CONSOLIDATED SEMI-ANNUAL REPORT

AS AT 30 JUNE 2024

Raiffeisenlandesbank Niederösterreich-Wien

Consolidated Management Report

Overview of the First Half of 2024

The following factors and events characterized the economic environment in the first half of 2024:

- High geopolitical uncertainty remained a constant factor throughout the first half of 2024: Russia's ongoing war in Ukraine and the situation in the Near East still represent significant risk factors while the current macroeconomic environment continues to strain the economy, especially in the real estate sector.
- Inflation trended downward in Austria and the Eurozone and equalled 3.1% in Austria and 2.5% in Eurozone in June.
- The European Central Bank (ECB) announced the first interest rate cut in a long time during June 2024 with a reduction of 25 basis points; the deposit rate now equals 3.75%.
- The economy remains weak, but stabilized slightly in the first half of 2024 after further declines at the end of 2023. Forecasts for 2024 point to GDP growth of 0.2% for Austria (after -0.8% in 2023) and 0.8% in the Eurozone (after 0.5% in 2023).

The following major events had a substantial influence on RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien) during the first half of the 2024 financial year:

Operating income (before profit/loss from investments in companies valued at equity) rose by EUR 35.4 million, or 19.3%, to EUR 218.9 million (H1 2023: 183.5 million). This growth was driven primarily by the positive development of net interest income from EUR 154.4 million to EUR 165.9 million, an improvement in the results from the valuation of financial assets, and the increase in other operating income that followed a reduction in expenditures for the resolution fund and legally required deposit insurance.

The increase in the investment held by RLB NÖ-Wien in the associate Raiffeisen Bank International AG (RBI) from 22.7% to 24.8% in 2023 was raised to 25.0% plus one share through further purchases in 2024. RBI, a material investment of RLB NÖ-Wien, held earnings at a high level in the first half of 2024 and reported net profit of EUR 1.3 billion (H1 2023: 1.2 billion). The proportional share of earnings for RLB NÖ-Wien equalled EUR 316.4 million in the first half of 2024 (H1 2023: 267.4 million). The share purchases resulted in a positive earnings effect of EUR 5.3 million. In addition, a positive contribution of EUR 89.4 million (H1 2023: -156.3 million) was recorded directly in equity (under other comprehensive income, OCI), above all from foreign currency valuation. The minimal increase in the value in use as of 30 June 2024 compared with 31 December 2023 led to the recognition of an impairment loss of EUR -89.4 million to the positive contribution in equity and EUR -188.7 million to the earnings-based increase in the carrying amount of the investment. The recognized impairment losses totalled EUR -278.1 million. Therefore, the net earnings contribution from the RBI investment equalled approximately EUR 43.6 million as of 30 June 2024 (H1 2023: 225.0 million).

Operating expenses rose by 9.3% to EUR 146.3 million due to inflation and investments in strategic projects. Risk costs increased to EUR -28.1 million (H1 2023: -2.7 million) as a result of macroeconomic developments.

Profit after tax for the first half of 2024 totalled EUR 83.2 million (H1 2023: 269.3 million) and total comprehensive income amounted to EUR 172.4 million (H1 2023: 108.9 million).

As part of the credit institution group of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. (Raiffeisen-Holding NÖ-Wien), RLB NÖ-Wien is not subject to the regulatory requirements for banking groups. The Tier 1 ratio of Raiffeisen-Holding NÖ-Wien equalled 22.8% and the Total Capital Ratio 23.6% as of 30 June 2024. The Net Stable Funding Ratio (NSFR) of 116.4% and the Liquidity Coverage Ratio (LCR) of 155.6% remained stable above the threshold values.

The Economic Environment for the Banking Sector in the First Half of 2024

The global environment

Economic development proceeded at a subdued pace in many European countries during 2023, with the industrial sector proving to be a negative factor. Recovery – although only moderate – is anticipated in 2024 and should be supported by forecasted growth in real wages and the resulting increase in private consumption. The US economy remained robust despite slight weakness compared with the strong second half of 2023, and the Chinese economy performed better than originally feared. While the global economic environment provides a certain measure of support for Europe, the political arena (e.g. the upcoming US presidential election) is a source of ongoing uncertainty. The downward trend in the Eurozone and US inflation stalled at times during the first half of 2024, but the deflation process has slowed considerably in comparison with 2023. The ECB announced a first interest rate cut in spite of these developments, and the US Federal Reserve (Fed) is expected to do the same later this year.

Eurozone/ECB

Economic activity in the Eurozone stagnated towards the end of 2023. The GDP grew slightly stronger than anticipated in the first half of 2024 and is projected to close the year marginally above 2023 (forecast 0.8% vs. 0.5%). Economic momentum should accelerate in 2025, with private consumption and investments contributing to the upturn. Inflation fell to 2.5% by mid-2024, but no further reductions are likely this year. A return to the ECB's inflation target of 2% is only expected in 2025.

The ECB lowered its key interest rates by 25 basis points in June. The determining rate for monetary policy is the deposit rate, whereby September and December are each expected to bring a further 25 basis point reduction. This downward trend should continue in 2025 with quarterly reductions of 25 basis points. The estimated development should reflect the current falling money market and swap rates. However, money market and swap rates only anticipate future interest rate cuts in part and the interest curves are therefore inverse. The ECB's balance sheet reduction will continue during 2024 and 2025 due to the absence of reinvestments for maturing bonds and the resulting decline in the bond portfolio.

Austria

The Austrian economy fell partly into recession during 2023 with a real GDP decline of 0.8% for the full year. The domestic economy during that period was noticeably weaker than the Eurozone as a whole (GDP real: +0.5%). Despite a persistent phase of weakness in the industrial and construction sectors during the winter half year (Q4 2023/Q1 2024), the economy managed to stabilize but remains weak and characterized by stagnation (GDP Q2 as per flash estimate: -0.0%). Investments (capital goods and construction) continued to drag the economy, and private consumption has been weaker than expected. The construction and industrial sectors represented negative factors, while numerous service branches contributed to growth. The Austrian economy is projected to gain momentum during the second half of 2024 as private consumption benefits from substantial real wage increases. However, signs of a moderate recovery have faded in recent months due to the still weak sentiment indicators. A marginal GDP increase of 0.2% is now projected for 2024 (2025: forecast 1.4%). It is based on the assumption that positive impulses from private consumption will be contrasted by reserved investment and export development that is unusual for an upswing phase. The industrial sector should leave the recession behind during the second half year, but the construction sector will be confronted with this situation throughout the entire year.

Unemployment increased steadily during the first half of 2024 but, given the difficult economic framework conditions, the job market can still be characterized as robust. Employment is nearing a record high, the unemployment rate is comparatively low despite the upward trend, and the labour bottleneck is still pronounced. This picture is not expected to change significantly during the second half of 2024. In contrast, an increase in employment and a decline in unemployment is only expected in 2025.

Inflation (HICP) in Austria is still higher than the Eurozone average (July: 2.9% vs. 2.6%) but – in contrast to the currency union – continued to decline during the first half year. Forecasts point to an average inflation rate of 3.3% (HICP) in 2024, whereby the core rate (inflation excl. energy and food) should be substantially higher at 4.1%. This is not least a result of the sharp rise in prices, in particular for labour-intensive personal services, triggered by dynamic wage increases.

Note: All forecasts in this chapter were provided by RBI / Raiffeisen Research.

Explanation of the Financial Position, Financial Performance and Cash Flows

Consolidated operating profit for the first half of 2024 versus the first half of 2023

The following tables can contain rounding differences.

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023	Absolute +/(–) change	Absolute +/(–) change%
Net interest income	165,876	154,422	11,454	7.4
Net fee and commission income	26,594	27,746	(1,152)	(4.2)
Profit from investments in companies valued at equity	45,512	227,483	(181,971)	(80.0)
Profit/loss from investments, financial and non-financial assets and liabilities	8,929	(2,355)	11,284	-
Other	17,466	3,649	13,817	>100
Operating income	*264,376*	*410,944*	*(146,568)*	*(35.7)*
Staff expenses	(72,128)	(64,167)	(7,961)	12.4
Other administrative expenses	(65,275)	(61,396)	(3,879)	6.3
Depreciation/amortization/write-offs	(8,892)	(8,257)	(636)	7.7
Depreciation, amortization, personnel and operating expenses	*(146,295)*	*(133,820)*	*(12,476)*	*9.3*
Group operating profit	**118,081**	277,124	**(159,043)**	**(57.4)**

The increase in **net interest income** was supported, above all, by the sound development of the customer business. Loans and advances to customers (EUR +0.5 billion compared with 30 June 2023) as well as customer deposits (increase of EUR +0.6 billion) increased year-on-year in spite of the challenging economic environment.

