Raiffeisenlandesbank Oberösterreich

# INTERIM FINANCIAL REPORT 2023

rlbooe.at

# INTERIM FINANCIAL REPORT 2023

## CONTENTS

# GOOD RESULTS MAKE RAIFFEISENLANDESBANK OBERÖSTERREICH A SOLID AND RELIABLE PARTNER

We are Austria's fifth largest bank and the central institution for the Raiffeisen sector in Upper Austria. As well as bearing particular responsibility towards our clients, therefore, Raiffeisenlandesbank Oberösterreich also plays a key role in ensuring that the country remains an effective and attractive place to do business. After all, with their steady stream of new political and economic as well as environmental crises, the past few years in particular have shown how important a functioning financial system and healthy banks are to the economy and thus also to society as a whole. The economic environment in the first six months of 2023 was shaped by persistently high inflation, elevated energy prices and flatlining or declining economic growth. The sharp rise in inflation, in particular, has had a noticeable impact on people's lives and is dampening consumption, investment and the general mood in society. The European Central Bank hiked interest rates further in the first half of 2023 and thus took some key steps towards combating inflation that are already beginning to have an impact in some areas. At the same time, however, raising interest rates is invariably something of a balancing act and requires sound judgment.

## Stability maintained

The Austrian economy has been trending sideways since mid-2022 and even shrank in the second quarter of 2023 due to a lack of demand, as the relevant economic report by the Austrian Institute of Economic Research (WIFO) shows. According to WIFO, this has hit service sectors, construction and industry especially hard. Needless to say, we at Raiffeisenlandesbank Oberösterreich are powerless to influence global trends. However, this makes it all the more important for us to think ahead and gear ourselves up for a range of possible scenarios so that we can respond appropriately in the interests of our clients. Personal contact with clients and close client relationships in which everyone is treated as equals are also key if we are to be able to overcome challenges together. As well as being a driving force and an investor, Raiffeisenlandesbank Oberösterreich also ensures stability and security as a reliable financial partner. The results provided here for the first half of 2023 demonstrate that the company is continuing on its stable course, is set up well for the long term and, thanks to its strong capital base, is able to absorb any negative developments that may be triggered by political or global economic crises, for instance.

## High CET 1 ratio

Capital resources are an important and key foundation for supporting companies, institutions and private clients in their projects and plans over the long term, and Raiffeisenlandesbank Oberösterreich is in a position to offer continued stability here too. The Common Equity Tier 1 capital ratio (CET 1 ratio) in the banking group stands at 15.0% as at 30 June 2023 and thus remains at a high level. If the profits for the first half of the year – which cannot be counted until the end of the year due to regulatory requirements – were also taken into account at this point, this would even have produced a CET 1 ratio of 16.4%. Figures this healthy will be a key success factor for the future, particularly with the Austrian economy still in its fragile state. In this context, it is worth pointing out that the risk situation in the Raiffeisenlandesbank Oberösterreich Group remains positive with an NPL ratio of 2.68%.

## Consistently hard work produces very pleasing results

Its farsighted and professional approach to planning and the hard work and dedication of all its employees enables Raiffeisenlandesbank Oberösterreich to support its clients' plans, ideas and projects with banking services that go well beyond the norm. This strong economic resilience also paved the way for the very good result for the first half of 2023: a pre-tax profit for the period of EUR 448.9 million and an operating profit of EUR 502.6 million. Compared with the situation at the end of 2022, consolidated total assets also increased slightly to EUR 49.5 billion as of 30 June 2023. The performance of those companies in which Raiffeisenlandesbank Oberösterreich has equity investments has been highly pleasing as well, with the eleven companies accounted for using the equity method contributing EUR 293.5 million to the consolidated result in the first half of the year.

## Positive operating business development

Despite the challenging economic conditions, our clients are making the most of opportunities for growth and are drawing on the extensive expertise as well as the experience and skills of Raiffeisenlandesbank Oberösterreich to put them into action. This is reflected in a total increase in financing volumes of EUR 254 million in the first half of 2023. Despite a slight dip in client deposits of around EUR 151 million, Raiffeisenlandesbank Oberösterreich still enjoyed a healthy operating performance.

## Strengthening our market position and Austria as a place to do business

These results for the first half of 2023 lay the ideal foundations for Raiffeisenlandesbank Oberösterreich to maintain its successful course and strengthen its market position. Right from the start, it has also been especially important to us to keep on improving the quality of our financial services and continue developing accordingly as an organisation. In this regard, we are focusing particularly on IT and the digitalisation of the banking business and on making every effort to assist the green transformation of the economy. I firmly believe that our strategies and the decisions we make today will enable us to lend unique support and strength to Austria as a place to do business.

Heinrich Schaller
Chief Executive Officer of Raiffeisenlandesbank Oberösterreich

# INTERIM MANAGEMENT REPORT 2023 OF THE RAIFFEISENLANDESBANK OBERÖSTERREICH AKTIENGESELLSCHAFT GROUP

# 1. REPORT ON BUSINESS DEVELOPMENT AND THE ECONOMIC SITUATION

## 1.1. Economic background

The weak growth momentum since the middle of 2022 is affecting many sectors of the economy, from industry to trade to services, and includes both emerging and developing countries. Various framework conditions did improve at the turn of the 2022/23 year (lower energy prices reduced headline inflation, fewer interruptions in international supply chains, momentum from China opening following the corona-virus) and with them many leading indicators, meaning that a slight upturn in economic momentum was indeed recorded in many sectors in the first half of 2023. There are, however, clear signs of a slowdown going into the summer, beginning in particular in the industrialised countries and in the manufacturing sector, and slowly spreading to the service sector, which has so far been supported by the savings originating from the pandemic, which are now being exhausted. Fundamentally, risks of a downturn remain high globally as core inflation proves to be stubborn, the impact of higher interest rates is increasingly being felt across the board and geopolitical tensions persist. Structural factors are also putting a brake on growth (high debt ratios, low productivity, ageing/labour shortages, etc.). The GDP growth forecasts for the global economy for 2023 remain significantly below the 20-year average of 3.8% as a result (OECD forecast for 2023: 2.7%, IMF: 3.0%).

In the USA, economic output declined in the first half of 2022, but then expanded again thanks to strong export development. Robust consumption from the private sector was primarily responsible for the strong first quarter of 2023 (+ 2.0%). The US economy continued to grow unperturbed in the second quarter as companies invested more. On the other hand, private consumption showed the first signs of weakness. The risk is that this will continue to lose momentum due to inflation remaining high and a weaker labour market, and that the economy will actually slip into recession as a result of the braking effect caused by monetary policy. There are still hopes of a soft landing, however, as consumer confidence unexpectedly rose again significantly in the summer of 2023. After a pause in June, the Federal Reserve delivered its expected eleventh rate hike in the current cycle of its tightening of monetary policy in July, with the result that the key interest rate band now stands at 5.25 – 5.50%.

After a brief boom following the end of the ‘zero COVID strategy’ at the beginning of 2023, the recovery in China is once again losing momentum. Structural problems, such as the continuing weakness of the real estate sector, as well as high and rising youth unemployment, are weighing on growth prospects in both the short and long term. The official Politburo announced measures to support consumption and mitigate risks for local governments. The very subdued and almost deflationary price trend in China, reflecting the economy's oversupply due to weak demand, provides scope for an accommodation of monetary policy in this regard.

In the eurozone, GDP declined slightly in the winter half-year 2022/23. While some growth is likely to have been recorded in the second quarter of 2023 thanks to a recovery in consumption (as a fall in inflation relieves the burden on household budgets), the next weak spot is already emerging for the autumn, as leading economic indicators for the manufacturing sector have shown slackening activity for some time, and leading indicators for the service sector are also slowly showing downward movement. Although inflation is falling significantly thanks to base effects in energy, core inflation remains high and the wage pressure emerging in several euro countries, based on a labour market that is at very high capacity despite the economic downturn, is likely to keep inflation well above the ECB’s target of 2% for some time. To combat high price pressures, the ECB raised the key interest rate level from 0 to 4.25% between mid-2022 and the end of July 2023. The government did not wish to commit to a further increase in September; further steps will be taken depending on data and further developments with inflation.

Domestic economic researchers assume that the Austrian economy will remain in the phase of stagnation that it entered in mid-2022 for a good part of the current year. Leading indicators are worsening, particularly for the manufacturing sector, with the result that industry is actually expected to contribute negatively to GDP growth in 2023. Service providers are still expanding on the other hand, and are showing more positive signs overall. Consumer sentiment has also recovered somewhat since the lows of 2022. Consumption – driven by real incomes rising again with declining inflation – is the great hope for the economy: according to the WIFO forecast from the end of June 2023, end consumers could contribute about half a percentage point to GDP growth this year, and almost a percentage point in 2024. On the other hand, investments are showing sluggish development, suffering from the ongoing uncertainty and the significant increase in financing costs. The construction sector is particularly affected by this, with a significant decline in added value in 2023 and 2024. However, the slow pace of economic activity is only likely to lead to a tentative decline in inflation, which in Austria is already significantly above the eurozone average. The acceleration in prices has spread significantly since the beginning of 2023. Base effects in energy and commodity prices, stagnating international demand as well as an easing of global supply chains should have a sustained dampening effect on inflation in the coming months. However, the high level of indexation to the consumer price index in Austria and rising unit labour costs counteract this to some extent.

As an industrial and exporting federal state, Upper Austria suffers disproportionately from the poor state of the global economy, the increased levels of interest rates and the high cost pressures on energy and labour. Its close ties to German industry, which is showing very weak signals, are in particular clouding the economic picture and outlook for our federal state. The considerable shortage of skilled workers could become a structural damper on growth.

## 1.2. Business development

Raiffeisenlandesbank Oberösterreich was able to achieve a very good result in the first six months of 2023 based on its broad strategy and intense focus on the client. The company is also creating sustainable momentum in the aim of securing its strong position in the future. Digitalisation of the banking business, changing client needs and challenges resulting from increased red tape and the regulatory environment, as well as the green transformation of the economy, give rise to the need to pursue new innovative and efficient routes.

The economic environment in the first six months of 2023 was characterised by persistently high inflation rates, high energy prices and low economic growth. These interim results show that Raiffeisenlandesbank Oberösterreich is a trustworthy and stable partner for its clients in their financial affairs, even in difficult times.

Raiffeisenlandesbank Oberösterreich can therefore expect an increase in financing volumes (loans and advances to clients) by a total of EUR 254 million in the first half of 2023 (working capital financing +1.3%; investment financing +0.9%) and a slight decline in client deposits (amounts owed to clients) of EUR -151 million (savings deposits and online savings +10.1%; current accounts -4.0%) saw satisfactory development in the operating business. The good operating developments are also reflected in the increase in net interest income (+34.5%, equating to EUR 74.2 million). This is mainly due to the further growth in the loan portfolio and the environment of increased interest rates. Consolidated total assets also increased slightly to EUR 49.5 billion as of 30 June 2023. With a pre-tax profit for the period of EUR +448.9 million (EUR -236.1 million in the same period of the previous year) and the operating profit of EUR +502.6 million (EUR -222.0 million in H1 2022), an excellent result was achieved.

The developments at those companies in which Raiffeisenlandesbank Oberösterreich has participating interests are also very pleasing in this regard. In the first half of the year, the eleven companies accounted for using the equity method contributed a result of EUR 293.5 million to the consolidated result (of which Oberösterreich Invest GmbH & Co OG and voestalpine AG contributed EUR 114.3 million, Raiffeisenbank International AG EUR 111.2 million, Raiffeisenbank a.s. EUR 33.1 million, Oberösterreichische Landesbank AG EUR 9.5 million).

It is also encouraging that Raiffeisenlandesbank Oberösterreich is able to continue its stable course in terms of capitalisation, as the Common Equity Tier 1 capital (CET 1 ratio) in the banking group remains at a high level of 14.96%. In addition, the Raiffeisenlandesbank Oberösterreich Group continues to have a satisfactory risk situation with an NPL ratio of 2.68%.

At the end of April, the Supervisory Board of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft unanimously decided to extend the current mandate of Deputy CEO Michaela Keplinger-Mitterlehner until the end of 2027. In addition to this mandate extension, the Supervisory Board unanimously appointed Sigrid Burkowski to the Managing Board of Raiffeisenlandesbank Oberösterreich with effect from 1 July 2023 until 30 June 2026. After working for voestalpine AG, Sigrid Burkowski started her career in 1996 in the legal office of Raiffeisenlandesbank Oberösterreich. She was appointed head of Corporate Governance & Compliance in 2012. Her responsibilities include compliance and law as well as the important issue for the future of sustainability (ESG). The entire banking industry faces an ever more complex regulatory environment. This development is having a particular impact on the various compliance and legal dimensions of the banking world, and ultimately on clients. Raiffeisenlandesbank Oberösterreich regards comprehensive and client-focused sustainability management (ESG) as a central and fundamental pillar to support our clients in the green transformation, particularly with a view to the future.

These good operating results are the best basis for Raiffeisenlandesbank Oberösterreich to maintain and further expand its strong market position in the current volatile economic environment. In addition, Raiffeisenlandesbank Oberösterreich is ensuring that its strategic direction is adapted to the challenges of the future in good time with a series of ongoing projects.

### Group structure

For the IFRS interim report as at 30 June 2023, the basis of consolidation of Raiffeisenlandesbank Oberösterreich covers 160 group companies, including Raiffeisenlandesbank Oberösterreich as Group parent (31 December 2022: 158), that are fully consolidated in the Group and eleven (31 December 2022: ten) companies accounted for at equity. For details, please refer to the notes "Changes in the basis of consolidation and their effects".

### Regulatory developments

Raiffeisenlandesbank Oberösterreich has been classified as a Significant Institution (SI) in accordance with the Single Supervisory Mechanism (SSM) and is thus subject to direct supervision by the European Central Bank (ECB).

Against this background, European legal developments in the area of banking supervisory law are particularly significant. In addition, individual standards of the Austrian legislator and occasional publications of Austrian authorities are also of great importance for Raiffeisenlandesbank Oberösterreich.

Raiffeisenlandesbank Oberösterreich is currently deeply involved with the CRR (Capital Requirements Regulation) and the CRD (Capital Requirements Directive) and their successive further development (CRR III, CRD VI); an agreement has been reached in the trilogue negotiations on Basel IV between the Council, the EU Parliament and the Commission which still has to be approved by the plenary of the EU Parliament and the Council. The final texts will be translated into all official languages and published in the Official Journal of the EU once this approval has been provided. The new regulations (particularly the CRR) will come into force on 1 January 2025, with transitional periods provided among other things for participating interests and the assessment basis for equity.

Another focal point is the regulation of sustainability issues. In February 2022, the European Commission published its proposal for a directive on corporate sustainability due diligence (CSDDD). The final version is not yet available, but it can be assumed that new requirements will be applied to the industry in the coming years. A more in-depth discussion is therefore already taking place. The CSRD was published in the Official Journal of the EU in the fourth quarter of last year; an in-depth examination of the final version and the domestic implementation and delegated acts (ESRS standards) based on it is essential. The preparation and implementation activities of the manifold disclosure requirements on the basis of the technical standards for Article 449a CRR, Article 8 Taxonomy and the delegated legal acts for the SFDR continue to require intensive engagement.

In summary, it can be said that sustainability law, which sees banks as the hub of the monetary system and therefore attributes to them an essential role on the path towards climate neutrality, has grown enormously in importance. Further regulatory requirements and challenges are to be expected here in the coming years.

The implementation of the Credit Institutions Real Estate Financing Measures Regulation (KIM-V) by Raiffeisenlandesbank Oberösterreich was also a regulatory focus. The Regulation aims to reduce systemic risks in relation to private residential real estate financing and entered into force on 1 August 2022 (initially limited until 30 June 2025). There were minor adaptations to the Regulation in the first half of 2023, with exceptions to interim financing (up to two years), a minimum exception quota per credit institution (EUR 1 million) and adjustments to the de minimis limit for couples (EUR 50 thousand per person => EUR 100 thousand in total).

Other significant regulatory topics in the first half of 2023 included:

- Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience in the financial sector (DORA) came into force on 16 January 2023. The requirements under DORA must be implemented by the companies concerned by 17 January 2025. DORA introduces a harmonised and comprehensive regulatory framework for the digital operational resilience of European financial firms. The European Commission wanted to close gaps in the financial services legislation, which until now provided for fragmented deployment for operational resilience and only dealt with peripheral issues related to the risks of information and communication technologies (ICT). One significant impact of DORA is that third-party ICT providers that are classified as critical will also be included in the scope of financial services supervision. As a result of DORA, the financial firms and third-party ICT providers concerned will be required to comply with numerous digital security and reporting obligations to make financial firms more resilient to cyber-attacks and mitigate other risks arising from the use of ICT.

Due to the Russia-Ukraine war, Raiffeisenlandesbank Oberösterreich was and is also intensively involved in implementing the relevant sanction standards. Ongoing reporting to the Managing Board and the Supervisory Board took place and continues to take place in this regard.

Raiffeisenlandesbank Oberösterreich once again finds itself in a regulatory environment that is subject to significant and above all rapid change. As previously, Raiffeisenlandesbank Oberösterreich will proactively monitor the regulatory developments, implement resulting changes and take them into account in its business activities.

## Business development in the segments

In the Raiffeisenlandesbank Oberösterreich Group, segment reporting distinguishes between the following five segments:

- Corporates
- Retail & Private Banking
- Financial Markets
- Equity Investments
- Corporate Center

For further details, please refer to the segment reporting in the notes to the consolidated financial statements.

### Corporates

The Corporates segment contributed EUR 79.0 million to pre-tax profit for the period in the first half of 2023 (H1 2022: EUR +73.1 million). The increase in results compared to the first half of the previous year is mainly due to higher net interest income, which exceeded higher expenses for risk provisions and administrative expenses.

### Retail & Private Banking

The Retail & Private Banking segment generated an overall positive contribution to pre-tax profit for the period of EUR 43.2 million (H1 2022: EUR -9.1 million). The increase compared to the first half of 2022 is mainly due to significantly higher net interest income.

### Financial Markets

The Financial Markets segment made a positive contribution to the pre-tax profit for the period amounting to EUR 12.3 million in the first half of 2023 (H1 2022: EUR 45.0 million). The decline is mainly due to lower net interest income and valuation effects from financial instruments recognised at fair value.

### Equity Investments

The Equity Investments segment is divided into four investment portfolios from an organisational perspective: “Banks & Financial Institutions”, “Outsourcing & Banking-related Investments”, “Property” and “Opportunity & Partner Capital”. Overall, the Equity investments segment achieved a pre-tax profit for the period of EUR 309.0 million in the first half of 2023 (H1 2022: EUR -342.1 million). The significant change compared to the first half of 2022 is related in particular to the result from the share of profit or loss of equity-accounted companies.

### Corporate Center

The Corporate Center segment includes content for income and expenses which does not fit into any other segment. This segment showed a positive pre-tax profit for the period of EUR 5.3 million in the first half of 2023 (H1 2022: EUR -2.9 million).

## Consolidated income statement

| | 1 Jan.- 30 June 2023 IN EUR M | 1 Jan.- 30 June 2022 IN EUR M | Change IN EUR M | IN % |
|---|---|---|---|---|
| Net interest income | 289.3 | 215.0 | 74.2 | 34.5 |
| Loan loss allowances | -58.1 | -37.7 | -20.5 | 54.3 |
| Share of profit or loss of companies accounted for using the equity method | 293.5 | -375.0 | 668.5 | -178.3 |
| Net fee and commission income | 99.6 | 110.2 | -10.5 | -9.6 |
| Other net financial income | 12.6 | 26.3 | -13.8 | -52.3 |
| Net income from trading operations | 8.1 | 2.7 | 5.4 | 201.5 |
| Result from financial instruments recognised at fair value | 3.5 | 26.6 | -23.1 | -86.9 |
| Net income from other financial instruments | 0.9 | -2.9 | 3.9 | -131.6 |
| General administrative expenses | -555.4 | -484.8 | -70.7 | 14.6 |
| of which general administrative expenses VIVATIS/EFKO | -209.3 | -183.9 | -25.4 | 13.8 |
| of which general administrative expenses OÖ WOHNBAU | -18.8 | -18.2 | -0.6 | 3.5 |
| Other net operating income | 367.5 | 309.9 | 57.7 | 18.6 |
| of which other net operating income VIVATIS/EFKO | 220.9 | 205.3 | 15.6 | 7.6 |
| of which other net operating income OÖ WOHNBAU | 26.2 | 26.8 | -0.6 | -2.2 |
| **Pre-tax profit for the period** | **448.9** | **-236.1** | **685.0** | **-290.1** |
| Taxes on income and earnings | -38.7 | -27.9 | -10.8 | 38.6 |
| **After-tax profit for the period** | **410.2** | **-264.0** | **674.2** | **-255.4** |
| **Operating profit** | **502.6** | **-222.0** | **724.6** | **-326.4** |

Net interest income amounted to EUR 289.3 million in the first half of 2023 (H1 2022: EUR 215.0 million), which was 34.5% or EUR 74.2 million higher than the figure for the first half of the previous year. This is mainly due to the further growth in the loan portfolio and the environment of increased interest rates. Besides interest income from loans and advances to clients and banks, as well as fixed income securities, this reflects income from shares and other variable-yield securities, designated and derivative financial instruments, and lease receivables, as well as from investments in affiliated companies, investments and other income related to interest. Interest expenses result from Amounts owed to clients or banks, securitised liabilities, subordinated capital and other interest-like expenses. For a detailed breakdown, please refer to note 1. Net interest income in the Notes to the income statement.

The risk provisions amount to EUR -58.1 million in the first half of 2023 (H1 2022: EUR -37.7 million). The majority of the expenses in the first half of 2023 are related to an increase in individual value adjustments. In addition, statistical risk provisions also increased in accordance with IFRS 9. For details, please refer to the section “Measurement of expected credit losses” in the accounting and valuation methods and to note 15. Schedule of  in the Disclosures on the statement of financial position.

The share of profit or loss of companies that are accounted for using the equity method is stated at EUR 293.5 million (H1 2022: EUR -375.0 million). The value in the first half of 2023 is mainly attributable to the (net) contributions to the results by Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG in the amount of EUR 114.3 million (H1 2022: EUR -228.5 million), Raiffeisenbank International AG in the amount of EUR 111.2 million (H1 2022: EUR -205.2 million) and Raiffeisenbank a.s. in the amount of EUR 33.1 million (H1 2022: EUR 35.9 million). For further details, please refer to note 18. Companies accounted for using the equity method in the Disclosures on the statement of financial position.

The net fee and commission income fell by EUR -10.5 million or -9.6% to EUR 99.6 million (H1 2022: EUR 110.2 million). The decline is mainly due to lower fee and commission income from funding transactions. For details, please refer to Note 4. Net fee and commission income in the Notes to the income statement.

Other net financial income – consisting of the net income from trading operations, net income from financial instruments recognised at fair value and net income from other financial instruments – amounted to EUR 12.6 million in the first half of 2023 (H1 2022: EUR 26.3 million). Net income from trading operations amounted to EUR 8.1 million in the first half of the year (H1 2022: EUR 2.7 million). The result from financial instruments recognised at fair value amounting to EUR 3.5 million (H1 2022: EUR 26.6 million) results in total from positive valuation effects of fixed-interest financial instruments recognised at fair value due to the maturing of the position as well as negative valuation effects of equity instruments. The result from other financial instruments in the first half of 2023 came to EUR -0.9 million (H1 2022: EUR -2.9 million).

Personnel expenses, material expenses and depreciation and amortisation are shown in the income statement item “General administrative expenses”. General administrative expenses of the companies in the food sector – consisting of the “VIVATIS Holding AG” Group and the “efko Frischfrucht und Delikatessen GmbH” Group – increased to EUR -209.3 million (H1 2022: EUR -183.9 million). The increase is mainly due to higher personnel and administrative expenses. In 2023, general administrative expenses at the “OÖ Wohnbau” companies remained virtually unchanged year on year at EUR -18.8 million (H1 2022: EUR -18.2 million). The other Group companies, including Raiffeisenlandesbank Oberösterreich, saw an increase of EUR -70.7 million to EUR -327.3 million (H1 2022: EUR -282.7 million).

Other net operating income largely consists of the gross profit (sales revenue less cost of sales) earned by non-bank Group companies. At the companies in the food sector (VIVATIS/efko), other net operating income rose slightly by EUR 15.6 million to EUR 220.9 million (H1 2022: EUR 205.3 million), which is mainly due to higher turnover. The “OÖ Wohnbau” companies generated other net operating income of EUR 26.2 million (H1 2022: EUR 26.8 million). The other Group companies also saw an increase of EUR 42.7 million to EUR 120.4 million (H1 2022: EUR 77.8 million). Other operating income includes expenses of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft for the stability fee for credit institutions in the amount of EUR -4.9 million (H1 2022: EUR -4.8 million), as well as expenses for contributions to the resolution fund in accordance with BaSAG of EUR -14.3 million (H1 2022: EUR -25.7 million) and for the deposit guarantee scheme pursuant to ESAEG in the amount of EUR -4.8 million (H1 2022: EUR -7.3 million).

In total, the pre-tax profit for the period generated in the first half of 2023 amounted to EUR 448.9 million (H1 2022: EUR -236.1 million). Taxes on income and earnings are stated at EUR -38.7 million (H1 2022: EUR -27.9 million). This includes regular taxes on income and earnings, as well as deferred taxes.

The after-tax profit for the period generated in the first half of 2023 is EUR 410.2 million (H1 2022: EUR -264.0 million).

Operating income – calculated from net interest income, the share of profit or loss of equity-accounted companies, net fee and commission income, net income from trading operations and other net operating income – amounted to EUR 1,058.1 million (H1 2022: EUR 262.8 million). Operating expenses, which correspond to the item “General administrative expenses”, amount to EUR -555.4 million (H1 2022: EUR -484.8 million). The Group therefore generated an operating profit of EUR 502.6 million (H1 2022: EUR -222.0 million).

### Consolidated statement of comprehensive income

| IN EUR M | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| **After-tax profit for the period** | **410.2** | **-264.0** |
| Remeasurement gains/losses on OCI debt instruments (FVOCI) | -5.4 | -136.5 |
| Remeasurement gains/losses on own credit risk for financial liabilities recognised at fair value | 4.4 | 1.3 |
| Share of other comprehensive income of companies accounted for using the equity method | -45.1 | 89.1 |
| Actuarial gains and losses | -5.8 | 17.7 |
| Additional other net profit/loss | 0.7 | -0.5 |
| Taxes recognised in respect of this amount | 1.7 | 29.5 |
| **Total other comprehensive income (OCI)** | **-49.4** | **0.6** |
| **Total comprehensive income for the period** | **360.8** | **-263.4** |

The other results (“Other Comprehensive Income”, OCI) in the first half of 2023 amounted to EUR -49.4 million (H1 2022: EUR 0.6 million).

The remeasurement gains/losses of OCI debt instruments amount to EUR -5.4 million (H1 2022: EUR -136.5 million) resulted from the reversal of statistical risk provisions and from negative valuation effects due to higher money market interest rates.

The valuation gains of EUR 4.4 million from own credit risks on financial liabilities recognised at fair value (H1 2022: EUR 1.3 million) are due to a widening of the valuation spreads of own issues or deposits.

The other comprehensive income from companies accounted for using the equity method are mainly due to negative foreign currency effects from the investment in Raiffeisen Bank International AG.

The remaining other comprehensive income – consisting of remeasurement gains/losses associated with the hedge of a net investment in foreign operations and foreign currency differences – amounted to EUR 0.7 million in the first half of 2023 (H1 2022: EUR -0.5 million).

Deferred taxes recognised in respect of other comprehensive income changed to EUR 1.7 million, mainly due to remeasurement gains/losses in connection with OCI debt instruments, own credit risk and actuarial gains and losses (H1 2022: EUR 29.5 million).

Overall, this produced a total result for the period in the first half of 2023 of EUR 360.8 million (H1 2022: EUR -263.4 million).

## Consolidated Balance Sheet

The consolidated total assets of Raiffeisenlandesbank Oberösterreich rose as at the middle of 2023 by EUR 221 million or 0.5% to a value of EUR 49,543 million (31 December 2022: EUR 49,322 million).

| | 30 June 2023 | | 31 Dec. 2022 | | Change | |
|---|---|---|---|---|---|---|
| | IN EUR M | IN % | IN EUR M | IN % | IN EUR M | IN % |
| Loans and advances to banks | 11,721 | 23.7 | 12,390 | 25.1 | -669 | -5.4 |
| of which to Raiffeisen banks | 1,403 | 2.8 | 1,646 | 3.3 | -243 | -14.8 |
| Loans and advances to clients | 26,187 | 52.9 | 25,933 | 52.6 | 254 | 1.0 |
| Trading assets | 1,448 | 2.9 | 1,622 | 3.3 | -173 | -10.7 |
| Financial assets | 5,267 | 10.6 | 4,909 | 10.0 | 358 | 7.3 |
| Companies accounted for using the equity method | 2,491 | 5.0 | 2,255 | 4.6 | 236 | 10.5 |
| Other assets | 2,428 | 4.9 | 2,213 | 4.5 | 215 | 9.7 |
| **Assets** | **49,543** | **100.0** | **49,322** | **100.0** | **221** | **0.4** |

Loans and advances to banks fell by EUR -669 million or -5.4% to EUR 11,721 million compared to 31 December 2022 (31 December 2022: EUR 12,390 million). The development is mainly due to the decline in the liquidity reserve on the assets side as a result of TLTRO III repayments. The total loans and advances to banks includes EUR 1,403 million (31 December 2022: EUR 1,646 million) which relates to refinancing to Upper Austrian Raiffeisen banks.

Loans and advances to clients rose by EUR 254 million or 1.0% to EUR 26,187 million (31 December 2022: EUR 25,933 million). This moderate growth is essentially based on the subdued economic expectations among clients and the corresponding reserved investment behaviour.

Trading assets – consisting of bonds and other fixed-income securities plus derivatives with positive market values – had a carrying amount of EUR 1,448 million as at 30 June 2023 (31 December 2022: EUR 1,622 million). This was a change of EUR -173 million, or -10.7%, and was due largely to changes in the fair value of derivative exposures.

Financial assets rose by EUR 358 million or 7.3 per cent to EUR 5,267 million in comparison to 31 December 2022 (31 December 2022: EUR 4,909 million), resulting mainly from additions to securities in the first half of 2023.

The carrying amount of companies accounted for using the equity method reported as of 30 June 2023 was EUR 2,491 million (31 December 2022: EUR 2,255 million). For details, please refer to section 18. Companies accounted for using the equity method in the Disclosures on the statement of financial position.

Other items – consisting of cash and cash equivalents, value adjustments from portfolio fair value hedge, intangible assets, property, plant and equipment, investment property, current and deferred tax assets, other assets and assets held for sale – increased by EUR 215 million or 9.7% to EUR 2,428 million (31 December 2022: EUR 2,213 million).

| | 30 June 2023 IN EUR M | IN % | 31 Dec. 2022 IN EUR M | IN % | Change IN EUR M | IN % |
|---|---|---|---|---|---|---|
| Amounts owed to banks | 17,273 | 34.9 | 17,729 | 35.9 | -455 | -2.6 |
| of which to Raiffeisen banks | 7,864 | 15.9 | 7,555 | 15.3 | 309 | 4.1 |
| Amounts owed to clients | 13,714 | 27.7 | 13,865 | 28.1 | -151 | -1.1 |
| Trading liabilities | 1,558 | 3.1 | 1,720 | 3.5 | -163 | -9.4 |
| Liabilities evidenced by certificates | 9,189 | 18.5 | 8,634 | 17.5 | 555 | 6.4 |
| Subordinated capital | 917 | 1.9 | 924 | 1.9 | -7 | -0.8 |
| Other assets | 1,236 | 2.5 | 1,116 | 2.3 | 120 | 10.7 |
| Equity | 5,655 | 11.4 | 5,334 | 10.8 | 322 | 6.0 |
| **Equity and liabilities** | **49,543** | **100.0** | **49,322** | **100.0** | **221** | **0.4** |

Amounts owed to banks changed by EUR -455 million or -2.6% to EUR 17,273 million compared with 31 December 2022 (31 December 2022: EUR 17,729 million). The reduction is driven by a TLTRO III repayment and reduced refinancing from development banks. Of the amounts owed to banks, EUR 7,864 million (31 December 2022: EUR 7,555 million) is owed to Upper Austrian Raiffeisen banks.

Amounts owed to clients decreased by EUR -151 million or -1.1% to EUR 13,714 million (31 December 2022: EUR 13,865 million). The decline is due to the reduction of existing liquidity reserves as a result of the economic slowdown.

Trading liabilities – consisting of interest rate/foreign exchange/equity/index-related and other business – show as of 30 June 2023 a carrying amount of EUR 1,558 million (31 December 2022: EUR 1,720 million). This corresponds to a reduction of EUR -163 million or -9.5%, which is mainly due to changes in the market value of interest rate transactions.

Liabilities evidenced by certificates rose by EUR 555 million, or 6.4%, to a carrying amount of EUR 9,189 million at 30 June 2023 (31 December 2022: EUR 8,634 million) and were comprised as follows:

- Bonds issued in the amount of EUR 4,942 million (31 December 2022: EUR 5,149 million),
- listed and unlisted mortgage/municipal bonds amounting to EUR 944 million (31 December 2022: EUR 191 million) and
- other liabilities evidenced by certificates amounting to EUR 3,303 million (31 December 2022: EUR 3,294 million).

Of the liabilities evidenced by certificates, EUR 4,324 million (31 December 2022: EUR 3,680 million) is attributable to covered bonds placed with investors. Subordinated capital was reported at a value of EUR 917 million as at 30 June 2023 (31 December 2022: EUR 924 million) and was therefore EUR -7 million lower. Unsecured issues with denominations of less than EUR 2,000 (or the equivalent in foreign currency for issues in foreign currency) aimed at retail investors accounted for EUR 2,314 million (31 December 2022: EUR 2,099 million) of the total outstanding volume.

The remaining items – consisting of provisions, current and deferred tax liabilities, value adjustments from portfolio fair value hedge and other liabilities – increased to EUR 1,236 million (31 December 2022: EUR 1,116 million).

As at 30 June 2023, equity capital is comprised as follows:

| IN EUR M | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Share capital | 277.6 | 277.6 |
| Capital reserves | 972.0 | 971.9 |
| Retained earnings | 4,173.4 | 3,860.5 |
| Non-controlling interests | 232.5 | 223.5 |
| **Equity** | **5,655.4** | **5,333.5** |

For details, please refer to the statement of changes in equity and to note 30. Equity in the Disclosures on the statement of financial position.

## Regulatory own funds and solvency indicators

Consolidated capital and reserves at the level of a chief financial holding (CRR basis RBG OÖ Verbund eGen) as per capital requirements regulations (CRR) are as follows:

At the close of the first half of 2023, the Common Equity Tier 1 capital (CET 1) amounted to EUR 4,463.0 million (31 December 2022: EUR 4,608.1 million). The Tier 1 capital (Tier 1, T1) is also reported at EUR 4,463.0 million (31 December 2022: EUR 4,608.1 million). The decline as at 30 June 2023 is mainly due to deductions during the year, while the results of the current financial year cannot yet be attributed.

As at 30 June 2023, Tier 2 capital (T2) was stated at EUR 439.4 million (31 December 2022: EUR 364.2 million).

Total capital (TC) consists of Tier 1 capital and Tier 2 capital and amounted to EUR 4,902.4 million as at 30 June 2023 (31 December 2022: EUR 4,972.3 million).

Risk-weighted assets (RWAs) amounted to EUR 29,840.1 million as at 30 June 2023 (31 December 2022: EUR 29,130.2 million). The increase is mainly due to the business performance in the area of participating interests in companies, risk provisioning due to the economic environment and real estate financing.

At the close of the first half of 2023, in accordance with CRR, a Common Equity Tier 1 capital ratio of 15.0% (31 December 2022: 15.8%), a Core capital ratio of 15.0% (31 December 2022: 15.8%) and a Total capital ratio of 16.4% (31 December 2022: 17.1%) were recorded. The ratios are calculated on the total risk-weighted assets in accordance with Article 92 CRR.

For details, please refer to the notes on equity in the section “Disclosures required under Austrian accounting standards”.

## 2. SIGNIFICANT RISKS AND UNCERTAINTIES

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 in accordance with sections 39, 39a, Austrian Banking Act and the Regulation on Credit Institution Risk Management (KI-RMV) (credit risks, market risks, equity risks, liquidity risks, macroeconomic risks, operational risks and other risks) and their active managerial counteraction. ESG (Environment, Social, Governance) risks as a new dimension of risk are gradually being integrated into the existing risk categories, with the greatest focus currently on climate and environmental risk.

The risk strategy approved by the Managing Board of Raiffeisenlandesbank Oberösterreich ensures that the risks assumed by the Bank are consistent with the corporate strategy. The Managing Board and the Supervisory Board are kept regularly informed.

Please refer to the risk report in the Notes for more detailed information on all the financial risks in the Raiffeisenlandesbank Oberösterreich Group for 2023, the goals and methods of risk management, and information related to the Russia-Ukraine crisis in the Notes to the Consolidated Financial Statements.

### Risk development against the background of the Russia-Ukraine war and macroeconomic effects

Economic growth is generally expected to slow down in 2023, as the war in Ukraine started by Russia continues to influence economic activity. Inflation – which is currently still at a high level, especially in Austria – should decline in the course of the year, not least thanks to lower energy prices. However, wage costs are still expected to rise given the tight labour markets. Inflation has a negative impact on household consumption and investment.

The direct and immediate impact of the war in Ukraine on Raiffeisenlandesbank Oberösterreich can still be classified as low. The assets with a direct link (Ukraine) or indirect link (Russia, Belarus) to the countries affected by the war remain very manageable – in some cases, transactions linked to the war-affected regions have expired and been repaid.

Raiffeisenlandesbank Oberösterreich for instance has a country risk of around EUR 1.7 million in relation to Russia. A country risk of EUR 0.5 million exists in relation to clients in Ukraine.

