit institutions within the network of a co-operative society the Raiffeisen banks are bound to the principles of subsidiarity, solidarity, and regionalism.

Based on Articles 49 (3) and 113 (7) CRR all Raiffeisen banks in the Raiffeisen Banking Group Upper Austria have signed an agreement to set up an institutional guarantee scheme together with Raiffeisenlandesbank Oberösterreich AG, the Aid Association of the Raiffeisen Banking Group Upper Austria as well as Raiffeisen-Kredit-Garantiegesellschaft m.b.H. This institutional guarantee scheme is aimed at guaranteeing members' holdings and securing their liquidity and solvency in order to avoid bankruptcy. There is an early detection system in place to fulfil these tasks which requires the basic principle of uniform and common risk assessment in accordance with Raiffeisen deposit guarantee (ÖRE) regulations.

The risk council that has been established monitors and guides the development of the individual members within the institutional guarantee system at state level. The institutional guarantee system is represented at state level by the Chief Executive of Raiffeisenlandesbank Oberösterreich AG, Dr Heinrich Schaller. Heinrich Schaller Approval for the institutional guarantee system was obtained from the FMA by a decision dated 3 November 2014.

Aid association of the Raiffeisen Banking Group Upper Austria Raiffeisen-Kredit-Garantiegesellschaft m.b.H.

Together, the Upper Austrian Raiffeisen banks have established a joint aid association with Raiffeisenlandesbank Oberösterreich AG (Hilfsgemeinschaft der RBG Oberösterreich und Raiffeisen-Kredit-Garantiegesellschaft m.b.H.).

It ensures that in case of economic problems the distressed institutions receive help through adequate measures.

To ensure the security of the money our customers have entrusted in us, we have also created additional institutions:

Raiffeisen Customer Guarantee Association Austria (Raiffeisen-Kundengarantiegemeinschaft Österreich, RKÖ)

This association, whose members comprise participating Raiffeisen banks and Raiffeisenlandesbanks, Raiffeisen Zentralbank Österreich AG (RZB) and Raiffeisen Bank International AG (RBI), guarantees all customer deposits and securities issues of participating banks, regardless of the individual amounts involved, up to the joint financial risk-bearing capacity of the participating banks. The structure of the Customer Guarantee Association has two tiers: first, the Raiffeisen Customer Guarantee Fund Upper Austria at state level, and then the Raiffeisen Customer Guarantee Association Austria at federal level. Thus, the Customer Guarantee Association guarantees protection for customers that goes beyond the legal deposit guarantee.

Deposit guarantee institutions

All member institutions of RBG Upper Austria are, together with the Raiffeisen-Einlagensicherung Oberösterreich eGen, members of the Austrian Raiffeisen-Einlagensicherung eGen. This deposit guarantee institution is the liability institution for the entire Raiffeisen banking group in accordance with sections 93 through 93c of the Austrian Banking Act. An early warning system has been implemented in the Raiffeisen Banking Group Austria for the purpose of guaranteeing the deposits. This early warning system calls for ongoing analyses and monitoring on the basis of an extensive reporting system about revenue and risk development in all member institutions.
Given the size structure of the Raiffeisen banks and their integration in the Raiffeisen banking group as described above (protection schemes, shared models, systems and procedures), the banks in the Raiffeisen Banking Group Upper Austria apply the principle of appropriateness as provided for in the Austrian Banking Act.

On 23 July 2015, the National Council adopted the implementation of EU Directive 2014/49/EU regarding deposit guarantee systems, OJ no. L 173 dated 12 June 2014 p. 149, last amended by OJ no. L 309 dated 30 October 2014 p. 37. This session also re-implemented Directive 97/9/EC on systems for investor compensation ("Investor compensation guidelines"), OJ no. L 84 dated 26 March 1997 p. 22, the previous implementation of which was governed by Sections 93 to 93c of the Austrian Banking Act (BWG). The implementation was carried out by means of transfer into the new "Federal Act on Deposit Guarantees and Investor Compensation at Banks (ESEAG)", which adjusts the regulatory framework to the new organisation of deposit guarantee and investor compensation systems. Whenever laws are passed, deposit guarantees must be adjusted.