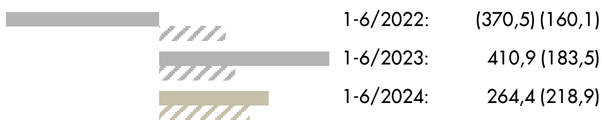
Net fee and commission income totalled EUR 26.6 million and was EUR 1.2 million lower than the first half of 2023. Higher commission income from payment transaction services, insurance and brokerage commissions was contrasted by a decline in the earnings contributions from securities and higher premium costs for management of the coverage pool collateral.

Profit/loss from investments in companies valued at equity – which is influenced by the earnings contribution from RBI – amounted to EUR 45.5 million in the first half of 2024 (H1 2023: 227.5 million). RBI held operating results at a high level in the first half of 2024. The proportional share of net operating earnings from the RBI investment equalled EUR 43.6 million as of 30 June 2024 (H1 2023: 225.6 million).

Profit/loss from investments and financial/non-financial assets and liabilities totalled EUR 8.9 million (H1 2023: – 2.4 million). Included here, above all, are the earnings contributions from the valuation of derivatives and securities from the trading portfolio as of the closing date, ineffectiveness from hedge accounting and foreign currency transactions.

The position **Other** comprises other operating income and dividends from unconsolidated investments and was EUR 13.8 million higher year-on-year at EUR 17.5 million. The increase was based primarily on the absence of contributions to the resolution fund (H1 2023: -9.1 million), as the fund had reached the 1% target volume for covered deposits, and on a decline in expenses for deposit insurance (H1 2024: EUR -3.0 million; H1 2023: -6.7 million).

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



Depreciation, amortization, personnel and operating expenses rose by EUR 12.5 million, or 9.3%, year-on-year to EUR 146.3 million. Staff costs were higher than the previous year, in particular due to adjustments required by collective agreements. The increase in other administrative expenses resulted mainly from inflation-driven variances, from higher costs connected with the development of IT systems, and additional advertising and marketing activities related to the implementation of strategic focal points.

Consolidated operating profit totalled EUR 118.1 million (H1 2023: 277.1 million). After an adjustment for the EUR -278.1 million (H1 2023: -41.8 million) impairment loss recognized to the investment in RBI, consolidated net profit equalled EUR 396.2 million (H1 2023: 318.9 million).

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023	Absolute +/(–) change	Absolute +/(–) change%
Group operating profit	118,081	277,124	(159,043)	(57.4)
Impairment losses or reversals of impairment losses to financial assets	(28,094)	(2,746)	(25,348)	>100
Profit/loss before tax	***89,987***	***274,378***	***(184,391)***	***(67.2)***
Income tax	(6,836)	(5,060)	(1,777)	35.1
Profit/loss after tax	***83,150***	***269,319***	***(186,168)***	***(69.1)***

The **net impairment loss/reversal of impairment to financial assets** amounted to EUR – 28.1 million (H1 2023: – 2.7 million). The conservative risk policy followed in recent years was continued. Macroeconomic developments were reflected in higher loss allowances for statistically expected credit losses (ECL) in Stage 1 and Stage 2 and for assets in default (Stage 3).

Profit/loss before tax equalled EUR 90.0 million in the first half of 2024 (H1 2023: 274.4 million). After the deduction of income taxes totalling EUR 6.8 million (H1 2023: 5.1 million), **profit after tax** equalled EUR 83.2 million (H1 2023: 269.3 million).

Other comprehensive income amounted to EUR 89.3 million (H1 2023: -160.4 million) and included, above all, the proportional share of positive effects from the valuation at equity of RBI which resulted primarily from foreign currency effects. Equity-increasing **total comprehensive income** amounted to EUR 172.4 million and is EUR 63.5 million higher than the comparative prior year value of EUR 108.9 million.

Segment Reporting

The basis for segment reporting in accordance with IFRS 8 is formed by the internal management reporting system.

The **Private Customer & SME Services Segment** covers the retail banking business in the Vienna branches. This segment offers a wide range of banking products and services for private and self-employed persons as well as business customers, in particular for investments and financing. Private banking teams provide professional advice to high net worth personal banking customers in Vienna, while small and medium-sized businesses are supported by the trade and business teams. This segment recorded pre-tax profit of EUR 36.3 million in the first half of 2024 (H1 2023: 37.5 million). In the current challenging environment, loans and advances to customers rose by 1.6% and customer deposits by 4.5%. Net interest income increased by EUR 8.2 million to EUR 96.2 million in the first half of 2024 (H1 2023: 88.0 million). Depreciation, amortization, personnel and operating expenses amounted to EUR -80.7 million and were EUR -9.9 million higher than the previous year. The absence of expenses for the resolution fund reduced costs by EUR 2.4 million compared with the first half of 2023. Credit risk results in the Private Customer & SME Services Segment amounted to EUR -13.4 million (H1 2023: -12.2 million).

The **Corporate Clients Segment** covers business with corporate customers, special business and projects as well as transaction banking. Pre-tax profit equalled EUR 50.9 million in the first half of 2024 (H1 2023: 61.4 million). Net interest income rose by EUR 5.8 million over the first half of 2023 to EUR 89.0 million (H1 2023: 83.2 million). The absence of expenses for the resolution fund reduced costs by EUR 2.2 million. Credit risk results in the first half of 2024 were substantially influenced by the economic situation, and earnings were reduced by an impairment loss of EUR -14.2 million (H1 2023: 9.3 million).

The **Financial Markets Segment** is responsible for the Group's treasury activities and recorded net interest income of EUR 8.4 million in the first half of 2024 (H1 2023: 5.9 million). The increase in commission expenses was offset by an improvement in derivative results and the absence of costs for the resolution fund. Pre-tax profit equalled EUR -11.9 million (H1 2023: -22.2 million).

RBI, a material investment of RLB NÖ-Wien, generated an earnings contribution of EUR 316.4 million (H1 2023: 267.4 million). Net profit before tax in the **RBI** segment amounted to EUR 14.5 million (H1 2023: 201.7 million) after an adjustment of EUR 5.3 million for effects from the purchase of additional shares, an impairment loss of EUR -278.1 million (H1 2023: -41.8 million), and refinancing and administrative costs.

The **Raiffeisen Association Segment** includes the services provided for the Raiffeisen Association (Raiffeisen banks). This segment reported pre-tax profit of EUR 0.4 million in the first half of 2024 (H1 2023: -1.0 million).

The **Other Investments Segment** recorded profit before tax of EUR 0.1 million for the reporting period (H1 2023: 0.1 million).

The **Other Segment** included, above all, a special charge for subsequent additions to the deposit insurance fund up to 2023. In the first half of 2024, prior year results from the bank levy led to an increase in earnings. Profit before tax equalled EUR -0.2 million compared with EUR -3.1 million in the first half of 2023.

Consolidated Balance Sheet as of 30 June 2024

The consolidated balance sheet total declined by EUR 1,028.8 million from the level on 31 December 2023 to EUR 34,050.0 million as of 30 June 2024.

Assets

Loans and advances to customers were slightly below the previous year at EUR 15,746.3 million (H1 2023: 15,866.9 million).

Loans and advances to other banks totalled EUR 3,245.0 million (H1 2023: 3,643.1 million) and were 10.9% lower than the previous year, chiefly due to a decline in volumes from Raiffeisen sector institutions.

The balance sheet position **investments in companies valued at equity**, which includes the carrying amounts of the investments in RBI and Raiffeisen Informatik GmbH & Co KG, increased to EUR 2,447.6 million (H1 2023: 2,405.4 million).

Other assets totalled EUR 6,136.6 million. The decline below the prior year value of EUR 7,207.7 million is primarily due to a lower volume of deposits with the Austrian National Bank (OeNB).

€m	30/06/2024	31/12/2023	Absolute +/(–) change	Absolute +/(–) change%
Financial assets at amortized cost	24,555	24,542	12	0.1
Of which debt instruments	5,547	5,001	546	10.9
Of which loans and advances to other banks	3,245	3,643	(398)	(10.9)
Of which loans and advances to customers	15,746	15,867	(121)	(0.8)
Of which other financial assets	16	31	(15)	(47.7)
Financial assets designated at fair value through profit or loss	881	895	(14)	(1.5)
Of which held for trading	741	744	(3)	(0.4)
Of which investments, immaterial shares in subsidiaries and associates	17	17	0	0.1
Of which debt instruments not held for trading	1	1	0	15.7
Of which loans and advances to customers not held for trading	123	133	(11)	(8.1)
Financial assets at fair value through other comprehensive income	30	28	1	5.3
Investments in companies valued at equity	2,448	2,405	42	1.8
Other assets	6,137	7,208	(1,071)	(14.9)
ASSETS	**34,050**	35,079	**(1,029)**	**(2.9)**

Liabilities and Equity

Deposits from other banks declined by EUR 1,212.4 million, or 10.0%, and totalled EUR 10,942.7 million. The decrease was based primarily on a substantially lower volume of repurchase agreements and the scheduled repayment of TLTRO III funds.