Furthermore, extensive measures have been taken to ensure strict compliance with the sanctions, in close coordination with the supervisory authorities (ECB, OeNB). These measures include a thorough review of all transactions with a connection to Russia/Belarus as well as a daily review of the client base and of new clients. There is only one business relationship with a sanctioned person that has been reported to the OeNB.

The secondary and tertiary effects must be assessed differently. Above all, the sanctions imposed by the EU have in some cases had a huge impact on the economic environment in general and on clients, as well as on individual participating interests of Raiffeisenlandesbank Oberösterreich in particular.

As far as the indirect impact is concerned, it is primarily the sharp rise in prices for raw materials and energy (a certain amount of easing is discernible currently, with some uncertainty remaining with regard to dependence on Russia) that is causing problems for Raiffeisenlandesbank Oberösterreich's clients. Answering questions about the dependence on this price development or the possibility of passing it on to the buyers and the substitutability is therefore still part of the standard analysis for credit applications. If necessary, sensitivity or stress tests are also prepared or requested for client planning purposes.

Even if many companies have for instance hedged energy prices and quantities or the prices and sometimes also the quantities of essential raw materials, the question remains whether these are ultimately also available. And even if price escalation clauses are agreed with buyers, inflation still for instance has the effect of tempering any investment decisions.

As a bank, Raiffeisenlandesbank Oberösterreich is involved in constant discussions with the companies in order to be able to respond to problems in time and, if necessary, to hand clients over to intensive or problem support teams. A trend towards an increase in companies experiencing serious economic problems can currently be identified.

The IFRS 9 models indicate an increased probability of default, mainly due to the continued high rates of inflation growth. This has been accompanied by a continuous increase in portfolio provisioning since mid-2022.

An IFRS 9 portfolio provision of around EUR 18 million was allocated in the “Life” segment in the first half of 2023, mainly due to the high rate of inflation and portfolio changes related to credit ratings. In hindsight, Raiffeisenlandesbank Oberösterreich considers its approach related to IFRS 9 portfolio to be validated after several exceptional years, both in terms of the type and timing of the interventions. No management overlays or collective stage transfers were in place as of the first half of 2023. The last time that these types of instruments were used was as at 31 March 2022 (end of post-model adjustments or management decisions as a result of COVID-19).

Analogous to the IFRS 9 portfolio provisions, there was also a significant increase in individual provisions for companies and private individuals in the first half of 2023. The industries most affected were real estate project developers and automotive suppliers. Individual provisions that had to be formed at the end of the first half of the year are currently still being partially compensated for by reversing earlier provisions.

As far as Raiffeisenlandesbank Oberösterreich’s investment portfolio is concerned, only a few companies are directly affected by the war.

In this context, the strongest impact can be seen in the participating interest in Raiffeisen Bank International (RBI), as it has subsidiary banks in the regions affected by the war or the sanctions (Russia, Ukraine, Belarus). Raiffeisenlandesbank Oberösterreich is therefore in constant contact with its colleagues at RBI in order to be able to continuously assess the effects on the central institution on the one hand and the holding in RBI on the other. An updated expert opinion on the value of RBI was prepared taking into account various scenarios weighted with probability of occurrence with regard to the further development of Raiffeisenbank Russia and arrives at a total value of EUR 24.66 per share, which means an effect of EUR +111.2 million in the income statement and EUR +46.3 million in the capital of Raiffeisen-landesbank Oberösterreich for the interim financial statements.

## 3. OUTLOOK

The global economy, and by extension the domestic economy, continues to face challenging times. The uncertainty factors already known such as the ongoing war in Ukraine, high energy prices and the level of inflation will continue to occupy us in the coming months and influence economic development accordingly. In this context, it also remains to be seen which strategy the European Central Bank will choose with regard to the key interest rate. Any further increase in interest rates means higher returns on deposits for clients on the one hand, but at the same time it can be assumed that increased lending rates and lower consumer demand will slow down the investment plans of companies.

Against this background, Raiffeisenlandesbank Oberösterreich is continuing to focus on efficient and targeted liquidity planning and management. Furthermore, comprehensive risk management combined with precise control processes are of major importance for the sustainable success of Raiffeisenlandesbank Oberösterreich. In addition to these economic success factors, an intense focus on the client combined with close personal support continues to be the core of Raiffeisenlandesbank Oberösterreich’s business model. The aim is to provide comprehensive support to companies, institutions and private clients and to act as a stable partner in their projects. In addition to traditional financing, Raiffeisenlandesbank Oberösterreich continues to promote the provision of equity capital. The investment companies are not just providers of capital; they also support companies with expertise in many areas, such as controlling, liquidity management or restructuring.

Sustainability has always been an integral part of the Raiffeisen DNA, yet the importance of this is now increasing even further. For this reason, Raiffeisenlandesbank Oberösterreich is implementing new initiatives based on a strong set of values and a sustainability strategy, which are essentially intended to harmonise the three dimensions of economic, social and ecological processes. Raiffeisenlandesbank Oberösterreich is aware of the socially important role that banks play in implementing a sustainable economy as defined by the ESG (Environment – Social – Governance) regulations. Raiffeisenlandesbank Oberösterreich is therefore acting as a strong driving force with a professional range of sustainable financial services. This is also confirmed by the results of the European Central Bank’s climate risk stress test.

The development of new digital services also plays a central role in our positioning as a modern consulting bank. Raiffeisenlandesbank Oberösterreich is responding to the increasing digitalisation of the banking business with intelligent and user-friendly solutions that are optimally tailored to different client wishes and needs. This is not the first time that we made a strong emphasis on the development and sale of digital banking services. However, new business areas will also be developed outside the traditional banking business in future. Intensive work is taking place currently for instance on the development of beyond-banking solutions that will make Raiffeisen Oberösterreich's strong network available to clients in the form of a digital ecosystem.

Subject to an unexpected deterioration of the uncertainty factors, Raiffeisenlandesbank Oberösterreich and the other Group companies also expect stable operating business performance in the second half of 2023 from the current perspective.

# IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2023 OF RAIFFEISENLANDESBANK OBERÖSTERREICH AKTIENGESELLSCHAFT

# CONSOLIDATED INCOME STATEMENT

| IN EUR '000 | Note | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|---|
| Net interest income | (1) | 289,264 | 215,026 |
| Interest and interest-related income | | 926,778 | 501,279 |
| Interest income using the effective interest method | | 697,799 | 313,996 |
| Other interest income, similar income and current income | | 228,979 | 187,283 |
| Interest and interest-related expenses | | -637,514 | -286,253 |
| Loan loss allowances | (2) | -58,138 | -37,678 |
| Share of profit or loss of companies accounted for using the equity method | (3) | 293,483 | -375,003 |
| Net fee and commission income | (4) | 99,634 | 110,165 |
| Fee and commission income | | 140,824 | 138,346 |
| Fee and commission expenses | | -41,190 | -28,180 |
| Other net financial income | | 12,549 | 26,310 |
| Net income from trading operations | (5) | 8,136 | 2,702 |
| Net income from financial instruments carried at fair value | (6) | 3,480 | 26,547 |
| Net income from other financial instruments | (7) | 933 | -2,939 |
| General administrative expenses | (8) | -555,444 | -484,783 |
| Other net operating income | (9) | 367,538 | 309,887 |
| Revenue and miscellaneous other operating income | | 767,385 | 682,740 |
| Cost of sales and miscellaneous other expenses | | -399,848 | -372,852 |
| **Pre-tax profit for the period** | | **448,886** | **-236,075** |
| Taxes on income and earnings | (10) | -38,690 | -27,914 |
| **After-tax profit for the period** | | **410,196** | **-263,989** |
| of which attributable to equity holders of the parent company | | 400,694 | -275,011 |
| of which attributable to non-controlling interests | | 9,502 | 11,021 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| IN EUR '000 | Note | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|---|
| **After-tax profit for the period** | | **410,196** | **-263,989** |
| **Items that cannot be reclassified to profit or loss** | | **-2,367** | **6,227** |
| Actuarial gains and losses on defined benefit plans | (30) | -4,451 | 12,939 |
| Amounts recognised in equity | | -5,768 | 17,648 |
| Taxes recognised in respect of this amount | | 1,317 | -4,709 |
| Share of other comprehensive income of companies accounted for using the equity method | (18), (30) | -1,281 | -7,797 |
| Amounts recognised in equity | | -1,281 | -7,797 |
| Taxes recognised in respect of this amount | | 0 | 0 |
| Remeasurements due to change in own credit risk in respect of financial liabilities designated at fair value | (30) | 3,365 | 1,085 |
| Amounts recognised in equity | | 4,370 | 1,331 |
| Taxes recognised in respect of this amount | | -1,005 | -245 |
| **Items that can be reclassified to profit or loss** | | **-47,072** | **-5,594** |
| Remeasurement gains/losses of financial assets at fair value through other comprehensive income (FVOCI) | (30) | -4,148 | -101,954 |
| Amounts recognised in equity | | -3,831 | -132,822 |
| Amounts reclassified to profit or loss | | -1,556 | -3,641 |
| Taxes recognised in respect of this amount | | 1,239 | 34,509 |
| Gain or loss from the hedging of net investments | (30) | -461 | -186 |
| Amounts recognised in equity | | -598 | -177 |
| Amounts reclassified to profit or loss | | 0 | 0 |
| Taxes recognised in respect of this amount | | 137 | -8 |
| Currency differences | (30) | 1,326 | -365 |
| Amounts recognised in equity | | 1,326 | -365 |
| Amounts reclassified to profit or loss | | 0 | 0 |
| Taxes recognised in respect of this amount | | 0 | 0 |
| Share of other comprehensive income of companies accounted for using the equity method | (18), (30) | -43,789 | 96,911 |
| Amounts recognised in equity | | -43,789 | 96,911 |
| Amounts reclassified to profit or loss | | 0 | 0 |
| Taxes recognised in respect of this amount | | 0 | 0 |
| **Total other comprehensive income** | | **-49,439** | **634** |
| **Total comprehensive income for the period** | | **360,757** | **-263,355** |
| of which attributable to equity holders of the parent company | | 350,116 | -272,641 |
| of which attributable to non-controlling interests | | 10,641 | 9,286 |

# CONSOLIDATED BALANCE SHEET

| IN EUR '000 | Note | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|---|
| Cash and cash equivalents | (11), (12) | 41,654 | 49,141 |
| Loans and advances to banks | (11), (13), (15) | 11,720,955 | 12,390,195 |
| Loans and advances to clients | (11), (14), (15) | 26,186,509 | 25,932,807 |
| Value adjustments from portfolio fair value hedges | (11) | -510,658 | -565,129 |
| Trading assets | (11), (16) | 1,448,400 | 1,621,764 |
| Financial assets | (11), (17) | 5,267,454 | 4,909,206 |
| Companies accounted for using the equity method | (18) | 2,491,379 | 2,254,924 |
| Intangible assets | (19) | 154,820 | 160,202 |
| Property, plant and equipment | (20) | 718,728 | 710,288 |
| Investment property | (20) | 858,157 | 833,351 |
| Current tax assets | (10) | 7,184 | 6,937 |
| Deferred tax assets | (10) | 38,283 | 35,778 |
| Other assets | (21) | 1,120,013 | 982,269 |
| Assets held for sale | (11), (22) | 0 | 437 |
| **Assets** | | **49,542,879** | **49,322,168** |

| IN EUR '000 | Note | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|---|
| Amounts owed to banks | (11), (23) | 17,273,371 | 17,728,679 |
| Amounts owed to clients | (11), (24) | 13,714,476 | 13,865,332 |
| Value adjustments from portfolio fair value hedges | (11) | -21,390 | -15,751 |
| Trading liabilities | (11), (25) | 1,557,720 | 1,720,279 |
| Liabilities evidenced by certificates | (11), (26) | 9,188,915 | 8,633,799 |
| Provisions | (15), (27) | 282,618 | 268,976 |
| Current tax liabilities | (10) | 117,942 | 88,227 |
| Deferred tax liabilities | (10) | 44,975 | 41,045 |
| Other liabilities | (28) | 811,872 | 733,926 |
| Liabilities in connection with assets held for sale | (22) | 0 | 0 |
| Subordinated capital | (11), (29) | 916,931 | 924,127 |
| Equity | (30) | 5,655,449 | 5,333,530 |
| of which attributable to equity holders of the parent company | | 5,422,967 | 5,110,031 |
| of which attributable to non-controlling interests | | 232,482 | 223,499 |
| **Equity and liabilities** | | **49,542,879** | **49,322,168** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| IN EUR '000 | Attributable to the shareholders of the parent company Share capital | Capital reserves | Cumulative results | Total | Minority interests | Total Equity |
|---|---|---|---|---|---|---|
| equity 1 Jan. 2023 | 277,630 | 971,913 | 3,860,488 | 5,110,031 | 223,499 | 5,333,530 |
| Total comprehensive income for the period | 0 | 0 | 350,116 | 350,116 | 10,641 | 360,757 |
| of which after-tax profit for the period | 0 | 0 | 400,694 | 400,694 | 9,502 | 410,196 |
| of which total other comprehensive income | 0 | 0 | -50,578 | -50,578 | 1,139 | -49,439 |
| Dividends | 0 | 0 | -38,000 | -38,000 | -4,882 | -42,882 |
| Change in basis of consolidation | 0 | 0 | 0 | 0 | 3,226 | 3,226 |
| Shareholding changes,restructuring | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital increases | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes in capital | 0 | 60 | 759 | 819 | -1 | 818 |
| **Equity 30 June 2023** | **277,630** | **971,973** | **4,173,363** | **5,422,966** | **232,483** | **5,655,449** |

| IN EUR '000 | Attributable to the shareholders of the parent company Share capital | Capital reserves | Cumulative results | Total | Minority interests | Total equity |
|---|---|---|---|---|---|---|
| Equity 1 Jan. 2022 | 277,630 | 971,973 | 3,702,639 | 4,952,242 | 206,870 | 5,159,113 |
| Total comprehensive income for the period | 0 | 0 | -272,641 | -272,641 | 9,286 | -263,355 |
| of which after-tax profit for the period | 0 | 0 | -275,011 | -275,011 | 11,021 | -263,989 |
| of which total other comprehensive income | 0 | 0 | 2,370 | 2,370 | -1,736 | 634 |
| Dividends | 0 | 0 | -47,000 | -47,000 | -4,452 | -51,452 |
| Change in basis of consolidation | 0 | 0 | 0 | 0 | 0 | 0 |
| Shareholding changes,restructuring | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital increases | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes in capital | 0 | -60 | -838 | -898 | -1 | -900 |
| **Equity 30 June 2022** | **277,630** | **971,913** | **3,382,160** | **4,631,703** | **211,703** | **4,843,407** |

Further details on equity components can be found in note 30. Equity.

# CONSOLIDATED CASH FLOW STATEMENT

| IN EUR '000 | Note | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|---|
| **After-tax profit for the period** | | **410,196** | **-263,989** |
| Non-cash items contained in the profit for the period and reconciliation to the cash flow from operating activities commercial business activities | | -381,475 | 269,690 |
| Change in assets and liabilities from operating activities after adjustments for non-cash items | | 300,181 | -311,550 |
| Dividends received | | 17,100 | 33,898 |
| Interest received | | 914,462 | 577,257 |
| Interest paid | | -760,678 | -394,505 |
| Taxes paid on income | | -2,380 | -9,259 |
| **Cash flow from operating activities** | | **497,406** | **-98,458** |
| Cash proceeds from the sale of: | | | |
| Financial assets and shares in companies | | 189,914 | 576,565 |
| Property, plant and equipment, intangible assets and Investment property | | 43,269 | 61,927 |
| Payments to acquire: | | | |
| Financial assets and shares in companies | | -552,434 | -322,745 |
| Property, plant and equipment, intangible assets and Investment property | | -123,761 | -97,649 |
| Acquisition of subsidiaries (net of acquired cash and cash equivalents) | | -6,768 | -7,685 |
| Sale of subsidiaries (minus sold funds) | | 0 | 0 |
| **Cash flow from investing activities** | | **-449,780** | **210,413** |
| Issue of subordinated capital | (30) | 26,829 | 9,553 |
| Repayment/repurchase of subordinated capital | (30) | -39,060 | -75,748 |
| Purchase of non-controlling interests | | 0 | 0 |
| Dividends | | -42,882 | -51,452 |
| **Cash flow from financing activities** | | **-55,113** | **-117,647** |
| Cash at the end of the previous period | | 49,141 | 130,188 |
| Cash flow from operating activities | | 497,406 | -98,458 |
| Cash flow from investing activities | | -449,780 | 210,413 |
| Cash flow from financing activities | | -55,113 | -117,647 |
| **Cash and cash equivalents at the end of the period** | | **41,654** | **124,496** |

Cash and cash equivalents comprise cash in hand and balances at central banks repayable at any time.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Principles underlying the consolidated financial statements according to IFRS

### Principles

The consolidated financial statements of Raiffeisenlandesbank Oberösterreich Aktiengesellschaft Group are 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 (Section. 245a (1) Austrian Commercial Code). This condensed interim financial statement as at 30 June 2023 is in accordance with IAS 34.

The same accounting and valuation principles and consolidation methods were applied for the interim reporting as for the preparation of the consolidated financial statements as at 31 December 2022.

The consolidated interim financial statements as at 30 June 2023 have not been subjected to a complete audit, nor have they been inspected by a statutory auditor.

Unless noted otherwise, the figures in these financial statements are stated in thousands of euros. Minor discrepancies may arise in calculations because of rounding in the individual items in the financial statements.

### First-time adoption of new and revised standards and interpretations

The following new or amended standards and interpretations must be taken into account for the first time in preparing IFRS financial statements relating to an annual reporting period for a financial year starting on or after 1 January 2023. The accounting and valuation methods applied are, with the exception of the amendments and changes listed here, the same as those of the previous financial year.

| Standard/Interpretation | Mandatory for financial year beginning | Already adopted by the EU |
|---|---|---|
| Amendments to IAS 1 – Disclosure of Accounting Policies | 1 Jan. 2023 | Yes |
| Amendments to IAS 8 – Definition of accounting estimates | 1 Jan. 2023 | Yes |
| Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction | 1 Jan. 2023 | Yes |
| IFRS 17 – Insurance contracts | 1 Jan. 2023 | Yes |
| Amendments to IFRS 17 – First-time adoption of IFRS 17 and IFRS 9 – Comparative information | 1 Jan. 2023 | Yes |

#### Amendments to IAS 1 – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 “Presentation of Financial Statements” relating to disclosures of accounting policies. The amendments require significant accounting policies to be presented in the Notes, with the objective of emphasising company-specific information over standardised explanations. Accounting policies are considered to be significant if material transactions or other events are related to them or there is a reason for their presentation. This is the case, for example, when a method has been changed, there is a right to choose, or the method is complex or highly discretionary. The amendments have been applicable since 1 January 2023. These amendments have been implemented in the Raiffeisenlandesbank Oberösterreich Group.

#### Amendments to IAS 8 – Definition of accounting estimates

The IASB published amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in February 2021. The amendments relate to the definition of accounting estimates and include how changes in accounting policies can be more accurately distinguished from changes in estimates. In particular, the following was defined:

- Accounting estimates in the financial statements always have to be related to a valuation uncertainty of a financial figure.
- Input parameters and valuation techniques are used in determining an estimate, and both, estimation techniques as well as valuation techniques can be used in valuation procedures.

The amendments are effective for financial years beginning on or after 1 January 2023. These amendments are not expected to have any material impact on the consolidated financial statements of Raiffeisenlandesbank Oberösterreich.

### Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

In response to existing uncertainties in accounting for deferred taxes in connection with leases and decommissioning obligations, the IASB issued "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" in May 2021. Under certain conditions according to IAS 12.15, no deferred taxes are to be recognised for liabilities and assets reported for the first time (the "initial recognition exemption"). The amendment in IAS 12 clarifies that this exemption does not apply to leases and decommissioning obligations. Thus, deferred taxes must be recognised when the aforementioned items are initially recognised. The amendments are mandatory for reporting periods beginning on or after 1 January 2023. The adjustment has no effect on the consolidated interim financial statements of Raiffeisenlandesbank Oberösterreich, as deferred taxes are already recognised for the transactions concerned.

### IFRS 17 – Insurance contracts

IFRS 17 was published in May 2017 and governs the principles related to the assessment, valuation, statement and disclosures for insurance contracts within the area of application for the standard. This will replace IFRS 4 "Insurance contracts" in future. After the postponement of the point of time of first-time application of IASB, the standard must not be applied mandatorily for the first time for financial years beginning on or after 1 January 2023. Corresponding amendments were also made to IFRS 4 with regard to the extension of the temporary exemption from the application of IFRS 9 "Financial Instruments". Due to a lack of matters that fall within the scope of IFRS 17, there was no impact in the Raiffeisenlandesbank Oberösterreich Group upon first-time application.

### Amendments to IFRS 17 – First-time adoption of IFRS 17 and IFRS 9 – Comparative information

The amendment to IFRS 17 was published by the IASB in December 2021 and regulates the transitional provisions for the simultaneous first-time application of IFRS 9 and IFRS 17. As there are no circumstances within the scope of IFRS 17 in the Raiffeisenlandesbank Oberösterreich Group and IFRS 9 has already been applied, this amendment has no effect.

## Standards and interpretations that are not yet mandatory

The following new or amended standards and interpretations were already published as at 30 June 2023. However, they were not yet in force for the financial year beginning 1 January 2023 and have therefore not been applied in these consolidated interim financial statements:

| Standard/Interpretation | Mandatory for financial year beginning | Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules already adopted by the EU |
|---|---|---|
| Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules | 1 Jan. 2023 | No |
| Amendments to IAS 1 – Classification of liabilities by maturity | 1 Jan. 2024 | No |
| Amendments to IAS 7 and IFRS 7 – Supplier financing arrangements | 1 Jan. 2024 | No |
| Amendments to IFRS 16 – Lease liability in a sale and leaseback transaction | 1 Jan. 2024 | No |

## Changes in the basis of consolidation and their effects

The number of fully consolidated companies and companies accounted for using the equity method developed as follows in the first half of 2023:

| | Fully consolidated 2023 | 2022 | Equity method 2023 | 2022 |
|---|---|---|---|---|
| As at 1 Jan. | 158 | 156 | 10 | 10 |
| Included for the first time during the reporting period | 2 | 3 | 1 | 0 |
| of which additions due to newly established company | 1 | 1 | 0 | 0 |
| of which additions from business acquisitions | 1 | 1 | 0 | 0 |
| of which additions due to change in the consolidation method | 0 | 1 | 1 | 0 |
| Merged during the reporting period | 0 | 1 | 0 | 0 |
| Deconsolidated during the reporting period | 0 | 0 | 0 | 0 |
| thereof disposals due to divestiture | 0 | 0 | 0 | 0 |
| thereof disposals due to liquidation | 0 | 0 | 0 | 0 |
| thereof disposals due to change in accounting consolidation method | 0 | 0 | 0 | 0 |
| **As at 30 June** | **160** | **158** | **11** | **10** |

For the interim consolidated financial statements as at 30 June 2023, the basis of consolidation of Raiffeisenlandesbank Oberösterreich, including Raiffeisenlandesbank Oberösterreich as the parent company, comprises 160 (31 December 2022: 158) Group companies included in the Group by means of full consolidation and eleven (31 December 2022: ten) companies included by means of the equity method.

Salvida Holding GmbH was acquired in the first half of 2023 and included in the basis of consolidation of Raiffeisenlandesbank Oberösterreich as of 30 June 2023. The agreement to purchase 56% of the shares in connection with the payment of a non-linear capital increase by Raiffeisen Beteiligungsholding GmbH led to the 74% stake sought in Salvida Holding GmbH.

Salvida Holding GmbH holds 36.5% and 38% of the shares in Salvida GmbH and Pebios GmbH respectively. Salvida GmbH operates a health centre in Kirchham that performs time and resource-intensive administrative tasks for medical professionals. Pebios GmbH is planning a similar project in Perg. The aim is to establish more of these types of health centres throughout Austria.

Salvida GmbH and Pebios GmbH are reported as participating interests in Salvida Holding GmbH. The measurement of Salvida Holding GmbH was prepared based on the future results of Salvida GmbH and Pebios GmbH.

The amount of the consideration already transferred for the acquisition of Salvida Holding GmbH comprises the purchase price and a non-linear capital increase and totals EUR 6,769,000. There are also contractual earn-out clauses that were taken into account according to their probability of occurrence. A financial liability of EUR 1,139 thousand was recognised in this regard as at 30 June 2023. The amount of this liability may still change. Upon fulfilment of the conditions in connection with the earn-out clauses, Raiffeisen Beteiligungsholding GmbH has also promised a further non-linear shareholder contribution, which was taken into account in determining the goodwill.

At the time of initial consolidation, a non-controlling interest of EUR 3,226 thousand was recognised (incl. dilution in combination with the non-linear subsidy).

Consultancy costs of EUR -46 thousand were incurred in the course of the company acquisition. These are recognised in the current consolidated income statement under general administrative expenses. The related liabilities have already been paid in full.

The assets acquired and liabilities assumed as at the point of acquisition are as follows:

| IN EUR '000 | 30 June 2023 |
|---|---|
| Loans and advances to banks | 3,660 |
| Financial assets | 7,358 |
| Intangible assets | 8 |
| Other assets | 11 |
| Other liabilities | 40 |
| **Fair value of the identifiable net assets** | **10,997** |

The gross amounts of the receivables acquired amount to EUR 3,660 thousand for loans and advances to banks.

Salvida Holding GmbH was included in the basis of consolidation of Raiffeisenlandesbank Oberösterreich for the first time as of 30 June 2023 and has not yet therefore contributed to revenues or consolidated earnings before taxes in the first half of the year. Salvida Holding GmbH would have reduced the consolidated result before taxes by EUR -124 thousand if the acquisition had already taken place on 1 January 2023. No revenues were generated in this period.

The acquisition of Salvida Holding GmbH resulted in a small amount of goodwill using the partial goodwill method, which was determined as follows:

| IN EUR '000 | 30 June 2023 |
|---|---|
| Consideration transferred plus dilution in combination with non-linear subsidy | 8,274 |
| Fair value of the identifiable net assets | 8,138 |
| **Goodwill** | **136** |

In addition to the initial consolidation of Salvida Holding GmbH, Klitschgasse 2-4 GmbH was newly founded in the first half of 2023 and included in the scope of consolidation for the first time with a share of 100%.

The addition to the companies accounted for using the equity method results from the first consolidation of the previously held participating interest of 33.3% in GEMDAT OÖ GmbH & Co KG, which was classified as immaterial.

### Foreign currency translation

The consolidated interim 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 period-end exchange rate method in accordance with IAS 21. Generally, the national currency is the same as the functional currency.

When the modified period-end exchange rate method is applied, equity is translated at historical rates while all other assets and equity and liabilities are translated using the relevant closing rates (middle rates of the European Central Bank (ECB) as at the Group reporting 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 a translation using period-end exchange rates are recognised in the statement of comprehensive income.

The following exchange rates were used in the consolidation for currency translation:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| Prices in currency per euro | Closing rate 30 June | Average rate 1 Jan.-30 June | Closing rate 30 June | Average rate 1 Jan.-30 June |
| Croatian kuna (HRK) | n/a | n/a | 7.5307 | 7.5461 |
| Polish zloty (PLN) | 4.4388 | 4.6185 | 4.6904 | 4.6388 |
| Romanian leu (RON) | 4.9635 | 4.9432 | 4.9464 | 4.9466 |
| Czech koruna (CZK) | 23.7420 | 23.6974 | 24.7390 | 24.6657 |
| Hungarian forint (HUF) | 371.9300 | 380.7886 | 397.0400 | 376.8314 |

## Accounting and valuation methods

The same accounting and valuation principles were applied for the interim reporting as at 30 June 2023 as for the compilation of the consolidated financial statements as at 31 December 2022. There were also no material amendments to the accounting standards in the first half of 2023 (see section "First-time adoption of new and revised standards and interpretations") which were relevant for Raiffeisen-landesbank Oberösterreich. Please refer to the following sections with regard to the application of valuation methods in connection with the current risk situation in the first half of 2023.

### Valuation methods in connection with the current risk situation

In applying the accounting and valuation methods in the consolidated interim financial statements as at 30 June 2023 of Raiffeisenland-esbank Oberösterreich, challenges arose in connection with appropriate consideration of the impact of the war in Ukraine and of macroe-conomic developments. The impact includes global supply chain problems, high inflation, interest rate hikes and fears of recession. This risk situation was reflected in particular in the following areas of application for management judgement and estimates.

### Company valuations

Company valuations are required both in order to determine the fair value of participating interests or investment instruments measured at fair value as well as for impairment tests for investments accounted for using the equity method and goodwill.

The ongoing war in Ukraine is leading to increased uncertainty as at 31 December 2022. The impact on the planning calculations was examined and the effects relevant for valuation purposes were mapped appropriately. The effects were analysed for each company and were taken into account in the cash flows on which the valuation is based insofar as they had a direct influence on the company's planning. The companies are subject to ongoing monitoring in order to identify and map risks in a timely manner. In addition, the influences on interest rates in the current prevailing market environment are taken into account in the company valuation. A double consideration of uncertainties which were already taken into account in the cash flow was excluded in the interest rates.

### Valuation of expected credit losses

The basic impairment methodology is described in more detail in the section "Impairment according to IFRS 9" in the consolidated financial statements as at 31 December 2022, which also lists the most important features of the expected credit loss calculation. No changes were made to the basic methodology in the first half of 2023. Some important management judgements are required for measuring the expected credit loss, such as (e.g.

- Defining criteria for a significant increase in the credit risk
- Selecting suitable models and assumptions
- Defining the number and relative weighting of future-oriented scenarios
- Defining groups of similar financial assets

The following table shows the most important quarterly macroeconomic realisations and forecasts for the Corporates and Retail client segments:

Gross domestic product*

| Quarter | Baseline | Optimistic | Pessimistic |
|---|---|---|---|
| Q2 2022 | 1.90% | 1.90% | 1.90% |
| Q3 2022 | -0.10% | -0.10% | -0.10% |
| Q4 2022 | 0.00% | 0.00% | 0.00% |
| Q1 2023 | 0.10% | 0.10% | 0.10% |
| Q2 2023 | -0.20% | 0.67% | -1.07% |
| Q3 2023 | 0.10% | 0.94% | -0.74% |
| Q4 2023 | 0.40% | 1.18% | -0.38% |
| Q1 2024 | 0.60% | 1.45% | -0.25% |
| Q2 2024 | 0.50% | 1.25% | -0.25% |
| Q3 2024 | 0.50% | 1.26% | -0.26% |
| Q4 2024 | 0.40% | 1.15% | -0.35% |
| Q1 2025 | 0.40% | 1.05% | -0.25% |
| Q2 2025 | 0.40% | 1.09% | -0.29% |
| Q3 2025 | 0.30% | 1.05% | -0.45% |
| Q4 2025 | 0.30% | 1.14% | -0.54% |

*Change in gross domestic product on previous quarter in %, in real terms based on the previous year's prices – reference year 2015, seasonally adjusted (sources: baseline: OeNB; optimistic, pessimistic: Raiffeisenlandesbank Oberösterreich)

Consumer Price Index*

| Quarter | Baseline | Optimistic | Pessimistic |
|---|---|---|---|
| Q2 2022 | 8.70% | 8.70% | 8.70% |
| Q3 2022 | 11.00% | 11.00% | 11.00% |
| Q4 2022 | 10.50% | 10.50% | 10.50% |
| Q1 2023 | 9.20% | 9.20% | 9.20% |
| Q2 2023 | 8.80% | 7.81% | 9.79% |
| Q3 2023 | 6.00% | 5.07% | 6.93% |
| Q4 2023 | 4.40% | 3.40% | 5.40% |
| Q1 2024 | 3.90% | 2.91% | 4.89% |
| Q2 2024 | 3.80% | 2.85% | 4.75% |
| Q3 2024 | 4.50% | 3.52% | 5.48% |
| Q4 2024 | 4.20% | 3.20% | 5.20% |
| Q1 2025 | 3.60% | 2.54% | 4.66% |
| Q2 2025 | 3.10% | 1.73% | 4.47% |
| Q3 2025 | 2.60% | 1.11% | 4.09% |
| Q4 2025 | 2.30% | 0.67% | 3.93% |

*Harmonised index of consumer prices; change on previous year in % (source: baseline: OeNB; optimistic, pessimistic: Raiffeisenlandesbank Oberösterreich)

Unemployment rate

| Quarter | Basis for baseline* | Baseline** | Optimistic** | Pessimistic** |
|---|---|---|---|---|
| Q2 2022 | 4.43% | -40.80% | -40.80% | -40.80% |
| Q3 2022 | 4.97% | -12.60% | -12.60% | -12.60% |
| Q4 2022 | 5.00% | -5.20% | -5.20% | -5.20% |
| Q1 2023 | 4.83% | 4.95% | 4.95% | 4.95% |
| Q2 2023 | 5.00% | 12.03% | -1.14% | 25.19% |
| Q3 2023 | 5.10% | 2.65% | -12.79% | 18.09% |
| Q4 2023 | 5.00% | 2.65% | -15.78% | 21.08% |
| Q1 2024 | 5.00% | 3.39% | -14.29% | 21.07% |
| Q2 2024 | 4.80% | -4.08% | -20.6% | 12.43% |
| Q3 2024 | 4.70% | -8.17% | -24.84% | 8.51% |
| Q4 2024 | 4.60% | -8.34% | -22.51% | 5.84% |
| Q1 2025 | 4.60% | -8.34% | -21.7% | 5.02% |
| Q2 2025 | 4.60% | -4.26% | -18.06% | 9.55% |
| Q3 2025 | 4.50% | -4.35% | -19.08% | 10.38% |
| Q4 2025 | 4.60% | -4.35% | -21.09% | 12.39% |

* Unemployment rate according to Eurostat in %, starting point for baseline scenario of logarithmic rate of change (source: OeNB)
** Logarithmic rate of change of the unemployment rate on previous year's quarter according to Eurostat, seasonally adjusted in % (source: baseline: OeNB; optimistic, pessimistic: Raiffeisenlandesbank Oberösterreich)

The macroeconomic Baseline forecasts shown in the tables (or their basis before further transformation) were taken from the OeNB and published on 16 June 2023 (General forecast of the OeNB for Austria 2023-2025). Based on the historical development of these time series, Raiffeisenlandesbank Oberösterreich uses macroeconomic models to determine a pessimistic and optimistic scenario for the respective macroeconomic variable. The corresponding IFRS 9 risk parameters (PD and LGD) are then calculated for each scenario and weighted with 60-20-20 proportions for baseline, optimistic and pessimistic. We then use the weighted risk parameters for staging and for determining the expected credit loss (ECL).

In order to better estimate the change in parameters and their impact on the expected credit loss, sensitivity analyses are calculated that include the indirect change in loan loss allowances due to macroeconomic shifts (+/-1% GDP growth rate, +/-5% real estate price fluctuation). Further details and results of this analysis can be found in the disclosures on the statement of financial position in the section “Sensitivity disclosures on loan loss allowances”.

As part of the process for recognising loan loss allowances for significant client exposures, specific allowances for losses on individual bank loan accounts or provisions for contingent liabilities and lending commitments are formed on a case-by-case basis. The following important evaluations are required for this:

- Estimation of the financial position and development with the relevant client
- Determination and weighting of scenarios
- Estimation of expected returns from realising the securities

**Assessment of expected credit losses in connection with the macroeconomic environment and the Russia-Ukraine war**

The rise in inflation according to the HICP, which had already begun in spring 2021, has continued to this day, with declining growth rates being observed for the first time over the first half of 2023. Inflation remains well above the long-term average. The OeNB expects annual HICP growth rates of 7.4%, 4.1% and 2.9% for the years 2023 to 2025. The growth rates for gross domestic product 2023 to 2025 are forecast at 0.5%, 1.7% and 1.6%. The Austrian economy is in a phase of stagflation this year.

The macroeconomic time series used by Raiffeisenlandesbank Oberösterreich would have forecast a default risk in 2022 due to high inflation, which is not plausible in a historical comparison. Through a further development of the IFRS 9 PD model for the Corporates segment, it was possible to process these extreme macroeconomic realisations and forecasts (including from HICP) accordingly from the reporting date of 30 June 2022. As part of the further development of the model, an upper limit for the probability of default was introduced. Details can also be found in the section “Accounting and valuation methods” of the consolidated financial statements as at 31 December 2022. The concrete implementation of the upper limit for the probability of default is being carried out via an annual PiT-PD Shift factor cap. The amount of the cap is analysed on a periodic basis and was adjusted from 2.5 to 2.6 for the first time once the extended internal default time series became available. This means that the point-in-time probability of default can increase to a maximum of 2.6 times the average probability of default due to macroeconomic influences, which is adequate from Raiffeisenlandesbank Oberösterreich’s point of view.

Compared to the consolidated financial statements as at 31 December 2022, the interim consolidated financial statements as at 30 June 2023 are as follows:

- The expected credit loss for Stage 1 and Stage 2 was increased by 8.9% in the Raiffeisenlandesbank Oberösterreich Group in the first half of 2023. The increase is based primarily on the macroeconomic environment described above as well as portfolio changes due to creditworthiness.
- In connection with the war in Ukraine, Raiffeisenlandesbank Oberösterreich carried out various impact analyses at individual client level and incorporated the findings into the respective client rating. Raiffeisenlandesbank Oberösterreich still does not consider a sector-specific assessment to be expedient, as the influencing factors ((core) inflation, volatile energy prices, labour shortages, interest rate environment and restrictive monetary policy as well as global/political uncertainties) have different effects at the individual level.