Hypo Haftungsgesellschaft m.b.H.

Raiffeisenlandesbank Oberösterreich holds a minority interest in Oberösterreichische Landesbank AG (Hypo OÖ) and a majority interest in Salzburger Landes-Hypothekenbank AG (Hypo Salzburg), which belongs to the protection scheme "Hypo Haftungsgesellschaft m.b.H." under the framework of the association of mortgage banks, as required by law.

Furthermore, Hypo Oberösterreich and Hypo Salzburg are also affected because of their membership in the Pfandbriefstelle by the FMA mandate of 1 March 2015, which imposed a debt moratorium on HETA ASSET RESOLUTION AG ("HETA") that will be in force until 31 May 2016. Hypo Oberösterreich and Hypo Salzburg are jointly liable, under Section 2 of the Pfandbriefstelle Law, along with other mortgage banks and their respective guarantors, to the creditors of the Pfandbriefstelle for their liabilities. Since the debts of the Pfandbriefstelle for HETA are recorded by the debt moratorium, and the Pfandbriefstelle does not have sufficient funds to service the HETA bonds, Hypo Oberösterreich and Hypo Salzburg will participate in liquidity aid for the Pfandbriefstelle. Provisions were created in this context. For details, please refer to the discussion of loan loss allowances in the Disclosures.

Other information

Loans and advances as well as amounts owed to related companies

Loans and advances and amounts owed to related companies as at 30 June 2015

Loans and advances as well as amounts owed by of Raiffeisenlandesbank Oberösterreich to parent companies and companies in which Raiffeisenlandesbank Oberösterreich holds shares are as follows:

	Companies accounted for using the equity method in EUR '000	Subsidiaries not fully consolidated in EUR '000	Other related companies in EUR '000
Loans and advances to banks	4,421,280	0	0
of which loan loss allowances	2	0	0
Loans and advances to customers	435,563	515,079	351,634
of which loan loss allowances	34	7,949	2,257
Trading assets	350,909	40,884	4,334
Financial assets	497,513	264,516	157,355
Companies accounted for using the equity method	1,855,668	0	0
Other assets	246	36,490	517
Amounts owed to banks	1,370,068	0	0
Amounts owed to customers	12,424	135,015	91,508
Provisions	0	930	384
Trading liabilities	74,905	1,768	6
Other liabilities	1,349	4,866	100
Guarantees given	405,242	37,612	19,358
Guarantees received	516,469	0	0

Loans and advances and amounts owed to related companies as at 31 December 2014

	Companies accounted for using the equity method in EUR '000	Subsidiaries not fully consolidated in EUR '000	Other related companies in EUR '000
Loans and advances to banks	4,331,263	0	15
of which loan loss allowances	0	0	0
Loans and advances to customers	393,346	554,119	400,032
of which loan loss allowances	0	16,670	2,595
Trading assets	423,440	43,373	5,002
Financial assets	559,322	250,625	104,077
Companies accounted for using the equity method	1,800,077	0	0
Other assets	49,314	30,489	77
Amounts owed to banks	1,299,383	0	44,063
Amounts owed to customers	72,406	136,182	39,811
Provisions	198	1,124	0
Trading liabilities	93,140	1,920	1
Other liabilities	509	4,707	0
Guarantees given	336,897	21,599	20,104
Guarantees received	346,098	0	0

The ultimate parent company is a cooperative registered as Raiffeisenbankengruppe OÖ Verbund which is not, aside from its function as a holding company, operationally active. As at the balance sheet date there were no material loans and advances or amounts owed to the parent company.