Deposits from customers, including savings deposits, generally reflected the previous year at EUR 10,006.6 million.

The total volume of **securitized liabilities, incl. Tier 2 capital,** equalled EUR 9,210.7 million (H1 2023: 9,247.6 million). Issues which matured during the first half year were replaced by newly issued volumes.

Equity rose by EUR 174.6 million over the level on 31 December 2023 to EUR 2,838.7 million as of 30 June 2024. This increase was supported primarily by the good overall results recorded for the first half of 2024.

The volume of **other liabilities** declined slightly by EUR 42.9 million to EUR 692.7 million.

€m	30/06/2024	31/12/2023	Absolute +/(–) change	Absolute +/(–) change%
Financial liabilities at amortized cost	30,256	31,418	(1,162)	(3.7)
Of which deposits from other banks	10,943	12,155	(1,212)	(10.0)
Of which deposits from customers	10,007	9,917	89	0.9
Of which securitized liabilities (incl. Tier 2 capital)	9,211	9,248	(37)	(0.4)
Of which other financial liabilities	96	98	(2)	(2.0)
Financial liabilities designated at fair value through profit or loss	263	261	1	0.6
Equity	2,839	2,664	175	6.6
Other liabilities	693	736	(43)	(5.8)
LIABILITIES & EQUITY	**34,050**	35,079	**(1,029)**	**(2.9)**

Financial Performance Indicators

Performance Ratios

The **Group's cost- income ratio (CIR)** – i.e. operating expenses less income from clearing to third parties in relation to operating income (incl. the profit (loss) from financial instruments and associates, and excl. impairment losses/reversals) – equalled 23.8% as of 30 June 2024 (H1 2023: 26.3%), The CIR for the RLB banking business (excluding the RBI Segment) equalled 55.1% (H1 2023: 59.3%).

The **Group's return on equity after tax**–i.e. the return on equity based on average equity –equalled 6.1% (H1 2023: 25.2%).

Own Funds

RLB NÖ-Wien does not represent a separate credit institution group in the sense of regulatory requirements and, as a group, is not subject to the regulatory requirements for banking groups because it is part of the Raiffeisen-Holding NÖ-Wien credit institution group. The following indicators were determined in accordance with the provisions of the Capital Requirements Regulation (CRR) and the Austrian Banking Act for the Raiffeisen-Holding NÖ-Wien credit institution group.

The consolidated own funds of the Raiffeisen-Holding NÖ-Wien credit institution group are presented below:

Own funds as defined in Art. 72 in connection with Art. 18 CRR totalled EUR 3,422.3 million (H1 2023: 3,225.6 million). At 23.6% (H1 2023: 22.4%), the Tier 1 ratio (for comprehensive risk) substantially exceeds the total capital requirement, including the buffer, of 16.23% established by the Supervisory Review and Evaluation Process (SREP). It includes the minimum capital requirement of 8.00% defined by Art. 92 CRR as well as an additional capital requirement of 4.30% which was set by the SREP. The capital buffer requirements consist of a systemic risk buffer of 0.50%, a buffer for system-relevant institutions of 0.90%, a capital conservation buffer of 2.50%, and a countercyclical capital buffer of 0.03%.

Own funds comprise the following: The common equity Tier 1 ratio includes the superior credit institution's subscribed capital of EUR 124.6 million, appropriated capital reserves of EUR 907.7 million, retained earnings of EUR 2,427.4 million, various regulatory adjustments of EUR -110.7 million, and the application of IFRS 9 transition guidance of EUR 9.4 million. After deductions of EUR -144.3 million, common equity Tier 1 capital equals EUR 3,214.1 million. The additional Tier 1 capital comprises an additional Tier 1 capital instrument of EUR 95.0 million. Tier 1 capital, after deductions, therefore totalled EUR 3,309.1 million (H1 2023: 3,106.4 million).

Tier 2 capital of EUR 113.3 million (H1 2023: 119.2 million) is based on eligible Tier 2 instruments.

Tier 1 capital as a per cent of eligible capital equalled 96.7% (H1 2023: 96.3%).

The common equity Tier 1 ratio (CET 1 ratio) equalled 22.1% as of 30 June 2024 (H1 2023: 20.9%), and the Tier 1 ratio for the total risk of the Raiffeisen-Holding NÖ-Wien credit institution group equalled 22.8% (H1 2023: 21.6%). The total capital ratio equalled 23.6% (H1 2023: 22.4%).

The inclusion of interim profits from the first half of 2024 led to an improvement of roughly 0.6% in the equity ratios.

Under a fully loaded analysis, the CET 1 ratio equalled 22.1% (H1 2023: 20,8%), the T1 ratio 22.7% (H1 2023: 21.4%), and the total capital ratio equalled 23.5% (H1 2023: 22.3%).

Credit risk indicators

The following tables show the credit-impaired exposure in relation to the total exposure (first column) based on the definition in CRR Article 47a. The data cover both non-performing and performing exposure.

30/06/2024 €'000 Receivables categories	Credit exposure	Non Performing					
		Amount	Loss allowance	Collateral	NPE Ratio in %	Coverage Ratio I in %	Coverage Ratio II in %
Other Banks	8,064,380	670	670	0	0.0	100.0	100.0
Corporate customers	12,380,081	362,394	124,611	154,821	2.9	34.4	77.1
Retail exposures	3,102,202	88,809	40,866	35,240	2.9	46.0	85.7
Public sector exposures	6,960,521	0	0	0	0.0	0.0	0.0
Total	**30,507,183**	**451,873**	**166,147**	**190,061**	**1.5**	**36.8**	**78.8**

31/12/2023 €'000 Receivables categories	Credit exposure	Non Performing					
		Amount	Loss allowance	Collateral	NPE Ratio in %	Coverage Ratio I in %	Coverage Ratio II in %
Other Banks	8,059,561	670	670	0	0.0	100.0	100.0
Corporate customers	12,271,375	409,863	100,247	278,626	3.3	24.5	92.4
Retail exposures	3,082,117	85,081	43,408	30,711	2.8	51.0	87.1
Public sector exposures	8,034,836	0	0	0	0.0	0.0	0.0
Total	31,447,889	495,614	144,325	309,337	1.6	29.1	91.5

The non-performing exposure (NPE) ratio, which is calculated similar to the EBA Risk Indicator AQT_3.1, equalled 1.5% as of 30 June 2024 (31 December 2023: 1.6%). Coverage Ratio I is defined as the Stage 3 loss allowance for non-performing credit exposure in relation to the total non-performing credit exposure, and Coverage Ratio II as the Stage 3 loss allowance plus collateral (after haircuts) for non-performing credit exposure in relation to the total non-performing credit exposure. Coverage Ratio I equalled 36.8% (H1 2023: 29.1%) and Coverage Ratio II 78.8% (H1 2023: 91.5%).

The NPL ratio, which is calculated similar to EBA Risk Indicator AQT_3.2 equalled 1.8% as of 30 June 2024 (H1 2023: 1.9%).

€'000	Credit exposure		NPL		NPL Ratio in %	
	30/06/2024	31/12/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023
Total	24,956,459	26,443,265	451,873	495,614	1.8	1.9

RLB NÖ-Wien has implemented processes to identify customers with payment problems at an early point in time and to restructure loans with a positive outlook. Borrowers are classified as nonperforming if restructuring measures lead to a debt reduction or if an economic loss is expected. All restructuring measures recognized for solvency reasons are classified as such in the system. These loans are flagged as forbearance and monitored constantly. The bank complies in full with the requirements of Article 47a of the CRR.

Risk Assessment

The first six months of 2024 were characterized by uncertainty, persistent high inflation and mixed economic growth as well as the consequences of the Russia-Ukraine war and the Israel-Hamas conflict. The results of these developments are a risk assessment for RLB NÖ-Wien at the half-year 2024 which reflects, among others, these hostilities and the related economic consequences.