## Segment reporting

### Segment reporting first half of 2023

| IN EUR '000 | Corporates | Retail & Private Banking | Financial Markets | Equity Investments | Corporate Center | Total |
|---|---|---|---|---|---|---|
| **Net interest income** | **190,676** | **86,271** | **4,860** | **2,608** | **4,849** | **289,264** |
| Loan loss allowances | -54,103 | -4,524 | 3,468 | -2,334 | -645 | -58,138 |
| **Net interest income after loan loss allowances** | **136,573** | **81,747** | **8,328** | **274** | **4,204** | **231,126** |
| Share of profit or loss of companies accounted for using the equity method | 0 | 0 | 0 | 293,483 | 0 | 293,483 |
| Net fee and commission income | 26,299 | 23,617 | 11,792 | 34,886 | 3,040 | 99,634 |
| Net income from trading operations | 1,069 | 1,187 | 5,021 | 858 | 0 | 8,135 |
| Gains and losses on financial instruments measured at fair value | 0 | 0 | 15,181 | -11,700 | 0 | 3,481 |
| Net income from other financial instruments | 2,400 | -266 | -1,201 | 0 | 0 | 933 |
| General administrative expenses* | -72,933 | -61,691 | -26,870 | -377,665 | -16,285 | -555,444 |
| Revenue and miscellaneous other operating income | 932 | 641 | 862 | 743,195 | 21,755 | 767,385 |
| Cost of sales and miscellaneous other expenses | -15,327 | -2,033 | -782 | -374,324 | -7,381 | -399,847 |
| **Pre-tax profit for the period** | **79,013** | **43,202** | **12,331** | **309,007** | **5,333** | **448,886** |
| Operating profit** | 130,717 | 47,993 | -5,117 | 323,042 | 5,976 | 502,611 |
| Average equity | 1,213,685 | 163,860 | 1,047,558 | 2,862,975 | 206,476 | 5,494,554 |
| Assets as at 30 June | 19,493,673 | 3,487,786 | 16,031,384 | 8,257,008 | 2,273,028 | 49,542,879 |

### Segment reporting H1 of 2022

| IN EUR '000 | Corporates | Retail & Private Banking | Financial Markets | Equity Investments | Corporate Center | Total |
|---|---|---|---|---|---|---|
| **Net interest income** | **160,601** | **27,103** | **22,280** | **4,619** | **423** | **215,026** |
| Loan loss allowances | -36,048 | -4,856 | 3,495 | 156 | -425 | -37,678 |
| **Net interest income after loan loss allowances** | **124,553** | **22,247** | **25,775** | **4,775** | **-2** | **177,348** |
| Share of profit or loss of companies accounted for using the equity method | 0 | 0 | 0 | -375,003 | 0 | -375,003 |
| Net fee and commission income | 33,304 | 24,116 | 14,051 | 37,441 | 1,253 | 110,165 |
| Net income from trading operations | 1,373 | 874 | 50 | 405 | 0 | 2,702 |
| Gains and losses on financial instruments measured at fair value | 0 | 0 | 33,676 | -7,129 | 0 | 26,547 |
| Net income from other financial instruments | 29 | 0 | -749 | -2,219 | 0 | -2,939 |
| General administrative expenses* | -62,933 | -53,748 | -25,659 | -322,552 | -19,891 | -484,783 |
| Revenue and miscellaneous other operating income | 1,126 | 643 | 651 | 659,099 | 21,221 | 682,740 |
| Cost of sales and miscellaneous other expenses | -24,399 | -3,274 | -2,756 | -336,910 | -5,513 | -372,852 |
| **Pre-tax profit for the period** | **73,053** | **-9,142** | **45,039** | **-342,093** | **-2,932** | **-236,075** |
| Operating profit** | 109,071 | -4,285 | 8,617 | -332,900 | -2,507 | -222,004 |
| Average equity | 1,567,895 | 173,544 | 1,081,272 | 1,995,503 | 183,046 | 5,001,260 |
| Assets as at 30 June | 19,578,475 | 3,681,560 | 16,511,465 | 7,492,493 | 2,758,184 | 50,022,177 |

* Note: Due to a more detailed allocation of previous “overhead costs” from year-end 2022, there was a significant decrease in administrative expenses in the Corporate Center segment in H1 2023, while the administrative expenses of the Market segments increased accordingly. The presentation of the H1 2022 segment reporting was also retroactively adjusted according to this extended cost distribution for the sake of comparability.

**Operating profit is the difference between operating income and operating expenses. At group level, it is calculated by deducting general administrative expenses from the sum of net interest income, share of profit or loss of companies accounted for using the equity method, net fee and commission income, income from trading transactions, and other operating income.

## Notes to the income statement

### 1. Net interest income

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Interest income using the effective interest method | 697,799 | 313,996 |
| from non-derivative financial assets in the category "at amortised cost" (AC) | 655,891 | 233,620 |
| from non-derivative financial liabilities in the category "at amortised cost" (AC) | 242 | 54,012 |
| from non-derivative financial assets in the category "At fair value through other comprehensive income" (FVOCI) | 41,665 | 26,364 |
| Other interest income | 223,136 | 182,540 |
| from non-derivative financial assets in the category "At fair value through profit or loss" (FVTPL) | 3,264 | 863 |
| from non-derivative financial assets in the category "Designated at fair value through profit or loss" (FVO) | 1,431 | 1,827 |
| from non-derivative financial liabilities in the category "At fair value through profit or loss" (FVTPL) | 0 | 0 |
| from non-derivative financial liabilities in the category "Designated at fair value through profit or loss" (FVO) | 0 | 0 |
| from derivative financial instruments in the category "At fair value through profit or loss" (FVTPL) | 152,594 | 136,453 |
| from lease financing in accordance with IFRS 16 | 65,847 | 43,396 |
| Other interest-related income | 319 | 100 |
| Current income from financial assets in the category "At fair value through profit or loss" (FVTPL) | 5,524 | 4,643 |
| **Interest and interest-related income** | **926,778** | **501,279** |
| Interest expenses | -636,659 | -285,414 |
| from non-derivative financial liabilities in the category "at amortised cost" (AC) | -413,002 | -91,311 |
| from non-derivative financial liabilities in the category "At fair value through profit or loss" (FVTPL) | 0 | 0 |
| from non-derivative financial liabilities in the category "Designated at fair value through profit or loss" (FVO) | -28,273 | -30,990 |
| from non-derivative financial assets in the category "at amortised cost" (AC) | -534 | -32,940 |
| from non-derivative financial assets in the category "At fair value through other comprehensive income" (FVOCI) | 0 | 0 |
| from non-derivative financial assets in the category "At fair value through profit or loss" (FVTPL) | 0 | -112 |
| from non-derivative financial assets in the category "Designated at fair value through profit or loss" (FVO) | 0 | 0 |
| from derivative financial instruments in the category "At fair value through profit or loss" (FVTPL) | -193,167 | -129,680 |
| from lease liabilities in accordance with IFRS 16 | -1,683 | -383 |
| Other interest-related expenses | -855 | -839 |
| **Interest and interest-related expenses** | **-637,514** | **-286,253** |
| **Net interest income** | **289,264** | **215,026** |

The interest income includes interest income of EUR +4,074 thousand (H1 2022: EUR +5,690 thousand) from impaired loans and advances to clients and banks. Interest income from significant value-adjusted loans and advances to clients and banks are recognised using the interest rate which was used in determining the impairment loss for discounting the future cash flow.

Reference is made to the effects resulting from the law in relation to maintaining margins in the case of negative interest rates in note 27. Provisions.

### 2. Loan loss allowances

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Changes to the loan loss allowance through profit and loss under IFRS 9 | -64,437 | -43,686 |
| Direct impairment losses | -2,490 | -1,926 |
| Amounts received against loans and advances written off* | 8,789 | 7,935 |
| **Loan loss allowances** | **-58,138** | **-37,678** |

* including disposal effects in connection with POCI assets

For further details on loan loss allowances, please refer to note 15. Schedule of loan loss allowances.

## 3. Share of profit or loss of companies accounted for using the equity method

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Pro rate net income | 294,580.6 | -8,219 |
| Impairment from companies accounted for using the equity method | -1,098 | -366,783 |
| Reversal of impairment from companies accounted for using the equity method | 0 | 0 |
| **Share of profit or loss of companies accounted for using the equity method** | **293,483** | **-375,003** |

Please refer to note 18. Companies accounted for using the equity method for further details regarding the results from companies accounted for using the equity method as well as the gains or losses in this regard (impairment or reversal of impairment). The above amounts are assigned to the Equity Investments segment.

## 4. Net fee and commission income

| H1 2023<br>IN EUR '000 | Corporates | Retail & Private Banking | Financial Markets | Equity Investments | Corporate Center | Total |
|---|---|---|---|---|---|---|
| **Fee and commission income** | **28,722** | **25,296** | **25,108** | **56,984** | **4,716** | **140,825** |
| from payment transactions | 8,471 | 10,603 | 46 | -139 | 2,237 | 21,218 |
| from funding transactions | 17,857 | 1,148 | 837 | -2,120 | 1,718 | 19,440 |
| from securities business | 992 | 10,755 | 20,600 | 32,296 | 531 | 65,174 |
| From foreign exchange, currency and precious metals transactions | 1,343 | 627 | 752 | 58 | 185 | 2,965 |
| from other service business | 59 | 2,163 | 2,873 | 26,889 | 45 | 32,029 |
| **Fee and commission expenses** | **-2,423** | **-1,679** | **-13,316** | **-22,098** | **-1,676** | **-41,191** |
| from payment transactions | -74 | -992 | -250 | -600 | -941 | -2,857 |
| from funding transactions | -2,182 | -152 | 0 | 1 | -424 | -2,757 |
| from securities business | -2 | -536 | -13,014 | 5 | -145 | -13,692 |
| From foreign exchange, currency and precious metals transactions | 0 | 0 | 0 | 0 | 0 | 0 |
| from other service business | -165 | 1 | -52 | -21,504 | -166 | -21,886 |
| **Net fee and commission income** | **26,299** | **23,617** | **11,792** | **34,886** | **3,040** | **99,634** |

| H1 2022<br>IN EUR '000 | Corporates | Retail & Private Banking | Financial Markets | Equity Investments | Corporate Center | Total |
|---|---|---|---|---|---|---|
| **Fee and commission income** | **35,717** | **26,592** | **26,744** | **46,532** | **2,760** | **138,345** |
| from payment transactions | 7,331 | 9,597 | 21 | -194 | 2,242 | 18,997 |
| from funding transactions | 25,869 | 1,212 | 472 | -6 | -132.0 | 27,415 |
| from securities business | 299 | 10,756 | 20,021 | 21,082 | 469 | 52,627 |
| From foreign exchange, currency and precious metals transactions | 1,389 | 895 | 943 | 15 | 134 | 3,376 |
| from other service business | 829 | 4,132 | 5,287.0 | 25,635 | 47 | 35,930 |
| **Fee and commission expenses** | **-2,413** | **-2,476** | **-12,693** | **-9,091** | **-1,507** | **-28,180** |
| from payment transactions | -154 | -789 | -205 | -342 | -851 | -2,341 |
| from funding transactions | -2,069 | -173 | 0 | -8 | -356 | -2,606 |
| from securities business | -36.0 | -1,514 | -12,461 | 42.0 | -153 | -14,122 |
| From foreign exchange, currency and precious metals transactions | 0 | 0 | 0 | 0 | 0 | 0 |
| from other service business | -154 | 0 | -27 | -8,783 | -147 | -9,111 |
| **Net fee and commission income** | **33,304** | **24,116** | **14,051** | **37,441** | **1,253** | **110,165** |

## 5. Net income from trading operations

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Interest-rate related business | 2,626 | -790 |
| Currency related business | 4,841 | 2,560 |
| Other transactions | 669 | 932 |
| **Net income from trading operations** | **8,136** | **2,702** |

### 6. Net income from financial instruments carried at fair value

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| from non-derivative financial assets in the category “At fair value through profit or loss” (FVTPL) | -8,855 | -11,946 |
| from non-derivative financial assets in the category “Designated at fair value through profit or loss” (FVO) | 976 | -25,209 |
| from non-derivative financial liabilities in the category “Designated at fair value through profit or loss” (FVO) | -2,548 | 212,346 |
| from derivative financial instruments in the category “At fair value through profit or loss” (FVTPL) | 13,907 | -148,644 |
| **Net income from financial instruments carried at fair value** | **3,480** | **26,547** |

### 7. Net income from other financial instruments

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Gain or loss on disposal | 1,158 | 1,947 |
| from securities in the category “At amortised cost” (AC) | -1 | -1 |
| from securities in the category “At fair value through other comprehensive income” (FVOCI) | 1,159 | 1,947 |
| Gain or loss arising from hedge accounting | -2,364 | -2,266 |
| Gain or loss arising from fair value hedges | 583 | -5,017 |
| from underlying transactions in fair value hedges | -53,413 | 472,948 |
| from hedging instruments in fair value hedges | 53,996 | -477,965 |
| Gain or loss arising from Portfolio fair value hedges | -2,947 | 2,751 |
| from underlying transactions in portfolio fair value hedges | -5,867 | -358,924 |
| from hedging instruments in portfolio fair value hedges | 2,919 | 361,675 |
| Net income on disposal | 5 | 9 |
| of loans and advances to banks in the category “at amortised cost” (AC) | 5 | 9 |
| of loans and advances to clients in the category “at amortised cost” (AC) | 0 | 0 |
| Modification result | 2,134 | 29 |
| Modification income | 3,624 | 201 |
| from financial assets in the category “at amortised cost” (AC) | 3,624 | 201 |
| from financial assets in the category “At fair value through other comprehensive income” (FVOCI) | 0 | 0 |
| Modification expenditure | -1,490 | -172 |
| from financial assets in the category “at amortised cost” (AC) | -1,490 | -172 |
| from financial assets in the category “At fair value through other comprehensive income” (FVOCI) | 0 | 0 |
| Gain or loss from initial consolidation and deconsolidation | 0 | -2,657 |
| **Net income from other financial instruments** | **933** | **-2,939** |

In the first half of 2023, there was an effect of EUR 0 thousand (H1 2022: EUR -2,657 thousand) in the item “Result from first consolidation and deconsolidation”. The additions in the first half of 2023 can be seen in the section “Principles underlying the consolidated financial statements in accordance with IFRS”.

## 8. General administrative expenses

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Personnel expenses | -279,951 | -244,057 |
| Administrative expenses | -207,128 | -177,143 |
| (Write-ups or)/depreciation, amortisation and impairment losses on property, plant and equipment, intangible assets and Investment property | -68,365 | -63,583 |
| **General administrative expenses** | **-555,444** | **-484,783** |

In the first half of 2023, the general administrative expenses include approximately EUR -209.3 million (H1 2022: EUR -183.9 million) from companies in the food sector (VIVATIS/efko Group). Companies from the food industry are, as their business is unrelated to banking, mainly reported in the income statement under Other net operating income and General administrative expenses.

The general administrative expenses from the "OÖ Wohnbau" companies were approx. EUR -18.8 million in the first half of 2023 (H1 2022: EUR -18.2 million).

Expenses from real estate held as financial investments amounted to EUR -8.6 million in the first half of 2023 (H1 2022: EUR -7.7 million).

## 9. Other net operating income

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| **Revenue and miscellaneous other operating income** | **767,385** | **682,740** |
| Sales revenue from non-banking activities | 698,772 | 606,374 |
| Income from real estate held as financial investments | 17,841 | 16,326 |
| Miscellaneous operating income | 50,772 | 60,040 |
| **Cost of sales and miscellaneous other expenses** | **-399,848** | **-372,852** |
| Cost of sales from non-banking activities | -295,422 | -273,327 |
| Changes in inventory | -15,460 | 2,118 |
| Other tax and fees | -7,562 | -6,120 |
| Miscellaneous operating expenses | -81,403 | -95,523 |
| **Other net operating income** | **367,538** | **309,887** |

In the first half of 2023, total expenses of EUR -4.9 million (H1 2022: EUR -4.8 million) for the stability fee were recognised in Raiffeisen-landesbank Oberösterreich. All expenses in connection with the stability fee are stated in the item of “Other tax and fees”. The expenses for the annual contributions in 2023 for the resolution fund and the deposit guarantee scheme of Raiffeisenlandesbank Oberösterreich amounting to EUR -19.0 million (H1 2022: - 32.9 million) are posted under Other operating expenses.

In total, other net operating income of the companies in the VIVATIS/efko Group amounts to approx. EUR 220.9 million (H1 2022: EUR 205.3 million). Companies from the food industry are, as their business is unrelated to banking, mainly reported in the income statement under Other net operating income and General administrative expenses.

The “OÖ Wohnbau” companies contribute approx. EUR 26.2 million to the other net operating income (H1 2022: EUR 26.8 million).

The performance-related government grants in connection with the COVID-19 pandemic, (e.g. claims/compensation under the Epidemic Act, funds for fixed costs, short-time work, loss replacement, etc.) resulted in income of EUR 314 thousand in the first half of 2023 (H1 2022: EUR 2,483 thousand) once most of the regulations or deadlines had expired.

Furthermore, income-related government grants of EUR 149 thousand were recognised in the first half of 2023 through the energy cost subsidy.

In accordance with IAS 20.29, income-related grants are recognised in the item “Miscellaneous operating income”.

In addition, investment premiums of EUR 6.7 million were applied for in connection with the COVID-19 pandemic. The development of the subsidies already recognised due to capitalised investments is as follows:

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| As at 1 Jan. | 3,506 | 1,714 |
| Addition | 227 | 62 |
| Reversal | -215 | -28 |
| Other changes | 0 | -17 |
| **As at 30 June** | **3,518** | **1,731** |

In accordance with IAS 20.26, investment premiums are reported in a separate item under “Other liabilities”. In the item “”Miscellaneous operating income”, the investment premiums recognised are released to income over the economic life of the investment object from the time of commissioning.

The income from non-banking activity is broken down by key product groups in the following table. All sales revenues from non-banking activities are disclosed in the Equity Investments segment.

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| **Sales revenue from non-banking activities** | **698,771** | **606,374** |
| from the food industry | 491,111 | 435,933 |
| from the real estate industry | 89,037 | 82,278 |
| from the IT group | 87,809 | 62,229 |
| Other | 30,814 | 25,934 |

The following table breaks down the cost of sales from non-banking activities by key product groups. These costs are disclosed in the Equity investments segment.

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| **Cost of sales from non-banking activities** | **-295,422** | **-273,327** |
| from the food industry | -257,319 | -228,123 |
| from the real estate industry | -36,427 | -43,532 |
| from the IT group | -1,676 | -1,672 |
| Other | 0 | 0 |

Of the “Revenue from non-banking activities” and “Cost of sales from non-banking activities”, by far the largest portion comes from companies in the food industry (VIVATIS/efko Group).

## 10. Taxes on income and earnings

| IN EUR '000 | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| **Taxes on income and earnings** | **-38,690** | **-27,914** |

## Disclosures on the statement of financial position

### 11. Financial instruments disclosure

### Categories of financial assets and financial liabilities as at 30 June 2023:

| IN EUR '000 | Measured at amortised cost (AC) | Measured at fair value through other comprehensive income (FVOCI) | Designated at fair value through other comprehensive income (FVOCI option) | Measured at fair value through profit or loss (FVTPL) | Designated at fair value through profit or loss (FVO) | Carrying amount total 30 June 2023 | Fair value total 30 June 2023 |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 41,654 | 0 | 0 | 0 | 0 | 41,654 | 41,654 |
| Loans and advances to banks | 11,560,933 | 0 | 0 | 160,022 | 0 | 11,720,955 | 11,624,972 |
| Loans and advances to clients | 26,054,398 | 0 | 0 | 55,803 | 76,308 | 26,186,509 | 25,767,255 |
| Value adjustments from portfolio fair value hedges | -510,658 | 0 | 0 | 0 | 0 | -510,658 | 0 |
| Trading assets | 0 | 0 | 0 | 1,448,400 | 0 | 1,448,400 | 1,448,400 |
| Financial assets | 93,171 | 4,153,973 | 0 | 985,535 | 34,775 | 5,267,454 | 5,267,150 |
| Assets held for sale* | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Assets** | **37,239,498** | **4,153,973** | **0** | **2,649,760** | **111,083** | **44,154,314** | **44,149,431** |

* only carrying amounts for financial instruments affected

The amount of the change in fair value of assets designated at fair value through profit and loss that was due to changes in ratings came to a valuation loss of EUR 276 thousand for the first half of 2023 (aggregate valuation gain EUR 1,691 thousand). This figure was obtained by applying the changes in credit spread. The maximum default risk for these assets designated at fair value through profit and loss as at 30 June 2023 was EUR 111,083 thousand.

| IN EUR '000 | Measured at amortised cost (AC) | Measured at fair value through profit or loss (FVTPL) | Designated at fair value through profit or loss (FVO) | Carrying amount total 30 June 2023 | Fair value total 30 June 2023 |
|---|---|---|---|---|---|
| Amounts owed to banks | 17,210,318 | 0 | 63,053 | 17,273,371 | 16,945,403 |
| Amounts owed to clients | 13,541,805 | 0 | 172,671 | 13,714,476 | 13,639,899 |
| Value adjustments from portfolio fair value hedges | -21,390 | 0 | 0 | -21,390 | 0 |
| Trading liabilities | 0 | 1,557,720 | 0 | 1,557,720 | 1,557,720 |
| Liabilities evidenced by certificates | 8,032,908 | 0 | 1,156,007 | 9,188,915 | 9,068,382 |
| Liabilities in connection with assets held for sale* | 0 | 0 | 0 | 0 | 0 |
| Subordinated capital | 653,548 | 0 | 263,383 | 916,931 | 895,889 |
| **Equity and liabilities** | **39,438,579** | **1,557,720** | **1,655,114** | **42,651,413** | **42,107,293** |

* only carrying amounts for financial instruments affected

As at 30 June 2023, Moody's gave Raiffeisenlandesbank Oberösterreich an A3 rating (31 December 2022: A3). The rating was raised by Moody's by one level to A2 in July 2023. Of the changes in the fair value of liabilities designated at fair value through profit or loss in the first half of 2023, EUR 4,368 thousand are attributable to valuation gains from credit rating-induced changes (cumulative valuation gains of EUR 18,851 thousand before taking deferred taxes into account). Effects of changes in default risk are recorded in other comprehensive income. The remaining part of the change in fair value of the financial liabilities is recorded through profit and loss. In order to calculate the fair value change caused by creditworthiness, the fair value at the reporting date is compared with a fair value which is determined using historic premiums on the yield curves caused by credit risk at the start of the transaction and at the end of the previous financial year. The business data and yield curves as at the reporting date are used. The carrying amount of the liabilities designated at fair value through profit or loss amounts to EUR 1,655,114 thousand as at 30 June 2023. EUR 183 thousand of accumulated profit or loss within equity was reclassified as a result of repayments or redemptions in the first half of 2023.

The carrying amount of designated financial liabilities as at 30 June 2023 was EUR 258,060 thousand lower than the repayment sum contractually agreed.

### Categories of financial assets and financial liabilities as at 31 December 2022:

| IN EUR '000 | Measured at amortised cost (AC) | Measured at fair value through other comprehensive income (FVOCI) | Designated at fair value through other comprehensive income (FVOCI option) | Measured at fair value through profit or loss (FVTPL) | Designated at fair value through profit or loss (FVO) | Carrying amount total 31 Dec. 2022 | Fair value total 31 Dec. 2022 |
|---|---|---|---|---|---|---|---|
| Cash and cash quivalents | 49,141 | 0 | 0 | 0 | 0 | 49,141 | 49,141 |
| Loans and advances to banks | 12,209,575 | 0 | 0 | 180,620 | 0 | 12,390,195 | 12,309,115 |
| Loans and advances to clients | 25,792,199 | 0 | 0 | 62,506 | 78,102 | 25,932,807 | 25,444,450 |
| Value adjustments from portfolio fair value hedges | -565,129 | 0 | 0 | 0 | 0 | -565,129 | 0 |
| Trading assets | 0 | 0 | 0 | 1,621,764 | 0 | 1,621,764 | 1,621,764 |
| Financial assets | 102,825 | 3,800,728 | 0 | 966,092 | 39,561 | 4,909,206 | 4,909,912 |
| Assets held for sale* | 0 | 0 | 0 | 437 | 0 | 437 | 437 |
| **Assets** | **37,588,611** | **3,800,728** | **0** | **2,831,419** | **117,663** | **44,338,421** | **44,334,819** |

* only carrying amounts for financial instruments affected

The amount of the change in fair value of assets designated at fair value through profit and loss that was due to changes in ratings came to a valuation loss of EUR 351 thousand for the 2022 financial year (aggregate valuation profit EUR 1,976 thousand). This figure was obtained by applying the changes in credit spread. The maximum default risk for these assets designated at fair value through profit and loss as at 31 December 2022 was EUR 117,663 thousand.

| IN EUR '000 | Measured at amortised cost (AC) | Measured at fair value through profit or loss (FVTPL) | Designated at fair value through profit or loss (FVO) | Carrying amount total 31 Dec. 2022 | Fair value total 31 Dec. 2022 |
|---|---|---|---|---|---|
| Amounts owed to banks | 17,643,217 | 0 | 85,461 | 17,728,678 | 17,356,855 |
| Amounts owed to clients | 13,607,790 | 0 | 257,542 | 13,865,332 | 13,791,827 |
| Value adjustments from portfolio fair value hedges | -15,751 | 0 | 0 | -15,751 | 0 |
| Trading liabilities | 0 | 1,720,279 | 0 | 1,720,279 | 1,720,279 |
| Liabilities evidenced by certificates | 7,450,004 | 0 | 1,183,795 | 8,633,799 | 8,545,600 |
| Subordinated capital | 648,201 | 0 | 275,926 | 924,127 | 904,524 |
| **Equity and liabilities** | **39,333,461** | **1,720,279** | **1,802,724** | **42,856,464** | **42,319,085** |

As at 31 December 2022, Moody's gave Raiffeisenlandesbank Oberösterreich an A3 rating. Of the changes in the fair value of liabilities designated at fair value through profit or loss in the 2022 financial year, EUR 10,343 thousand are attributable to valuation losses from changes induced by credit ratings (cumulative valuation gains of EUR 14,298 thousand before taking deferred taxes into account). Effects of changes in default risk are recorded in other comprehensive income. The remaining part of the change in fair value of the financial liabilities is recorded through profit and loss. In order to calculate the fair value change caused by creditworthiness, the fair value at the reporting date is compared with a fair value which is determined using historic premiums on the yield curves caused by credit risk at the start of the transaction and at the end of the previous financial year. The business data and yield curves as at the reporting date are used. The carrying amount of the liabilities designated at fair value through profit or loss amounts to EUR 1,802,724 thousand as at 31 December 2022. EUR 922 thousand of accumulated profit or loss within equity was reclassified as a result of repayments or redemptions in the 2022 financial year.

The carrying amount of designated financial liabilities as at 31 December 2022 was EUR 258,939 thousand lower than the repayment sum contractually agreed.

### Breakdown of the fair value of financial instruments as at 30 June 2023:

| IN EUR '000 | Financial instruments measured at fair value 30 June 2023 | Thereof market prices listed in active markets (Level I) | Thereof measurement methods based on market data (Level II) | Thereof measurement methods not based on market data (Level III) |
|---|---|---|---|---|
| Measured at fair value through profit or loss (FVTPL) | 2,649,760 | 45,701 | 1,651,458 | 952,601 |
| Designated at fair value through profit or loss (FVO) | 111,083 | 34,775 | 0 | 76,308 |
| Measured at fair value through other comprehensive income (FVOCI) | 4,153,973 | 3,604,583 | 549,300 | 90 |
| Designated at fair value through other comprehensive income (FVOCI option) | 0 | 0 | 0 | 0 |
| **Total financial assets measured at fair value** | **6,914,816** | **3,685,059** | **2,200,758** | **1,028,999** |
| Measured at fair value through profit or loss (FVTPL) | 1,557,720 | 0 | 1,557,720 | 0 |
| Designated at fair value through profit or loss (FVO) | 1,655,114 | 0 | 1,655,114 | 0 |
| **Total financial liabilitiesmeasured at fair value** | **3,212,834** | **0** | **3,212,834** | **0** |

### Reclassifications between Level I and Level II in H1 2023:

Reclassifications between Level I and Level II take place at Raiffeisenlandesbank Oberösterreich as soon as there is a change in the input factors that are relevant for the classification in the measurement hierarchy. Reclassifications from Level I to Level II can result from the elimination of prices for identical assets listed on active exchanges. Reclassifications from Level II to Level I can result from the appearance of prices listed on active exchanges that previously did not exist.

There were neither reclassifications from Level I to Level II nor from Level II to Level I in the first half of 2023.

### Reconciliation in H1 2023 of financial instruments measured at fair value in Level III:

| IN EUR '000 | Measured at fair value through profit or loss (FVTPL) | Designated at fair value through profit or loss (FVO) | Measured at fair value through other comprehen-sive income (FVOCI) | Designated at fair value through other comprehensive income (FVOCI option) |
|---|---|---|---|---|
| As at 1 Jan. 2023 | 927,976 | 78,102 | 0 | 0 |
| Purchases | 27,423 | 11 | 0 | 0 |
| Divestments | -10,136 | -2,262 | 0 | 0 |
| Change in the scope of consolidation | -51 | 0 | 0 | 0 |
| Effective results | -13,582 | 457 | 0 | 0 |
| Effect-neutral results | 0 | 0 | 0 | 0 |
| Revalued at fair value | 0 | 0 | 0 | 0 |
| Reclassification to Level III | 20,971 | 0 | 90 | 0 |
| Reclassification from Level III | 0 | 0 | 0 | 0 |
| **As at 30 June 2023** | **952,601** | **76,308** | **90** | **0** |

The amount of gains and losses effectively recorded from recurring measurements of the fair value in Level III of the assets and liabilities found in the portfolio at the end of the financial year amounts to EUR -13,181 thousand.

Effective results from financial assets are essentially recognised in the income statement in the following items:

- Net income from financial instruments carried at fair value
- Net income from other financial instruments

Effect-neutral results are recognised in the statement of comprehensive income and thus in the equity item “Retained earnings”. This does not include the net gain or loss on disposals and currency valuations from monetary financial instruments (debt instruments) which are recognised in the net income from other financial instruments.

### Sensitivity analysis as at 30 June 2023

| | Carrying amount corresponds with fair value (Level III) IN EUR '000 | Fair value gain -100 basis points IN % |
|---|---|---|
| Loans and advances | 132,244 | 1.67% |
| Securities | 419,397 | 21.58% |
| Equity investments | 354,178 | 24.93% |

| | Carrying amount corresponds with fair value (Level III) IN EUR '000 | Fair value loss +100 basis points IN % |
|---|---|---|
| Loans and advances | 132,244 | -6.49% |
| Securities | 419,397 | -15.20% |
| Equity investments | 354,178 | -17.35% |

Credit spreads of 100 basis points in each case are varied for all fixed-interest securities and loans and advances at fair value for the sensitivity analysis. New fair values were established based on this shift in credit spreads, either as an addition or a deduction in the discount curve in the valuation. The difference to the fair value originally established is shown in the table above in percentage values.

The sensitivity analysis for non-fixed interest securities and holdings was likewise conducted based upon a shift in interest rates of +100 basis points or -100 basis points respectively. In the case of real estate values, the capitalisation interest rate was varied in accordance with the Net Asset Value Method. In the case of the remaining investments, the risk-free base interest rate or, in the case of the investments valued according to the DCF Method, the WACC was changed. The remaining valuation parameters remained constant in this process (e. g. no consideration was taken of the countervailing or dampening financing advantage generated from fixed interest rate agreements).

No interest rate shift was conducted for non-significant investments and non-fixed interest securities. The carrying amount and fair value of these financial assets (amounting to EUR 123,180 thousand) is consequently not included in the above table.

### Breakdown of the fair value of financial instruments as at 31 December 2022:

| IN EUR '000 | Financial instruments measured at fair value 31 Dec. 2022 | Thereof market prices listed in active markets (Level I) | Thereof measurement methods based on market data (Level II) | Thereof measurement methods not based on market data (Level III) |
|---|---|---|---|---|
| Measured at fair value through profit or loss (FVTPL)* | 2,831,419 | 33,096 | 1,870,347 | 927,976 |
| Designated at fair value through profit or loss (FVO) | 117,663 | 39,561 | 0 | 78,102 |
| Measured at fair value through other comprehensive income (FVOCI) | 3,800,728 | 3,343,742 | 456,986 | 0 |
| Designated at fair value through other comprehensive income (FVOCI option) | 0 | 0 | 0 | 0 |
| **Total financial assets measured at fair value** | **6,749,810** | **3,416,399** | **2,327,333** | **1,006,078** |
| Measured at fair value through profit or loss (FVTPL) | 1,720,279 | 0 | 1,720,279 | 0 |
| Designated at fair value through profit or loss (FVO) | 1,802,724 | 0 | 1,802,724 | 0 |
| **Total financial liabilities measured at fair value** | **3,523,003** | **0** | **3,523,003** | **0** |

* of which EUR 0.4 million in connection with assets held for sale

### Reclassifications between Level I and Level II in H1 2022:

| IN EUR '000 | Reclassifications from Level I to Level II | Reclassifications from Level II to Level I |
|---|---|---|
| Measured at fair value through profit or loss (FVTPL) | 0 | 0 |
| Designated at fair value through profit or loss (FVO) | 0 | 0 |
| Measured at fair value through other comprehensive income (FVOCI) | 1,036 | 0 |
| Designated at fair value through other comprehensive income (FVOCI option) | 0 | 0 |
| **Total financial assets measured at fair value** | **1,036** | **0** |
| Measured at fair value through profit or loss (FVTPL) | 0 | 0 |
| Designated at fair value through profit or loss (FVO) | 0 | 0 |
| **Total financial liabilities measured at fair value** | **0** | **0** |

### The calculation of translation reserves in H1 2022 of financial instruments measured at fair value in Level III:

| IN EUR '000 | Measured at fair value through profit or loss (FVTPL) | Designated at fair value through profit or loss (FVO) | Measured at fair value through other comprehensive income (FVOCI) | Designated at fair value through other comprehen-sive income (FVOCI option) |
|---|---|---|---|---|
| As at 1 Jan. 2022 | 893,577 | 109,402 | 0 | 0 |
| Purchases | 51,370 | 11 | 0 | 0 |
| Divestments | -64,453 | -1,540 | 0 | 0 |
| Change in the scope of consolidation | -5,260 | 0 | 0 | 0 |
| Effective results | -6,677 | -22,337 | 0 | 0 |
| Effect-neutral results | 0 | 0 | 0 | 0 |
| Revalued at fair value | 0 | 0 | 0 | 0 |
| Reclassification to Level III | 0 | 0 | 0 | 0 |
| Reclassification from Level III | 0 | 0 | 0 | 0 |
| **As at 30 June 2022** | **868,557** | **85,536** | **0** | **0** |

There was no reclassification from Level II to Level III in the first half of 2022. The amount of income statement-related gains and losses recorded from recurring valuation of the fair value in Level III of the assets and liabilities found in the portfolio at the end of the financial year amounted to EUR -32,560 thousand.

Effective results from financial assets are essentially recognised in the income statement in the following items:

- Net income from financial instruments carried at fair value
- Net income from other financial instruments

Effect-neutral results are recognised in the statement of comprehensive income and thus in the equity item “Retained earnings”. This does not include the net gain or loss on disposals and currency valuations from monetary financial instruments (debt instruments) which are recognised in the net income from other financial instruments.

### Sensitivity analysis as at 31 December 2022

| | Carrying amount corresponds with fair value (Level III) IN EUR '000 | Fair value gain -100 basis points IN % |
|---|---|---|
| Loans and advances | 140,763 | 1.71% |
| Securities | 419,270 | 21.59% |
| Equity investments | 354,178 | 24.93% |

| | Carrying amount corresponds with Fair value (Level III) IN EUR '000 | Fair value loss +100 basis points IN % |
|---|---|---|
| Loans and advances | 140,763 | -6.42% |
| Securities | 419,270 | -15.20% |
| Equity investments | 354,178 | -17.35% |

Credit spreads of 100 basis points in each case are varied for all fixed-interest securities and loans and advances at fair value for the sensitivity analysis. New fair values were established based on this shift in credit spreads, either as an addition or a deduction in the discount curve in the valuation. The difference to the fair value originally established is shown in the table above in percentage values.

The sensitivity analysis for variable income securities and investments was likewise conducted based upon a shift in interest rates of +100 basis points or -100 basis points respectively. In the case of real estate values, the capitalisation interest rate was varied in accordance with the Net Asset Value Method. In the case of the remaining investments, the risk-free base interest rate or, in the case of the investments valued according to the DCF Method, the WACC was changed. The remaining valuation parameters remained constant in this process (e. g. no consideration was taken of the countervailing or dampening financing advantage generated from fixed interest rate agreements).

No interest rate shift was conducted for non-significant investments and non-fixed interest securities. The carrying amount and fair value of these financial assets (amounting to EUR 91,867 thousand) is consequently not included in the above table.

In the case of equity investments and profit participation rights, variations were also made, e.g. as to parameters within the framework of the associated company valuations. In contrast to the case with the discount interest rate, in each case a partial amount of the company valuations was taken as the basis for which the parameters or parameter shift makes sense or is possible respectively. This led to the following results:

- A change of +100 basis points or -100 basis points in the interest rate for the “perpetual annuity” leads, in view of underlying company valuations with a fair value in total of EUR 291.6 million, to an increase of +10.03% or to a reduction of -10.00% respectively.
- A change of +100 basis points or -100 basis points in the absolute “lease price” leads, in view of underlying company valuations (of real estate companies) with a fair value in total of EUR 123.8 million, to an increase of +2.69% or to a reduction of -1.66% respectively.
- A change of +5%/MWh or -5%/MWh in the long-term energy price level leads in cases of underlying company valuations (of energy supply companies) with a fair value in total of EUR 237.9 million to an increase of +4.70% or to a reduction of -4.70% respectively.