As at 30 June 2015 EUR 23,488 thousand (31 Dec. 2014: EUR 23,482 thousand) were pledged to companies reported under the equity method.

Standard market conditions are applied in business relationships with related companies.

Regulatory capital requirements pursuant to section 64 (1)(17) of the Austrian Banking Act

As of 1 January 2014, Regulation (EU) No. 575/2013 (Capital Requirements Regulation, CRR) and Directive (EU) No. 36/2013 (Capital Requirement Directive, CRD IV) went into force to implement Basel III. In addition, the supplementary CRR regulation defines the implementation of transitional provisions of CRR for Austria. The Basel III provisions mean that banks will have to comply with significantly higher capital ratios and tighter liquidity requirements.

Consolidated capital at the level of the uppermost finance holding (Raiffeisen Banking Group Upper Austria eGen., a registered co-operative society) break down as follows according to CRR:

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Capital instruments eligible for inclusion as Common Equity Tier 1	1,018,857	1,018,857
Aggregate net income and reserves	2,033,558	1,947,040
Regulatory adjustments (adjustment items, deductions, non-controlling interests and transitional adjustments)	–136,184	–138,051
Common Equity Tier 1 (CET 1)	**2,916,231**	**2,827,846**
Additional Tier 1 capital (AT 1)	–	–
Tier 1 capital (Tier 1 = CET 1 + AT 1)	**2,916,231**	**2,827,846**
Instruments issued by subsidiaries that count towards Tier 2 capital	576,658	643,443
Regulatory adjustments (adjustment items, deductions and transitional adjustments)	174,896	230,142
Tier 2 capital	**751,554**	**873,585**
Total capital	**3,667,785**	**3,701,431**

The overall risk value (risk-weighted assets, RWA) is divided up as follows:

	30 June 2015 in EUR '000	31 Dec. 2014 in EUR '000
Capital requirements for credit, counterparty, or dilution risk	22,606,765	23,493,875
Capital requirements for item, foreign currency, and commodity risks	223,623	259,006
Capital requirements for operational risks	1,223,177	1,223,177
Capital requirements for adjustments to credit evaluation (CVA)	205,359	193,245
Total risk value	**24,258,924**	**25,169,303**

The capital ratios according to CRR are as follows and are calculated against the total risk value in accordance with Art. 92 CRR:

	30 June 2015	31 Dec. 2014
Common Equity Tier 1 capital ratio (CET-1 Ratio) in %	12.02	11.24
Surplus CET 1 (in EUR '000)	1,824,580	1,821,074
Tier 1 capital ratio in %	12.02	11.24
Surplus Tier 1 capital (in EUR '000)	1,460,696	1,443,535
Total capital ratio (TC ratio) in %	15.12	14.71
Surplus in total capital (in EUR '000)	1,727,071	1,687,887

Raiffeisenlandesbank Oberösterreich will be in a stable capital situation for the next few years – in which the regulatory ratios under Basel III were exceeded significantly while complying with the SREP ratio prescribed by the ECB – enabling the bank to continue providing close support to its customers over the long term.

The calculation of surpluses in 2014 incorporated Section 1 CRR Ancillary Directive.

The calculation of surpluses in 2015 incorporated Article 92 CRR.

Average number of employees pursuant to section 266 of the Austrian Commercial Code

	1 Jan. – 30 June 2015	1 Jan. – 30 June 2014
Salaried employees	3,592	3,465
of which VIVATIS/efko	794	808
Other employees	1,755	1,787
of which VIVATIS/efko	1,735	1,767
Total	**5,347**	**5,252**
of which VIVATIS/efko	**2,529**	**2,575**

Events after the balance sheet date

Due to the major investment in the RZB Group, the following matters are worth mentioning for RBI: 1) The lower house of the Polish Parliament has voted for a draft of a law that would grant under certain circumstances private debtors of mortgage-foreign currency loans an option to convert to a fixed rate. Because the law has not yet been passed, which means that the final parameters do not yet exist, we cannot ascertain or understand the possible effects on RBI at this time.