Banking activities are associated with the acceptance of branch-specific risks, which are addressed in accordance with the risk policy and strategy defined by RLB NÖ-Wien. The efficient identification, evaluation and management of risks represents a central focus of the bank.

The organization of risk management, the financial risks to which the RLB NÖ-Wien-Group is exposed and current developments as seen from the risk perspective as of 30 June 2024 are explained in a separate section in the Notes. Reference is made to Note (32) Risks arising from financial instruments, which provides information on financial risks, the current situation and its consequences, and the effects of the Russia-Ukraine war and Israel's war against Hamas.

Outlook on the Second Half-year 2024

The Development of the Group

STRATEGY PROCESS – FOCUS 2027

RLB NÖ-Wien is continuing the course defined by the new strategy "FOCUS 2027". In line with the goal of absolute customer orientation, the following strategic focal points were defined for the period up to 2027:

- Focus on SMEs: An important goal for the business customer segment is intensified advising and financing for SMEs, which are the backbone of the Austrian economy.
- Focus on sustainability: RLB NÖ-Wien wants to actively support its business customers in the transition to ESG criteria and serve as a central contact partner for sustainability. The expansion of ESG & Investor Relations Management (ESG) will be intensively pursued with a view towards the new demands of the EU Taxonomy and regulatory requirements, not only for reporting but above all with regard to the implementation of specific measures. RLB NÖ-Wien is providing dynamic support for the green transformation, among others with its Going Green Credit for investments that make an active contribution to a liveable future.
- Focus on omni-channel: In the private customer business, a wide-ranging omni-channel offering will guarantee optimal customer contacts. The concentration on core products will make this offering digital, scalable and customer centred.

Focal points for the customer business in 2024

The priorities for implementing the "FOCUS 2027" strategy in the customer business during 2024 are as follows:

- Corporate clients business: As a strong partner for its customers, RLB NÖ-Wien plans to continue its growth course in the Corporate Clients Segment through support for existing customers and the development of new customer groups with an emphasis on SMEs as the backbone of Austria's industry. As a regional partner, personal advising for complex financing solutions and digital offerings for tailored solutions will go hand in hand. The offering will be constantly expanded and improved.
- SME and private customer business: RLB NÖ-Wien will continue to accompany small and medium-sized businesses (SMEs)with suitable solutions ranging from financing to advising on subsidies and pension planning. The Raiffeisen entrepreneurship initiative is designed to help SMEs arrange company successions, takeovers or growth projects despite a lack of equity, for example through mezzanine capital. The private customer business will remain focused on the mortgage business, supplemented by a full range of services and products that will be offered to customers over conventional and broad-based online sales channels. As a regional partner who is centred on customers' needs, specially designed and personalised solutions will be developed. This continuing growth course will further strengthen the bank's earnings position and capital base over the long-term.
- Expansion of services: In line with its absolute customer orientation, RLB NÖ-Wien plans to offer its customers state-of-the-art and realistic solutions beyond the banking offering. The goal is to position Raiffeisen NÖ-Wien to accompany its customers in a variety of life situations – always with professional partners as well as the further development of the offering to include innovative solutions. Through its cooperation with Bitpanda and the possibility to make digital investments in all asset classes, RLB NÖ-Wien has taken on a pioneering role among the traditional banks in the German-speaking countries. The "Raiffeisen JUNIOR" app introduced by RLB NÖ-Wien is the first innovative banking app for children and young people created by a traditional credit institution in Austria and is designed to support their financial education.
- RLB NÖ-Wien has been a pioneer in financing for renewable energies over decades. Its investment in NAWARO ENERGIE Betrieb GmbH, one of the largest green electricity producers in the province of Lower Austria, stands for a company with a long-term focus on energy and pellet production. In this way, RLB NÖ-Wien makes an important contribution to regional

supply security. In addition, the green electricity tariff "Auri" represents an attractive offering for private customers and companies as well as a continuation of the innovation strategy.
- The role as a synergy partner for the Lower Austrian Raiffeisen banks will be further expanded and strategic and operational cooperation will be strengthened.

RLB NÖ-Wien will presumably fall under the Single Supervisory Mechanism of the European Central Bank and the authority of the Single Resolution Board (Single Resolution Mechanism) as of 1 January 2025 because its balance sheet total has exceeded the regulatory threshold. Extensive preparations for this changeover are currently in progress.

The earnings situation of the RLB NÖ-Wien banking business (excluding dividends and refinancing costs for the RBI investment) is also expected to reflect a high level in the second half of 2024. In addition to the stable development of net interest income in 2024, the focal points defined for sales should support an improvement in net fee and commission income. The current economic climate leads to expectations of an increase in risk costs over previous years in 2024. However, RLB NÖ-Wien can rely on the stable foundation of a forward-looking and prudent risk policy.

RBI investment:

RBI is the largest investment held by RLB NÖ-Wien; the planned increase in the RBI holding to 25% plus one share was successfully concluded on 31 January 2024.

Due to its strong positioning in Central and Eastern Europe, RBI is particularly affected by the current geopolitical situation surrounding the war in Ukraine. The consolidated interim financial statements of RLB NÖ-Wien for the first half of 2024 reflect the major effects of this war on the development of the enterprise value of RBI based on currently available information. RBI recorded very good operating development from its continuing operations, excluding Russia, with strong core earnings, above all in net interest income, during the first six months of 2024.

RBI issued an ad-hoc announcement on 19 December 2023 to report its intention to purchase 28,500,000 shares of STRABAG SE, which represent 27.78% of the issued shares, through its Russian subsidiary AO Raiffeisenbank. Plans called for the transfer of the STRABAG shares to RBI as a dividend in kind after the transaction closed. In an ad-hoc announcement on 8 May 2024, the RBI Managing Board announced its decision to discontinue plans for the purchase of the STRABAG shares by the RBI Group. The bank decided to refrain from pursuing this transaction as a precautionary measure.

In addition, RBI is currently in advanced negotiations for the sale of its 87.74% investment in the Belorussian subsidiary Priorbank JSC, together with that bank's subsidiaries. This would represent the potential exit of RBI from the Belorussian market.

The management of RBI is continuously monitoring the further development of the geopolitical situation, analysing potential scenarios, and evaluating various strategic options with regard to Russia. Based on the information currently available, good operating results are expected in 2024.

The ongoing uncertainties are reflected in the routine evaluation and appraisal of RBI's information and strategic considerations by the Managing Board of RLB NÖ-Wien and the management of Raiffeisen-Holding NÖ-Wien.

Risk factors for the outlook on the 2024 financial year include geopolitical and macroeconomic developments, regulatory measures and global health risks as well as changes in the competitive environment. Financial forecasts are still connected with increased uncertainty due to their effects on economic development.

Vienna, 10 September 2024
The Managing Board

Michael HÖLLERER
Chairman

Reinhard KARL
Deputy Chairman

Roland MECHTLER
Member of the Managing Board

Martin HAUER
Member of the Managing Board

Claudia SÜSSENBACHER
Member of the Managing Board

Consolidated Interim Financial Statements (IFRS)

Consolidated Statement of Comprehensive Income

Consolidated Income Statement

€'000	Notes	01/01 - 30/06/2024	01/01 - 30/06/2023
Net interest income	(1)	165,876	154,422
Interest income calculated according to the effective interest method		680,328	487,817
Interest income not calculated according to the effective interest method		64,022	44,336
Interest expense calculated according to the effective interest method		(537,165)	(353,177)
Interest expense not calculated according to the effective interest method		(41,309)	(24,554)
Net fee and commission income	(2)	26,594	27,746
Fee and commission income		51,500	49,680
Fee and commission expenses		(24,906)	(21,934)
Dividend income	(3)	656	1,051
Profit/loss from investments in companies valued at equity	(4)	45,512	227,483
Depreciation, amortization, personnel and operating expenses	(5)	(146,295)	(133,820)
Profit/loss from financial assets and liabilities	(6)	8,438	(2,186)
Of which profit/loss from derecognition of financial assets at amortized cost		403	(1,681)
Profit/loss from non-financial assets	(7)	491	(170)
Net impairment loss/reversal of impairment to financial assets	(8)	(28,094)	(2,746)
Other operating profit/loss	(9)	16,810	2,598
Other operating income		27,285	31,248
Other operating expenses		(12,356)	(27,625)
Addition to/release of provisions		1,882	(1,025)
Profit/loss before tax		**89,987**	**274,378**
Income taxes	(10)	(6,836)	(5,060)
Profit/loss after tax		**83,150**	**269,319**
Of which attributable to non-controlling interests		(6)	1
Of which attributable to equity owners of the parent		83,156	269,318