## Valuation procedures and input factors in determining fair values

| Level | Instrument | Types | Valuation procedure | Input factors |
|---|---|---|---|---|
| II | Loans and advances to banks | | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable CDS spreads of contracting parties; observable CDS sector curves by rating category; external rating of contracting parties |
| III | Loans and advances to banks | | Capital value oriented | Input factors observable on the market: yield curve; cash flows already fixed or determined via forward rates; fund/liquidity costs; CDS sector curves by rating category<br>Input factors not observable on the market: internal rating classification of the counterparties; credit spreads calculated from risk and equity premiums based on internal calculations for the credit risk of the counterparties* |
| II | Loans and advances to clients | | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable CDS spreads of contracting parties |
| III | Loans and advances to clients | | Capital value oriented | Input factors observable on the market: yield curve; cash flows already fixed or determined via forward rates; fund/liquidity costs; CDS sector curves by rating category<br>Input factors not observable on the market: internal rating classification of the counterparties; credit spreads calculated from risk and equity premiums based on internal calculations for the credit risk of the counterparties* |
| II | Derivatives | Over the counter | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable credit spreads of contracting parties and own credit spread |
| 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; observable yield curve; credit spreads of comparable observable instruments |
| III | Financial assets | Non-listed securities | Capital value oriented | Input factors observable on the market: yield curve; cash flows already fixed or determined via forward rates; credit spreads by sector and rating categories<br>Input factors not observable on the market: internal rating classification of contracting parties |
| I | Financial assets | Shares | Market value oriented | Stock market price |
| II | Financial assets | Shares in non-consolidated subsidiaries, other investments | Multiple method | Comparative figure (earnings or carrying amount multiple) based on comparable transactions or listed peer groups<br>in individual cases indicative offers as best estimator for a future transaction value |
| II | Financial assets | Shares in non-consolidated subsidiaries, other investments | Transaction price | Transaction prices, provided that a transaction of the valuation object (or shares of this) has taken place within the last 12 months before the valuation date |
| II | Financial assets | Shares in non-consolidated subsidiaries, other investments | Option valuation | Underlying option contract (put or call option) |
| III | Financial assets | Shares in non-consolidated subsidiaries, other investments and participation rights | Discounted Cash flow ("DCF") | Free cash flows<br>Risk-free interest rate: interest rate structure of 30-year German government bonds using the Svensson method<br>Beta factor: derivation of the unlevered beta factor from listed companies comparable in terms of risk (peer group)<br>Market risk premium: based on the recommendation of the Fachsenat für Betriebswirtschaft der Kammer der Steuerberater und Wirtschaftsprüfer (Professional Senate for Business Administration of the Chamber of Tax Advisors and Auditors) taking into account capital market data<br>Yield requirement of lenders: risk-appropriate (peer group rating) interest rates on borrowed capital based on corporate yield curves<br>Leverage ratio: leverage ratio of the peer group<br>Country risk premium: publications by Prof. Damodaran; taken into account if the company is not headquartered in the euro area |
| III | Financial assets | Shares in non-consolidated subsidiaries, other investments and participation rights | Dividend Discount Model ("DDM") | Dividends<br>Risk-free interest rate: interest rate structure of 30-year German government bonds using the Svensson method<br>Beta factor: derivation of the levered beta factor from listed companies comparable in terms of risk (peer group)<br>Market risk premium: based on the recommendation of the Fachsenat für Betriebswirtschaft der Kammer der Steuerberater und Wirtschaftsprüfer (Professional Senate for Business Administration of the Chamber of Tax Advisors and Auditors) taking into account capital market data<br>Country risk premium: publications by Prof. Damodaran; taken into account if the company is not headquartered in the euro area |

| | | | | |
|---|---|---|---|---|
| III | Financial assets | Shares in non-consolidated subsidiaries, other investments and participation rights | Net Asset Value ("NAV") | The NAV is used for valuations in the real estate portfolio and for the sum of the parts valuation ("SoP") of holding companies and their investments. The hidden reserves in the equity investments are added to the net asset value of the parent company. For holding companies, the value contribution of their operational divisions was generally taken into account. |
| II | Amounts owed to banks | | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk |
| II | Amounts owed to clients | | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk |
| I | Liabilities evidenced by certificates | | Market value oriented | Prices quoted by market participants |
| II | Liabilities evidenced by certificates | | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk |
| II | Subordinated capital | | Capital value oriented | Cashflows already fixed or determined using forward rates; observable yield curve; observable liquidity costs (differentiation by maturity and securities/seniority) which also include own credit risk |

* The risk premiums are calculated on the basis of IFRS 9 Point-in-Time Default Probabilities (PD-PIT) per client type and rating and IFRS 9 Point-in-Time Loss Given Default Values (LGD-PIT), which are also used to calculate the statement of financial position loan loss allowances and staging in accordance with IFRS 9.
The equity premiums are calculated on the basis of the return claim on the economic capital under Pillar 2, which is also included in the contribution margin calculation and client pricing as imputed equity costs. The amount of the interest claim is determined by the Managing Board.

## Hedge Accounting

### Hedging transactions as at 30 June 2023:

| | Term of hedging transactions | | | |
|---|---|---|---|---|
| IN EUR '000 | up to 3 months | 3 months up to 1 year | 1 to 5 years | over 5 years |
| Fair value hedges – Assets | | | | |
| Nominal amount | 124,500 | 1,085,685 | 5,746,790 | 4,781,137 |
| Fair value hedges – Liabilities | | | | |
| Nominal amount | 0 | 1,071,481 | 5,343,745 | 4,479,266 |

### Hedging instruments as at 30 June 2023 or in H1 2023:

| IN EUR '000 | Carrying amount of the hedging instruments 30 June 2023 | Nominal amount 30 June 2023 | Change in the fair value which is used as the basis for recording hedge ineffectiveness 1 Jan. – 30 June 2023 * |
|---|---|---|---|
| Micro fair value hedge derivatives - Assets (fixed interest rate risk) | 327,862 | 3,965,131 | -17,206 |
| Interest rate swaps | 327,862 | 3,965,131 | -17,206 |
| Swaptions | 0 | 0 | 0 |
| Micro fair value hedge derivatives - Liabilities (fixed interest rate risk) | 890,158 | 8,991,784 | 71,203 |
| Interest rate swaps | 890,158 | 8,991,784 | 71,203 |
| Swaptions | 0 | 0 | 0 |
| Portfolio fair value hedge derivatives – Assets (fixed interest rate risk) | 496,611 | 7,772,981 | 10,023 |
| Interest rate swaps | 469,974 | 4,865,108 | 9,668 |
| Caps/Floors | 26,637 | 2,907,873 | 355 |
| Portfolio fair value hedge derivatives – Liabilities (fixed interest rate risk) | 46,643 | 1,902,708 | -7,104 |
| Interest rate swaps | 46,560 | 1,755,108 | -7,281 |
| Caps/Floors | 83 | 147,600 | 177 |

* including business that expires in the first half of 2023

## Underlying transactions as at 30 June 2023 or in H1 2023:

| IN EUR '000 | Carrying amount of the Underlying transactions 30 June 2023 | Cumulative amount of the hedge adjustment in the carrying amount of the underlying transaction or in the separate balance sheet item 30 June 2023 | Change in the value of the underlying transaction which is used as the basis for recording hedge ineffectiveness in the period 1 Jan. – 30 June 2023 * | Cumulative amount of the hedge adjustment which remains in the statement of financial position and is no longer adjusted by hedging gains and losses 30 June 2023 |
|---|---|---|---|---|
| Micro fair value hedges – Assets (fixed interest rate risk) | 3,860,813 | -361,536 | 14,345 | 111 |
| Loans and advances to banks | 36,930 | -4,400 | 236 | 0 |
| Loans and advances to clients | 492,866 | -63,862 | 5,427 | 111 |
| Financial assets | 3,331,017 | -293,274 | 8,682 | 0 |
| Micro fair value hedges – Liabilities (fixed interest rate risk) | 8,086,400 | -852,395 | -67,758 | 91 |
| Amounts owed to banks | 663,057 | -63,691 | -4,892 | 91 |
| Amounts owed to clients | 543,405 | -45,565 | -6,190 | 0 |
| Liabilities evidenced by certificates | 6,572,561 | -681,375 | -50,260 | 0 |
| Subordinated capital | 307,377 | -61,764 | -6,416 | 0 |
| Portfolio fair value hedges – Assets (fixed interest rate risk) | 7,666,677 | -510,658 | -14,338 | n/a |
| Loans and advances to banks | 472,047 | -63,108 | n/a | n/a |
| Loans and advances to clients | 7,194,630 | -447,550 | n/a | n/a |
| Financial assets | 0 | 0 | n/a | n/a |
| Portfolio fair value hedges – Liabilities (fixed interest rate risk) | 1,395,933 | -21,390 | 8,472 | n/a |
| Amounts owed to banks | 887,758 | -14,411 | n/a | n/a |
| Amounts owed to clients | 323,216 | -4,140 | n/a | n/a |
| Liabilities evidenced by certificates | 184,959 | -2,839 | n/a | n/a |

* including business that expires in the first half of 2023

## Ineffectiveness in H1 2023:

| IN EUR '000 | Hedge ineffectiveness 1 Jan. – 30 June 2023 * |
|---|---|
| Micro fair value hedges – Assets (fixed interest rate risk) | |
| Loans and advances to banks | -14 |
| Loans and advances to clients | -224 |
| Financial assets | -80 |
| Micro fair value hedges – Liabilities (fixed interest rate risk) | |
| Amounts owed to banks | 182 |
| Amounts owed to clients | 312 |
| Liabilities evidenced by certificates | 172 |
| Subordinated capital | 235 |
| Portfolio fair value hedges – Assets (fixed interest rate risk) | |
| Financial assets – AC | -4,107 |
| Portfolio fair value hedges – Liabilities (fixed interest rate risk) | |
| Financial liabilities – AC | 1,160 |
| **Fair value hedges – Total** | **-2,364** |

* including business that expires in the first half of 2023

## Application of hedge accounting

Fixed interest rate risk positions as part of the ordinary business activities of Raiffeisenlandesbank Oberösterreich result from the conclusion of loans and term deposits with clients as well as from the purchase of securities and from issues. These fixed interest rate risk positions are hedged at Raiffeisenlandesbank Oberösterreich either by means of portfolio fair value hedge or micro hedge accounting.

In micro hedge accounting, mainly positions on the liabilities side are hedged with regard to their fixed interest rate risk in order to reduce negative maturity transformation effects. Furthermore, on the asset side, there is an increase in interest rate hedging on a micro basis for large-volume client transactions with stable cash flows and in the securities area.

With fair value hedge accounting on a portfolio basis (portfolio fair value hedge), interest rate risks at Raiffeisenlandesbank Oberösterreich are managed at the macro level. Raiffeisenlandesbank Oberösterreich's risk management identifies fixed-interest underlying transactions on the basis of defined criteria and allocates them to the macro hedge portfolio. The underlying transactions in the asset portfolios represent fixed-interest loans and securities as well as deposits and liabilities evidenced by certificates in euros in the category "At amortised cost" (AC). These transactions also meet other general criteria (e.g. No underlying transactions in a micro-hedge, no defaulted or no intercompany transactions).

Variable interest instruments in which caps and floors are embedded also have a fixed interest rate risk, at least temporarily, if the figures exceed or fall below the interest rate limits. Variable financial assets with interest rate floors are accounted for in a separate portfolio. Loans, promissory note loans and securities with explicit floors are allocated to this portfolio currently in compliance with the criteria listed above.

### Hedging transactions as at 30 June 2022:

| | Term of hedging transactions | | | |
|---|---|---|---|---|
| IN EUR '000 | up to 3 months | 3 months up to 1 year | 1 to 5 years | over 5 years |
| Fair value hedges – Assets | | | | |
| Nominal amount | 75,000 | 432,553 | 4,439,133 | 4,985,556 |
| Fair value hedges – Liabilities | | | | |
| Nominal amount | 75,000 | 668,022 | 3,607,114 | 3,527,760 |

### Hedging instruments as at 30 June 2022 or in H1 2022:

| IN EUR '000 | Carrying amount of the Hedging instruments 30 June 2022 | Nominal amount 30 June 2022 | Change in the fair value which is used as the basis for Ineffectiveness 1 Jan. – 30 June 2022 * |
|---|---|---|---|
| Micro fair value hedge derivatives - Assets (fixed interest rate risk) | 234,847 | 4,540,776 | 168,805 |
| Interest rate swaps | 234,847 | 4,540,776 | 168,805 |
| Swaptions | 0 | 0 | 0 |
| Micro fair value hedge derivatives - Liabilities (fixed interest rate risk) | 596,236 | 7,694,606 | -646,770 |
| Interest rate swaps | 596,236 | 7,694,606 | -646,770 |
| Swaptions | 0 | 0 | 0 |
| Portfolio fair value hedge derivatives – Assets (fixed interest rate risk) | 354,535 | 5,391,466 | 367,098 |
| Interest rate swaps | 332,893 | 4,230,176 | 329,778 |
| Caps/Floors | 21,642 | 1,161,290 | 37,320 |
| Portfolio fair value hedge derivatives – Liabilities (fixed interest rate risk) | 10,596 | 183,290 | -5,423 |
| Interest rate swaps | 10,586 | 168,890 | -5,834 |
| Caps/Floors | 10 | 14,400 | 411 |

* including business that expires in the first half of 2022

## Underlying transactions as at 30 June 2022 or in H1 2022:

| IN EUR '000 | Carrying amount of the Underlying transactions 30 June 2022 | Cumulative amount of the hedge adjustment in the carrying amount of the underlying transaction or in the separate balance sheet item 30 June 2022 | Change in the value of the underlying transaction which is used as the basis for Ineffectiveness in the period 1 Jan.-30 June 2022 * | Cumulative amount of the hedge adjustment which remains in the statement of financial position and is no longer adjusted by hedging gains and losses 30 June 2022 |
|---|---|---|---|---|
| Micro fair value hedges – Assets (fixed interest rate risk) | 3,656,341 | -233,953 | -302,550 | 0 |
| Loans and advances to banks | 40,186 | -2,595 | -4,621 | 0 |
| Loans and advances to clients | 674,071 | -44,490 | -67,535 | 0 |
| Financial assets | 2,942,084 | -186,868 | -230,394 | 0 |
| Micro fair value hedges – Liabilities (fixed interest rate risk) | 8,038,164 | -528,654 | 775,498 | 119 |
| Amounts owed to banks | 716,140 | -38,811 | 47,904 | 119 |
| Amounts owed to clients | 658,667 | -21,461 | 71,826 | 0 |
| Liabilities evidenced by certificates | 6,347,927 | -416,867 | 607,561 | 0 |
| Subordinated capital | 315,430 | -51,515 | 48,207 | 0 |
| Portfolio fair value hedges – Assets (fixed interest rate risk) | 6,353,392 | -390,202 | -358,924 | n/a |
| Loans and advances to banks | 493,552 | -44,774 | n/a | n/a |
| Loans and advances to clients | 5,820,747 | -343,188 | n/a | n/a |
| Financial assets | 39,093 | -2,240 | n/a | n/a |
| Portfolio fair value hedges – Liabilities (fixed interest rate risk) | 0 | 0 | n/a | n/a |
| Amounts owed to banks | 0 | 0 | n/a | n/a |
| Amounts owed to clients | 0 | 0 | n/a | n/a |
| Liabilities evidenced by certificates | 0 | 0 | n/a | n/a |

* including business that expires in the first half of 2022

## Ineffectiveness in H1 2022:

| IN EUR '000 | Hedge ineffectiveness 1 Jan.-30 June 2022 * |
|---|---|
| Micro fair value hedges – Assets (fixed interest rate risk) | |
| Loans and advances to banks | 48 |
| Loans and advances to clients | 490 |
| Financial assets | 2,959 |
| Micro fair value hedges – Liabilities (fixed interest rate risk) | |
| Amounts owed to banks | -355 |
| Amounts owed to clients | -1,155 |
| Liabilities evidenced by certificates | -6,407 |
| Subordinated capital | -597 |
| Portfolio fair value hedges – Assets (fixed interest rate risk) | |
| Financial assets – AC | 2,751 |
| Portfolio fair value hedges – Liabilities (fixed interest rate risk) | |
| Financial liabilities – AC | 0 |
| **Fair value hedges – Total** | **-2,266** |

* including business that expires in the first half of 2022

### Impact in connection with IBOR reform

The replacement of the following reference interest rates or currencies in connection with the IBOR reform – EONIA, CHF-LIBOR, GBP-LIBOR, JPY-LIBOR, USD-LIBOR (maturities 1 week and 2 months) – had already taken place by 31 December 2021.

The switch of the corresponding reference interest rate to US dollars (remaining maturities) took place on 3 July 2023. Raiffeisenlandesbank Oberösterreich follows the recommendations for LIBOR succession and uses the SOFR or the CME Term SOFR rate for US dollars. The extent of the volumes affected by the LIBOR conversion at Raiffeisenlandesbank Oberösterreich as at 30 June 2023 can be seen in the table below:

Assets
IN EUR '000

| | USD LIBOR |
|---|---|
| Cash and cash equivalents | 0 |
| Loans and advances to banks | 2,547 |
| Loans and advances to clients | 15,521 |
| Trading assets* | 23,629 |
| Financial assets | 0 |
| Assets held for sale | 0 |
| **Carrying amounts as at 30 June 2023** | **41,697** |

*the carrying amount results entirely from positive market values of derivatives

Equity and liabilities
IN EUR '000

| | USD LIBOR |
|---|---|
| Amounts owed to banks | 4,812 |
| Amounts owed to clients | 136,386 |
| Trading liabilities* | 6,536 |
| Liabilities evidenced by certificates | 30,786 |
| Subordinated capital | 0 |
| **Carrying amounts as at 30 June 2023** | **178,520** |

*the carrying amount results entirely from negative market values of derivatives

Raiffeisenlandesbank Oberösterreich uses micro fair value hedges and portfolio fair value hedges. The portfolios in the table above include one case in the micro hedging.

### Non-significant modifications

#### Non-significant modifications in H1 2023:

| IN EUR '000 | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| Gross carrying amount before modification | 109,655 | 17,059 | 0 |
| Net modification effect | 1,678 | 456 | 0 |

The financial assets with non-significant modification recognised in the table above are related to interest rate changes and caused net modification effects of EUR 2,134 thousand in the first half of 2023.

In the first half of 2023, there were loan cases with a gross carrying amount of EUR 95 thousand that were modified in the past at a time when they were in Stage 2 or Stage 3 and whose classification changed from Stage 2 or Stage 3 to Stage 1 in the reporting period.

#### Non-significant modifications in H1 2022:

| IN EUR '000 | Stage 1 | Stage 2 | Stage 3 |
|---|---|---|---|
| Gross carrying amount before modification | 30,047 | 18,952 | 0 |
| Net modification effect | -30 | 59 | 0 |

The financial assets with non-significant modification recognised in the table above are related to interest rate changes and caused net modification effects of EUR 29 thousand in the first half of 2022.

In the first half of 2022, there were loan cases with a gross carrying amount of EUR 32,464 thousand that were modified in the past at a time when they were in Stage 2 or Stage 3 and whose classification changed from Stage 2 or Stage 3 to Stage 1 in the reporting period.

### Derecognition of financial assets in the “Measured at amortised cost” category

Financial assets in the category “At amortised cost” (AC) in the amount of EUR 7,353 thousand (H1 2022: EUR 1,483 thousand), for which specific valuation allowances had already been recognised in accordance with Stage 3, were sold in the first half of 2023. The derecognition resulted in profits in the amount of EUR +2,185 thousand (H1 2022: EUR +216 thousand) and losses in the amount of EUR 0 thousand (H1 2022: EUR 0 thousand), which are shown on the Income Statement under the item “Loan loss allowances”. In addition, there was derecognition in both the loan and securities portfolio due to amortisations and redemptions.

## Possible effects of netting agreements

The following tables contain information on the offsetting effects on the consolidated interim statement of financial position and the financial implications of a set-off in the case of instruments which are subject to a netting framework agreement or a similar arrangement, as well as information on cash securities.

### Assets

| | | Unrecognised amounts | | |
|---|---|---|---|---|
| IN EUR '000 | Financial Assets (gross) = recognised financial assets (net) | effect of offsetting framework agreements | Cash securities | Net amount |
| Loans and advances to banks | 11,720,955 | -62,707 | -337,409 | 11,320,839 |
| Positive fair value from derivative financial instruments | 1,444,439 | -1,164,709 | -164,993 | 114,737 |
| **Assets 30 June 2023** | **13,165,394** | **-1,227,416** | **-502,402** | **11,435,576** |

| | | Unrecognised amounts | | |
|---|---|---|---|---|
| IN EUR '000 | Financial assets (gross) = recognised financial assets (net) | effect of offsetting framework agreements | Cash securities | Net amount |
| Loans and advances to banks | 12,390,194 | -78,035 | -416,675 | 11,895,484 |
| Positive fair value from derivative financial instruments | 1,621,504 | -1,244,025 | -238,280 | 139,199 |
| **Assets 31 December 2022** | **14,011,698** | **-1,322,060** | **-654,955** | **12,034,683** |

### Liabilities

| | | Unrecognised amounts | | |
|---|---|---|---|---|
| IN EUR '000 | ancial commitments (gross) = recognised l commitments (net) | effect of offsetting framework agreements | Cash securities | Net amount |
| Amounts owed to banks | 17,273,371 | -62,707 | -164,247 | 17,046,417 |
| Negative market values from derivative financial instruments | 1,557,720 | -1,164,709 | -338,155 | 54,856 |
| **Liabilities 30 June 2023** | **18,831,091** | **-1,227,416** | **-502,402** | **17,101,273** |

| IN EUR '000 | Financial commitments (gross) = recognised financial commitments (net) | Unrecognised amounts | | |
|---|---|---|---|---|
| | | effect of offsetting framework agreements | Cash securities | Net amount |
| Amounts owed to banks | 17,728,679 | -78,035 | -238,165 | 17,412,479 |
| Negative market values from derivative financial instruments | 1,720,279 | -1,244,025 | -416,791 | 59,463 |
| **Liabilities 31 December 2022** | **19,448,958** | **-1,322,060** | **-654,956** | **17,471,942** |

The column "Effect of offsetting framework agreements" shows the amounts that are the subject of a valid netting framework agreement, but are not billed because of the non-fulfilment of the prerequisites. Offsetting framework agreements are of particular relevance for counterparties with several derivatives contracts. In the event of a counterparty defaulting, these agreements lead to a net settlement being made for all contracts.

The Cash securities column contains the amounts of cash securities received or given – with reference to the total for assets and liabilities. These securities instruments are allotted according to how the market values of derivatives develop (positively or negatively).

The offsetting possibilities within the remaining cash securities will also be taken into account in the disclosure of "cash securities" along with the offsetting of fair value surpluses with cash securities.

## 12. Cash and cash equivalents

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Cash in hand | 29,084 | 36,786 |
| Balances at central banks | 12,570 | 12,355 |
| **Cash and cash equivalents** | **41,654** | **49,141** |

## 13. Loans and advances to banks

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Loans and advances to central banks | 5,674,548 | 5,277,224 |
| Payment on demand loans and advances to banks | 4,287,302 | 4,857,361 |
| Money market transactions | 294,129 | 331,909 |
| Loans to banks | 1,450,378 | 1,687,055 |
| Purchased receivables | 14,598 | 236,645 |
| **Loans and advances to banks** | **11,720,955** | **12,390,195** |
| of which in Austria | 11,286,408 | 11,689,017 |
| of which outside Austria | 434,547 | 701,178 |

## 14. Loans and advances to clients

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Money market transactions | 1,006,426 | 843,057 |
| Loan transactions | 21,853,838 | 21,793,616 |
| Purchased receivables | 780,092 | 823,722 |
| Lease financing | 2,530,189 | 2,462,522 |
| Other | 15,964 | 9,889 |
| **Loans and advances to clients** | **26,186,509** | **25,932,807** |
| of which in Austria | 15,453,772 | 15,401,124 |
| of which outside Austria | 10,732,737 | 10,531,683 |

## 15. Schedule of loan loss allowances

### Loan loss allowances 1 Jan. – 30 June 2023

| IN EUR '000 | As at 1 Jan. 2023 | Allocations as a result of additions | Reversals as a result of disposals | Amendments due to modified default risk* |
|---|---|---|---|---|
| **Loans and advances to Banks** | **9,006** | **1,397** | **-954** | **-1,698** |
| Stage 1 – Non POCI | 8,239 | 1,397 | -678 | -1,696 |
| Stage 2 – Non POCI | 767 | 0 | -276 | -2 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Loans and advances to clients – excl. Lease financing** | **394,404** | **37,445** | **-51,393** | **74,717** |
| Stage 1 – Non POCI | 60,194 | 8,795 | -12,075 | -5,080 |
| Stage 2 – Non POCI | 82,275 | 5,450 | -5,273 | 19,041 |
| Stage 3 – Non POCI | 247,951 | 23,200 | -34,957 | 62,084 |
| POCI | 3,984 | 0 | 912 | -1,328 |
| **Loans and advances to clients – Lease financing** | **60,790** | **3,085** | **-2,079** | **2,726** |
| Stage 1 – Non POCI | 5,202 | 1,985 | -115 | -775 |
| Stage 2 – Non POCI | 9,134 | 361 | -291 | 654 |
| Stage 3 – Non POCI | 46,454 | 739 | -1,673 | 2,847 |
| POCI | 0 | 0 | 0 | 0 |
| **Financial assets – excluding FVOCI** | **121** | **0** | **-6** | **0** |
| Stage 1 – Non POCI | 121 | 0 | -6 | 0 |
| Stage 2 – Non POCI | 0 | 0 | 0 | 0 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **7,657** | **699** | **-118** | **-4,057** |
| Stage 1 – Non POCI | 3,960 | 449 | -104 | -4,866 |
| Stage 2 – Non POCI | 3,337 | 250 | -14 | 905 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 360 | 0 | 0 | -96 |
| **Assets held for sale** | **0** | **0** | **0** | **0** |
| Stage 1 – Non POCI | 0 | 0 | 0 | 0 |
| Stage 2 – Non POCI | 0 | 0 | 0 | 0 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Subtotal** | **471,978** | **42,626** | **-54,550** | **71,688** |
| **Provisions for off-balance-sheet commitments** | **55,238** | **7,747** | **-8,284** | **2,138** |
| Stage 1 – Non POCI | 19,622 | 3,213 | -1,235 | -2,494 |
| Stage 2 – Non POCI | 10,545 | 1,087 | -416 | 1,768 |
| Stage 3 – Non POCI | 25,071 | 3,447 | -6,633 | 2,864 |
| POCI | 0 | 0 | 0 | 0 |
| **Held for sale in accordance with IFRS 5 – off balance sheet** | **0** | **0** | **0** | **0** |
| Stage 1 – Non POCI | 0 | 0 | 0 | 0 |
| Stage 2 – Non POCI | 0 | 0 | 0 | 0 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **527,216** | **50,373** | **-62,834** | **73,826** |

* in the case of POCI assets, these are changes in the respective net carrying amount

The additions and reversals also include effects which reduce the loan loss allowances from revaluations without affecting profit or loss in connection with currency translations of foreign-based subsidiaries with a total amount of EUR 804 thousand.

| Reclassifications due to stage transfer | Changes due to modification | Utilised | Change in the basis of consolidation | Other Adjustments | As of 30 June 2023 |
|---|---|---|---|---|---|
| **0** | **0** | **0** | **0** | **0** | **7,751** |
| 484 | 0 | 0 | 0 | 0 | 7,746 |
| -484 | 0 | 0 | 0 | 0 | 5 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **173** | **-26,090** | **0** | **0** | **429,256** |
| 14,391 | 11 | 0 | 0 | 0 | 66,236 |
| -6,670 | 161 | 0 | 0 | 0 | 94,984 |
| -7,721 | 1 | -26,045 | 0 | 0 | 264,513 |
| 0 | 0 | -45 | 0 | 0 | 3,523 |
| **0** | **0** | **-1,238** | **0** | **0** | **63,284** |
| -99 | 0 | 0 | 0 | 0 | 6,198 |
| 422 | 0 | 0 | 0 | 0 | 10,280 |
| -323 | 0 | -1,238 | 0 | 0 | 46,806 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **0** | **0** | **0** | **115** |
| 0 | 0 | 0 | 0 | 0 | 115 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **0** | **0** | **0** | **4,181** |
| 3,180 | 0 | 0 | 0 | 0 | 2,619 |
| -3,180 | 0 | 0 | 0 | 0 | 1,298 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 264 |
| **0** | **0** | **0** | **0** | **0** | **0** |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **173** | **-27,328** | **0** | **0** | **504,587** |
| **0** | **0** | **0** | **0** | **0** | **56,839** |
| 458 | 0 | 0 | 0 | 0 | 19,564 |
| -449 | 0 | 0 | 0 | 0 | 12,535 |
| -9 | 0 | 0 | 0 | 0 | 24,740 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **0** | **0** | **0** | **0** |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **173** | **-27,328** | **0** | **0** | **561,426** |

## Loan loss allowances 1 Jan. – 30 June 2022

| IN EUR '000 | As at 1 Jan. 2022 | Allocations as a result of additions | Reversals as a result of disposals | Amendments due to modified default risk* |
|---|---|---|---|---|
| **Loans and advances to Banks** | **4,752** | **229** | **-390** | **-3,477** |
| Stage 1 – Non POCI | 4,445 | 227 | -390 | -3,448 |
| Stage 2 – Non POCI | 15 | 2 | 0 | -29 |
| Stage 3 – Non POCI | 292 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Loans and advances to clients – excl. Lease financing** | **367,555** | **88,365** | **-75,304** | **39,774** |
| Stage 1 – Non POCI | 42,119 | 14,228 | -3,529 | -10,987 |
| Stage 2 – Non POCI | 83,370 | 3,229 | -4,718 | 28,303 |
| Stage 3 – Non POCI | 236,831 | 70,908 | -67,393 | 24,000 |
| POCI | 5,235 | 0 | 336 | -1,542 |
| **Loans and advances to clients – Lease financing** | **45,499** | **2,174** | **-5,693** | **1,476** |
| Stage 1 – Non POCI | 2,301 | 1,355 | -111 | -422 |
| Stage 2 – Non POCI | 6,226 | 278 | -389 | 1,104 |
| Stage 3 – Non POCI | 36,972 | 541 | -5,193 | 794 |
| POCI | 0 | 0 | 0 | 0 |
| **Financial assets – excluding FVOCI** | **130** | **0** | **-13** | **36** |
| Stage 1 – Non POCI | 84 | 0 | -13 | 36 |
| Stage 2 – Non POCI | 46 | 0 | 0 | 0 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **2,879** | **48** | **-87** | **-1,001** |
| Stage 1 – Non POCI | 1,875 | 48 | -56 | -1,398 |
| Stage 2 – Non POCI | 922 | 0 | -30 | 170 |
| Stage 3 – Non POCI | 0 | 0 | -1 | 0 |
| POCI | 82 | 0 | 0 | 227 |
| **Assets held for sale** | **558** | **0** | **-475** | **64** |
| Stage 1 – Non POCI | 228 | 0 | -197 | 0 |
| Stage 2 – Non POCI | 330 | 0 | -278 | 64 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Subtotal** | **421,373** | **90,816** | **-81,962** | **36,872** |
| **Provisions for off-balance-sheet commitments** | **65,223** | **8,002** | **-6,222** | **-10,237** |
| Stage 1 – Non POCI | 10,672 | 6,334 | -1,236 | -1,046 |
| Stage 2 – Non POCI | 7,948 | 799 | -488 | 3,138 |
| Stage 3 – Non POCI | 46,603 | 869 | -4,498 | -12,329 |
| POCI | 0 | 0 | 0 | 0 |
| **Held for sale in accordance with IFRS 5 – off balance sheet** | **3** | **0** | **0** | **0** |
| Stage 1 – Non POCI | 3 | 0 | 0 | 0 |
| Stage 2 – Non POCI | 0 | 0 | 0 | 0 |
| Stage 3 – Non POCI | 0 | 0 | 0 | 0 |
| POCI | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **486,599** | **98,818** | **-88,184** | **26,635** |

* in the case of POCI assets, these are changes in the respective net carrying amount

The additions and reversals also include effects which reduce the loan loss allowances from revaluations without affecting profit or loss in connection with currency translations of foreign-based subsidiaries with a total amount of EUR -240 thousand.

| Reclassifications due to stage transfer | Changes due to modification | Utilised | Change in the basis of consolidation | Other Adjustments | As of 30 June 2022 |
|---|---|---|---|---|---|
| **0** | **0** | **-292** | **0** | **0** | **822** |
| -21 | 0 | 0 | 0 | 0 | 813 |
| 21 | 0 | 0 | 0 | 0 | 9 |
| 0 | 0 | -292 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **811** | **-6,032** | **0** | **66** | **415,236** |
| 15,980 | 32 | 0 | 0 | 6 | 57,849 |
| -15,929 | 726 | 0 | 0 | 1 | 94,982 |
| -51 | 53 | -6,032 | 0 | 59 | 258,376 |
| 0 | 0 | 0 | 0 | 0 | 4,029 |
| **0** | **0** | **-990** | **0** | **0** | **42,466** |
| 656 | 0 | 0 | 0 | 0 | 3,779 |
| -958 | 0 | 0 | 0 | 0 | 6,261 |
| 302 | 0 | -990 | 0 | 0 | 32,426 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **0** | **0** | **0** | **153** |
| 45 | 0 | 0 | 0 | 0 | 152 |
| -45 | 0 | 0 | 0 | 0 | 1 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **0** | **0** | **0** | **1,839** |
| 229 | 0 | 0 | 0 | 0 | 698 |
| -230 | 0 | 0 | 0 | 0 | 832 |
| 1 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 309 |
| **0** | **0** | **0** | **0** | **-66** | **81** |
| -25 | 0 | 0 | 0 | -6 | 0 |
| 25 | 0 | 0 | 0 | -60 | 81 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **811** | **-7,314** | **0** | **0** | **460,596** |
| **0** | **0** | **0** | **0** | **3** | **56,769** |
| 1,583 | 0 | 0 | 0 | 3 | 16,310 |
| 217 | 0 | 0 | 0 | 0 | 11,614 |
| -1,800 | 0 | 0 | 0 | 0 | 28,845 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **0** | **0** | **0** | **-3** | **0** |
| 0 | 0 | 0 | 0 | -3 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| **0** | **811** | **-7,314** | **0** | **0** | **517,365** |

## Significant changes in the gross carrying amount for 1 Jan. – 30 June 2023:

| IN EUR '000 | As at 1 Jan. 2023 | Additions, disposals, balance amend-ments | Reclassifi-cations as a result of stage transfers | Utilised | Direct amortisa-tions | Change in the basis of consoli-dation | Other adjust-ments | As at 30 June 2023 |
|---|---|---|---|---|---|---|---|---|
| **Loans and advances to banks** | **12,218,581** | **-649,998** | **0** | **0** | **0** | **101** | **0** | **11,568,684** |
| thereof Stage 1 – Non POCI | 12,116,867 | -613,881 | 61,611 | 0 | 0 | 101 | 0 | 11,564,698 |
| thereof Stage 2 – Non POCI | 101,714 | -36,117 | -61,611 | 0 | 0 | 0 | 0 | 3,986 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loans and advances to clients – excl. lease financing** | **23,724,084** | **257,303** | **0** | **-26,090** | **-1,831** | **0** | **0** | **23,953,466** |
| thereof Stage 1 – Non POCI | 19,176,169 | 555,456 | -327,190 | 0 | 0 | 0 | 0 | 19,404,435 |
| thereof Stage 2 – Non POCI | 3,751,069 | -240,734 | 139,871 | 0 | -1 | 0 | 0 | 3,650,205 |
| thereof Stage 3 – Non POCI | 772,622 | -61,879 | 187,319 | -26,045 | -351 | 0 | 0 | 871,666 |
| thereof POCI | 24,224 | 4,460 | 0 | -45 | -1,479 | 0 | 0 | 27,160 |
| **Loans and advances to clients – Lease financing** | **2,523,311** | **71,419** | **0** | **-1,238** | **-18** | **0** | **0** | **2,593,474** |
| thereof Stage 1 – Non POCI | 1,883,195 | 188,768 | -122,739 | 0 | 0 | 0 | 0 | 1,949,224 |
| thereof Stage 2 – Non POCI | 509,583 | -97,225 | 99,015 | 0 | 0 | 0 | 0 | 511,373 |
| thereof Stage 3 – Non POCI | 130,533 | -20,124 | 23,724 | -1,238 | -18 | 0 | 0 | 132,877 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – excluding FVOCI** | **102,946** | **-9,660** | **0** | **0** | **0** | **0** | **0** | **93,286** |
| thereof Stage 1 – Non POCI | 102,946 | -9,660 | 0 | 0 | 0 | 0 | 0 | 93,286 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **4,125,388** | **345,465** | **0** | **0** | **-641** | **0** | **0** | **4,470,212** |
| thereof Stage 1 – Non POCI | 3,986,421 | 364,012 | 107,655 | 0 | 0 | 0 | 0 | 4,458,088 |
| thereof Stage 2 – Non POCI | 135,763 | -18,547 | -107,153 | 0 | 0 | 0 | 0 | 10,063 |
| thereof Stage 3 – Non POCI | 1,472 | 0 | -502 | 0 | -641 | 0 | 0 | 329 |
| thereof POCI | 1,732 | 0 | 0 | 0 | 0 | 0 | 0 | 1,732 |
| **Assets held for sale** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **42,694,310** | **14,529** | **0** | **-27,328** | **-2,490** | **101** | **0** | **42,679,122** |
| **Off-balance-sheet commitments** | **10,781,231** | **-254,053** | **0** | **0** | **0** | **0** | **0** | **10,527,178** |
| thereof Stage 1 – Non POCI | 9,686,653 | -85,441 | -32,521 | 0 | 0 | 0 | 0 | 9,568,691 |
| thereof Stage 2 – Non POCI | 1,022,401 | -153,927 | 19,575 | 0 | 0 | 0 | 0 | 888,049 |
| thereof Stage 3 – Non POCI | 72,177 | -14,685 | 12,946 | 0 | 0 | 0 | 0 | 70,438 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Held for sale in accordance with IFRS 5 – off balance sheet** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Gross carrying amounts** | **53,475,541** | **-239,524** | **0** | **-27,328** | **-2,490** | **101** | **0** | **53,206,300** |

## Significant changes in the gross carrying amount for 1 Jan. – 30 June 2022:

| IN EUR '000 | As at 1 Jan. 2022 | Additions, disposals, balance amend-ments | Reclassifi-cations as a result of stage transfers | Utilised | Direct amortisa-tions | Change in the basis of consoli-dation | Other adjust-ments | As at 30 June 2022 |
|---|---|---|---|---|---|---|---|---|
| **Loans and advances to banks** | **13,817,445** | **-593,632** | **0** | **-292** | **0** | **1,776** | **0** | **13,225,297** |
| thereof Stage 1 – Non POCI | 13,812,756 | -593,689 | -2,437 | 0 | 0 | 1,776 | 0 | 13,218,406 |
| thereof Stage 2 – Non POCI | 4,397 | 57 | 2,437 | 0 | 0 | 0 | 0 | 6,891 |
| thereof Stage 3 – Non POCI | 292 | 0 | 0 | -292 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loans and advances to clients – excl. lease financing** | **23,123,993** | **986,481** | **0** | **-6,032** | **-513** | **0** | **226** | **24,104,155** |
| thereof Stage 1 – Non POCI | 17,861,729 | 1,390,991 | -337,803 | 0 | 0 | 0 | 1,928 | 18,916,845 |
| thereof Stage 2 – Non POCI | 4,518,839 | -404,495 | 272,753 | 0 | 0 | 0 | -2,388 | 4,384,709 |
| thereof Stage 3 – Non POCI | 710,548 | 3,339 | 65,050 | -6,032 | -508 | 0 | 686 | 773,083 |
| thereof POCI | 32,877 | -3,354 | 0 | 0 | -5 | 0 | 0 | 29,518 |
| **Loans and advances to clients – Lease financing** | **2,384,724** | **71,562** | **0** | **-990** | **0** | **0** | **0** | **2,455,296** |
| thereof Stage 1 – Non POCI | 1,627,663 | 193,032 | 18,065 | 0 | 0 | 0 | 0 | 1,838,760 |
| thereof Stage 2 – Non POCI | 648,468 | -95,608 | -39,741 | 0 | 0 | 0 | 0 | 513,119 |
| thereof Stage 3 – Non POCI | 108,593 | -25,862 | 21,676 | -990 | 0 | 0 | 0 | 103,417 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – excluding FVOCI** | **146,697** | **-15,666** | **0** | **0** | **0** | **0** | **0** | **131,031** |
| thereof Stage 1 – Non POCI | 143,691 | -12,660 | 0 | 0 | 0 | 0 | 0 | 131,031 |
| thereof Stage 2 – Non POCI | 3,006 | -3,006 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **4,156,493** | **-161,384** | **0** | **0** | **-1,413** | **0** | **0** | **3,993,696** |
| thereof Stage 1 – Non POCI | 4,121,033 | -146,789 | -3,491 | 0 | 0 | 0 | 0 | 3,970,753 |
| thereof Stage 2 – Non POCI | 33,531 | -14,421 | 1,548 | 0 | 0 | 0 | 0 | 20,658 |
| thereof Stage 3 – Non POCI | 217 | -174 | 1,943 | 0 | -1,413 | 0 | 0 | 573 |
| thereof POCI | 1,712 | 0 | 0 | 0 | 0 | 0 | 0 | 1,712 |
| **held for sale assets** | **44,214** | **-39,674** | **0** | **0** | **0** | **0** | **-226** | **4,314** |
| thereof Stage 1 – Non POCI | 33,961 | -24,657 | -7,281 | 0 | 0 | 0 | -1,998 | 25 |
| thereof Stage 2 – Non POCI | 10,253 | -15,017 | 7,281 | 0 | 0 | 0 | 1,772 | 4,289 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **43,673,566** | **247,687** | **0** | **-7,314** | **-1,926** | **1,776** | **0** | **43,913,789** |
| **Off-balance-sheet commitments** | **10,095,438** | **872,047** | **0** | **0** | **0** | **0** | **865** | **10,968,350** |
| thereof Stage 1 – Non POCI | 8,637,142 | 1,059,187 | 101,923 | 0 | 0 | 0 | 865 | 9,799,117 |
| thereof Stage 2 – Non POCI | 1,364,900 | -159,926 | -106,388 | 0 | 0 | 0 | 0 | 1,098,586 |
| thereof Stage 3 – Non POCI | 93,396 | -27,214 | 4,465 | 0 | 0 | 0 | 0 | 70,647 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Held for sale in accordance with IFRS 5 – off balance sheet** | **923** | **-58** | **0** | **0** | **0** | **0** | **-865** | **0** |
| thereof Stage 1 – Non POCI | 923 | -58 | 0 | 0 | 0 | 0 | -865 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 3 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof POCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Gross carrying amounts** | **53,769,927** | **1,119,676** | **0** | **-7,314** | **-1,926** | **1,776** | **0** | **54,882,139** |

### Sensitivity information on loan loss allowances in Stages 1 and 2

In accordance with IFRS 9, “forward looking information” – meaning macroeconomic forecasts – is used to calculate the balance sheet loan loss allowances. Based on this, statistical models are used to determine the IFRS 9 risk parameters and subsequently the balance sheet loan loss allowances. Both the macroeconomic forecasts and the calculated risk parameters are subject to estimation uncertainty in the model. In order to be able to better assess and estimate this uncertainty due to changed parameters, Raiffeisenlandesbank Oberösterreich calculates sensitivity analyses of the balance sheet loan loss allowances in Stages 1 and 2 and presents them on the following pages.