2) Furthermore, AO Raiffeisenbank, Moscow, has signed a contract to sell its ZAO NPF Raiffeisen subsidiary, a Russian pension fund. The sale (closing) will be concluded upon receipt of relevant official permissions.

Furthermore, there were no events of particular significance after 30 June 2015. The condensed consolidated interim financial statements were prepared on 18 August 2015.

Statement of the Managing Board

We confirm to the best of our knowledge that these condensed consolidated interim 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 interim 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 condensed consolidated interim financial statements and in respect of the most significant risks and uncertainties in the remaining six months of the business year.

Linz, 18 August 2015
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz

THE MANAGING BOARD

Dr Heinrich Schaller
Chief Executive and Chairman of the Managing Board

Mag. Michaela Keplinger-Mitterlehner
Deputy Chief Executive

Mag. Stefan Sandberger
Member of the Managing Board

Mag. Reinhard Schwendtbauer
Member of the Managing Board

Dr Georg Starzer
Member of the Managing Board

Mag. Markus Vockenhuber
Member of the Managing Board

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

Specified in sentenceresponsibilities of the Managing Board






Heinrich Schaller
Chief Executive and Chairman of the Managing Board

- Office of the Managing Board
- Public Relations and Media Services
- Legal Office
- Corporate Governance & Compliance
- Public Affairs
- Strategy Raiffeisen Banking Group Upper Austria
- Corporate customers Raiffeisen banks
- Management of Raiffeisen banks
- Personnel management
- Group accounting and controlling
- Group audit

Michaela Keplinger-Mitterlehner
Deputy Chief Executive

- Treasury Financial Markets
- Product Management/Sales Management Private Customers and Private Banking/Group Marketing
- Branches RLB Oberösterreich branches
- PRIVAT BANK AG
- KEPLER-FONDS KAG

Stefan Sandberger
Member of the Managing Board

- Product responsibility Treasury
- Cash Management products
- Organisation
- Operations
- GRZ IT Group

Reinhard Schwendtbauer
Member of the Managing Board

- Taxation office
- Collateral
- Investment Management
- REAL-TREUHAND Management GmbH

Georg Starzer
Member of the Managing Board

- Corporates Market
- Product management and Corporates Sales
- Factoring
- Raiffeisen-IMPULSE-Leasing
- RVM Raiffeisen insurance brokers

Markus Vockenhuber
Member of the Managing Board

- Overall bank risk management
- Financing Management

Business areas
Subsidiaries
Executive unit

IMPRINT

Owner, editor and publisher:
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz
Tel. +43 (0) 732/6596-0
FN 247579 m, District Court, Linz
DVR: 2110419
www.rlbooe.at/impressum

Responsible for content:
Harald Wetzelsberger
Michael Huber
Otto Steininger
Carola Berer
with contributions from virtually every department at Raiffeisenlandesbank Oberösterreich

Layout: Raiffeisenlandesbank Oberösterreich Aktiengesellschaft, Service Management
Typesetting: Raiffeisenlandesbank Oberösterreich Aktiengesellschaft, Service Management
Photography: Erwin Wimmer (Kutzler Wimmer Stöllinger FotogmbH, Pasching); Foto Strobl, Linz
Print: Trauner, Linz

Notes:
Gender-neutral language: In order to facilitate legibility, we have dispensed with gender-specific differentiation. The content refers to both genders equally, in accordance with equal treatment.

This Interim Financial Report of the Raiffeisenlandesbank Oberösterreich 2015 is an English translation.
If there are discrepancies, the German original shall apply. No liability is assumed for typo graphical or printing errors.

Europaplatz 1a, 4020 Linz
Tel. +43 (0) 732/6596-0
Fax +43 (0) 732/6596-22739
Email: mak@rlbooe.at
www.rlbooe.at

Raiffeisen Landesbank Oberösterreich