Transition to Consolidated Comprehensive Income

€'000	Notes	01/01 - 30/06/2024	01/01 - 30/06/2023
Profit/loss after tax		***83,150***	*269,319*
Items that will not be reclassified to profit or loss in later periods		***1,231***	*3,482*
Remeasurement of defined benefit pension plans	(28)	1,052	(81)
Fair value changes in equity instruments (through other comprehensive income)	(31)	841	(169)
Deferred taxes on items not reclassified to profit or loss	(22)	186	(439)
Proportional share of other comprehensive income from equity-accounted investments	(31)	(848)	4,171
Items that may be reclassified to profit or loss in later periods		***88,029***	*(163,893)*
Proportional share of other comprehensive income from equity-accounted investments	(31)	88,029	(163,893)
Other comprehensive income		***89,260***	*(160,411)*
Consolidated comprehensive income		**172,411**	108,907
Of which attributable to non-controlling interests		(6)	1
Of which attributable to equity owners of the parent		172,417	108,906

Consolidated Balance Sheet

€'000	Notes	30/06/2024	31/12/2023
Cash, cash balances at central banks and other demand deposits	(11)	5,667,643	6,653,098
Financial assets held for trading	(12)	741,066	744,098
Derivatives		303,000	289,536
Other trading assets		438,066	454,562
Non-trading financial assets mandatorily at fair value through profit or loss	(13)	140,324	150,954
Financial assets at fair value through other comprehensive income	(14)	29,739	28,254
Financial assets at amortized cost	(15) (16)	24,554,713	24,542,372
Bonds		5,547,058	5,001,197
Loans and advances to other banks		3,244,979	3,643,058
Loans and advances to customers		15,746,341	15,866,887
Other assets		16,335	31,230
Derivatives - hedge accounting	(17)	570,170	558,985
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(18)	(402,131)	(316,273)
Investments in companies valued at equity	(19)	2,447,602	2,405,437
Property and equipment	(20)	138,913	140,728
Investment property		1,078	1,085
Intangible assets	(21)	6,975	5,606
Tax assets	(22)	5,646	10,965
Current tax assets		4,386	5,343
Deferred tax assets		1,260	5,622
Other assets	(23)	148,286	153,475
Total		**34,050,023**	35,078,783

€'000	Notes	30/06/2024	31/12/2023
Financial liabilities held for trading - Derivate	(24)	262,706	261,237
Financial liabilities at amortized cost	(25)	30,255,963	31,417,916
Deposits from other banks		10,942,689	12,155,098
Deposits from customers		10,006,582	9,917,366
Securitized liabilities		9,210,743	9,247,583
Other financial liabilities		95,949	97,869
Derivatives - hedge accounting	(26)	582,097	639,946
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(27)	(100,318)	(83,571)
Provisions	(28)	96,161	112,238
Tax liabilities	(29)	19,382	16,406
Other liabilities	(30)	95,366	50,532
Equity	(31)	2,838,666	2,664,080
Attributable to non-controlling interests		38	43
Attributable to equity owners of the parent		2,838,628	2,664,036
Total		**34,050,023**	35,078,783

Consolidated Statement of Changes in Equity

€'000	Subscribed capital	Capital reserves	Retained earnings incl. profit or loss	Additional tier 1	Other comprehensive income for the period (OCI)	Equity attributeable to owners of the parent	Non-controlling interests	Total
	Attributable to equity holders of the parent							
Equity as at 01/01/2023	*219,789*	*556,849*	*1,789,233*	*76,000*	*(544,124)*	*2,097,748*	*37*	*2,097,785*
Consolidated comprehensive income	0	0	269,318	0	(160,411)	108,906	1	108,907
Net profit/loss for the period	0	0	269,318	0	0	269,318	1	269,319
Other comprehensive income	0	0	0	0	(160,411)	(160,411)	0	(160,411)
Enterprise's interest in other changes in equity of investments in companies valued at equity	0	0	4,861	0	0	4,861	0	4,861
Other changes	0	0	(3,452)	0	0	(3,452)	0	(3,452)
Equity as at 30/06/2023	**219,789**	**556,849**	**2,059,961**	**76,000**	**(704,536)**	**2,208,064**	**38**	**2,208,102**
Equity as at 01/01/2024	*219,789*	*556,849*	*2,587,588*	*76,000*	*(776,191)*	*2,664,036*	*43*	*2,664,080*
Consolidated comprehensive income	0	0	83,156	0	89,260	172,417	(6)	172,411
Net profit/loss for the period	0	0	83,156	0	0	83,156	(6)	83,150
Other comprehensive income	0	0	0	0	89,260	89,260	0	89,260
Enterprise's interest in other changes in equity of investments in companies valued at equity	0	0	2,265	0	0	2,265	0	2,265
Other changes	0	0	1,455	0	(1,545)	(90)	0	(90)
Equity as at 30/06/2024	**219,789**	**556,849**	**2,674,465**	**76,000**	**(688,475)**	**2,838,628**	**38**	**2,838,666**

Consolidated Cash Flow Statement

€'000	Notes	01/01 - 30/06/2024	01/01 - 30/06/2023
Profit/loss after tax		***83,150***	***269,319***
Write-downs/(write-ups) of property and equipment and measurement of financial assets and equity investments		75,003	(6,945)
Profit/loss from investments in companies valued at equity	(4)	(45,512)	(227,483)
Release of/addition to provisions and impairment allowances		30,474	(38,954)
(Gains)/losses on disposals of property and equipment and financial investments		(784)	(1,103)
Reclassification of net interest income, dividends and income taxes		(159,695)	(150,413)
Other adjustment (net)		(5,846)	(3,656)
Subtotal before change in assets/liabilities (operating)		***(23,209)***	***(159,235)***
Other demand deposits		(137,201)	(355,482)
Financial assets held for trading		(496)	(321,433)
Financial assets designated at fair value through profit or loss		10,779	2,517
Financial assets at amortized cost		506,657	(479,370)
Derivatives - hedge accounting		4,592	(26,307)
Other assets		5,189	2,694
Financial liabilities held for trading		1,469	(19,702)
Financial liabilities at amortized cost		(1,086,227)	5,223,093
Other provisions		(17,762)	(6,221)
Other liabilities		44,986	25,834
Interest received		741,243	473,715
Dividends received		104,449	2,235
Interest paid		(573,394)	(259,463)
Income taxes paid		470	(10,238)
Cash flows from operating activities		***(418,455)***	***4,092,635***
Cash receipts from sales of financial investments		98,056	142,858
Cash receipts from sales of property and equipment and intangible assets		116	69
Cash paid for financial investments		(719,514)	(563,224)
Cash paid for property and equipment and intangible assets		(5,090)	(7,252)
Cash flows from investing activities		***(626,358)***	***(427,549)***
Cash inflows from Tier 2 capital	(25)	333	1,590
Cash outflows from Tier 2 capital	(25)	(72,444)	(22,939)
Repayments from lease liabilities	(25)	(5,654)	(4,922)
Cash flows from financing activities		***(77,764)***	***(26,271)***

€'000	Notes	01/01 - 30/06/2024	01/01 - 30/06/2023
Cash and cash equivalents at end of previous year	(11)	*4,014,592*	*283,858*
Cash flows from operating activities		(418,455)	4,092,635
Cash flows from investing activities		(626,358)	(427,549)
Cash flows from financing activities		(77,764)	(26,271)
Cash and cash equivalents at end of year	(11)	**2,892,015**	3,922,674

Notes

General Information

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

The consolidated interim financial statements as of 30 June 2024 are consistent with International Accounting Standard (IAS) 34, which defines the minimum content of an interim financial report and the accounting and measurement principles applicable to interim financial reporting. The condensed consolidated interim financial statements do not include all information and disclosures required for consolidated financial statements and, therefore, should be read in connection with the consolidated financial statements for 2023 of RLB NÖ-Wien. These condensed consolidated interim financial statements are based on the same principles and methods applied in preparing the consolidated financial statements for 2023. Standards and interpretations which required initial application during the reporting period were taken into account.

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

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

Judgments and estimates

The preparation of interim financial reports involves judgments, estimates and assumptions that influence the recognition of assets and liabilities, the disclosure of contingent liabilities and the presentation of income and expenses. The exercise of judgment by management in applying the various accounting policies is based on the respective standards and in keeping with the goal defined for the consolidated financial statements, which is to provide meaningful information on the company's asset, financial and earnings positions. These condensed consolidated interim financial statements are based on the same principles applied in preparing the consolidated financial statements as of 31 December 2023. Actual results may deviate from the estimated values.