In this context, it is noted that the further development of the model in the Corporates segment decided by Raiffeisenlandesbank Oberösterreich as of the first half of 2022 has an influence on the sensitivity analyses for the GDP shift. The impact is based on the introduction of an upper limit for default rate forecasts in the Corporates division. Additional details on the further development of the model can be found in the section on “Accounting and valuation methods”.

As at the balance sheet date 30 June 2023, realisations are in use until Q1 2023 for the macroeconomic factors used. These are no longer affected by a GDP or property price shift and therefore remain unchanged for the sensitivity analysis. The shift to the macroeconomic forecasts will only take effect from the second quarter of 2023.

GDP shift +/-1% point: from Raiffeisenlandesbank Oberösterreich’s perspective, GDP represents the most important macroeconomic parameter and is the central explanatory variable in most of Raiffeisenlandesbank Oberösterreich’s IFRS 9 PD models. It was therefore identified as a relevant parameter for the sensitivity analysis. The one percentage point shift in the annual GDP growth rate is used to show the sensitivity to the PD risk parameter. A parallel shift is performed on all annual GDP forecast values. For quarterly GDP growth rates, the 1% point shift is evenly distributed over one year, taking into account the statistical overhang. The parallel shift over the entire forecast horizon is used to avoid applying shifts with different effects to models with different time lags. Based on the changed GDP growth rates, alternative IFRS 9 PDs are determined, which are subsequently used for staging and for the calculation of the balance sheet loan loss allowances per shift scenario. The amount of the shift was chosen on the basis of an expert estimate and represents a mean change in the risk parameters.

Real estate price shift +/-5% points: the fluctuation of the real estate price growth rate is the central explanatory factor in the IFRS 9 LGD models of Raiffeisenlandesbank Oberösterreich and was therefore identified as a relevant parameter for the sensitivity analysis. Specifically, both the current projected property price growth rate per year and the property collateral are reduced or increased by 5% points. This results in an indirect shift of the IFRS 9 LGD and thus an increased or reduced balance sheet loan loss allowances. The amount of the shift was chosen on the basis of an expert estimate and represents a mean change in the risk parameters.

## Sensitivity analysis for Gross Domestic Product (GDP) as at 30 June 2023

| IN EUR '000 | As at 30 June 2023 | -1% point Delta | Status PD GDP | As at 30 June 2023 | +1% point Delta | Status PD GDP |
|---|---|---|---|---|---|---|
| **Loans and advances to banks** | **7,751** | **4,186** | **11,937** | **7,751** | **-2,663** | **5,088** |
| thereof Stage 1 – Non POCI | 7,736 | 4,031 | 11,767 | 7,746 | -2,661 | 5,085 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 10 | 153 | 163 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 5 | 2 | 7 | 5 | -2 | 3 |
| **Loans and advances to clients – excl. lease financing** | **161,221** | **429** | **161,650** | **161,221** | **-186** | **161,035** |
| thereof Stage 1 – Non POCI | 66,087 | 41 | 66,128 | 66,236 | -28 | 66,208 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 149 | 254 | 403 | 39 | -27 | 12 |
| thereof Stage 2 – Non POCI | 94,985 | 134 | 95,119 | 94,946 | -131 | 94,815 |
| **Loans and advances to clients – Lease financing** | **16,478** | **51** | **16,529** | **16,478** | **-32** | **16,446** |
| thereof Stage 1 – Non POCI | 6,156 | 12 | 6,168 | 6,198 | 0 | 6,198 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 42 | 14 | 56 | 29 | -8 | 21 |
| thereof Stage 2 – Non POCI | 10,280 | 25 | 10,305 | 10,251 | -24 | 10,227 |
| **Financial assets – excluding FVOCI** | **115** | **0** | **115** | **115** | **0** | **115** |
| thereof Stage 1 – Non POCI | 115 | 0 | 115 | 115 | 0 | 115 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **3,917** | **3,074** | **6,991** | **3,917** | **-698** | **3,219** |
| thereof Stage 1 – Non POCI | 2,474 | 985 | 3,459 | 2,619 | -698 | 1,921 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 145 | 2,089 | 2,234 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 1,298 | 0 | 1,298 | 1,298 | 0 | 1,298 |
| **Assets held for sale** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **189,482** | **7,740** | **197,222** | **189,482** | **-3,579** | **185,903** |
| **Provisions for off-balance-sheet obligations** | **32,100** | **995** | **33,095** | **32,100** | **-651** | **31,449** |
| thereof Stage 1 – Non POCI | 19,559 | 971 | 20,530 | 19,564 | -641 | 18,923 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 5 | 11 | 16 | 15 | -5 | 10 |
| thereof Stage 2 – Non POCI | 12,536 | 13 | 12,549 | 12,521 | -5 | 12,516 |
| **Held for sale Held for sale in accordance with IFRS 5 – off-balance-sheet** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **221,582** | **8,735** | **230,317** | **221,582** | **-4,230** | **217,352** |

## Sensitivity analysis for Gross Domestic Product (GDP) as at 31 December 2022

| IN EUR '000 | As at 31 Dec. 2022 | -1% point Delta | Status PD GDP | As at 31 Dec. 2022 | +1% point Delta | Status PD GDP |
|---|---|---|---|---|---|---|
| **Loans and advances to banks** | **9,006** | **4,509** | **13,515** | **9,006** | **-3,012** | **5,994** |
| thereof Stage 1 – Non POCI | 8,205 | 4,069 | 12,274 | 8,239 | -2,750 | 5,489 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 34 | 45 | 79 | 528 | -180 | 348 |
| thereof Stage 2 – Non POCI | 767 | 395 | 1,162 | 239 | -82 | 157 |
| **Loans and advances to clients – excl. lease financing** | **142,469** | **326** | **142,795** | **142,469** | **-134** | **142,335** |
| thereof Stage 1 – Non POCI | 60,129 | 64 | 60,193 | 60,194 | -45 | 60,149 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 65 | 179 | 244 | 11 | -7 | 4 |
| thereof Stage 2 – Non POCI | 82,275 | 83 | 82,358 | 82,264 | -82 | 82,182 |
| **Loans and advances to clients – Lease financing** | **14,335** | **30** | **14,365** | **14,335** | **-29** | **14,306** |
| thereof Stage 1 – Non POCI | 5,183 | 0 | 5,183 | 5,202 | 0 | 5,202 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 19 | 11 | 30 | 30 | -10 | 20 |
| thereof Stage 2 – Non POCI | 9,133 | 19 | 9,152 | 9,103 | -19 | 9,084 |
| **Financial assets – excluding FVOCI** | **121** | **0** | **121** | **121** | **0** | **121** |
| thereof Stage 1 – Non POCI | 121 | 0 | 121 | 121 | 0 | 121 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **7,297** | **10,739** | **18,036** | **7,297** | **-4,003** | **3,294** |
| thereof Stage 1 – Non POCI | 2,525 | 1,037 | 3,562 | 3,960 | -1,182 | 2,778 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 1,435 | 8,266 | 9,701 | 3,195 | -2,821 | 374 |
| thereof Stage 2 – Non POCI | 3,337 | 1,436 | 4,773 | 142 | 0 | 142 |
| **Assets held for sale** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **173,228** | **15,604** | **188,832** | **173,228** | **-7,178** | **166,050** |
| **Provisions for off-balance-sheet obligations** | **30,167** | **868** | **31,035** | **30,167** | **-585** | **29,582** |
| thereof Stage 1 – Non POCI | 19,617 | 747 | 20,364 | 19,622 | -504 | 19,118 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 5 | 3 | 8 | 158 | -54 | 104 |
| thereof Stage 2 – Non POCI | 10,545 | 118 | 10,663 | 10,387 | -27 | 10,360 |
| **Held for sale Held for sale in accordance with IFRS 5 – off-balance-sheet** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 1 with transfer in Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **203,395** | **16,472** | **219,867** | **203,395** | **-7,763** | **195,632** |

## Sensitivity analysis for real estate prices as at 30 June 2023

| IN EUR '000 | As at 30 June 2023 | -5% points Delta | -5% points Status LGD Real estate price | As at 30 June 2023 | +5% points Delta | +5% points Status LGD Real estate price |
|---|---|---|---|---|---|---|
| **Loans and advances to banks** | **7,751** | **0** | **7,751** | **7,751** | **0** | **7,751** |
| thereof Stage 1 – Non POCI | 7,746 | 0 | 7,746 | 7,746 | 0 | 7,746 |
| thereof Stage 2 – Non POCI | 5 | 0 | 5 | 5 | 0 | 5 |
| **Loans and advances to clients – excl. lease financing** | **161,221** | **15,125** | **176,346** | **161,221** | **-15,521** | **145,700** |
| thereof Stage 1 – Non POCI | 66,236 | 6,399 | 72,635 | 66,236 | -6,563 | 59,673 |
| thereof Stage 2 – Non POCI | 94,985 | 8,726 | 103,711 | 94,985 | -8,958 | 86,027 |
| **Loans and advances to clients – Lease financing** | **16,478** | **114** | **16,592** | **16,478** | **-77** | **16,401** |
| thereof Stage 1 – Non POCI | 6,198 | 32 | 6,230 | 6,198 | -21 | 6,177 |
| thereof Stage 2 – Non POCI | 10,280 | 82 | 10,362 | 10,280 | -56 | 10,224 |
| **Financial assets – excluding FVOCI** | **115** | **0** | **115** | **115** | **0** | **115** |
| thereof Stage 1 – Non POCI | 115 | 0 | 115 | 115 | 0 | 115 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **3,917** | **0** | **3,917** | **3,917** | **0** | **3,917** |
| thereof Stage 1 – Non POCI | 2,619 | 0 | 2,619 | 2,619 | 0 | 2,619 |
| thereof Stage 2 – Non POCI | 1,298 | 0 | 1,298 | 1,298 | 0 | 1,298 |
| **Assets held for sale** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **189,482** | **15,239** | **204,721** | **189,482** | **-15,598** | **173,884** |
| **Provisions for off-balance-sheet obligations** | **32,100** | **902** | **33,002** | **32,100** | **-926** | **31,174** |
| thereof Stage 1 – Non POCI | 19,564 | 542 | 20,106 | 19,564 | -556 | 19,008 |
| thereof Stage 2 – Non POCI | 12,536 | 360 | 12,896 | 12,536 | -370 | 12,166 |
| **Held for sale Held for sale in accordance with IFRS 5 – off-balance-sheet** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **221,582** | **16,141** | **237,723** | **221,582** | **-16,524** | **205,058** |

## Sensitivity analysis for real estate prices as at 31 Dec. 2022

| IN EUR '000 | As at 31 Dec. 2022 | -5% points Delta | -5% points Status LGD Real estate price | As at 31 Dec. 2022 | +5% points Delta | +5% points Status LGD Real estate price |
|---|---|---|---|---|---|---|
| **Loans and advances to banks** | **9,006** | **0** | **9,006** | **9,006** | **0** | **9,006** |
| thereof Stage 1 – Non POCI | 8,239 | 0 | 8,239 | 8,239 | 0 | 8,239 |
| thereof Stage 2 – Non POCI | 767 | 0 | 767 | 767 | 0 | 767 |
| **Loans and advances to clients – excl. lease financing** | **142,469** | **14,366** | **156,835** | **142,469** | **-14,739** | **127,730** |
| thereof Stage 1 – Non POCI | 60,194 | 6,218 | 66,412 | 60,194 | -6,373 | 53,821 |
| thereof Stage 2 – Non POCI | 82,275 | 8,148 | 90,423 | 82,275 | -8,366 | 73,909 |
| **Loans and advances to clients – Lease financing** | **14,335** | **78** | **14,413** | **14,335** | **-58** | **14,277** |
| thereof Stage 1 – Non POCI | 5,202 | 34 | 5,236 | 5,202 | -29 | 5,173 |
| thereof Stage 2 – Non POCI | 9,133 | 44 | 9,177 | 9,133 | -29 | 9,104 |
| **Financial assets – excluding FVOCI** | **121** | **0** | **121** | **121** | **0** | **121** |
| thereof Stage 1 – Non POCI | 121 | 0 | 121 | 121 | 0 | 121 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Financial assets – FVOCI** | **7,297** | **0** | **7,297** | **7,297** | **0** | **7,297** |
| thereof Stage 1 – Non POCI | 3,960 | 0 | 3,960 | 3,960 | 0 | 3,960 |
| thereof Stage 2 – Non POCI | 3,337 | 0 | 3,337 | 3,337 | 0 | 3,337 |
| **Assets held for sale** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Subtotal** | **173,228** | **14,444** | **187,672** | **173,228** | **-14,797** | **158,431** |
| **Provisions for off-balance-sheet obligations** | **30,167** | **870** | **31,037** | **30,167** | **-894** | **29,273** |
| thereof Stage 1 – Non POCI | 19,622 | 552 | 20,174 | 19,622 | -567 | 19,055 |
| thereof Stage 2 – Non POCI | 10,545 | 318 | 10,863 | 10,545 | -327 | 10,218 |
| **Held for sale Held for sale in accordance with IFRS 5 – off-balance-sheet** | **0** | **0** | **0** | **0** | **0** | **0** |
| thereof Stage 1 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| thereof Stage 2 – Non POCI | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **203,395** | **15,314** | **218,709** | **203,395** | **-15,691** | **187,704** |

## 16. Trading assets

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Bonds and other fixed-income securities | 3,961 | 260 |
| Municipal bonds that can be refinanced | 3,841 | 0 |
| Other public-sector debt instruments | 0 | 0 |
| Bonds and debt securities from other issuers | 120 | 260 |
| Positive fair values from derivative transactions | 1,444,439 | 1,621,504 |
| Interest rate transactions | 1,361,830 | 1,493,583 |
| Currency exchange transactions | 82,609 | 127,920 |
| Stock- and index-related business | 0 | 0 |
| Other transactions | 0 | 0 |
| **Trading assets** | **1,448,400** | **1,621,764** |

## 17. Financial assets

### Financial assets in the category "Measured at fair value through profit or loss" (FVTPL)

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Bonds and other fixed-income securities | 671 | 543 |
| Municipal bonds that can be refinanced | 0 | 0 |
| Other public-sector debt instruments | 0 | 0 |
| Bonds and debt securities from other issuers | 671 | 543 |
| Shares and other variable-yield securities | 545,281 | 518,409 |
| Shares | 17,459 | 15,269 |
| Investment fund units/shares | 2,120 | 2,068 |
| Other variable yield securities | 525,702 | 501,073 |
| Shares in companies | 439,583 | 447,139 |
| Interests in affiliated companies | 115,493 | 115,470 |
| Other investments | 324,090 | 331,669 |
| **Financial assets – FVTPL** | **985,535** | **966,092** |

### Financial assets in the category "Designated at fair value through profit or loss" (FVO)

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Bonds and other fixed-income securities | 34,775 | 39,561 |
| Municipal bonds that can be refinanced | 17,231 | 17,033 |
| Other public-sector debt instruments | 0 | 0 |
| Bonds and debt securities from other issuers | 17,544 | 22,528 |
| **Financial assets – FVO** | **34,775** | **39,561** |

### Financial assets in the category "Measured at fair value through other comprehensive income" (FVOCI)

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Bonds and other fixed-income securities | 4,153,973 | 3,800,728 |
| Municipal bonds that can be refinanced | 2,054,888 | 1,926,260 |
| Other public-sector debt instruments | 0 | 0 |
| Bonds and debt securities from other issuers | 2,099,085 | 1,874,468 |
| **Financial assets – FVOCI** | **4,153,973** | **3,800,728** |

### Financial assets in the category "Measured at amortised cost" (AC)

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Bonds and other fixed-income securities | 93,171 | 102,825 |
| Municipal bonds that can be refinanced | 0 | 0 |
| Other public-sector debt instruments | 0 | 0 |
| Bonds and debt securities from other issuers | 93,171 | 102,825 |
| **Financial assets – AC** | **93,171** | **102,825** |

## 18. Companies accounted for using the equity method

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| banks | 1,542,598 | 1,437,029 |
| Non-banks | 948,781 | 817,895 |
| **Companies accounted for using the equity method** | **2,491,379** | **2,254,924** |

Among other items, the share of Raiffeisenlandesbank Oberösterreich in the Raiffeisen Bank International (RBI) Group, amounting to approximately 9.5% (31 December 2022: approximately 9.5%), is reported under credit institutions accounted for using the equity method. Raiffeisenlandesbank Oberösterreich exerts a significant influence on this investment because the Chief Executive Officer of Raiffeisen-landesbank Oberösterreich, Heinrich Schaller, is a member of the RBI Supervisory Board and as Deputy Chairman of the Supervisory Board is an active participant in the strategic decisions made.

The war in Ukraine, the sanctions and the unclear outlook also have far-reaching effects for RBI, which has a presence in Russia, Ukraine and Belarus with its own subsidiary banks. Business activities in Russia are being reduced. RBI is examining all strategic options for the future of Raiffeisenbank in Russia, up to and including a carefully managed exit – in particular, a sale or a spin-off is currently being pursued in full compliance with local and international laws and regulations and in consultation with the respective competent authorities. At the time of preparing these consolidated interim financial statements, no final decisions had yet been made on this matter. Based on the information available, there are no effects in this context on the valuation assumptions made for the accounting as at 30 June 2023 at Raiffeisenlandesbank Oberösterreich.

RBI's business activities have been overshadowed by the invasion of Ukraine and its aftermath since February 2022. RBI generated a consolidated net profit of EUR 1,235 million in the first half of 2023, which was at the previous year's level when the net result from disposal of the Bulgarian Group unit of EUR 453 million realised in the same period of the previous year is excluded. Higher interest rates and high loan growth led to an increase in core income of EUR 682 million. The net interest income of EUR 2,749 million (H1 2022: EUR 2,199 million) was 25% higher than in the previous year. Net fee and commission income rose to EUR 1,698 million (H1 2022: EUR 1,565 million), mainly due to increased transactions in the payments and securities business as a result of the geopolitical situation. The risk costs in the amount of EUR 259 million (H1 2022: EUR 561 million), which were mainly attributed to the Eastern Europe region, were significantly below the previous year's figure. The NPE ratio as at 30 June 2023 was 1.5% and the NPE coverage ratio decreased from 59.0% to 57.6%. General administrative expenses rose from EUR 1,649 million to EUR 1,995 million due to increased expenses in Russia and at Group headquarters. The CET 1 ratio was 15.9% as at 30 June 2023. The return on equity fell from 25.5% in the same period of the previous year to 14.9% in the first half of 2023.

Due to a quoted market price that was significantly below the carrying amount of the investment, the holding in the RBI Group was sub-jected to an impairment test as at the reporting date 30 June 2023. The fair value less sales costs as at 30 June 2023 was determined to be EUR 14.52 per share, based on the stock exchange rate of RBI on the Vienna Stock Exchange (31 December 2022: EUR 15.35 per share). The company valuation was calculated based on the present value of the cash flow to be expected (discounted cash flow proce-dure) of the companies in the Group taking into account the adjustments required for the purpose of calculating the value in use.

The total value of the RBI Group is made up of two components: core business (RBI Group excluding Russia) and the Russian network bank. The assessment contains three scenarios for each of these (Low, Mid and High Case). The mid-case scenario represents the expected value, which is why this scenario was used to calculate the value in use. The discounting of the cash flow that can be achieved with the valuation object was undertaken with the aid of a risk-adequate capitalisation interest rate. A cost of equity after tax of 12.59% (31 December 2022: 12.66%) was used for the overall business valuation of the RBI Group. The valuation was based on different scenarios for the development in Russia and took into account the current distribution restrictions in Russia. A change in the cost of equity of RBI by +/–100 basis points would result in a fall or rise of the correspondingly calculated company value of the RBI Group by -9.64% or +11.65% respectively.

The recoverable amount as at 30 June 2023 was the higher value chosen from comparing the value in use and the fair value less sales costs. After assumption of the pro-rata changes in profit or loss and capital in the amount of EUR 47,414 thousand (H1 2022: EUR 245,757 thousand), there was an impairment of EUR -1,098 thousand in the first half of 2023
(H1 2022: EUR -363,738 thousand), resulting in an IFRS carrying amount of EUR 827,431 thousand as at 30 June 2023 (31 December 2022: EUR 781,115 thousand). This is equivalent to a value per share of EUR 26.44 (31 December 2022: EUR 24.96 per share).

As regards non-bank holdings, the participation in Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG is worth particular mention. Based on the resolution provisions in the articles of association, Raiffeisenlandesbank Oberösterreich has joint control over Raiffeisen-landesbank Oberösterreich Invest GmbH & Co OG. Accounting using the equity method is undertaken under the classification as Joint Venture as defined by IFRS 11. According to the financial statements as at 31 March 2023, it also owns 13.54% (31 December 2022: 13.54%) of the shares in the voestalpine AG Group and – as the largest individual shareholder – has the option of exercising a considerable influence on the financial and business policies of the most important steel company in Austria. In his function as Deputy Chairman of the Supervisory Board, the Chief Executive Officer of Raiffeisenlandesbank Oberösterreich, Heinrich Schaller, is an active participant in the strategic decisions made at voestalpine AG. At the level of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG, the investment in voestalpine AG accounted for using the equity method was subjected to an impairment test as at 30 June 2023 due to the increased stock market price, as a result of which the book value was compared with the recoverable amount of the investment.

The company valuation was calculated based on the present value of the cash flow to be expected (discounted cash flow procedure) of the Group taking into account the adjustments required for the purpose of calculating the value in use. The revenue planning for divisions provided by the company was tested for plausibility and adjusted with regard to future margin developments. These interventions were guided by historical values and market expectations. The discounting of the cash flow that can be achieved with the valuation object was undertaken with the aid of a risk-adequate capitalisation interest rate. A WACC after tax of 10.53% was used for the valuation of the voestalpine AG Group (31 December 2022: 9.33%). Any change to capital costs of +/-100 basis points would result in a fall or rise of the net company value calculated in this way by -15.57% or +18.94% respectively. The fair value less sales costs was determined on the basis of the stock market price of voestalpine AG on the Vienna Stock Exchange, which was EUR 32.90 per share as at 30 June 2023 (31 December 2022: EUR 24.78 per share). The recoverable amount as at 30 June 2023 was the fair value less costs to sell, which is the higher of the value in use and the fair value less costs to sell. In the first half of 2023, Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG reversed its impairment loss to fair value less costs to sell following acquisition of the positive pro-rata results and other changes in equity. The profit or loss of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG was transferred as part of the accounting process as a joint venture to the Raiffeisenlandesbank Oberösterreich Group in the amount of EUR +114,264 thousand (H1 2022: EUR -228,455 thousand) in accordance with the equity method. The carrying amount of Raiffeisenlandesbank Oberösterreich Invest GmbH & Co OG amounts to EUR 601,608 thousand as at 30 June 2023 (31 December 2022: EUR 492,075 thousand).

The stock market price of AMAG Austria Metall AG on the Vienna Stock Exchange as at 30 June 2023 was EUR 32.90 per share (31 December 2022: EUR 34.70 per share), meaning that the stock market value significantly exceeded the carrying amount of the participating interests in the AMAG Group, which are also accounted for using the equity method within the Group, as at 30 June 2023.

## 19. Intangible assets

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Client base | 37,059 | 39,964 |
| Brand | 24,272 | 26,111 |
| Goodwill | 40,895 | 40,758 |
| Other intangible assets | 33,791 | 35,143 |
| Property under construction | 18,802 | 18,226 |
| **Intangible assets** | **154,820** | **160,202** |

## 20. Property, plant and equipment and investment property

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| **Property, plant and equipment** | **718,728** | **710,287** |
| Land and buildings used for bank operations | 231,702 | 233,574 |
| Right of use of land and buildings used for operations | 126,948 | 130,905 |
| Other property, plant and equipment | 109,964 | 111,589 |
| Rights of use of other property, plant and equipment | 42,860 | 39,557 |
| Leased assets from operating leases – Other property, plant and equipment | 171,563 | 166,088 |
| Property under construction | 35,691 | 28,574 |
| **Investment property** | **858,157** | **833,351** |
| Investment property | 525,142 | 530,543 |
| Rights of use of investment properties | 21,016 | 20,796 |
| Leased assets under operating leases – investment property | 106,836 | 110,156 |
| Property under construction | 205,164 | 171,856 |
| **Property, plant and equipment and investment property** | **1,576,885** | **1,543,638** |

With regard to the investment property, by far the largest portion – EUR 408.9 million (31 December 2022: EUR 429.7 million) – stems from the “OÖ Wohnbau” companies. Access to this investment property is subject to legal restrictions as a result of the Austrian Public House Building Act (WGG).

## 21. Other assets

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Receivables from non-bank activities | 215,332 | 200,856 |
| Prepaid expenses | 56,414 | 43,413 |
| Inventories | 356,754 | 342,175 |
| Assets | 29,639 | 2,465 |
| Other assets | 461,874 | 393,361 |
| **Other assets** | **1,120,013** | **982,269** |

Inventories essentially consist of real estate projects which have not yet been concluded as well as inventories from the companies in the food industry (VIVATIS/efko Group). The amount of the (deployed) inventories which was recorded as expenditure in the reporting period is EUR -309.2 million (H1 2022: EUR -269.8 million).

The proportion of "Other assets" attributable to the "OÖ Wohnbau" companies amounted to EUR 125.50 million (31 December 2022: EUR 123.30 million).

Revenue recognised in the reporting period, which was included in the balance of contractual obligations at the beginning of the period, amounts to EUR 4,578 thousand (H1 2022: EUR 289 thousand).

## 22. Assets held for sale

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Individual assets which are classified as being held for sale | 0 | 437 |
| **Assets held for sale** | **0** | **437** |

Plans have been in place since the 2022 financial year to sell a minority interest in a bank with a carrying amount of EUR 0 thousand as at 30 June 2023 (31 December 2022: EUR 437 thousand). The investment is accounted for as a financial asset in accordance with IFRS 9 in the category "measured at fair value through profit or loss" (FVTPL) and reported in the balance sheet item "assets held for sale". Based on the updated fair value measurement, no significant impact on earnings is expected from any possible sale. The asset amount is assigned to the "Equity investments" segment.

## 23. Amounts owed to banks

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Liabilities payable on demand | 5,266,144 | 4,940,564 |
| Money market transactions | 7,330,956 | 7,946,663 |
| Long-term financing | 4,676,270 | 4,841,452 |
| **Amounts owed to banks** | **17,273,371** | **17,728,679** |
| of which in Austria | 14,753,912 | 15,113,707 |
| of which outside Austria | 2,519,459 | 2,614,972 |

After the expiry of tender transactions (TLTRO III) in the amount of EUR 0.3 billion in the second quarter of 2023, the portfolio amounts to EUR 3.6 billion as at 30 June 2023 (31 December 2022: EUR 3.9 billion) and is reported under the item "Money market transactions". The proportion of tender transactions that were subsequently made available to the Upper Austrian Raiffeisen banks amounts to EUR 247 million as at 30 June 2023 (31 December 2022: EUR 526 million).

The interest rate for tender transactions was already switched to the interest rate set by the European Central Bank for the deposit facility in November 2022. This is therefore also relevant for the interest in the first half of 2023 as well as in subsequent periods and represents the current effective interest rate for the tender transactions. This resulted in interest expense of EUR 54.0 million from tender transactions in the first half of 2023 (H1 2022: interest income of EUR 36.4 million). From the current perspective, Raiffeisenlandesbank Oberösterreich intends to hold the remaining tranches until the respective maturity date. The terms of the long-term tender are not considered a government subsidy within the meaning of IAS 20 but to Raiffeisenlandesbank Oberösterreich constitute a specific market with condition that cannot be influenced; tender transactions are therefore accounted for at amortised cost in accordance with IFRS 9. Neither the changes to the conditions decided in October 2022 nor the increases in the key interest rates were regarded by Raiffeisenlandesbank Oberösterreich as (significant or non-significant) modifications, but were treated as changes to the variable interest rate.

## 24. Amounts owed to clients

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Demand deposits | 6,006,064 | 7,037,319 |
| Term deposits | 6,287,429 | 5,385,140 |
| Savings deposits | 1,260,475 | 1,279,238 |
| Other | 160,508 | 163,635 |
| **Amounts owed to clients** | **13,714,476** | **13,865,332** |
| of which in Austria | 11,056,173 | 11,234,227 |
| of which outside Austria | 2,658,303 | 2,631,105 |

## 25. Trading liabilities

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Interest rate transactions | 1,467,740 | 1,583,731 |
| Currency exchange transactions | 89,980 | 136,548 |
| Stock- and index-related business | 0 | 0 |
| Other transactions | 0 | 0 |
| **Trading liabilities** | **1,557,720** | **1,720,279** |

## 26. Liabilities evidenced by certificates

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Bonds issued | 4,941,451 | 5,148,800 |
| Listed mortgage bonds/municipal bonds | 944,163 | 190,654 |
| Non-listed mortgage bonds/municipal bonds | 323,624 | 265,714 |
| Other securitised liabilities | 2,979,677 | 3,028,630 |
| **Liabilities evidenced by certificates** | **9,188,915** | **8,633,799** |

## 27. Provisions

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| **Provisions for personnel expenses** | **152,151** | **145,353** |
| Severance provisions | 88,554 | 84,424 |
| Pension provisions | 40,379 | 39,375 |
| Anniversary bonus provisions | 23,218 | 21,554 |
| **Other provisions** | **130,467** | **123,623** |
| of which provisions for off-balance-sheet obligations | 56,839 | 55,238 |
| of which other provisions | 73,627 | 68,385 |
| **Provisions** | **282,618** | **268,976** |

Due to the current level of interest rates, an interest rate of 3.5% (31 December 2022: 3.5%) was applied for calculating the provision for personnel expenses as at 30 June 2023. The future pension and salary increases as at 30 June 2023 were increased by a further one-off effect totalling 4 percentage points due to the current development.

Interest rate movements in recent years have led to negative indicator values, which are used to calculate interest. In several cases, the Supreme Court declared that the receipt of a mark-up that was not explicitly agreed to is not allowed. Refunds were made to consumer clients. For the cases of the remaining clients, a provision was created starting with the 2017 financial year for the period from 2015 and subsequently further adjusted. The net reversals for this provision amounted to EUR -0.3 million in the first half of 2023 (H1 2022: net allocations EUR 0.4 million). The amount of the provision as at 30 June 2023 was EUR 38.9 million (31 December 2022: EUR 39.2 million). The amount is disclosed in “Other provisions”.

In the Raiffeisenlandesbank Oberösterreich Group, payments in kind to employees are treated exclusively in accordance with IAS 19. Accordingly, IFRS 16 is not applied and, as a result, the existence of sub-leases is not checked.

## 28. Other liabilities

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Liabilities from non-bank activities | 153,004 | 187,905 |
| Prepaid expenses | 20,727 | 23,353 |
| Liabilities | 1,691 | 4,856 |
| Leasing liabilities | 195,148 | 196,140 |
| Other liabilities | 441,301 | 321,673 |
| **Other liabilities** | **811,872** | **733,926** |

## 29. Subordinated capital

| IN EUR M | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Tier 2 capital and subordinated liabilities and participation capital | 916,931 | 924,127 |
| **Subordinated capital** | **916,931** | **924,127** |

### Change in liabilities stemming from financial activities

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | 924,127 | 1,083,646 |
| Changes affecting payments | -12,231 | -66,195 |
| Deposit from issues | 26,829 | 9,553 |
| Buyback/repayment | -39,060 | -75,748 |
| Changes not affecting payments | **5,035** | **-71,163** |
| Net income from financial instruments carried at fair value | 7,158 | -62,491 |
| Measurement due to change in own credit risk | -443 | -3,537 |
| Other changes | -1,680 | -5,135 |
| **As at 30 June** | **916,931** | **946,288** |

## 30. Equity

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Share capital | 277,630 | 277,630 |
| Capital reserves | 971,973 | 971,913 |
| Retained earnings | 4,173,364 | 3,860,488 |
| Non-controlling interests | 232,482 | 223,499 |
| **Equity** | **5,655,449** | **5,333,530** |

In the first half of 2023, dividends of EUR 38,000 thousand were paid on the ordinary shares, in accordance with the resolution passed at the Annual General Meeting on 9 May 2023 concerning the appropriation of the profit from 2022. This means that the planned dividend for each ordinary share will be EUR 19.57.