Scope of consolidation

There were no changes in the number of consolidated subsidiaries or associates during the reporting period.

Application of new and revised standards and interpretations

Information on the new and revised standards and interpretations was provided under “Significant Accounting Policies” in the consolidated financial statements for 2023. The International Accounting Standards Board (IASB) also issued the following standards and changes to standards which will be relevant for the RLB NÖ-Wien Group. However, the EU endorsement is still outstanding:

IFRS 18 (Presentation and Disclosure in Financial Statements)

The new accounting standard IFRS 18 “ Presentation and Disclosure in Financial Statements ” was published by the IASB on 9 April 2024. IFRS 18 regulates the presentation of financial information in IFRS financial statements and is designed to improve the transparency and comparability of financial statements.

The most important new features of IFRS 18 can be summarized as follows:

- Improved comparability through a standardized structure for the income statement – among others, including the allocation of income and expenses to three categories (operating, investing and financing)
- Increased transparency for management performance measures
- Greater disaggregation of information

The new standard is effective for financial years beginning on or after 1 January 2027, whereby endorsement by the European Commission is still outstanding. RLB NÖ-Wien is currently analysing the new requirements and preparing for the necessary process and technical adjustments.

Amendments to the Classification and Measurement of Financial Instruments (changes to IFRS 9 and IFRS 7)

The IASB published amendments to the classification and measurement of financial instruments on 30 May 2024. The changes involve assessing the cash flow criterion (SPPI criterion) for financial assets, including instruments with ESG-linked features. Also involved are changes to the derecognition of financial liabilities using electronic payment systems. In addition, the IASB defined additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income.

Subject to EU endorsement, the amendments are effective for reporting periods beginning on or after 1 January 2026. RLB NÖ-Wien is currently analysing the changes to the assessment of the SPPI criterion and preparing for the necessary process and technical adjustments. The other amendments have no material effect on the consolidated financial statements of RLB NÖ-Wien.

Segment Reporting

01/01 - 30/06/2024 €'000	Retail/SME	Corporate Customers	Financial Markets	RBI	Raiffeisen Association	Other equity investments	Other	Total
Net interest income	96,186	89,011	8,404	(26,989)	0	(374)	(362)	165,876
Net fee and commission income	32,721	7,827	(15,765)	0	1,811	0	0	26,594
Dividend income	0	0	0	0	0	656	0	656
Profit/loss from investments in companies valued at equity	0	0	1,932	43,580	0	0	0	45,512
Depreciation, amortization, personnel and operating expenses	(80,741)	(37,001)	(11,347)	(1,995)	(14,957)	(255)	0	(146,295)
Profit/loss from financial assets and liabilities	253	2,304	6,463	0	345	0	(927)	8,438
Profit/loss from non-financial assets	540	(49)	0	0	0	0	0	491
Net impairment loss/reversal of impairment to financial assets	(13,374)	(14,206)	(514)	0	0	0	0	(28,094)
Other operating profit/loss	682	2,986	(1,112)	(88)	13,164	45	1,132	16,810
Profit/loss before tax	**36,268**	**50,873**	**(11,940)**	**14,508**	**363**	**72**	**(157)**	**89,987**
Income taxes	(3,895)	(4,021)	1,106	0	(34)	(8)	15	(6,836)
Profit/loss after tax	**32,373**	**46,852**	**(10,834)**	**14,508**	**330**	**64**	**(142)**	**83,150**
Av. allocated capital (in EUR mill.)	301	791	47	1,156	0	4	0	2,751
Return on equity after tax	21.6%	11.9%	-	2.5%	-	3.1%	-	6.1%
Cost Income Ratio (bank operations)	60.3%	36.7%	-	-	83.1%	74.6%	-	55.1%
Cost Income Ratio (incl. at equity)	-	-	-	-	-	-	-	23.8%

The comparative prior year data are as follows:

01/01 - 30/06/2023 €'000	Retail/SME	Corporate Customers	Financial Markets	RBI	Raiffeisen Association	Other equity investments	Other	Total
Net interest income	88,017	83,168	5,865	(21,912)	0	(127)	(589)	154,422
Net fee and commission income	31,247	7,640	(12,783)	0	1,642	0	0	27,746
Dividend income	0	470	184	0	0	397	0	1,051
Profit/loss from investments in companies valued at equity	0	0	1,839	225,644	0	0	0	227,483
Depreciation, amortization, personnel and operating expenses	(70,860)	(35,039)	(10,146)	(1,503)	(16,058)	(214)	0	(133,820)
Profit/loss from financial assets and liabilities	770	(1,604)	(2,908)	0	674	0	883	(2,186)
Profit/loss from non-financial assets	4	(174)	0	0	0	0	0	(170)
Net impairment loss/reversal of impairment to financial assets	(12,213)	9,319	149	0	0	0	0	(2,746)
Other operating profit/loss	576	(2,411)	(4,370)	(561)	12,699	16	(3,350)	2,598
Profit/loss before tax	37,540	61,368	(22,171)	201,668	(1,043)	72	(3,056)	274,378
Income taxes	(2,957)	(3,622)	1,282	4	60	(4)	177	(5,060)
Profit/loss after tax	34,584	57,746	(20,889)	201,672	(983)	68	(2,879)	269,319
Av. allocated capital (in EUR mill.)	277	786	580	493	0	16	0	2,153
Return on equity after tax	12.5%	7.3%	-	40.9%	-	0.4%	-	12.5%
Cost Income Ratio (bank operations)	54.1%	36.5%	-	-	> 100%	74.4%	-	59.3%
Cost Income Ratio (incl. at equity)	-	-	-	-	-	-	-	26.3%

Segment Reporting

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

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

In accordance with IFRS 8, the section presentation is classified as follows:

- The Private Customer and SME Segment includes the retail business in Vienna.

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

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

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

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

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

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

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

  The Treasury Department manages the Group's positions in on-balance sheet (e.g. money market deposits) and off-balance sheet interest rate- and currency-based products (forwards, futures and options). Included here are interest rate and foreign currency contracts, liquidity management and asset/liability management (maturity transformation). This department is also responsible for managing the RLB NÖ-Wien portfolios of bonds, funds and short-term and long-term alternative investments (combinations of securities products and derivatives).

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

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

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

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

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

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

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

The cost/income ratio shows the cost efficiency of the individual segments. It is calculated by dividing general administrative expenses by operating profit/loss (incl. profit/loss from financial investments and associates, excl. impairment losses/reversals and loss allowances).

Details on the Consolidated Income Statement

(1) Net interest income

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Interest income		
Financial assets held for trading	60,654	41,972
Non-trading financial assets mandatorily at fair value through profit or loss	3,368	2,364
Financial assets at amortized cost	680,303	481,811
Of which from derivatives - hedge accounting, interest rate risk	71,755	33,058
Negative interest from liabilities	25	6,006
Total interest income	***744,350***	***532,153***
Interest expenses		
Financial liabilities held for trading - derivatives	(41,309)	(24,554)
Financial liabilities at amortized cost	(537,156)	(352,803)
Of which from derivatives - hedge accounting, interest rate risk	(112,544)	(57,295)
Negative interest from financial assets	(9)	(375)
Total interest expenses	***(578,475)***	***(377,731)***
Net interest income	**165,876**	154,422

Net interest income includes interest income and expenses as well as all similar recurring and non-recurring income and expenses. Interest and similar income, respectively expenses, are calculated according to the effective interest method and accrued accordingly. Negative interest on loans and advances to customers and other banks is included under interest and similar expenses, while negative interest on non-derivative financial liabilities from the banking business is reported under net interest income. The interest income and expenses from derivatives in hedge accounting are allocated to the respective underlying transaction to appropriately present the economic connection. The interest expense from financial liabilities at amortized cost includes interest expense from lease liabilities of TEUR -685 (H1 2023: -624).

Net interest income for the first half of 2024 includes interest expense of TEUR -16,989 (H1 2023: -27,176) from participation in the TLTRO III programme. RLB NÖ-Wien determines the effective interest rate on a quarterly basis. This rate equalled 3.3% as of 30 June 2024. A description of the liabilities from the TLTRO III programme, which are included under financial liabilities at amortized cost, can be found in Note (25).

(2) Net fee and commission income

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Securities	3,877	4,526
Custody business	5,886	5,529
Services for payment transactions	18,635	17,030
Brokerage commissions	8,667	8,426
Insurance broker	9,538	9,167
Credit business	3,648	3,784
Other fee and commission income	1,250	1,218
Fee and commission income	***51,500***	***49,680***
Securities	(1,616)	(1,596)
Custody business	(646)	(669)
Services for payment transactions	(3,754)	(3,123)
Insurance brokerage	(1,146)	(1,102)
Credit business	(15,726)	(13,282)
Other fee and commission expenses	(2,017)	(2,163)
Fee and commission expenses	***(24,906)***	***(21,934)***
Net fee and commission income	**26,594**	27,746

Net fee and commission income covers the income and expenses to which the company is legally entitled for the provision of services.

Fee and commission income in connection with payment services generally consists of cost reimbursements for account management, service charges and handling fees. Brokerage commissions arise primarily in connection with the arrangement of insurance or building loan contracts and from foreign exchange transactions. Fee and commission income from the credit business consist chiefly of liability remuneration, while fee and commission income from securities transactions results mainly from securities brokerage.

Fee and commission expenses in connection with payment services generally consist of costs for ATM transactions, credit card commissions and cash orders. Fee and commission expenses from the credit business consist chiefly of liability remuneration in connection with cover pool collateral. Other fee and commission expenses are related mainly to foreign exchange transactions.

The fees arising from financial instruments which are valued at amortized cost and represent part of effective interest are recognized to net interest income over the respective term.

(3) Dividend income

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Non-trading financial assets designated at fair value through profit or loss	114	480
Financial assets at fair value through other comprehensive income	542	570
Dividend income	**656**	1,051

This position includes the dividend income from securities and the income from unconsolidated company shares and investments. In accordance with IFRS 9.5.7.1A, dividends are recognized to profit or loss when there is a legal entitlement to receive payment. All dividends from financial assets at fair value through other comprehensive income resulted from financial instruments which were held as of 30 June 2024.

(4) Profit/loss from investments in companies valued at equity

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Proportional share of profit for the period	318,315	269,296
Effect of additional acquisitions	5,339	0
Impairment	(278,142)	(41,813)
Profit/loss from investments in companies valued at equity	**45,512**	227,483

The profit/loss from investments in companies valued at equity represents the proportional share of profit or loss from the participations in two associates, Raiffeisen Bank International AG (RBI) and Raiffeisen Informatik GmbH & Co KG (R-IT), which are valued at equity and included in the consolidated financial statements of RLB NÖ-Wien.

Earnings contribution from the RBI investment

The proportional net earnings contribution from the RBI investment equalled TEUR 43,580 as of 30 June 2024 (H1 2023: 225,644) and consists of the following: a proportional share of profit for the period (TEUR 316,383; H1 2023: 267,457), a positive earnings contribution from the increase in the investment (TEUR 5,339; H1 2023: 0), and an impairment loss (TEUR 278,142; H1 2023: 41,813).

Purchase of additional shares in RBI

RLB NÖ-Wien increased its investment in RBI during 2023 from 22.7% to 24.8% as of 31 December 2023 and followed with further share purchases during the first half of 2024 which resulted in an investment of 25.0% plus one share as of 30 June 2024. The increase in the investment does not change the status as an associate. The net effect of TEUR 5,339 from the increase is calculated by comparing the cost of acquisition with the proportional share of net fair value of TEUR 19,197 after the deduction of an impairment loss of TEUR 13,858.

Assessment of the value of RBI

An overall assessment of the facts and circumstances as of 30 June 2024 provided objective indications, as defined in IAS 28.41A – 28.41C, of a change in the recoverable amount of the investment in RBI. The change in the market price of the RBI share from EUR 18.67 as of 31 December 2023 to EUR 16.22 as of 30 June 2024 as well as the ongoing war in Ukraine were viewed as indications for a necessary impairment test as of 30 June 2024.

In accordance with IAS 36.114 in connection with IAS 36.18, the determining factor was the recoverable amount as the higher of the value in use and fair value less costs of disposal; this amount was compared with the equity carrying amount of the RBI investment. The market price of the RBI share equalled EUR 16.22 as of 30 June 2024. The recoverable amount was determined as a value in use based on the present value of expected cash flows (dividend discount model). The cash flows were derived from five-year forecasts which were approved by the Supervisory Board of RBI and valid at the time the impairment test was carried out.

In order to appropriately depict the current uncertain economic environment resulting from the war in Ukraine and the related sanctions against Russia, the investment in Raiffeisenbank Russia was valued separately from the remainder of RBI (RBI core business) based on the dual steering approach followed by RBI. This valuation included all restrictions on distributions currently in effect as well as the increased risk associated with the Russian investment. All strategic options for the future of Raiffeisenbank Russia – up to a carefully managed exit of the bank from the Russian market – are currently under evaluation.

The value in use is based on an external trend analysis that was based on an enterprise valuation as of 31 December 2023 and also included current forecasts and new value-relevant facts for the related units. A low/mid/high case scenario was developed for the RBI core business and the Russian network bank. For the value in use of RBI's core business, sensitivities with regard to the development of net interest and commission income, risk costs in the coming years and the return on equity were taken into account. Various scenarios were prepared for the value in use of the Russian network bank – from resolution of the conflict to further escalation – and weighted by a probability for each scenario. The respective sensitivities were analysed and critically evaluated by the RLB NÖ-Wien and transferred in part to the value in use calculation.

The management of RLB NÖ-Wien examined the assumptions underlying the forecasts in detail. In view of the uncertainties connected with the current macroeconomic situation as of the closing date on 30 June 2024 (hostilities in the Near East and Ukraine, high inflation, development of the interest landscape), the management of RLB NÖ-Wien decided to apply more conservative assumptions than the management of RBI and the external evaluators. More conservative assumptions than the ones made by RBI management were therefore used to determine the risk costs, and the assumptions underlying the development of the interest margin were reduced.

The cash flows realizable from the RBI investment were discounted with an average, risk-adjusted capitalization rate of 11.0% for Russia (H1 2023: 11.5%) and 11.0% for the RBI core business (H1 2023: 10.9%). A sustainable growth rate of 2.0% (H1 2023: 2.0%) was included in determining the value in use of RBI, which reflects the ECB’s communicated inflation target. The beta factors calculated as of 30 June 2024 on the basis of suitable peer groups equalled 1.37 (H1 2023: 1.49) for the business segment excluding Russia and 1.37 (H1 2023: 1.39) for Russia.

The value in use determined on the basis of the above parameters led to the recognition of an impairment loss of TEUR -278,142 (H1 2023: -41,813).

There was a substantial deviation between the market price of the RBI share and the value in use as of 30 June 2024. This difference is explained, above all, by RBI's extensive presence on the Russian market and the exit of numerous investors as a result of the war. According to an estimate by the management of RLB NÖ-Wien, the current discounts and factors included in the share price do not reflect the sustainable earning power of RBI.

Sensitivity analysis

Potential valuation uncertainties related to key forecast assumptions and valuation parameters were evaluated as best as possible by management on the basis of sensitivity analyses and compared with externally available market data for plausibility where possible. The value in use was subjected to a sensitivity analysis, which was based on the parameters for the change in valuation-relevant cash flows, the return on equity (RoE TV) and a change in the interest rate (market return).

The following table shows the effects of material valuation parameters on the value in use. Each sensitivity and its effect were evaluated separately under the assumption that the other parameters remained constant.

		30/06/2024			30/06/2023		
	Change in the parameter	**Increase**	**Decrease**	**Effects €m**	**Increase**	**Decrease**	**Effects €m**
Cash flow	10%	9.4%	(9.8)%	+230 / (230)	9.6%	(9.7)%	+180 / (180)
RoE TV	100 basis points	10.0%	(10.0)%	+240 / (240)	11.2%	(11.1)%	+210 / (210)
Market yield	50 basis points	(7.3)%	8.3%	(180) / +200	(7.8)%	9.0%	(150) / +170

(5) Personnel and operating expenses, depreciation and amortization

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Personnel expenses	(72,128)	(64,167)
Other administrative expenses	(65,275)	(61,396)
Write-downs of property, equipment and intangible assets	(8,892)	(8,257)
Depreciation, amortization, personnel and operating expenses	**(146,295)**	(133,820)

(6) Profit/loss from financial assets and liabilities

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Profit/loss from financial assets and liabilities at amortized cost	***821***	*(1,376)*
Financial assets at amortized cost	403	(1,681)
Loans and advances	403	(1,681)
Financial liabilities at amortized cost	419	305
Securitized liabilities	419	305
Profit/loss from financial assets and liabilities held for trading	***2,825***	*(4,722)*
Derivatives	5,695	(4,571)
Equity instruments	0	(281)
Bonds	(2,870)	130
Profit/loss from financial assets not held for trading, mandatorily at fair value	***102***	*(849)*
Equity instruments	9	8
Loans and advances	93	(857)
Profit/loss from modifications	***(936)***	*883*
Profit/loss from hedge accounting	***4,516***	*1,108*
Fair value changes of the hedging instruments	73,494	(8,123)
Fair value changes of the hedged items attributable to the hedged risk	(68,978)	9,231
Foreign exchange transactions	***1,110***	*2,770*
Profit/loss from financial assets and liabilities	**8,438**	(2,186)

Profit/loss from financial assets and liabilities includes all realised profits and losses as well as the results from the valuation of financial instruments.