### Changes in the reserves of actuarial gains/losses on defined benefit plans

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | -19,272 | -33,149 |
| Remeasurements of reserves of actuarial gains/losses on defined benefit plans | -5,768 | 17,648 |
| Taxes recognised in respect of these amounts | 1,317 | -4,709 |
| **As at 30 June** | **-23,723** | **-20,210** |

### Change in the reserve for own credit risks

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | 11,009 | 2,274 |
| Remeasurements due to change in own credit risk in respect of financial liabilities designated at fair value | 4,370 | 1,331 |
| Amounts reclassified to the profit reserve | 183 | 129 |
| Taxes recognised in respect of these amounts | -1,047 | -275 |
| **As at 30 June** | **14,515** | **3,459** |

Changes in the fair value of financial liabilities measured at fair value through profit or loss, that are attributable to changes in the company's own credit risk, are recognised with no impact on profit or loss under the item "Reserve for own credit risks". There are no plans to reclassify the amounts contained in this reserve to the income statement at a later date. In the event of derecognition, the corresponding amounts are reclassified to retained earnings. In the first half of 2023, an amount of EUR +183 thousand (H1 2022: EUR +129 thousand) was reclassified to retained earnings after deferred taxes.

### Change in the reserve for financial assets in the category "measured at fair value through other comprehensive income" (FVOCI)

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | -8,106 | 117,095 |
| Remeasurement gains/losses in the reserve for financial assets in the category "measured at fair value through other comprehensive income" (FVOCI) | -3,831 | -132,822 |
| Amounts reclassified to profit or loss | -1,556 | -3,641 |
| Taxes recognised in respect of these amounts | 1,239 | 34,509 |
| **As at 30 June** | **-12,254** | **15,141** |

The reserve for financial assets in the category "measured at fair value through other comprehensive income" (FVOCI) reflects the remeasurement gains/losses to be recognised with no impact on profit or loss in equity and the loan loss allowances for financial assets in the category "fair value through other comprehensive income" (FVOCI) in accordance with IFRS 9.

In the first half of 2023, the fair value measurement of debt instruments classified as "measured at fair value through other comprehensive income" amounted to EUR -3,831 thousand (H1 2022: EUR -+132,822 thousand). In addition, an amount of EUR -1,556 thousand (H1 2022: EUR -3,641 thousand) was reclassified to the income statement in the first half of 2023. Of this amount, EUR -1,439 thousand (H1 2022: EUR -3,555 thousand) relate to valuation effects that were reclassified to the net result from disposal of the category "measured at fair value through other comprehensive income", and EUR -117 thousand (H1 2022: EUR -86 thousand) relate to loan loss allowances that were reclassified to the item "loan loss allowances" in the income statement.

### Development of the gain or loss on remeasurement from the hedging of a net investment in a foreign business

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | -2,760 | -1,838 |
| Gain or loss from the hedging of net investments | -598 | -177 |
| Amounts reclassified to profit or loss | 0 | 0 |
| Taxes recognised in respect of these amounts | 137 | -9 |
| **As at 30 June** | **-3,221** | **-2,024** |

There is hedging for currency risks resulting from a net investment in a foreign business. The volume of the hedged underlying transaction amounted to EUR 38.6 million as at 30 June 2023 (31 December 2022: EUR 38.0 million). Hedging transactions represent refinancing in these foreign currencies in the same amount. The effective portion of the valuation gains and losses of hedging transactions is recognised in the aforementioned reserves with no effect on income.

## Changes in foreign currency translation reserves

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | -2,524 | -2,522 |
| Changes in the basis of consolidation | 0 | 28 |
| Remeasurement gain/loss from foreign currency translation | 1,326 | -365 |
| Amounts reclassified to profit or loss | 0 | 0 |
| **As at 30 June** | **-1,198** | **-2,859** |

## Development of “other comprehensive income” of companies accounted for using the equity method

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | -319,896 | -306,342 |
| Change due to proportional “other comprehensive income” | -45,070 | 89,115 |
| Taxes recognised in respect of these amounts | 0 | 0 |
| **As at 30 June** | **-364,966** | **-217,227** |

## Development of retained earnings (incl. non-controlling interests)

| IN EUR '000 | 2023 | 2022 |
|---|---|---|
| As at 1 Jan. | 4,425,536 | 4,133,992 |
| After-tax profit for the period | 410,196 | -263,989 |
| Dividends | -42,882 | -51,452 |
| Other changes | 3,843 | -967 |
| **As at 30 June** | **4,796,693** | **3,817,584** |

## 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 in accordance with sections 39, 39a, Austrian Banking Act and the Bank Risk Management Regulation (KI-RMV) (credit risks, market risks, equity risks, liquidity risks, macroeconomic risks, operational risks and other risks) and their active managerial counteraction. ESG (Environment, Social, Governance) risks as a new dimension of risk are gradually being integrated into the existing risk categories, with the greatest focus currently on climate and environmental risk.

The Raiffeisenlandesbank Oberösterreich in general only aims its work at areas of business in which it has the requisite expertise to assess the specific risks. The inclusion of new business areas or products is preceded by an appropriate analysis of the business-specific risks.

In accordance with the "ECB Guide to the internal capital adequacy assessment process (ICAAP)", Raiffeisenlandesbank Oberösterreich distinguishes between the economic perspective (99.9%) and the additional normative perspective: the economic perspective focuses on a present value risk assessment and utilisation of the risk coverage potential, whereas the normative perspective focuses on statement of financial position risks in the income statement and their impact on the capital ratios.

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

### Climate and environmental risks

Despite several crises, economic growth has now reached a new high since the beginning of the Industrial Revolution. We can see the benefits for the economy and society: food production has increased by 300%, while the land used for it has only increased by 12%, and the population has grown from 1 billion to 8.0 billion in the last 250 years. Yet this has also come at a high price. Consumption of the Earth's resources is 1.7 times faster than the rate of regeneration. The water shortage has reached such proportions that 2 billion people have no access to clean water; 83% of drinking water contains small plastic particles. Global warming and deforestation have further weakened the environment's resilience, and the number of extreme weather events has doubled worldwide since 1980.

The challenges of moving towards sustainability globally are generally great and decisive action needs to be taken. The adoption of the Paris Climate Agreement in December 2015 at the Paris Climate Conference (COP21) marked a turning point. It is the first ever universal, legally binding global climate protection agreement. The Paris Agreement sets a global framework for avoiding dangerous climate change by limiting global warming to well below 2°C and continuing efforts to limit it to 1.5°C. It also aims to strengthen countries' capacity to cope with the impacts of climate change and support them in their efforts. The Paris Agreement is a bridge between policy today and achieving climate neutrality by 2050 and focuses on the following areas: mitigation (i.e. reducing emissions to net zero), transparency and global reviews (i.e. countries communicate on progress and report on their contribution), adaptation (i.e. the response to climate change needs to be improved and/or supported by the necessary investments), loss and damage (i.e. specific tools need to be put in place to minimise the impact of extreme weather events).

Why are climate and environmental risks of fundamental importance for financial institutions? Policymakers have identified banks and other financial institutions as key players in achieving the relevant goals; they have the means as financial intermediaries to support the channelling of funds into more sustainable future investments. They are therefore the target of a number of policy and regulatory initiatives. The ECB has defined 13 expectations for how climate and environmental risks should be identified, measured, managed and ultimately disclosed by the banks that it supervises.

Institutions and the banking system as a whole are exposed to various risks arising from environmental issues. For example, risks arising from climate change, e.g. increased periods of drought, affect banks' loan portfolios through macro and micro-economic transmission channels and are reflected in various risk drivers. In addition to the direct physical effects of climate change, the transitory risks (risks arising from the transition to a climate-neutral economy) with which the banks' clients are confronted should also be mentioned; these will, to some extent, require the revision of entire business models in order to mitigate the corresponding risks in terms of transforming the economy.

## Assessing the materiality

Against the background that climate and environmental risks are of major importance for Raiffeisenlandesbank Oberösterreich, the risk inventory was supplemented to include climate and environmental risks, which in turn are drivers of existing risk types, in particular credit and equity investment risk, operational risk, market risk and liquidity risk.

These risks have been incorporated into the risk framework of existing risk types, therefore each relevant risk area (credit, equity, market, liquidity and operational risk areas) is responsible for measuring and reporting the respective risks.

The climate and environmental risks identified for the individual risk types and the materiality assessed are currently as follows:

| | Climate and environmental risks | | |
|---|---|---|---|
| Type of risk | Transitory | Physical | Other |
| Market risk | low | low | low |
| Credit risk | high | medium | medium |
| Equity investment risk | medium | low | low |
| Liquidity risk | medium | medium | low |
| Operational risk | medium | low | - |
| Other risks / earnings and profitability risk | medium | * | * |

* An assessment of materiality is currently only available for transitory risks.

Due to the complex cross-sectional nature of the subject matter and the new type of assessment according to the 13 expectations from the ECB Guide on climate-related and environmental risks, these are presented in a separate section. The focus with regard to climate-related and environmental risks from financial instruments for Raiffeisenlandesbank Oberösterreich is initially on transitory and physical risks.

The following value-based presentations refer in each case to the CRR basis of RBG OÖ Verbund eGen. As part of the disclosure obligations, all key figures for this group of companies are published on the Raiffeisenlandesbank Oberösterreich website.

## Transitory climate risks

Transition risk is the term used to describe financial losses that may occur directly or indirectly as a result of adapting to or failing to adapt to a lower-carbon and more environmentally sustainable economy (e.g. technological progress, changes in market regulations and preferences, increasing pricing for greenhouse gases).

Raiffeisenlandesbank Oberösterreich currently uses instruments for identifying and evaluating climate-related and environmental risks, which form the basis for integration of the risk types concerned. Metrics (and potential) targets need to be developed which are then evaluated by the individual types of risk.

## Identification of transitory climate-related risks

### Financed GHG emissions

Raiffeisenlandesbank Oberösterreich measures its financed greenhouse gas emissions (Scope 3 emissions) on a quarterly basis. The internationally established methodological approach from PCAF[1] is used for this purpose. These GHG (greenhouse gas) emissions already include all scopes (Scope 1, 2 and 3) of the clients, projects and counterparties financed at the present time. Greenhouse gases include all relevant anthropogenic greenhouse gases (CO2, CH4, N2O etc.). Their effect in relation to radiative forcing (W/m2) is converted to that of CO2 in each case for easier comparison. GHG emissions are therefore generally expressed in CO2 equivalents (CO2e).

[1] PCAF: https://carbonaccountingfinancials.com

This is aimed at measuring the organisation's own GHG footprint. This information also provides the basis for calculating the transitory climate risk resulting from Raiffeisenlandesbank Oberösterreich's portfolio composition. To this end, the "analysable portfolio" defined according to PCAF is carved out using various parameters in order to be able specifically to identify exposures that are particularly affected.

Statistical country and sector-specific data from Eurostat were used primarily for quality levels 4 and 5 (PCAF score) in the calculation of Scope 1 emissions. The country and building type-specific emission factors provided by PCAF are used for buildings. Statistical values from the Austrian Energy Agency are also used for Scope 2 emissions (GHG emission factors for the electricity and heat mix per federal state). The Scope 3 emissions of clients will also be determined for the first time in 2023. Input/output tables from Statistics Austria are used as the basis for this, which ultimately provide an overview of the upstream and downstream flows for GHG emissions.

The sector granularity level for the determination on a statistical basis is NACE vers. 2. The sector affiliation for the portfolio is essentially defined based on the client's ÖNACE classification. The plan is for a "business activity" granularity level to be created here in future, including for the purposes of meeting the requirements under the Taxonomy Regulation also. For some clients, their actual emissions from the clients' sustainability reports were surveyed as part of the ECB Climate Stress Test 2022. These are also taken into account in the calculations, thereby resulting in a PCAF score of 2 for these clients. The IFRS gross balance from regulatory reports on an IFRS basis is used as the value factor.

The following tables show the financed GHG emissions as of 30 June 2023 per NACE vers.- 2-section, per CPRS[2] (Climate Policy Relevant Sector) and per Alignment Metric sector. Taken together, they provide a good overview of the entire analysable portfolio and the sectors exposed accordingly.

[2] S. Battiston, A. Mandel, I. Monasterolo, F. Schütze, G. Visentin: A. Climate stress-test of the financial system; Nature Climate Change, volume 7, issue 4, p. 283 – 288; Posted: 2017

| Sector (NACE vers. 2 section) | Gross balance in EUR million 30 June 2023 | Financed GHG emissions (t CO2e) | | | | GHG intensity (t CO2e / EUR million) | | Data quality – PCAF score (Scope 1+2) |
|---|---|---|---|---|---|---|---|---|
| | | Scope 1 | Scope 2 | Scope 1+2 | Scope 3 | Scope 1+2 | Scope 3 | |
| A – Agriculture, forestry and fishing | 366 | 205,935 | 7,696 | 213,631 | 182,430 | 583 | 498 | 4.6 |
| B – Mining and quarrying | 181 | 43,365 | 29,307 | 72,672 | 66,088 | 401 | 364 | 4.3 |
| C – Manufacturing | 7,075 | 1,618,408 | 537,493 | 2,155,901 | 2,573,154 | 305 | 364 | 3.6 |
| D – Electricity, gas, steam and air conditioning supply | 1,010 | 279,561 | 51,392 | 330,954 | 232,283 | 328 | 230 | 4.1 |
| E – Water supply; sewerage, waste management and remediation activities | 130 | 47,799 | 5,337 | 53,136 | 90,193 | 409 | 694 | 4.2 |
| F – Construction | 3,151 | 122,544 | 5,349 | 127,893 | 213,641 | 41 | 68 | 4.4 |
| G – Wholesale and retail trade; repair of motor vehicles and motorcycles | 2,516 | 155,649 | 95,691 | 251,340 | 756,194 | 100 | 301 | 4.2 |
| H – Transportation and storage | 1,273 | 269,380 | 51,509 | 320,889 | 459,940 | 252 | 361 | 4.3 |
| I – Accommodation and food service activities | 633 | 18,546 | 4,592 | 23,138 | 24,587 | 37 | 39 | 4.3 |
| J – Information and communication | 317 | 1,737 | 3,370 | 5,106 | 7,611 | 16 | 24 | 4.3 |
| K – Financial and insurance activities | 4,494 | 20,087 | 13,321 | 33,408 | 24,233 | 7 | 5 | 4.9 |
| L – Real estate activities | 6,756 | 173,121 | 1,373 | 174,494 | 68,202 | 26 | 10 | 4.3 |
| M – Professional, scientific and technical activities | 387 | 8,357 | 3,463 | 11,821 | 29,558 | 31 | 76 | 4.6 |
| N – Administrative and support service activities | 476 | 16,266 | 2,625 | 18,891 | 100,837 | 40 | 212 | 4.2 |
| O – Public administration | 248 | 1,363 | 2,085 | 3,447 | 4,235 | 14 | 17 | 4.2 |
| P – Education | 15 | 285 | 70 | 356 | 1,041 | 24 | 70 | 4.9 |
| Q – Human health and social work activities | 424 | 3,026 | 4,723 | 7,748 | 21,514 | 18 | 51 | 4.4 |
| R – Arts | 86 | 1,311 | 1,633 | 2,944 | 5,889 | 34 | 68 | 4.2 |
| S – Other service activities | 650 | 22,871 | 8,459 | 31,329 | 31,312 | 48 | 48 | 4.7 |
| T – Private households | 1,144 | 15,878 | n/a | 15,878 | 25 | 14 | n/a | 4.1 |
| **Total** | **31,334** | **3,025,490** | **829,486** | **3,854,976** | **4,892,968** | **123** | **156** | **4.2** |

| Climate Policy Relevant Sectors | Gross balance in EUR million 30 June 2023 | Financed GHG emissions (t CO2e) | | | | GHG intensity (t CO2e / EUR million) | | Data quality – PCAF score (Scope 1+2) |
|---|---|---|---|---|---|---|---|---|
| | | Scope 1 | Scope 2 | Scope 1+2 | Scope 3 | Scope 1+2 | Scope 3 | |
| buildings | 10,370 | 399,092 | 21,516 | 420,608 | 319,815 | 41 | 31 | 4.3 |
| Energy-intensive | 3,851 | 1,215,594 | 293,763 | 1,509,357 | 1,492,547 | 392 | 388 | 3.3 |
| Transportation | 2,464 | 306,133 | 78,529 | 384,661 | 607,464 | 156 | 247 | 4.2 |
| Agriculture | 366 | 205,935 | 7,696 | 213,631 | 182,430 | 583 | 498 | 4.6 |
| utility \| electricity | 302 | 51,951 | 10,744 | 62,694 | 58,863 | 207 | 195 | 4.1 |
| Fossil fuel | 69 | 15,850 | 3,089 | 18,939 | 24,061 | 276 | 351 | 4.2 |
| **Total** | **17,422** | **2,194,555** | **415,337** | **2,609,891** | **2,685,181** | **150** | **154** | **4.1** |

| Alignment Metric Sectors | Gross balance in EUR million 30 June 2023 | Financed GHG emissions (t CO2e) | | | | GHG intensity (t CO2e / EUR million) | | Data quality – PCAF score (Scope 1+2) |
|---|---|---|---|---|---|---|---|---|
| | | Scope 1 | Scope 2 | Scope 1+2 | Scope 3 | Scope 1+2 | Scope 3 | |
| Steel | 1,204 | 949,137 | 100,019 | 1,049,157 | 1,047,475 | 871 | 870 | 2.6 |
| Power | 1,074 | 247,011 | 50,857 | 297,868 | 245,001 | 277 | 228 | 4.1 |
| Motor vehicle | 510 | 7,545 | 11,292 | 18,836 | 37,542 | 37 | 74 | 3.9 |
| Paper | 251 | 73,676 | 64,178 | 137,853 | 91,781 | 550 | 366 | 3.3 |
| Cement | 179 | 103,561 | 12,627 | 116,188 | 54,643 | 650 | 306 | 4.0 |
| Shipping | 41 | 17,935 | 176 | 18,111 | 4,864 | 446 | 120 | 4.1 |
| Oil and gas | 31 | 12,874 | 1,773 | 14,647 | 7,892 | 472 | 254 | 4.2 |
| Aviation | 7 | 8,832 | 87 | 8,919 | 1,668 | 1,346 | 252 | 4.3 |
| Coal | 7 | 1,800 | 1,166 | 2,965 | 2,715 | 400 | 366 | 5.0 |
| **Total** | **3,304** | **1,422,370** | **242,175** | **1,664,545** | **1,493,581** | **504** | **452** | **3.5** |

A synopsis of the tables shows that the following sectors are the most affected for Raiffeisenlandesbank Oberösterreich and, at the same time, the most relevant in terms of transition risk:

- Industry (in particular metal, building materials, chemicals and paper)
- Energy industry
- Land transport
- Agriculture
- Real estate and construction

### Assessment / measurement of transitory climate-related risks

Once the sensitive exposure is identified in the portfolio, the risks then need to be quantified and measured. This makes it possible to determine the degree of severity in the identified areas, prioritise the measures and formulate goals, including monitoring and reporting. Raiffeisenlandesbank Oberösterreich aims to reduce climate-related and environmental risks in a cost-effective manner and to define its risk appetite accordingly.

Measurement of the impacts (and therefore an understanding of sensitivity and magnitude) serves in part to develop targets for aligning business strategy to meet the Paris Climate Agreement.

In order to measure the risk arising from different (climate-related) scenarios on Raiffeisenlandesbank Oberösterreich's portfolio, stress scenarios along the lines of the NGFS scenarios[3] are currently being implemented in particular, which were also used as part of the ECB Climate Stress Test 2022. The following table shows the effect of the NGFS scenario "Orderly 2030" on the balance sheet risk provision (Stage 1+2) in IFRS subgroup 34000 (Raiffeisenlandesbank Oberösterreich). A PD simulation was created for this purpose based on the NGFS scenario "Orderly 2030", which results in changes to client ratings, with the balance sheet portfolio provision then subsequently recalculated based on the simulated credit ratings. The column "Delta risk provisioning" shows the change in the balance sheet risk provision that would result with all other things being equal as of 30 June 2023 if the corresponding premises of the "Orderly 2030" scenario had already occurred, which include a CO2 price of approximately EUR 300/t CO2.

[3] NGFS – The Network of Central Banks and Supervisors for Greening the Financial System, 2020a

| Sector (NACE vers. 2 section) | Gross balance (Raiffeisen-landesbank Oberösterreich) in EUR million 30 June 2023 | Risk provision in EUR million 30 June 2023 | Risk provision Simulation Orderly 2030 in EUR million 30 June 2023 | Delta risk provision in EUR million |
|---|---|---|---|---|
| A – Agriculture, forestry and fishing | 171 | -1 | -3 | -2 |
| B – Mining and quarrying | 182 | -1 | -1 | 0 |
| C – Manufacturing | 7,871 | -41 | -55 | -14 |
| D – Electricity, gas, steam and air conditioning supply | 965 | -6 | -9 | -3 |
| E – Water supply; sewerage, waste management and remediation activities | 133 | -1 | -3 | -2 |
| F – Construction | 3,814 | -27 | -40 | -13 |
| G – Wholesale and retail trade; repair of motor vehicles and motorcycles | 2,980 | -14 | -20 | -6 |
| H – Transportation and storage | 835 | -5 | -6 | -1 |
| I – Accommodation and food service activities | 673 | -12 | -15 | -3 |
| J – Information and communication | 353 | -3 | -3 | 0 |
| K – Financial and insurance activities | 16,419 | -15 | -19 | -4 |
| L – Real estate activities | 6,801 | -42 | -60 | -18 |
| M – Professional, scientific and technical activities | 926 | -6 | -7 | -1 |
| N – Administrative and support service activities | 374 | -2 | -4 | -2 |
| O – Public administration | 2,625 | -1 | -1 | 0 |
| P – Education | 8 | 0 | 0 | 0 |
| Q – Human health and social work activities | 427 | -10 | -10 | 0 |
| R – Arts | 81 | -1 | -1 | 0 |
| S – Other service activities | 740 | -6 | -8 | -2 |
| T – Private households | 1,807 | -12 | -24 | -12 |
| U – Activities of extraterritorial organisations and bodies | 89 | 0 | 0 | 0 |
| **Total** | **48,274** | **-206** | **-289** | **-83** |

In summary, it can be stated that there is a big correlation between the calculated GHG intensity per sector/client and the expected PD stress along the transition risk scenario “Orderly 2030”. In this respect, the results of the stress testing support the findings that are already shown in risk identification.

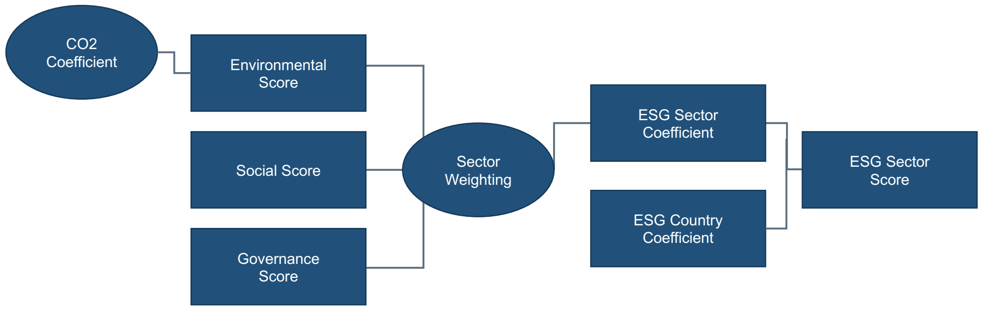
In order to measure the emissions of properties such as single-family and multi-family houses, hotels, shopping centres and business premises, energy performance certificates of the securitised or financing properties must be submitted in connection with the financing. The energy efficiency indicators according to OIB Guideline 6 (Energy Saving and Thermal Insulation) of May 2023 are used in Austria for identification and assessment purposes.

Energy performance certificates for properties in other European countries are not directly comparable with the Austrian calculation and the energy efficiency classes are currently estimated to this effect if they are not available.

Energy certificates amounting to 23.6% of the market value of securities measured against the total market value of immovable securities for loans and advances in the CRR basis of RBG OÖ Verbund eGen related to emissions are available as at the reporting date of 30 June 2023. The energy performance certificates available for this indicator predominantly relate to Austria.

## ESG score

The ESG score is a multi-level assessment of the client regarding environmental (climate and environment), social (social) and governance (corporate management) dimensions. All dimensions can be considered individually or the ESG score can be considered overall. Starting from a basic score (industry estimate depending on the industry involved and the client's country of domicile), the plan is for a client-specific score to be determined over the course of 2023 by means of a questionnaire. The basic scores are already provided as information in the existing lending process. The scores are on a scale from 0 to 100, with a higher score indicating a higher sustainability performance.




The focus is currently on the basic E-score (climate and environment), which is based on qualitative and quantitative aspects. The quantitative values are collected via an e-questionnaire before being processed further and compared with benchmark values. The Benchmark values are provided by Raiffeisen Research at 6-digit GICS code level and are updated regularly. They represent a global external portfolio based on information from Reuters and Bloomberg. The respective quantitative ratings are based on the deviations from the average within the GICS codes considered.

The qualitative data points are based on seven questions that are standardised for all sectors. However, the weighting is different for each sector. Guarantees are in place to ensure that no company can score above 100 or below 0.

The E-Score is less concerned with defining an absolute value for environmental performance and more about showing the development over time and ranking environmental performance in a peer-to-peer comparison. It is currently already available in its base version as an informative value within the financing application. Furthermore, the E-Score will also be made available over the course of 2023 within the framework of the ESG portal (web-based application) for the speakers to query and support the funding process.

The following figure shows the "Corporate Screening" screen with the E, S and G scores for the respective company as well as global and regional comparisons and comparisons within an industry:


The following table shows the loans and advances to clients for the reporting date 30 June 2023 in the CRR basis of RBG OÖ Verbund eGen per industry group classified according to the E-base score. A higher E-score indicates a higher environmental performance compared to a lower E-score.

| Loans and advances to clients by industry group as at 30 June 2023 | Gross balance in EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | Total | of which E-base score | | | | |
| | | < 30 | >= 30 and < 40 | >= 40 and < 50 | 50 to 100 | >= 50 in % |
| Commercial and other real estate projects | 3,934,369 | 0 | 6,904 | 553,752 | 3,373,713 | 86% |
| Construction and ancillary building trade | 1,891,957 | 0 | 125,681 | 1,160,908 | 605,369 | 32% |
| Residential property developers for profit | 1,701,433 | 0 | 0 | 1,258,518 | 442,915 | 26% |
| Private households | 1,645,560 | 434 | 2,401 | 1,642,131 | 595 | 0% |
| Motor vehicles | 1,253,957 | 0 | 19,905 | 895,063 | 338,989 | 27% |
| Transport and warehousing | 1,217,576 | 0 | 217 | 854,645 | 362,713 | 30% |
| Mechanical engineering and plant construction | 1,175,910 | 0 | 5,922 | 798,215 | 371,773 | 32% |
| Foodstuffs | 1,162,166 | 19 | 1,783 | 982,360 | 178,004 | 15% |
| Consumer goods | 1,084,740 | 0 | 16,284 | 691,359 | 377,097 | 35% |
| Public sector and non-profit organisations | 964,549 | 0 | 0 | 497,899 | 466,650 | 48% |
| Metal production and processing | 961,081 | 0 | 18,839 | 760,958 | 181,285 | 19% |
| Tourism, accommodation, gastronomy | 944,698 | 0 | 0 | 854,961 | 89,737 | 9% |
| Real estate project operators | 926,385 | 0 | 0 | 414,341 | 512,044 | 55% |
| Plastics, chemical products | 787,901 | 0 | 1,105 | 461,072 | 325,724 | 41% |
| Other economic services | 768,551 | 2,716 | 32,390 | 629,542 | 103,903 | 14% |
| Electronic/electrical | 697,495 | 0 | 111 | 572,806 | 124,578 | 18% |
| Agriculture and forestry | 656,559 | 0 | 355,360 | 182,830 | 118,369 | 18% |
| Energy supply | 604,136 | 0 | 152,252 | 180,244 | 271,640 | 45% |
| Investment companies | 572,037 | 0 | 323 | 245,585 | 326,129 | 57% |
| Residential property developers non-profit | 558,825 | 0 | 0 | 422,498 | 136,327 | 24% |
| Health and social work | 546,305 | 0 | 4,461 | 413,224 | 128,621 | 24% |
| Information and communication | 461,172 | 0 | 31,328 | 175,589 | 254,255 | 55% |
| Pharmaceutical industry and medical technology | 385,358 | 0 | 56 | 257,050 | 128,253 | 33% |
| Furniture production and trade | 343,130 | 0 | 0 | 247,677 | 95,453 | 28% |
| Leisure | 312,699 | 0 | 0 | 246,105 | 66,594 | 21% |
| Freelance/technical services | 283,872 | 0 | 0 | 39,827 | 244,046 | 86% |
| Funds and private foundations | 271,260 | 0 | 0 | 256,936 | 14,323 | 5% |
| Paper and paperboard | 262,965 | 0 | 0 | 55,985 | 206,981 | 79% |
| Petroleum, natural gas, other raw materials | 252,633 | 0 | 67,674 | 138,674 | 46,285 | 18% |
| Renewable energies | 174,741 | 0 | 113,028 | 61,639 | 73 | 0% |
| Financial and insurance services | 160,273 | 0 | 0 | 24,945 | 135,328 | 84% |
| Water supply and waste disposal | 147,878 | 0 | 0 | 145,111 | 2,767 | 2% |
| Finance leases | 86,419 | 0 | 0 | 83,183 | 3,236 | 4% |
| Other | 3,791 | 0 | 0 | 1,304 | 2,486 | 66% |
| **Loans and advances to clients in the CRR basis** | **27,202,381** | **3,169** | **956,024** | **16,206,936** | **10,036,255** | |

The e-base score determined at the client level by industry (industry as a whole) is reported monthly in the report on the limited sectors and communicated to the Risk and Market Board member and all divisional heads of the Financing Management and Market divisions. The report is also published on working@raiffeisen (internal information platform) to provide all employees concerned with an industry overview.

### PACTA for Banks (Paris Agreement Capital Transition Assessment)

How well are financial flows already aligned with the Paris climate goals? The PACTA initiative involved conducting an international climate compatibility test for the first time. Austria has participated in the PACTA 2020 initiative. Raiffeisenlandesbank Oberösterreich participated in the PACTA for Banks study for the reporting date 30 September 2020 and repeated it for the reporting dates 31 December 2021 and 31 December 2022. This study/tool is a programme specially designed for financial institutions to assess how compatible their portfolios are with the decarbonisation pathways under the Paris Climate Agreement. PACTA's benchmark portfolios are mapped with the Banks' portfolios in various climate scenarios with this.

Since the PACTA benchmark portfolio only contains certain companies (that tend to be large), the degree of coverage in the mapping with the Raiffeisenlandesbank Oberösterreich portfolio is low. As such, the significance is limited. However, the mapping provides a basic direction for matching clients, which allows it to be used as a guide.

In addition to the organisation's own climate pathway, the information provided by PACTA on the extent to which emissions must be reduced in certain sectors in the assumed climate scenario is also of high value. The results of the various sub-portfolios thus show the emission reduction requirements involved for the various climate scenarios for the clients included in these.

### Control of transitory climate risks

Suitable KPIs/KRIs must be defined in advance if the climate-related and environmental risks measured are to be controlled efficiently. To do this, risk parameters such as the financed GHG emissions (or their intensity), the alignment metrics or science-based targets, ambitions for climate protection path targets (especially for clients in climate policy relevant sectors "CPRS"), the client-specific E-Score as well as the exposure to physical climate risks will play a role at the business or client level. Taxonomy ratios such as GAR or BTAR will also find their way into the steering framework, even if they are not directly relevant for risk purposes.

To achieve corresponding control effects, these control-related parameters must be incorporated into limits (e.g. the definition of internal GHG budgets) or exclusion criteria or used primarily to control pricing policy. Corresponding models aimed at pricing are already being developed.

From a transitory perspective, Net-Zero 2050 represents the goal for future control measures. In addition, the most important thing is to ensure cost-efficient controls in which future changes in the framework conditions (transitory and physical) are incorporated into current business decisions in the best possible way.

To this end, the risk strategy stipulates, among other things, that the financed GHG emissions must be taken into account in the lending decision. In addition, new business in the CPRS, in particular, must be subjected to more intensive monitoring. Against the background of rising CO2 prices (especially in the EU ETS in the last two to three years), appropriate monitoring and subsequent control is of particular relevance.

Comprehensive and relevant data need to be collected in order to ensure accurate controls in future. This includes the development of the alignment metrics primarily, each reflecting a product intensity. These will also be used to manage the portfolio in a climate-specific way in future in order to get gradually closer to the goal of Net-Zero 2050.

In addition to external influencing factors, dealt with in the section on "physical climate risks", emissions from buildings constitute a significant risk and, in extreme cases, can lead to stranded assets. The financing of properties should therefore be influenced in future by the energy efficiency indicators presented.

## Physical climate-related risks

Physical climate-related risks involve the financial and non-financial effects of a changing climate on companies and, in particular, on immovable securities taken to secure receivables. This can take the form of more frequent and intense weather events and environmental destruction.

From an internal control perspective, the main focus in 2023 will be placed on the further development of the physical risk map and subsequent assessment of the physical risks in the portfolio.

## Identification of physical climate-related risks

Physical climate-related risks are divided into acute and chronic risks and are defined as follows:

Acute physical climate-related risks consist of stronger and more frequent extreme weather events that occur in the future and materialise directly.

Chronic physical climate-related risks are seen as a consequence of gradual climate changes and, in this sense, are more long-term or emerge steadily.

Raiffeisenlandesbank Oberösterreich analyses and subsequently monitors the following physical climate-related risks with regard to the immovable security portfolio:

Type of physical climate risk:

| Acute | Chronic |
|---|---|
| Wildfire | Change in temperature |
| Heavy rain | Change in wind pattern |
| Landslide | Change in precipitation pattern |
| Coldwave | Precipitation variability |
| Heatwave | Water stress |
| Drought | Heat stress |
| Flood | Temperature variability |
| Wind gust | Sea level rise |

The immovable portfolio of securities concerns properties of various forms and is distributed geographically as follows:

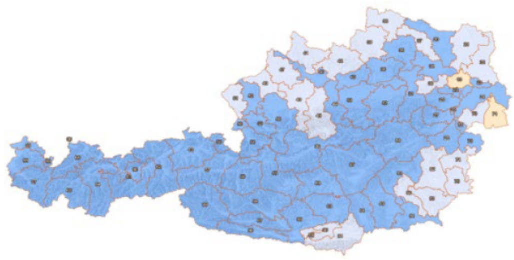
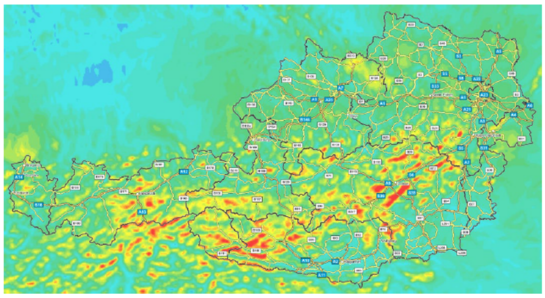
Geographical distribution in % of immovable securities to loans and advances to clients in the CRR basis

| Country | 30 June 2023 |
|---|---|
| Austria | 60.9% |
| Germany | 29.0% |
| Czechia | 6.3% |
| Slovakia | 2.7% |
| Croatia | 0.7% |
| Other | 0.4% |

### Assessment / measurement of physical climate-related risks

Several providers of cross-border physical climate risk data and climate projections are currently being evaluated.

For Austria, historical data on physical risks are available for Raiffeisenlandesbank Oberösterreich via the HORA database (Natural Hazard Overview & Risk Assessment Austria from the Federal Ministry for Agriculture, Forestry, Regions and Water Management). When interpreting the data, it should be noted that the data do not include risk-mitigating measures such as the construction of buildings and the potential extent of damage when the risk occurs.

| Address Zoning in Flood Zones | Storm - Wind Spike Summer |
|---|---|
|  |  |
| no Addresses in Flood Zone<br>0 - 5 % of Addresses in Flood Zone<br>5 - 15 % of Addresses in Flood Zone<br>more than 15 % of Addresses in Flood Zone | 0 - 39 km/h<br>40 - 49 km/h<br>50 - 59 km/h<br>60 - 69 km/h<br>70 - 79 km/h<br>80 - 89 km/h<br>90 - 99 km/h<br>100 - 109 km/h<br>110 - 119 km/h<br>120 - 129 km/h<br>130 - 139 km/h<br>140 - 149 km/h<br>150 - 159 km/h<br>160 - 169 km/h<br>170 - 179 km/h<br>180 - 189 km/h<br>more than 190 km/h |

Source: https://www.hora.gv.at/, 03.03.2023, Media owner: Federal Ministry for Agriculture, Forestry, Regions and Water Management, Stubenring 1, 1012 Vienna, Austria. DPR: 0000183

Around 5% of the real estate currently used as securities for loans and credits in Austria is located in a high-risk flood area (flooding possible in the event of a 30-year flood). A further 4% or so are located in a flood zone with medium risk (flooding possible in the event of a 100-year flood).

Physical risks from avalanches and surface runoff based on the slope have a negligible role in the Austrian real estate securities of Raiffeisenlandesbank Oberösterreich.

The providers currently being evaluated will also support projections of physical climate risks along the internationally defined climate pathways up to the year 2050.

### Controlling physical climate-related risks

When preparing expert surveys on properties, the experts entrusted with this task draw on the eHORA analyses presented above and incorporate the consequences that can be derived from these for the property in question into their assessment.

In the future, these data collected historically will be supplemented to include the forward-looking climate scenarios mentioned above.

## Other environmental risks

The first stage in analysing other environmental risks at Raiffeisenlandesbank Oberösterreich involves focusing on the topic of biodiversity.

Biodiversity (also called biological species diversity) refers to the diversity of genes, animal and plant species, landscapes, ecosystems and all autogenous ecological processes (World Wide Fund for Nature). It can, therefore, also be described as the “diversity of life”. High biodiversity is the benchmark for a healthy environment for humans and nature that is in good working order.

Biodiversity loss can have serious impacts on sectors or businesses that depend on certain ecosystems. Severely affected sectors are likely to suffer losses if they cannot access necessary ecosystems to the extent to which they are accustomed. In a further step, companies themselves have a strong influence on ecosystem services as part of their own business activities.

According to the Living Planet Report 2020 (Bending the curve of biodiversity loss), since the Industrial Revolution, human activities have increasingly destroyed and degraded forests, grasslands, wetlands and other important ecosystems, threatening human well-being. A total of 75% of the Earth’s ice-free land surface has already been significantly altered, most oceans are polluted, and more than 85% of the wetlands area has been lost. This destruction of ecosystems has led to 1 million species (500,000 animals and plants and 500,000 insects) being threatened with extinction over the next decades to centuries, even though many of these extinctions are avoidable if nature is conserved and restored.

The dependence on ecosystem services and the influence of our clients on biodiversity can therefore result in financial risks. The analysis in this regard is only at the early stages, as the complexity of the issue requires corresponding knowledge and expertise, which is currently being established.

## Market risk

Market risk takes the form of changes in interest rates, spreads, currency, volatility 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 entire Managing Board, the Supervisory 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.

For risk management purposes, the securities in the trading book are handled separately; they are included in the report on market risk.

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

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

The market risk is calculated in Front Arena/Risk Cube. The weighted historical simulation is used as the value-at-risk model.

The quality of the Front Arena/Risk Cube programme used or of the methods for historical simulation used there is reviewed daily using back testing. Both the mark-to-market results actually obtained (financial profit/loss) as well as the hypothetical results (portfolio is kept constant one day; no impact by exogenous factors) are compared with the risks calculated and tested for significance.

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

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 as at 30 June 2023 and 31 December 2022 (confidence level: 99.0%, holding period one month).

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| **Value at Risk** | **115,897** | **115,344** |
| Interest | 110,277 | 110,465 |
| Spread | 39,333 | 32,374 |
| Currency | 892 | 776 |
| Shares | 1,602 | 1,589 |
| Volatility | 4,152 | 3,630 |

The total value at risk as well as the interest value at risk as at 30 June 2023 are effectively unchanged compared to 31 December 2022. The moderate increase in the spread value at risk by EUR +7.0 million to EUR 39.3 million is due to the purchase of bonds.

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 2023 and 31 December 2022 as applicable.

| | 30 June 2023 | | 31 Dec. 2022 | |
|---|---|---|---|---|
| IN EUR '000 | +200 BP | -200 BP | +200 BP | -200 BP |
| EUR | -303,113 | 324,698 | -298,298 | 354,172 |
| USD | -1,039 | 1,092 | -829 | 851 |
| GBP | -835 | 869 | -9 | 10 |
| CHF | -1,407 | 2,594 | -1,018 | 2,198 |
| JPY | 619 | -598 | -103 | 184 |
| CZK | 349 | -187 | -1,048 | 1,112 |
| Other Currencies | 332 | -445 | -2 | 89 |

The stress test shows the change in present value in the event of a parallel shift of the interest rate curve by +/-2 percentage points, respectively.

## Interest rate risk management

Interest rate risk management at Raiffeisenlandesbank Oberösterreich is carried out on the basis of management strategies agreed with the Managing Board as a whole and financial targets. The interest rate projections and the respective concerted positioning are continuously presented within the framework of the Asset Liability Committee. At the consolidated level, the aim is to achieve a fixed-interest surplus in order to capture maturity transformation outcomes. Interest rate risk is managed primarily through basic business transactions (loans, issues) or their hedging. A "statement of financial position review" is carried out for asset items in proprietary fund holdings; the bonds are therefore incorporated into the hedging strategies of the consolidated banking book.

Basic business transactions can be classified as fair value option in order to reduce the statement of financial position fair value risk of the overall position. For this purpose, however, a partial or full hedging transaction must exist for this underlying transaction. It is also possible to link several basic businesses with one hedging transaction if the business content is almost identical. An explicit increase in the interest rate risk of the FVPL position by including a transaction in the fair value option is avoided.

In addition to hedges at the individual level of Assets and Liabilities in the form of hedge accounting, Raiffeisenlandesbank Oberösterreich manages interest rate risks at the macro level within the framework of the application of the portfolio fair value hedge. Both fixed-interest assets and liabilities in defined maturity bands are combined into an overall risk position and hedged with corresponding derivative hedging transactions. It should be noted that variable instruments in which caps/floors are embedded also have fixed interest rate risks. The bottom layer approach is applied in accordance with the EU carve-out regulations on IAS 39.

## Macroeconomic risk

Raiffeisenlandesbank Oberösterreich interprets macroeconomic risk as an additional risk resulting from an assumed recession and its impact on the economic perspective of risk-bearing capacity.

Stressed balance sheet loan loss allowances are simulated based on the pessimistic scenario from IFRS 9. The result is increased loan loss allowances due to the increased PDs and LGDs from this pessimistic scenario and the resulting increased stage transfers from Stage 1 to 2. The difference between the stressed loan loss allowances from the pessimistic scenario and the booked loan loss allowances results in the Macroeconomic Risk Pillar 2. This amount is taken into account in the economic perspective (99.9%) of the risk-bearing capacity analysis as a deduction item in the cover assets and thus increases risk utilisation.

For the pessimistic scenario, depending on the direction of impact of the macroeconomic factor, the upper or lower just under 1% to 10% quantile of the forecast interval is used by means of a polynomial function. This reflects the rising uncertainty with an increasing forecast horizon. See the section “Accounting and valuation methods” for further details on the macroeconomic forecasts used.

## 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 clients or contractual partners. The credit risk is mainly generated by the loans and advances to clients and banks and from securities from the banking book.

A credit value adjustment (CVA) and debt value adjustment (DVA) were determined as part of the inclusion of credit risk in the mark-to-model measurement of derivatives. The main factors used in determining the CVA and DVA were the term to maturity, counter-party default risk and securitisation.

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

The principles for assessing clients’ creditworthiness are explained in the manuals entitled “RLB Group Rating Guideline” and “Group Securities Guidelines”. These regulations provide a compact representation of the standards valid for Raiffeisenlandesbank Oberösterreich. They are based on international standards (Basel), regulations from the European Union (CRR), the EBA Guidelines, national statutes and laws (Austrian Banking Act, Credit Institution Risk Management Regulation) or on supervisory recommendations (FMA minimum standards for lending, FMA series of guidelines on credit risk).

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 securities provided.

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

<table>
<tr><th>10-point scale</th><th>Subclasses</th><th>Designation</th></tr>
<tr><td>0.5</td><td>0.5</td><td>risk-free</td></tr>
<tr><td>1.0</td><td>1.0</td><td>outstanding creditworthiness</td></tr>
<tr><td>1.5</td><td>1.5</td><td>very good creditworthiness</td></tr>
<tr><td rowspan="2">2.0</td><td>2 +</td><td rowspan="2">good creditworthiness</td></tr>
<tr><td>2.0</td></tr>
<tr><td rowspan="2">2.5</td><td>2 -</td><td rowspan="2">average creditworthiness</td></tr>
<tr><td>2.5</td></tr>
<tr><td rowspan="2">3.0</td><td>3 +</td><td rowspan="2">satisfactory creditworthiness</td></tr>
<tr><td>3.0</td></tr>
<tr><td rowspan="2">3.5</td><td>3 -</td><td>mediocre creditworthiness</td></tr>
<tr><td>3.5</td><td>poor creditworthiness</td></tr>
<tr><td rowspan="2">4.0</td><td>4 +</td><td rowspan="2">very poor creditworthiness</td></tr>
<tr><td>4.0</td></tr>
<tr><td>4.5</td><td>4.5</td><td>in danger of default</td></tr>
<tr><td rowspan="3">5.0</td><td>5.0</td><td rowspan="3">default criteria reached</td></tr>
<tr><td>5.1</td></tr>
<tr><td>5.2</td></tr>
</table>

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.

Against the backdrop of the coronavirus pandemic and its economic impact, the focus was on creditworthiness and security approaches. As described in the “Climate and environmental risks” section, other parameters at the client and business level are now coming further to the fore, namely business model and emissions. See the “Accounting and valuation methods” section for uncertainties related to macroeconomic developments in connection with the portfolio impairment IFRS 9.

### Credit value at risk

The overall risk of all assets exhibiting counter-party default risk is assessed on a monthly basis. Risk may arise due to credit default, deterioration in creditworthiness or a reduction in the intrinsic value of securities, and it is communicated through the key figures expected loss and unexpected loss.

The expected loss represents the most probable value decrease of a given portfolio. This specified loss of 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 a probability of 99.9%.

Unexpected loss is calculated in a portfolio model that also takes into account concentration risk. The portfolio value distribution is prepared on the basis of transition probabilities and correlations using a Monte Carlo simulation. The asset value model is applied to this end. The asset value model derives the correlations between the counterparties on the basis of the MSCI Sector Indexes. The unexpected loss per quantile is read from the portfolio value distribution.

Unsecured exposures in the economic ratings 5.0 to 5.2 (or 10A-10C according to the 30-part rating scale) for which there is no specific allowance are attributed to unexpected loss. The respective LGD values (Best Estimation of Expected Loss (BEEL), client segmentation TimeInDefault: no securitisation <= 24 months) for corporates and retail are taken into account. The risks/opportunities from loan defaults or changes in creditworthiness for all other clients are simulated using a market valuation model.

## Overall structure by item on the balance sheet

### Maximum credit risk exposure

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Cash and cash equivalents (credit balance at central banks) | 12,570 | 12,355 |
| Loans and advances to banks | 11,720,955 | 12,390,194 |
| Loans and advances to clients | 26,186,509 | 25,932,807 |
| Trading assets | 1,444,559 | 1,621,764 |
| Financial assets | 4,284,710 | 3,945,726 |
| Assets held for sale | 0 | 0 |
| **Total** | **43,649,303** | **43,902,846** |
| Financial guarantees | 3,164,476 | 3,248,302 |
| Loan commitments | 7,305,863 | 7,477,691 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 |
| **Total** | **10,470,339** | **10,725,993** |
| **Maximum credit risk exposure** | **54,119,642** | **54,628,839** |

### Securities values for overall structure

The stated securities 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.

### Securities values

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Loans and advances to banks | 36,044 | 46,175 |
| Loans and advances to clients | 15,377,086 | 15,218,073 |
| Trading assets | 89,241 | 121,002 |
| Financial assets | 31,755 | 34,103 |
| Assets held for sale | 0 | 0 |
| **Total** | **15,534,126** | **15,419,353** |
| Financial guarantees | 345,005 | 327,462 |
| Loan commitments | 993,685 | 1,109,279 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 |
| **Total** | **1,338,690** | **1,436,741** |
| **Securities values** | **16,872,816** | **16,856,094** |

As at 30 June 2023, 67.6% (previous year: 66.7%) of the total financial securities value consists of securities on immovable assets (e.g. mortgages, land register rankings).

## Industry structure/concentration risks

### Maximum credit risk exposure by industry

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Credit institutions in Austria | 14,664,244 | 14,616,731 |
| Commercial and other real estate projects | 4,139,595 | 4,166,376 |
| Construction and ancillary building trade | 3,532,394 | 3,351,024 |
| Public sector and non-profit organisations | 3,356,682 | 3,237,100 |
| Mechanical engineering and plant construction | 2,190,755 | 2,157,933 |
| Private households | 1,897,178 | 2,007,019 |
| Residential property developers for profit | 1,838,250 | 1,783,914 |
| Motor vehicles | 1,650,139 | 1,714,723 |
| Transport and warehousing | 1,524,769 | 1,513,203 |
| Credit institutions in the EU, except Austria | 1,506,045 | 1,565,822 |
| Metal production and processing | 1,404,392 | 1,457,692 |
| Consumer goods | 1,388,019 | 1,361,137 |
| Foodstuffs | 1,346,583 | 1,359,160 |
| Real estate project operators | 1,134,997 | 1,274,958 |
| Tourism, accommodation, gastronomy | 1,077,496 | 1,103,848 |
| Plastics, chemical products | 1,059,378 | 1,081,101 |
| Electronic/electrical | 1,020,801 | 1,019,434 |
| Other economic services | 886,136 | 918,270 |
| Agriculture and forestry | 843,166 | 822,700 |
| Energy supply | 804,899 | 908,286 |
| Investment companies | 679,091 | 681,703 |
| Information and communication | 630,641 | 696,763 |
| Health and social work | 626,429 | 645,479 |
| Pharmaceutical industry and medical technology | 563,183 | 492,464 |
| Funds and private foundations | 555,953 | 518,911 |
| Financial and insurance services | 552,720 | 658,459 |
| Residential property developers non-profit | 481,641 | 488,101 |
| Leisure | 457,933 | 488,104 |
| **Subtotal** | **51,813,509** | **52,090,415** |
| Other sectors | 2,306,133 | 2,538,424 |
| **Maximum credit risk exposure** | **54,119,642** | **54,628,839** |

In the CRR basis of finance holding (Raiffeisenbankengruppe OÖ Verbund eGen) there were 27 major loans* (not including loans to Group members) as at 30 June 2023 (31 December 2022: 29). Of these, 10 (31 December 2022: 11) are attributable to large exposures in the commercial sector, 3 (31 December 2022: 3) for large exposures in the banking sector and 14 (31 December 2022: 15) for large exposures to public authorities.

* Value (before applying exceptions and before deducting securities) greater than 10% of eligible own funds for large exposures under the CRR

## Geographic distribution of the loans and advances to clients

| Geographical distribution | Loans and advances to clients | |
|---|---|---|
| Country | 30 June 2023 | 31 Dec. 2022 |
| Austria | 59.0% | 59.4% |
| Germany | 26.7% | 26.0% |
| Czechia | 3.8% | 3.9% |
| Poland | 2.0% | 1.9% |
| Romania | 2.0% | 1.8% |
| Slovakia | 1.4% | 1.5% |
| Croatia | 1.2% | 0.9% |
| Luxembourg | 1.1% | 1.2% |
| Other | 2.8% | 3.5% |

## Disclosures on government bonds from selected European countries

| | Measured at fair value through other comprehensive income (FVOCI) | | Measured at fair value through profit or loss (FVTPL) | | Designated at fair value through profit or loss (FVO) | | Total | |
|---|---|---|---|---|---|---|---|---|
| IN EUR M | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 |
| Ireland | 141.9 | 146.4 | 0 | 0 | 0 | 0 | 141.9 | 146.4 |
| Italy | 119.1 | 117.2 | 0 | 0 | 0 | 0 | 119.1 | 117.2 |
| Portugal | 77.9 | 77.7 | 0 | 0 | 0 | 0 | 77.9 | 77.7 |
| Spain | 148.2 | 147.6 | 0 | 0 | 0 | 0 | 148.2 | 147.6 |
| Ukraine | 0.6 | 0.5 | 0 | 0 | 0 | 0 | 0.6 | 0.5 |
| Russia | 0.1 | 0.7 | 0 | 0 | 0 | 0 | 0.1 | 0.7 |
| Belarus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Carrying amounts** | **487.8** | **490.1** | **0** | **0** | **0** | **0** | **487.8** | **490.1** |

As at 30 June 2023, for the listed government bonds in the category "measured at fair value through other comprehensive income" (FVOCI) there was a positive OCI reserve of approx. EUR 17.5 million (31 December 2022: EUR 16.5 million) Beyond that, we held no credit default swaps (CDS) in connection with the aforementioned countries.

## Structure of performing* overdue credit risk exposures and the related securities

The carrying amounts of performing* overdue assets relate exclusively to the balance sheet item "Loans and advances to clients" (including loans and advances to clients held for sale). They are shown in the following table including the corresponding securities values:

| | 30 June 2023 | | | 31 Dec. 2022 | | |
|---|---|---|---|---|---|---|
| | overdue assets | | Securities for overdue | overdue assets | | Securities for overdue |
| IN EUR '000 | Gross balance | Carrying amount | sale | Gross balance | Carrying amount | sale |
| up to 30 days | 702,374 | 696,551 | 507,947 | 739,697 | 733,456 | 459,122 |
| 31 to 60 days | 126,163 | 123,835 | 106,722 | 107,142 | 106,238 | 93,983 |
| 61 to 90 days | 21,063 | 20,763 | 17,909 | 11,682 | 11,566 | 9,822 |
| over 90 days | 19,907 | 19,655 | 17,783 | 22,307 | 21,747 | 18,484 |
| **Total** | **869,507** | **860,804** | **650,361** | **880,828** | **873,007** | **581,411** |

*Performing vs. non-performing in accordance with Article 47a CRR

Securities values include deductions, are reviewed promptly and correspond to a conservative estimate of the proceeds that could be expected over the long term from recovery of the securities.

As at 30 June 2023, 21.8% (31 December 2022: 5.3%) of the total securities values for performing* past due credit risk exposures consisted of securities for immovable assets (e.g., mortgages, land register rankings).

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

### Loan loss allowances and securities for non-performing* credit risk exposures

The financial assets that are determined to be non-performing* as at the reporting date have the following structure and have the following securities assigned:

| IN EUR '000 | Loans and advances to banks 30 June 2023 | Loans and advances to banks 31 Dec. 2022 | Loans and advances to clients 30 June 2023 | Loans and advances to clients 31 Dec. 2022 | Financial assets 30 June 2023 | Financial assets 31 Dec. 2022 | Financial guarantees 30 June 2023 | Financial guarantees 31 Dec. 2022 | Credit risks 30 June 2023 | Credit risks 31 Dec. 2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Gross value | 0 | 0 | 1,029,744 | 924,960 | 329 | 1,957 | 47,045 | 33,968 | 22,993 | 38,210 |
| Loan loss allowances** | 0 | 0 | -317,317 | -301,747 | -239 | -440 | -20,771 | -16,959 | -3,969 | -8,112 |
| of which loan loss allowances FX financing | 0 | 0 | -27,451 | -32,072 | 0 | 0 | 0 | 0 | -86 | -147 |
| **Carrying amounts** | **0** | **0** | **712,427** | **623,213** | **90** | **1,517** | **26,274** | **17,009** | **19,024** | **30,098** |
| **Securities** | **0** | **0** | **582,866** | **455,428** | **0** | **0** | **11,569** | **5,792** | **8,110** | **8,761** |

* Performing vs. non-performing in accordance with Article 47a CRR
** incl. credit rating-induced fair value changes for transactions categorised at FVPL

Loan loss allowances in accordance with the definition of non-performing* 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.

In addition to default according to Article 178 CRR (insolvencies, impending insolvency, lawsuits, deferrals, restructurings, significant credit risk adjustments, receivables waivers, direct impairment losses, interest exemptions related to creditworthiness, acceleration of maturity, moratoria/payment stop/licence withdrawal at banks, material 90-day overdues), the non-performing* definition of the Raiffeisenlandesbank Oberösterreich Group also includes the transactions to be reported as non-performing in connection with forbearance (non-performing in accordance with Article 47a CRR).

New non-performing* cases that were recorded in accordance with the Restructuring and Insolvency Directive Implementation Act/StaRUG in the first half of 2023, but do not constitute formal insolvency proceedings, have been of minor importance so far.

Clients with a non-performing* indicator are either assigned to the credit rating classes 5.0, 5.1 and 5.2 or have been granted restructuring measures again as a result of repeated economic difficulties following an earlier non-performing phase or were more than 30 days overdue in the one-year trial phase following recovery from their non-performing status.

In terms of asset quality, the Raiffeisenlandesbank Oberösterreich Group had the following key figures for loans and advances to clients and banks (including balances with central banks): the NPL ratio as at 30 June 2023 was 2.68% (31 December 2022: 2.38%). Coverage Ratio I amounted as at 30 June 2023 to 30.82% (31 December 2022: 32.62%), Coverage Ratio II was at 87.42% (31 December 2022: 82.86%).

* Performing vs. non-performing in accordance with Article 47a CRR

### Structure of non-performing* credit risk exposures by overdue bands

Gross carrying amounts of financial assets that are considered non-performing*:

| IN EUR '000 | Not impaired or up to 30 days | | 31 to 60 days | | 61 to 90 days | | over 90 days | |
|---|---|---|---|---|---|---|---|---|
| | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 |
| Loans and advances to banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to clients | 618,005 | 652,641 | 29,321 | 24,481 | 27,812 | 14,454 | 354,606 | 233,384 |
| Financial assets | 329 | 1,957 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial guarantees | 47,046 | 33,968 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan commitments | 22,993 | 38,211 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Gross carrying amounts** | **688,373** | **726,777** | **29,321** | **24,481** | **27,812** | **14,454** | **354,606** | **233,384** |

Loan loss allowances for financial assets that are considered non-performing*:

| IN EUR '000 | Not impaired or up to 30 days | | 31 to 60 days | | 61 to 90 days | | over 90 days | |
|---|---|---|---|---|---|---|---|---|
| | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 |
| Loans and advances to banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to clients | 140,368 | 173,485 | 8,290 | 6,794 | 16,158 | 5,761 | 152,501 | 115,706 |
| Financial assets ** | 239 | 440 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial guarantees | 20,771 | 16,959 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan commitments | 3,969 | 8,112 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Loan loss allowances** | **165,347** | **198,996** | **8,290** | **6,794** | **16,158** | **5,761** | **152,501** | **115,706** |

Carrying amounts of financial assets that are considered non-performing*:

| IN EUR '000 | Not impaired or up to 30 days | | 31 to 60 days | | 61 to 90 days | | over 90 days | |
|---|---|---|---|---|---|---|---|---|
| | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 |
| Loans and advances to banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to clients | 477,637 | 479,156 | 21,030 | 17,687 | 11,655 | 8,693 | 202,105 | 117,678 |
| Financial assets | 90 | 1,517 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial guarantees | 26,275 | 17,010 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan commitments | 19,025 | 30,099 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held for sale in a ccordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Carrying amounts** | **523,026** | **527,782** | **21,030** | **17,687** | **11,655** | **8,693** | **202,105** | **117,798** |

* Performing vs. non-performing according to Article 47a CRR
** including credit rating-induced fair value changes for transactions categorised at FVPL

### Securities for non-performing* credit risk exposures by overdue bands

The following value-based securities exist for the non-performing* financial assets:

| | Not impaired or up to 30 days | | 31 to 60 days | | 61 to 90 days | | over 90 days | |
|---|---|---|---|---|---|---|---|---|
| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 | 30 June 2023 | 31 Dec. 2022 |
| Loans and advances to banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to clients | 374,380 | 337,176 | 20,032 | 15,297 | 10,467 | 6,915 | 177,987 | 96,040 |
| Financial assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Financial guarantees | 11,569 | 5,792 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan commitments | 8,110 | 8,761 | 0 | 0 | 0 | 0 | 0 | 0 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Securities** | **394,059** | **351,729** | **20,032** | **15,297** | **10,467** | **6,915** | **177,987** | **96,040** |

* Performing vs. non-performing according to Article 47a CRR

Securities values include deductions, are reviewed promptly and correspond to a conservative estimate of the proceeds that could be expected over the long term from recovery of the securities.

As at 30 June 2023, 71.8% (31 December 2022: 63.1%) of the total securities values for non-performing* credit risk exposures consisted of securities in immovable assets (e.g. mortgages, land register rankings).

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

### Collateral appropriation

Collateral taken into possession by Raiffeisenlandesbank Oberösterreich Group is sold in an orderly and proper manner, and the proceeds from the sale are applied to the repayment of the loan or advance concerned. Appropriated collateral is not generally used in the bank's own operations. The principal objective is to dispose of these properties within an appropriate time-frame. In cases where the disposal of a property proves difficult, alternative uses will be considered, especially letting the property. As at 30 June 2023 and 31 December 2022, no collateral taken into possession were included in the statement of financial position.

### Forbearance

Financial assets (carrying amounts) that were subjected to forbearance-relevant measures as at the end of the financial year were structured as follows:

| IN EUR '000 | 1 Jan. 2023 | Additions H1 2023 | Disposals H1 2023 | 30 June 2023 |
|---|---|---|---|---|
| Loans and advances to clients | 653,434 | 155,928 | -366,208 | 443,154 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| Loan commitments | 39,936 | 40,362 | -27,806 | 0 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 |
| **Performing*** | **693,370** | **196,290** | **-394,014** | **495,646** |
| Loan loss allowances** | 10,626 | 18,759 | -6,791 | 22,594 |
| Loan loss allowance** for exposures held for sale in accordance with IFRS 5 | 0 | 0 | 0 | 0 |

| IN EUR '000 | 1 Jan. 2023 | Additions H1 2023 | Disposals H1 2023 | 30 June 2023 |
|---|---|---|---|---|
| Loans and advances to clients | 266,182 | 139,208 | -54,521 | 350,869 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| Loan commitments | 4,673 | 2,342 | -2,892 | 4,123 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 |
| **Non-performing*** | **270,855** | **141,550** | **-57,413** | **354,992** |
| Loan loss allowances** | 159,363 | 69,054 | -41,649 | 186,768 |
| Loan loss allowance** for exposures held for sale in accordance with IFRS 5 | 0 | 0 | 0 | 0 |

| IN EUR '000 | 1 Jan. 2022 | Additions H1 2022 | Disposals H1 2022 | 30 June 2022 |
|---|---|---|---|---|
| Loans and advances to clients | 591,383 | 155,322 | -102,565 | 644,139 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 249 | 0 | -249 | 0 |
| Loan commitments | 23,105 | 19,433 | -11,747 | 30,791 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 |
| **Performing*** | **614,737** | **174,755** | **-114,561** | **674,930** |
| Loan loss allowances** | 14,250 | 6,986 | -6,184 | 15,052 |
| Loan loss allowance** for exposures held for sale in accordance with IFRS 5 | 6 | 0 | -6 | 0 |

| IN EUR '000 | 1 Jan. 2022 | Additions H1 2022 | Disposals H1 2022 | 30 June 2022 |
|---|---|---|---|---|
| Loans and advances to clients | 222,818 | 56,444 | -56,527 | 222,735 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 |
| Loan commitments | 5,736 | 8,022 | -2,603 | 11,156 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 |
| **Non-performing*** | **228,554** | **64,466** | **-59,129** | **233,890** |
| Loan loss allowances** | 138,791 | 38,517 | -31,009 | 146,299 |
| Loan loss allowance** for exposures held for sale in accordance with IFRS 5 | 0 | 0 | 0 | 0 |

* Performing vs. non-performing in accordance with Article 47a CRR
** Loan loss allowances in accordance with IFRS 9

"Forbearance" refers to measures that are characterised by an alteration of conditions included in the credit agreement to the Borrower's advantage (e.g. 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 facility 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 IFRS 9 will be undertaken for Stage 3.

Amendments to facility agreements made for reasons other than financial difficulties of the borrower must be qualified as market-induced measures and do not constitute forbearance.

## Value adjustment stages pursuant to IFRS 9 by rating classes

The gross carrying amounts and the corresponding final balances of loan loss allowances for loans and advances to banks, loans and advances to clients, financial assets, financial guarantees and credit risks measured at Amortised cost (AC) or at fair value through other comprehensive income (FVTOCI) are broken down per stage according to the 10-point rating scale as follows:

| Rating class | 30 June 2023 | | | | |
|---|---|---|---|---|---|
| IN EUR '000 | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Gross carrying amount per stage by rating class | | | | | |
| 0.5 | 6,400,557 | 192 | 0 | 0 | 6,400,749 |
| 1.0 | 3,374,224 | 6,281 | 0 | 0 | 3,380,505 |
| 1.5 | 17,636,084 | 136,148 | 0 | 0 | 17,772,232 |
| 2.0 | 10,407,484 | 533,322 | 0 | 0 | 10,940,806 |
| 2.5 | 5,213,816 | 808,668 | 0 | 1,242 | 6,023,726 |
| 3.0 | 2,677,985 | 1,514,663 | 0 | 223 | 4,192,871 |
| 3.5 | 1,093,124 | 1,516,623 | 0 | 445 | 2,610,192 |
| 4.0 | 59,211 | 237,701 | 0 | 0 | 296,912 |
| 4.5 | 40,355 | 307,703 | 0 | 2,527 | 350,585 |
| 5.0 | 0 | 0 | 1,075,310 | 24,454 | 1,099,764 |
| No rating | 135,583 | 2,374 | 0 | 0 | 137,957 |
| **Gross carrying amounts** | **47,038,423** | **5,063,675** | **1,075,310** | **28,891** | **53,206,299** |
| Loan loss allowance per stage by rating class | | | | | |
| 0.5 | -8 | 0 | 0 | 0 | -8 |
| 1.0 | -1,525 | -3 | 0 | 0 | -1,528 |
| 1.5 | -21,691 | -258 | 0 | 0 | -21,949 |
| 2.0 | -24,905 | -2,919 | 0 | 1,648 | -26,176 |
| 2.5 | -19,696 | -6,277 | 0 | 303 | -25,670 |
| 3.0 | -18,194 | -23,069 | 0 | 320 | -40,943 |
| 3.5 | -14,555 | -44,421 | 0 | 34 | -58,942 |
| 4.0 | -1,448 | -15,058 | 0 | n/a | -16,506 |
| 4.5 | -406 | -27,093 | 0 | -160 | -27,659 |
| 5.0 | 0 | 0 | -336,059 | -5,932 | -341,991 |
| No rating | -50 | -5 | 0 | 0 | -55 |
| **Loan loss allowances** | **-102,478** | **-119,103** | **-336,059** | **-3,787** | **-561,427** |
| **Carrying amounts** | **46,935,945** | **4,944,572** | **739,251** | **25,104** | **52,644,872** |

| Rating class | 31 Dec. 2022 | | | | |
|---|---|---|---|---|---|
| IN EUR '000 | Stage 1 | Stage 2 | Stage 3 | POCI | Total |
| Gross carrying amount per stage by rating class | | | | | |
| 0.5 | 5,927,396 | 238 | 0 | 0 | 5,927,634 |
| 1.0 | 10,934,087 | 7,454 | 0 | 0 | 10,941,541 |
| 1.5 | 10,595,396 | 329,547 | 0 | 0 | 10,924,943 |
| 2.0 | 9,962,134 | 829,163 | 0 | 162 | 10,791,459 |
| 2.5 | 5,378,600 | 792,907 | 0 | 1,494 | 6,173,001 |
| 3.0 | 3,020,686 | 1,334,896 | 0 | 1,231 | 4,356,813 |
| 3.5 | 928,037 | 1,678,720 | 0 | 507 | 2,607,264 |
| 4.0 | 46,111 | 319,437 | 0 | 456 | 366,004 |
| 4.5 | 44,195 | 224,971 | 0 | 1,247 | 270,413 |
| 5.0 | 0 | 0 | 976,805 | 20,860 | 997,665 |
| No rating | 115,610 | 3,197 | 0 | 0 | 118,807 |
| **Gross carrying amounts** | **46,952,252** | **5,520,530** | **976,805** | **25,957** | **53,475,544** |
| Loan loss allowance per stage by rating class | | | | | |
| 0.5 | -2 | 0 | 0 | 0 | -2 |
| 1.0 | -9,940 | -10 | 0 | 0 | -9,950 |
| 1.5 | -13,930 | -3,540 | 0 | 0 | -17,470 |
| 2.0 | -22,554 | -4,201 | 0 | 609 | -26,146 |
| 2.5 | -18,969 | -6,128 | 0 | 712 | -24,385 |
| 3.0 | -19,306 | -18,706 | 0 | 501 | -37,511 |
| 3.5 | -11,282 | -38,617 | 0 | 1,450 | -48,449 |
| 4.0 | -960 | -12,599 | 0 | 29 | -13,530 |
| 4.5 | -315 | -22,199 | 0 | -293 | -22,807 |
| 5.0 | 0 | 0 | -319,475 | -7,353 | -326,828 |
| No rating | -82 | -58 | 0 | 0 | -140 |
| **Loan loss allowances** | **-97,340** | **-106,058** | **-319,475** | **-4,345** | **-527,218** |
| **Carrying amounts** | **46,854,912** | **5,414,472** | **657,330** | **21,612** | **52,948,326** |

### 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 are managed under a standardised model for each sector 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 LCR (liquidity coverage ratio) for the highest-level financial holding entity (CRR basis of the registered cooperative society RBG OÖ Verbund eGen) as at 30 June 2023 was 169.91% and therefore clearly exceeded the LCR of 100% that banks were required to meet. This demonstrates the good liquidity situation of the Raiffeisenlandesbank Oberösterreich Group.

The survival period as at 30 June 2023 was greater than 365 days, well above the minimum period of 30 days stipulated in the CEBS (Committee of European Banking Supervisors) guidelines.

With regard to its long-term issuer rating, Raiffeisenlandesbank Oberösterreich is rated A2 by Moody's (upgraded from A3 on 1 August 2023).

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:

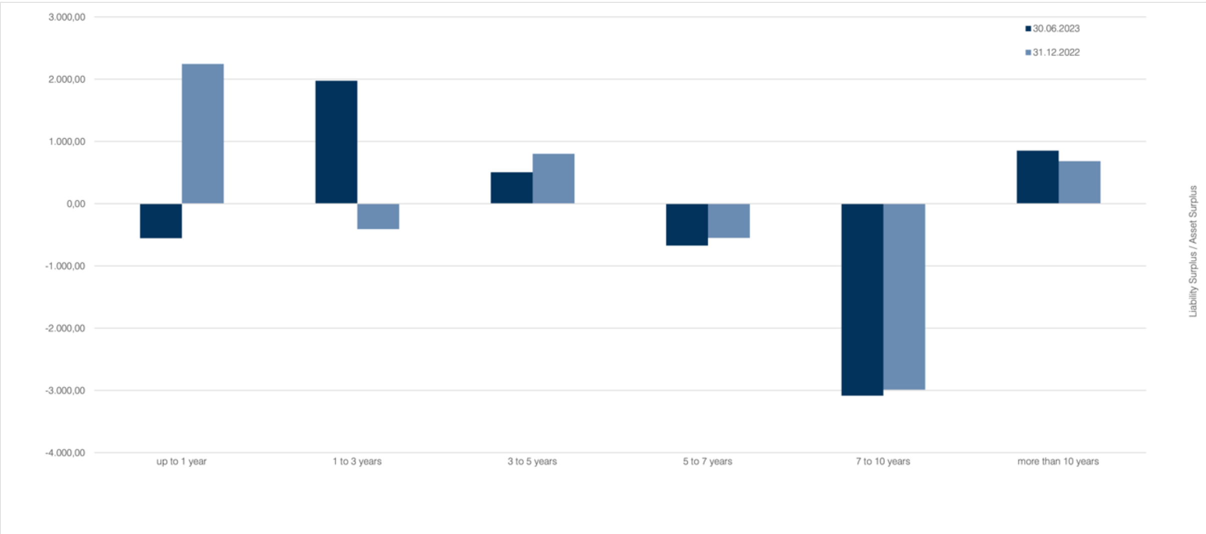
| 30 June 2023<br>IN EUR '000 | Repayable on demand/ without term | up to 3 months | 3 months up to 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Amounts owed to banks | 5,287,483 | 1,767,957 | 4,104,990 | 4,259,364 | 2,587,346 | 18,007,140 |
| Amounts owed to clients | 6,742,598 | 2,773,962 | 1,775,486 | 1,546,335 | 1,420,334 | 14,258,715 |
| Liabilities evidenced by certificates | -2,985 | 120,384 | 655,085 | 6,151,278 | 3,825,347 | 10,749,109 |
| Trading liabilities | 0 | 77,018 | 268,339 | 630,045 | 471,106 | 1,446,507 |
| Subordinated capital | 25,000 | 78,454 | 144,951 | 393,506 | 492,370 | 1,134,281 |
| Liabilities in connection with assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **12,052,096** | **4,817,775** | **6,948,851** | **12,980,528** | **8,796,503** | **45,595,752** |
| Contingent liabilities | 3,164,476 | 0 | 0 | 0 | 0 | 3,164,476 |
| Loan commitments | 7,305,863 | 0 | 0 | 0 | 0 | 7,305,863 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 | 0 | 0 |

| 31 Dec. 2022<br>IN EUR '000 | Repayable on demand/ without term | up to 3 months | 3 months up to 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Amounts owed to banks | 4,984,535 | 1,717,637 | 1,785,893 | 7,320,568 | 2,727,637 | 18,536,270 |
| Amounts owed to clients | 7,865,099 | 1,835,667 | 1,966,602 | 1,350,716 | 1,378,662 | 14,396,746 |
| Liabilities evidenced by certificates | -2,989 | 265,181 | 963,297 | 4,953,600 | 3,993,139 | 10,172,228 |
| Trading liabilities | 0 | 88,104 | 216,462 | 754,698 | 561,947 | 1,621,211 |
| Subordinated capital | 25,000 | 23,738 | 155,309 | 406,701 | 551,399 | 1,162,147 |
| Liabilities in connection with assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **12,871,645** | **3,930,328** | **5,087,563** | **14,786,283** | **9,212,784** | **45,888,602** |
| Financial guarantees | 3,248,302 | 0 | 0 | 0 | 0 | 3,248,302 |
| Loan commitments | 7,477,691 | 0 | 0 | 0 | 0 | 7,477,691 |
| Held for sale in accordance with IFRS 5 – off balance sheet | 0 | 0 | 0 | 0 | 0 | 0 |

From the gap analysis below it can be seen that there is only a low liquidity risk in the individual maturity periods. For the ongoing liquidity balancing, there is a high potential for securities available for tender transactions with the ECB and the Swiss National Bank as well as for other repurchase agreements.

The reduction in the asset surplus up to one year is due to the shortening of the term of the TLTRO III and is compensated for to a large extent by the increase in the liquidity buffer – due to securities released as part of the TLTRO III repayment. The maturity structure of the liquidity buffer does not show any significant concentration of expiring securities within the next three years, apart from retained underlying own issues, which can be re-issued at maturity due to the cover pool reserved for this purpose. The vast majority of securities held as a liquidity buffer have a residual term of more than three years.

### Liquidity gaps CRR basis of RBG OÖ Verbund eGen in EUR million*




* Items without fixed capital commitment are analysed in light of more realistically described historical developments and are modelled as at 30 June 2023; values as at 31 December 2022 are also described using this new method.

### Equity investment risk

The equity investment risk includes direct or indirect potential losses from dividend defaults, value adjustments, reduction of hidden reserves, macroeconomic risks, risks from industry concentration and the risks from sector-specific purchase and sales prices. Disposal losses, regulatory funding obligations and strategic financial restructuring responsibilities are not taken into account in the current risk model and are instead to be regarded as subordinate. With regard to climate and environmental risks, the risk inventory classified transitory risks as “medium” and physical and other risks as “low” in terms of their materiality. Based on these findings, a future consideration of these risks in the equity risk model is being evaluated.

In the course of acquiring a new investment, the assessment made by investment risk management is supported as much as possible by due diligence performed by external experts. In addition, the organisational unit Financing Management Projects & Structured Financing provides a risk evaluation statement regarding the proposed acquisition.

The operative business activities of the investments are closely monitored by sending members of the board at Raiffeisenlandesbank Oberösterreich to Managing Boards, Supervisory Boards, and other committees.

Periodic controlling of investments includes the analysis and testing of financial statements and planning figures.

The Raiffeisenlandesbank Oberösterreich Group has a broadly diversified equity investment portfolio. A value-at-risk model is used to assess the risk potential from participating interests, which, on the basis of external gains or losses (generally on the basis of discounted cash flow-based expert valuations), calculates statistically significant iterations and then compares the calculated value-at-risk figures (confidence interval: 99.9%) with the expert valuation, hereby determining the corresponding risk potential for the economic perspective (99.9%) for each participating interest.

In this process, the corresponding historical fluctuation intensities (volatilities) of the underlying participating interests or of defined reference companies (if not available for the respective participation due to a lack of stock exchange listing) are applied to the input parameters (payment flows or capital costs) of the expert valuation procedure and statistically significant iterations are subsequently calculated on these expert company valuations. The procedure is similar for proportional market share values of listed participations. The risk potential of the entire investment portfolio can thus be determined by aggregating the risk potential of all investments.

On a quarterly basis, the risk potentials determined in accordance with the simulation model (economic perspective 99.9%) and risk coverage from investment companies are used in the risk-bearing capacity analyses conducted periodically at the overall bank level. The overall bank risk management business area produces a quarterly report on equity investment risk.

The following table shows the carrying amounts of the Raiffeisenlandesbank Oberösterreich Group's participating interests as at 30 June 2023 and 31 December 2022, broken down by credit risk class. The quality of the financial assets is shown as follows based on the internal rating for loans:

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

| | Very low / low risk | | Normal risk | | Increased risk | | No rating | |
|---|---|---|---|---|---|---|---|---|
| IN EUR '000 | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 |
| Banks | 1,579,370 | 1,474,930 | 20,837 | 19,715 | 427 | 437 | 404 | 404 |
| Non-banks | 1,528,251 | 1,375,976 | 310,150 | 297,499 | 33,386 | 49,484 | 1,283 | 387 |
| **Equity investment risk** | **3,107,621** | **2,850,906** | **330,987** | **317,214** | **33,813** | **49,921** | **1,687** | **791** |

Equity exposures are generally subject to higher risks compared to credit exposures.

In the equity investment risk model, the exposure of the investments forms the starting point for determining the absolute risk value per investment. If market values in the sense of stock exchange prices are available for the investments, these are primarily used to determine the exposure. This is particularly the case for the major participating interests in the RBI Group, voestalpine AG and AMAG Austria Metall AG.

The risk and exposure development of the investment portfolio in the first half of 2023 was primarily determined by the development of the listed investment voestalpine AG. The share price increased significantly due to good company numbers, which led to a corresponding increase in the reported exposure and risk.

## Operational risk

Raiffeisenlandesbank Oberösterreich defines operational risk as the risk of loss caused by the inappropriateness or failure of internal processes, people or systems, or caused by external events. Operational risk includes legal and reputational risks. Raiffeisenlandesbank Oberösterreich uses the basic indicator approach to quantify operational risk as part of its overall bank risk management.

Raiffeisenlandesbank Oberösterreich uses both organisational measures and IT systems to limit this type of risk as far as possible. A high degree of security is attained by means of limit systems, competence regulations, a risk-adequate internal control system, a comprehensive security manual as a behaviour code and directive, as well as scheduled and unscheduled audits by Internal Audit/Group Audit. The operative management of this type of risk involves risk discussions and analyses with managers (early warning system) as well as systematic recording of errors in a database for analysis (ex-post analysis).

## 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, 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 investment risks, refinancing risks (as a measurement parameter for liquidity risk), operational risks, and other risks to risk coverage. This comparison of the risks with the available coverage depicts the risk-bearing capacity from an economic perspective (99.9%).

From the economic perspective (99.9%), the cover fund is composed of equity, hidden reserves/liabilities, and deductible items. Macroeconomic risk, among other things, is taken into account in the deduction items.

This comparison enables the Raiffeisenlandesbank Oberösterreich Group to guarantee that it can cover extremely unexpected losses from its own funds without major negative effects. Economic capital serves as a risk measure for calculating 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.

In accordance with the "ECB Guidelines for the Internal Capital Adequacy Assessment Process (ICAAP)", Raiffeisenlandesbank Oberösterreich distinguishes between the economic perspective (99.9%) and the supplementary normative perspective: the economic view focuses on a present value risk assessment and utilisation of the risk cover funds, whereas the normative view focuses on statement of financial position risks in the income statement and their impact on the capital ratios.

The following table shows the economic capital for the Raiffeisenlandesbank Oberösterreich Group as at 30 June 2023, compared to the previous year (confidence level 99.9%):

### Details regarding risk capital

| Segment<br>Type of risk | Corporates | | Retail & Private Banking | | Financial Markets | | Equity investments | | Corporate Center | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| IN EUR M | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 | 06/2023 | 12/2022 |
| Market risk | 4.0 | 0.6 | | | 548.6 | 512.0 | 7.1 | 5.8 | | | 559.7 | 518.4 |
| Credit risk* | 689.4 | 713.3 | 81.9 | 74.9 | 90.4 | 80.6 | 28.2 | 28.9 | 121.3 | 75.6 | 1,011.3 | 973.2 |
| Equity investment risk | | 31.9 | 0.2 | | | | 1,709.7 | 1,342.4 | | 0.1 | 1,709.9 | 1,374.4 |
| Refinancing risk | | | | | 0.0 | 0.0 | | | | | 0.0 | 0.0 |
| Operational risk** | 51.8 | 52.2 | 16.0 | 14.5 | 13.1 | 14.2 | 36.9 | 36.7 | 6.0 | 6.2 | 123.8 | 123.8 |
| Other risks/ buffers** | 14.6 | 14.8 | 4.5 | 4.1 | 3.7 | 4.0 | 10.4 | 10.4 | 1.7 | 1.7 | 35.0 | 35.0 |
| **Risk capital** | **759.8** | **812.8** | **102.6** | **93.5** | **655.8** | **610.9** | **1,792.3** | **1,424.1** | **129.1** | **83.6** | **3,439.7** | **3,024.8** |
| **RWA** | **18,593.6** | **18,255.2** | **2,097.4** | **2,177.9** | **1,147.8** | **1,071.4** | **6,811.7** | **6,546.9** | **1,189.6** | **1,078.7** | **29,840.1** | **29,130.2** |

The assignment of risk capital and the RWAs follows the asset allocation as performed in the IFRS consolidated financial statements of Raiffeisenlandesbank Oberösterreich.

* The credit risks are also incurred in the Corporate Center because financing is also allocated to this segment in the IFRS statements. The CVA risk is allocated to Financial Markets.

** The operational risks and the risk buffer were distributed proportionally to the average three-year income.

## Procedures and methods for supervisory monitoring and evaluation

As part of the annual financial statements, the result of the institution's own procedure for assessing the adequacy of internal capital is published in the section "Regulatory consolidated own funds pursuant to section 64 (1) (16 et seq.) of the Austrian Banking Act". Raiffeisenlandesbank Oberösterreich outperforms the SREP ratio stipulated by the authority at all times. The capital ratios applicable for 2023 (P2R and P2G) were also complied with by Raiffeisenlandesbank Oberösterreich as at 30 June 2023.

### Stress tests

Integrated stress tests covering all risk types are also carried out in addition to the isolated stress tests for the individual risk types. These consider the impact on the income statement as well as on capital resources, and also present the impact on the risk utilisation.

In addition to the classic risk types, scenarios regarding climate and environmental risks are already being integrated into the stress test framework. Currently, the focus is on transitory climate risks, which arise primarily from changing political and legal framework conditions.

### Impact on risk-bearing capacity from a normative perspective

In the course of the normative perspective of the risk-bearing capacity analysis, various stress scenarios are considered on the basis of the results of the baseline and adverse planning and their impact is analysed on the income statement and capital ratios. The default of the largest clients in certain industries and general rating downgrades are simulated for the next three years with this. The stress scenario with the highest losses is taken into account as the relevant scenario in the normative perspective in the risk-bearing capacity analysis.

### Impact on risk-bearing capacity from an economic perspective (99.9%)

The objective is to analyse the risk-bearing capacity under stress conditions for all types of risk and the risk coverage. The stressed credit risk or equity investment risk is determined by simulating deteriorations in the ratings of individual borrowers that are in an industry that is significant to Raiffeisenlandesbank Oberösterreich. In addition, the impact of spread changes on the credit exposure or on the credit risk is taken into account. A negative trend for the interest rate curve or the credit spread is assumed in the Market Risk area. Three defined scenarios (problem, reputational risk and systemic crisis) are simulated with the refinancing risk resulting from this then defined. Default on the part of the biggest borrowers is also simulated with an illustration of the operational harm. Furthermore, it is possible to simulate additional scenarios, such as the 2008 financial crisis, Russia’s invasion of Ukraine or a climate stress on the basis of the NGFS scenarios.

### EBA/SSM SREP stress test

The impact on the income statement and therefore on the capital ratios is also considered within the scope of the EBA or SSM-SREP stress test. The time frame is three years and is implemented in accordance with the methods stipulated by the authority.

## Institutional protection scheme

### Raiffeisen Banking Group Upper Austria

The Raiffeisen Banking Group Austria (RBG Ö) is Austria’s largest banking group with around 303 local Raiffeisen banks, eight regional Raiffeisen banks and Raiffeisen Bank International AG in Vienna. Some 1.7 million Austrians are members and thus co-owners of Raiffeisen banks.

The Raiffeisen Banking Group Upper Austria (RBG OÖ) is made up of a central institution, Raiffeisenlandesbank Oberösterreich Aktiengesellschaft, and 70 Raiffeisen banks with a total of 394 bank branches.

About 317,000 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.

A new Raiffeisen IPS agreement was created with the IPS agreement dated 15 March 2021, replacing the previous IPS structure consisting of federal state IPSs and a national federal IPS. The new Raiffeisen IPS represents an institution-related protection scheme pursuant to Articles 49 (3) and 113 (7) CRR and has also been recognised as a deposit protection scheme.

The structure of the uniform Raiffeisen IPS is such that there are eight federal state groups within this IPS, consisting of the respective Landesbank and the Raiffeisen banks, as well as one federal group, consisting of the RBI and the eight Landesbanks.

The basis for the uniform Raiffeisen IPS is the uniform and joint risk monitoring within the framework of the early detection system of Österreichische Raiffeisen-Sicherungseinrichtung eGen (ÖRS), which is responsible for managing the Raiffeisen IPS. The Raiffeisen IPS also serves to ensure sufficient liquidity and solvency (solvency and minimum capital resources) of the parties to the agreement.

### Aid association of RBG OÖ Raiffeisen Kredit Garantiegesellschaft m.b.H.

Together, the Upper Austrian Raiffeisen banks have established a joint aid association with Raiffeisenlandesbank Oberösterreich Aktiengesellschaft (joint aid association of RBG OÖ and Raiffeisen-Kredit-Garantiegesellschaft m.b.H.), which ensures that in case of economic problems the distressed institutions receive help through adequate measures.

### Deposit guarantee scheme

The new Austrian Deposit Guarantee Scheme and Investor Compensation Act (ESAEG), which implements a European Directive, came into force in mid-August 2015. All member institutions of Raiffeisen Banking Group Upper Austria have been joint members of "Österreichischen Raiffeisen-Sicherungseinrichtung eGen" since 29 November 2021.

The act anticipates the establishment of a deposit guarantee fund that is stocked by annual contributions from banks. The target volume, which must be reached by 2024, is 0.8% of covered deposits. If these funds are insufficient in the event of loss, the banks may be required to provide an additional 0.5% of the covered deposits annually.

Deposits are secured up to EUR 100,000 per client per institute. This applies to both natural and legal entities. Not covered are all deposits listed in section 10 (1) of the Austrian Deposit Guarantee Scheme and Investor Compensation Act (ESAEG) (including deposits from financial institutions, securities firms, insurance companies, pension funds and government agencies).

Covered deposits must be reimbursed within seven working days of the occurrence of a security event.

Another guarantor for the security of deposits is the Austria-wide institutional protection scheme (Raiffeisen-IPS), which was newly founded in 2021 and which both Raiffeisenlandesbank Oberösterreich and all Upper Austrian Raiffeisen banks have joined.

### Bank Recovery and Resolution Act (BaSAG)

The Banking Recovery and Resolution Directive (BRRD) came into force with effect from 1 January 2015 with the establishment of a Europe-wide banking union by the European Union. The Bank Recovery and Resolution Act (BaSAG) implemented the BRRD into Austrian law effective 1 January 2015. This Act requires every bank domiciled in Austria, and that is not part of a group which is subject to consolidated supervision, to create a recovery plan in accordance with the requirements defined in the BaSAG and to update this on an annual basis. As the EU parent company the RBG OÖ Verbund eGen created the 2022 group recovery plan based on this legal position, and this includes the specifics related to Raiffeisenlandesbank Oberösterreich.

A resolution plan will be created by the resolution authority and reviewed at least once per year and updated as necessary.

For the purposes of the stress test associated with the recovery plan under the BaSAG, the bank's recovery potential was ascertained in four different scenarios, whereby two combined (slow or fast/slow manifestation), one idiosyncratic (fast manifestation) and one systemic crisis (slow manifestation) were considered. In terms of stringency, the scenarios meet the criteria of the EBA Guideline 2014/06.

So that crises can be identified at an early stage, early warning indicators are set out in a comprehensive framework concept aimed at ensuring that there is adequate time for implementing suitable countermeasures. The set of indicators selected meets the minimum requirements for qualitative and quantitative indicators in accordance with the EBA Guidelines. Additional indicators were also selected by the organisation itself, meaning a total set of 28 indicators is monitored and regular reports are submitted to the Managing Board.

Raiffeisenlandesbank Oberösterreich is obliged by statute to make an annual contribution to the Single Resolution Fund (SRF) at the European level. The contribution to the resolution fund is stipulated by the supervisory authority responsible in accordance with the deposits not guaranteed in association with the bank's risk profile. If the funds available are not sufficient for the purposes of covering losses, costs and other expenses associated with utilising the fund as a resolution mechanism, extraordinary contributions are collected in order to cover the additional expenses.

The scope of application extends to all banks operating within the eurozone. Non-euro states are able to participate in the SRF on a voluntary basis.

## Other information

### Information regarding associated companies and persons

The ultimate parent company is RBG OÖ Verbund eGen which is not operationally active, apart from its function as a holding company. The "superordinate companies" also include RLB Holding eGen OÖ, which is controlled by RBG OÖ Verbund eGen with more than 50% of the shares and in turn owns 1.08% of the ordinary shares in Raiffeisenlandesbank Oberösterreich Aktiengesellschaft.

The "Subsidiaries (non-consolidated)" category contains all subsidiaries which are not fully consolidated for reasons of significance. The "Associated companies" category shows details regarding companies with significant influence, incl. the companies accounted for using the equity method. The "Joint enterprises" category includes all companies in which Raiffeisenlandesbank Oberösterreich is a partner company as part of a joint enterprise.

Related party disclosures as at 30 June 2023

| IN EUR '000 | Parent companies | Subsidiary companies (non-consolidated) | Associated companies | Joint companies |
|---|---|---|---|---|
| Loans and advances to banks | 0 | 0 | 4,222,160 | 0 |
| Loan loss allowance for loans and advances to banks | 0 | 0 | 5,799 | 0 |
| Loans and advances to clients | 0 | 107,647 | 790,330 | 57,273 |
| Loan loss allowance for loans and advances to clients | 0 | 351 | 4,292 | 311 |
| Trading assets | 0 | 0 | 170,294 | 0 |
| Financial assets | 403 | 109,343 | 995,050 | 331 |
| Loan loss allowance for securities | 0 | 0 | 867 | 34 |
| Companies accounted for using the equity method | 0 | 0 | 1,886,169 | 605,210 |
| Other assets | 0 | 22,398 | 8,639 | 610 |
| Loan loss allowance for receivables from non-bank activities | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| Amounts owed to banks | 0 | 16,879 | 811,706 | 0 |
| Amounts owed to clients | 6,226 | 67,805 | 286,961 | 21,238 |
| Trading liabilities | 0 | 0 | 92,239 | 0 |
| Liabilities evidenced by certificates | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Other liabilities | 0 | 3,513 | 1,609 | 1,124 |
| Liabilities in connection with assets held for sale | 0 | 0 | 0 | 0 |
| Subordinated capital | 0 | 0 | 25,000 | 0 |
| Granted loan commitments, financial guarantees and other commitments | 403 | 4,365 | 458,096 | 5,884 |
| Received loan commitments, financial guarantees and other commitments | 0 | 0 | 15,232 | 0 |

### Related party disclosures for H1 2023

| IN EUR '000 | Parent companies | Subsidiary companies (non-consolidated) | Associated companies | Joint companies |
|---|---|---|---|---|
| Net interest income | -2 | 2,447 | 78,377 | 1,769 |
| Changes to the loan loss allowance through profit and loss | 0 | -40 | 1,944 | -25 |
| thereof direct impairment losses | 0 | 0 | 0 | 0 |
| thereof amounts received against loans and advances written off | 0 | 0 | 0 | 0 |
| Share of profit or loss of companies accounted for using the equity method | 0 | 0 | 174,627 | 114,542 |

### Related party disclosures as at 31 December 2022

| IN EUR '000 | Parent companies | Subsidiary companies (non-consolidated) | Associated companies | Joint companies |
|---|---|---|---|---|
| Loans and advances to banks | 0 | 0 | 4,816,919 | 0 |
| Loan loss allowance for loans and advances to banks | 0 | 0 | 5,492 | 0 |
| Loans and advances to clients | 0 | 97,874 | 825,957 | 56,779 |
| Loan loss allowance for loans and advances to clients | 0 | 311 | 4,218 | 287 |
| Trading assets | 0 | 1 | 211,506 | 0 |
| Financial assets | 403 | 109,321 | 964,440 | 331 |
| Loan loss allowance for securities | 0 | 0 | 3,193 | 32 |
| Companies accounted for using the equity method | 0 | 0 | 1,759,523 | 495,401 |
| Other assets | 0 | 15,485 | 11,425 | 740 |
| Loan loss allowance for receivables from non-bank activities | 0 | 0 | 0 | 0 |
| Assets held for sale | 0 | 0 | 0 | 0 |
| Amounts owed to banks | 0 | 17,367 | 1,116,710 | 0 |
| Amounts owed to clients | 5,918 | 68,070 | 252,431 | 19,816 |
| Trading liabilities | 0 | 0 | 98,415 | 0 |
| Liabilities evidenced by certificates | 0 | 0 | 0 | 0 |
| Provisions | 0 | 0 | 0 | 0 |
| Other liabilities | 0 | 1,099 | 10,577 | 829 |
| Liabilities in connection with assets held for sale | 0 | 0 | 0 | 0 |
| Subordinated capital | 0 | 0 | 25,000 | 0 |
| Granted loan commitments, financial guarantees and other commitments | 403 | 4,605 | 457,486 | 5,074 |
| Received loan commitments, financial guarantees and other commitments | 0 | 0 | 8,370 | 0 |

### Related party disclosures for H1 2022

| IN EUR '000 | Parent companies | Subsidiary companies (non-consolidated) | Associated companies | Joint companies |
|---|---|---|---|---|
| Net interest income | 0 | 4,089 | 16,552 | 470 |
| Changes to the loan loss allowance through profit and loss | 0 | -162 | 3,150 | -295 |
| thereof direct impairment losses | 0 | 0 | 0 | 0 |
| thereof amounts received against loans and advances written off | 0 | 0 | 0 | 0 |
| Share of profit or loss of companies accounted for using the equity method | 0 | 0 | -146,908 | -228,094 |

There are advances, loans, and liabilities to members of the Managing Board as at 30 June 2023 of EUR 1,311 thousand (31 December 2022: EUR 1,423 thousand) and to members of the Supervisory Board of EUR 76 thousand (31 December 2022: EUR 269 thousand). Loans to members of the Managing Board and the Supervisory Board are granted on standard banking industry terms. Repayments are made as agreed.

There are liabilities towards members of the Managing Board and the Supervisory Board amounting to EUR 5,571 thousand (31 December 2022: EUR 4,936 thousand).

As at 30 June 2023, advances, loans, and liabilities amounting to EUR 3,097 thousand (31 December 2022: EUR 3,321 thousand) exist towards related parties and (other) liabilities amounting to EUR 3,559 thousand (31 December 2022: EUR 3,443 thousand).

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

### Off-balance-sheet commitments

As at the reporting date, the following off-balance-sheet obligations existed:

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| **Contingent liabilities** | **3,164,476** | **3,248,302** |
| from guarantees, liabilities, and letters of credit | 3,163,813 | 3,247,639 |
| from other contingent liabilities | 663 | 663 |
| **Loan commitments** | **7,305,863** | **7,477,691** |

## Disclosures required under Austrian accounting standards

### Regulatory consolidated capital pursuant to section 64 (1) (16 et seq.) 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 Requirements Directive, CRD IV) came into force for the implementation of Basel III. In addition, the supplementary Austrian CRR Implementing Regulation specifies how the CRR's transitional provisions are to be implemented in Austria. These statutory regulations mean that banks will have to comply with significantly higher equity ratios and tighter liquidity requirements.

Consolidated equity at the level of the uppermost finance holding (RBG OÖ Verbund eGen, a registered co-operative society) breaks down as follows according to CRR:

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Capital instruments and the premium linked to them | 1,032,857 | 1,032,857 |
| Retained earnings | 4,295,028 | 4,295,028 |
| Accumulated other net gains/losses | -363,292 | -308,868 |
| Eligible Common Equity Tier 1 (CET 1) minority holdings (incl. transitional regulations) | 15,814 | 14,252 |
| **Common Equity Tier 1 (CET 1) capital prior to regulatory adjustments (corrections and deductions)** | **4,980,407** | **5,033,269** |
| Prudential filters correction | -20,928 | -20,276 |
| Intangible assets deduction (incl. goodwill) | -101,696 | -84,566 |
| Deductions for deferred taxes | -8,799 | -8,799 |
| Deduction of common Tier 1 capital instruments from companies in the financial sector | -234,575 | -168,491 |
| Items to be deducted from the items of additional Tier 1 capital, exceeding the additional Tier 1 capital | -24,969 | -25,024 |
| Insufficient coverage of non-performing risk positions | -17,804 | -9,968 |
| Other transition adjustments to common Tier 1 capital | 0 | 0 |
| Other deductions and components related to the common Tier 1 capital | -108,659 | -108,077 |
| **Common Equity Tier 1 (CET 1)** | **4,462,977** | **4,608,068** |
| Eligible additional Tier 1 (AT 1) minority holdings (incl. transitional regulations) | 2,385 | 2,329 |
| Deduction of additional Tier 1 capital instruments from companies in the financial sector | -27,354 | -27,353 |
| Other transition adjustments to additional Tier 1 capital | 0 | 0 |
| Items to be deducted from the items of additional Tier 1 capital exceeding the additional Tier 1 capital (deduction from common Tier 1 capital) | 24,969 | 25,024 |
| **Additional Tier 1 capital (AT 1)** | **0** | **0** |
| **Tier 1 capital (Tier 1 = CET 1 + AT 1)** | **4,462,977** | **4,608,068** |
| Grandfathering of capital instruments of Tier 2 capital and subordinated Loans | 0 | 0 |
| Eligible Common Equity Tier 2 minority holdings (incl. transitional regulations) | 483,049 | 407,866 |
| **Tier 2 capital (T 2) before regulatory adjustments** | **483,049** | **407,866** |
| Deductions as well as other transitional adjustments of Tier 2 capital | -43,648 | -43,629 |
| **Tier 2 capital (T 2)** | **439,401** | **364,237** |
| **Total capital (TC = T 1 + T 2)** | **4,902,378** | **4,972,305** |

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

| IN EUR '000 | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Own funds requirements for credit, counterparty and dilution risk | 28,132,591 | 27,454,949 |
| Own funds requirements for processing and delivery risks | 0 | 0 |
| Own funds requirements for position, foreign currency and commodity risks | 103,182 | 66,489 |
| Own funds requirements for operational risks | 1,547,006 | 1,547,006 |
| Own funds requirements for adjustments to credit evaluation (CVA) | 57,318 | 61,755 |
| **Risk-weighted assets** | **29,840,097** | **29,130,199** |

The capital ratios (phase in) according to CRR are as follows and are calculated in accordance with Article 92 CRR:

| IN % | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| Common Equity Tier 1 capital ratio (CET 1 ratio) | 14.96 | 15.82 |
| Tier 1 capital ratio | 14.96 | 15.82 |
| Total capital ratio (TC ratio) | 16.43 | 17.07 |

In accordance with section 23 of the Austrian Banking Act, the capital maintenance buffer is 2.5%. This must be held in Common Equity Tier 1 capital.

In accordance with section 7 of the Capital Buffer Regulation (KP-V), a capital buffer ratio for systemic vulnerability (systemic risk buffer) of 0.5% and a buffer for systemically important institutions (G-SIIs) of 0.75% were prescribed on an individual basis by the FMA for Raiffeisenlandesbank Oberösterreich Aktiengesellschaft based on the consolidated situation of RBG OÖ Verbund eGen as the ultimate financial holding company and for Raiffeisenlandesbank Oberösterreich Aktiengesellschaft. The latter was raised to 0.75% for 2023 effective as of Federal Law Gazette II No. 469/2022.

This anti-cyclical capital buffer is intended to function as an economic corrective measure during times in which credit growth exceeds GDP. It is equivalent to between 0% and 2.5% of the risk-weighted assets and is held in Common Equity Tier 1 capital. The relevant supervisory authorities may also stipulate that banks in their countries must maintain an anti-cyclical capital buffer of more than 2.5%.

As at 30 June 2023 the capital buffer ratio for significant risk exposures in Austria was 0%. Raiffeisenlandesbank Oberösterreich's bank-specific anti-cyclical capital buffer was, in accordance with section 23a (1) of the Austrian Banking Act, calculated as the weighted average of the ratios of anti-cyclical capital buffers of the countries in which Raiffeisenlandesbank Oberösterreich has significant credit risk exposures. It is expected that Raiffeisenlandesbank Oberösterreich's anti-cyclical capital buffer in 2023 will, similarly to 2022, be insignificant in size.

Overview of statutory minimum capital requirements

| IN % | 30 June 2023 | 31 Dec. 2022 |
|---|---|---|
| **Pillar 1** | | |
| Minimum requirement for Common Equity Tier 1 capital in accordance with CRR | 4.500 | 4.500 |
| Capital maintenance buffer | 2.500 | 2.500 |
| Systemic risk buffer | 0.500 | 0.500 |
| Buffer for Systemically Important Institutions (O-SIIs) | 0.750 | 0.500 |
| Anticyclical capital buffer | 0.320 | 0.088 |
| **Pillar 2** | | |
| Capital requirement above Minimum Capital Requirement (SREP; P2R) | 1.131 | 1.125 |
| **Capital requirement for Common Equity Tier 1 capital under Pillar 1 and Pillar 2** | **9.701** | **9.213** |
| Minimum requirement for Common Equity Tier 1 capital in accordance with CRR | 1.877 | 1.875 |
| **Capital requirement for Common Equity Tier 1 capital under Pillar 1 and Pillar 2** | **11.578** | **11.088** |
| Minimum requirement for Tier 2 capital in accordance with the CRR | 2.503 | 2.500 |
| **Capital requirement for the total capital under Pillar 1 and Pillar 2** | **14.081** | **13.588** |

In addition to the minimum capital requirements and capital buffer requirements, banks must meet capital requirements in accordance with the Supervisory Review and Evaluation Process (SREP). As a result of this SREP carried out by the ECB, on the level of the CRR basis of RBG OÖ Verbund eGen, Raiffeisenlandesbank Oberösterreich must take into account a Pillar 2 requirement (P2R) in the amount of 2.01% (31 December 2022: 2.00%) in the minimum capital requirements of Pillar 1. This Pillar 2 requirement (P2R) is to be taken into account in the minimum capital requirements of Pillar 1 through 56.25% of Common Equity Tier 1, through 75% of additional Tier 1 capital and 25% Tier 2 capital. In addition, as part of the SREP process, the ECB issued a Pillar 2 guidance (P2G) in the amount of 1.50% (31 December 2022: 1.50%), which must be fully met with Common Equity Tier 1 capital. However, the Pillar 2 recommendation has no effect on the Maximum Distributable Amount (MDA).

Within the framework of equity management, the main focus lies on securing adequate capital resources for the group and ensuring compliance with regulatory own funds requirements for the Group.

Equity capital is a crucial factor in managing a bank. The minimum value is prescribed by Regulation (EU) No 575/2013 (Capital Requirements Regulation, CRR) in combination with Directive (EU) No 36/2013 (Capital Requirements Directive, CRD IV). Accordingly, banks and banking groups must currently back at least 8% of their risk-weighted assets (RWA) with own funds. As a securitisation of RWA with Tier 1 capital, they are currently required to set aside at least 6%.

For its internal management, Raiffeisenlandesbank Oberösterreich applies target values that cover all risk types (including from the trading book, currency risk and operational risk). At the same time, Raiffeisenlandesbank Oberösterreich has also set target ratios that are sufficiently above the legally required Tier 1 capital so as to avoid any regulatory limitations in its managerial decision-making process.

The main focus of attention in this process is on Tier 1 capital. At the same time, the risk-bearing capacity is determined on the basis of regulatory and economic criteria. It is equal to the maximum losses that the bank or the group could incur without falling below the minimum capital requirements. Because there are constraints on capital eligibility, internal management also focuses on the composition of the equity instruments.

Raiffeisenlandesbank Oberösterreich will be in a stable equity and equity capital situation for the next few years – during which the regulatory ratios under Basel III are exceeded and the SREP ratio prescribed by the ECB will be complied with – enabling the bank to continue providing close support to its clients over the long term.

In accordance with section 8 of the Capital Requirements Regulations (CRR), this information is published on Raiffeisenlandesbank Oberösterreich's website (www.rlbooe.at).

### Average number of employees in accordance with section 251 of the Austrian Commercial Code

| | 1 Jan.-30 June 2023 | 1 Jan.-30 June 2022 |
|---|---|---|
| Salaried employees | 4,823 | 4,502 |
| of which VIVATIS/efko | 1,215 | 1,146 |
| Workers | 2,439 | 2,396 |
| of which VIVATIS/efko | 2,418 | 2,373 |
| **Employees** | **7,262** | **6,898** |
| of which VIVATIS/efko | 3,633 | 3,519 |

### Geographical distribution according to country-by-country reporting

### Country-by-country reporting in H1 2023

| IN EUR '000 | Net interest income | Operating income | Profit for the period before taxes |
|---|---|---|---|
| Austria | 186,206 | 864,350 | 317,031 |
| Czechia | 1,779 | 39,735 | 34,079 |
| Germany | 80,213 | 107,648 | 73,357 |
| Croatia | 3,696 | 11,284 | 3,242 |
| Hungary | 4 | 2,238 | 391 |
| Poland | 7,282 | 11,518 | 6,781 |
| Romania | 10,070 | 20,288 | 13,834 |
| Slovenia | 9 | 23 | 17 |
| Slovakia | 5 | 970 | 153 |
| **Total** | **289,264** | **1,058,054** | **448,885** |

### Country-by-country reporting in the first half of 2022

| IN EUR '000 | Net interest income | Operating income | Profit for the period before taxes |
|---|---|---|---|
| Austria | 149,119 | 110,922 | -332,470 |
| Czechia | 1,683 | 42,393 | 36,534 |
| Germany | 45,154 | 69,942 | 39,974 |
| Croatia | 3,784 | 10,733 | 3,609 |
| Hungary | -5 | 1,892 | 352 |
| Poland | 6,337 | 10,669 | 6,177 |
| Romania | 8,934 | 15,342 | 9,576 |
| Slovenia | 12 | 22 | 14 |
| Slovakia | 7 | 863 | 160 |
| **Total** | **215,025** | **262,778** | **-236,074** |

## Events after the reporting date

The condensed consolidated interim financial statements as at 30 June 2023 were prepared on 16 August 2023. There were no further events of particular significance after the end of the reporting date.

## STATEMENT OF THE MANAGING BOARD

We confirm to the best of our knowledge that these condensed consolidated interim financial statements as at 30 June 2023, 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, 16 August 2023

Raiffeisenlandesbank Oberösterreich Aktiengesellschaft

Europaplatz 1a, 4020 Linz

THE MANAGING BOARD

Heinrich Schaller
Chief Executive Officer

Michaela Keplinger-Mitterlehner
Deputy Chief Executive Officer

Sigrid Burkowski
Member of the Managing Board

Michael Glaser
Member of the Managing Board

Stefan Sandberger
Member of the Managing Board

Reinhard Schwendtbauer
Member of the Managing Board

The responsibilities of the individual members of the Managing Board are presented on the following page.

# RESPONSIBILITIES OF THE MANAGING BOARD

**CEO**
Heinrich Schaller

- **Business Administration – Raiffeisenbanks** Hermann Freund
- **Corporate Development** Michael Nefischer
- **Corporate Communications** Bernhard Marckhgott
- **Group Audit*** Martin Brandstetter
- **Human Resources Management** Wolfgang Spitzenberger
- **Strategy RBG OÖ & Sector Coordination** Helmut Kern
- **Treasury Financial Markets** Christian Ratz
- **Office of the Managing Board** Martin Hain

**CMO**
Michaela Keplinger-Mitterlehner

- **Bank Direct** Manfred Nosek
- **Corporates Market** Robert Eckmair
- **Retail Banking** Richard Leitner, Klaus Hagleitner, Friedrich Führer
- **PRIVAT BANK** Waltraud Perndorfer
- **Sales Corporate Banking** Wolfgang Aschenwald
- **Distribution Management Private Banking** Uwe Hanghofer
- **Investment Company** Andreas Lass-ner-Klein

**CRO**
Michael Glaser

- **Financing Management** Wilhelm Kampelmüller
- **Risk Management – Loans, Reporting, Operational Risk** Herbert Melicha
- **Risk Management, ICAAP & Market Risk** Hannes Schwingenschuh

**COO**
Stefan Sandberger

- **IT and Digitalisation** Manuel Schwarzinger
- **Operations** Alexander Nyiri
- **Product Portfolio Management** Paul Kaiser
- **IT – Operations and Software** Hermann Sikora

**CFO**
Reinhard Schwendtbauer

- **Equity Investments** Daniel Haider
- **Group Accounting and Controlling** Otto Steininger, Joachim Shelton-Stefani
- **Tax Office** Günther Silber
- **Factoring** Andreas Wagner
- **Leasing** Christoph Lehner
- **Real Estate Management** Julian Schramek

**CGO**
Sigrid Burkowski

- **Sustainability Management** Gerald Baumgartner
- **Compliance & AML*** Ulrich Gritsch
- **Procurement Management** Christian Lindner
- **Governance*** Martin Hain
- **Legal & Outsourcing** Armin Leitner

Sigrid Burkowski joined the Managing Board of Raiffeisenlandesbank Oberösterreich with effect from 1 July 2023.

*reports to the entire Managing Board

Level 2 Level 3 Outsourced core areas

# IMPRINT

**Owner, editor and publisher:**
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
Europaplatz 1a, 4020 Linz
Phone: +43 732 65 96-0
FN 247579 m, Linz District Court
DVR: 2110419
www.rlbooe.at/impressum

**Responsible for content:**
Johannes Grüner
Otto Steininger
Volker Fischlmayr
Michael Ehrengruber
with contributions from virtually every department at Raiffeisenlandesbank Oberösterreich

**Layout:** Raiffeisenlandesbank Oberösterreich, Corporate Communications
**Photos:** Werner Harrer/Hermann Wakolbinger, Linz
**Printing:** oha-Druck GmbH, Kremstalstraße 93, 4050 Traun

**Notes:**
Gender-neutral language: In order to facilitate legibility, we have largely dispensed with gender-specific differentiation. In terms of non-discrimination, all terms used are valid for all genders.


The Interim Financial Report of Raiffeisenlandesbank Oberösterreich 2023 is an English translation.
If there are discrepancies, the German original shall apply. No liability is assumed for typographical or printing errors.

The forecasts, plans and forward-looking statements contained in this report are based on the knowledge and assessment of Raiffeisenlandesbank Oberösterreich AG at the time of preparation. As with all statements regarding the future, they are subject to known and unknown risks as well as uncertainty factors, which may also lead to significant deviations in the result. No guarantee can be given with respect to the forecasts and planning values or the forward-looking statements actually becoming a reality.

This report has been prepared with the greatest possible care and the data has been verified. Nevertheless, rounding, transmission, typesetting or printing errors cannot be excluded. Rounding differences may occur when adding up rounded amounts and percentages.

Europaplatz 1a, 4020 Linz
**T** +43 732 65 96-0
**E** marketing@rlbooe.at

**rlbooe.at**

Printed in accordance with the “Printed Products” Guideline of the Austrian Eco-label, oha-druck GmbH., UW No. 1087

PRINTED IN AUSTRIA