Profit/loss from financial assets and liabilities at amortized cost

The profit/loss from financial assets and liabilities at amortized cost consists chiefly of realised gains and losses from assets and liabilities.

The sale of assets valued at amortized cost reflects the “hold to collect” business model applied by RLB NÖ-Wien. These sales are monitored with regard to frequency and on the basis of internally defined eligibility limits for the individual portfolio volumes and realised results. Positive and negative results are not offset but evaluated on a transaction-by-transaction basis.

The profit/loss from financial liabilities at amortized cost resulted entirely from the redemption of own issues during the reporting and comparative periods.

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

The profit/loss from financial instruments held for trading totalled TEUR 2,825 in the first half of 2024 (H1 2023: -4,722). The positive development of interest rate derivatives during the reporting period reflected the decline in interest rates, but was contrasted by the negative market development of securities.

Profit/loss from modifications

The modification of contractual cash flows led to results of TEUR -936 in the first half of 2024 (H1 2023: 883). The following table shows the modification effects and the amortized cost before the modification of the financial instruments which did not lead to derecognition based on qualitative and quantitative criteria.

€’000	**Stage 1**	**Stage 2-3**	**Total**
Modification effect from financial assets	(546)	(390)	(936)
Carrying amount before modification of financial assets	272,702	375,047	647,748

The comparative data as of 30 June 2023 are as follows:

€’000	**Stage 1**	**Stage 2-3**	**Total**
Modification effect from financial assets	718	165	883
Carrying amount before modification of financial assets	229,571	104,331	333,902

Financial instruments with a carrying amount of TEUR 6,136 (H1 2023: 7,060) before modification and a modification effect of TEUR -5 in the first half of 2024 (H1 2023: 24), which were classified as Stage 2 or 3 at the time of modification, are now classified as Stage 1.

Profit/loss from hedge accounting

The profit/loss from hedge accounting shows the ineffectiveness of the hedges recognized by RLB NÖ-Wien (TEUR 4,516; H1 2023: 1,108). Additional details on hedge accounting are provided under Note (34) Hedge accounting.

(7) Profit/loss from non-financial assets

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Profit/loss from the derecognition of non-financial assets	54	(170)
Profit/loss from land, equipment and buildings	(95)	(198)
Profit/loss from other assets	148	28
Impairment losses/reversals of impairment losses to non-financial assets	437	0
Other	(57)	0
Right of use assets	494	0
Profit/loss from non-financial assets	**491**	(170)

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

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Net impairment loss/reversal of impairment to financial assets at amortized cost	(28,094)	(2,746)
Bonds	(97)	(39)
Loans and advances	(27,997)	(2,707)
Net impairment loss/reversal of impairment to financial assets	**(28,094)**	(2,746)

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

(9) Other operating profit/loss

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Other operating income	*27,285*	*31,248*
Revenue from service, real estate and industrial subsidiaries	7,999	12,358
Revenues from services provided to Raiffeisen banks	14,635	13,580
Other income	4,650	5,310
Other operating expenses	*(12,356)*	*(27,625)*
Cost of materials and purchased services from service, real estate and industrial subsidiaries	(4,745)	(8,009)
Contributions to deposit protection schemes	(2,959)	(6,700)
Bank levy	(2,359)	(2,632)
Resolution fund	0	(9,027)
Other expenses	(2,293)	(1,256)
Addition to/release of provisions	*1,882*	*(1,025)*
Addition to/release of provisions for commitments and financial guarantees	905	(2,289)
Addition to/release of other provisions	976	1,264
Other operating profit/loss	**16,810**	2,598

Revenue from investments in real estate and industrial subsidiaries, the cost of materials and services purchased from these subsidiaries, and other related services consist chiefly of income and expenses from NAWARO ENERGIE Betrieb GmbH.

Other income includes, for the most part, cost reimbursements and income from non-banking activities. Additional details on the addition to or release of provisions for loan commitments and financial guarantees can be found under Note (16).

(10) Income tax

€'000	01/01 - 30/06/2024	01/01 - 30/06/2023
Current taxes	(2,294)	(7,242)
Deferred taxes	(4,542)	2,182
Income taxes	**(6,836)**	(5,060)

Details on the Consolidated Balance Sheet

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

€'000	30/06/2024	31/12/2023
Cash	54,368	56,188
Balances with central banks	2,837,580	3,958,332
Other demand deposits	2,775,695	2,638,577
Total	**5,667,643**	6,653,098

Other demand deposits include the legally required minimum reserves of TEUR 347,087 (H1 2023: 330,475). This balance sheet position includes Stage 1 impairment losses of TEUR 2,078 (H1 2023: 1,853).

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

€'000	30/06/2024	31/12/2023
Cash	54,368	56,188
Balances with central banks	2,837,580	3,958,332
Other demand deposits from customers	67	72
Cash and cash equivalents	***2,892,015***	*4,014,592*
Other demand deposits from other banks	2,775,628	2,638,505
Total cash, cash balances at central banks and other demand deposits	**5,667,643**	6,653,098

(12) Financial assets held for trading

€'000	30/06/2024	31/12/2023
Derivatives	303,000	289,536
Bonds	438,066	454,562
Debt instruments from other banks	318,447	308,842
Debt instruments from customers	119,619	145,720
Total	**741,066**	744,098

Derivatives with positive fair values that do not serve as hedging instruments in hedging relationships are assigned to this balance sheet position.

This position also includes bonds which are held to realise fair value through sales in accordance with the respective business model.

(13) Non-trading financial assets mandatorily at fair value

€'000	30/06/2024	31/12/2023
Equity instruments	16,753	16,744
Bonds	1,031	891
Loans and advances from customers	122,539	133,319
Total	**140,324**	150,954

The equity instruments assigned to this valuation category consist entirely of investments which, according to their strategic focus, were not assigned to the category "financial assets at fair value through other comprehensive income" (also see Note(14)). The bonds, loans and advances to customers in this valuation category have contractual cash flows that do not solely represent payments of principal and interest on the principal amount outstanding. Most of these items are financial instruments which have only limited rights of recourse to the borrower's assets or incongruent interest components.

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

€'000	**30/06/2024**	**31/12/2023**
Equity instruments	29,739	28,254
Total	**29,739**	28,254

These equity instruments consist primarily of investments in companies that support bank-related operations or represent financial institutions. The optional presentation of the fair value changes in other comprehensive income reflects the strategic focus. Dividends of TEUR 542 (H1 2023: 570) were recognized from these equity instruments (see Note (3)). There were no sales from this asset category during the reporting period, and no sales are planned.

(15) Financial assets at amortized cost

€'000	**30/06/2024**	**31/12/2023**
Bonds	***5,547,058***	*5,001,197*
Debt instruments from other banks	2,037,246	1,771,278
Debt instruments from customers	3,509,812	3,229,919
Loans and advances	***18,991,320***	*19,509,945*
Loans and advances to other banks	3,244,979	3,643,058
Loans and advances to customers	15,746,341	15,866,887
Trade receivables	***16,335***	*31,230*
Total	**24,554,713**	24,542,372

Debt instruments assigned to the "hold to collect" business model which meet the cash flow criterion are assigned to this balance sheet position. These financial assets are adjusted by the recognized expected credit loss. Additional details are provided below under Note (16) Loss allowances.

(16) Loss allowances

The following table shows the loss allowances for expected credit losses as of 30 June 2024.

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired	POCI	Total
Loss allowances - On-Balance	***25,290***	***40,522***	***162,595***	***3,552***	***231,959***
Loans and advances to other banks	5,294	0	670	0	5,964
Loans and advances to customers	17,419	40,464	161,925	3,552	223,360
Bonds to other banks	800	37	0	0	837
Bonds to customers	1,777	21	0	0	1,798
Loss allowances - Off-Balance	***4,358***	***3,508***	***4,310***	***0***	***12,177***
Provisions for granted commitments and financial guarantees	4,358	3,508	4,310	0	12,177
Loss allowances - Total 30/06/2024	**29,649**	**44,030**	**166,905**	**3,552**	**244,136**

The comparative data as of 31 December 2023 are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired	POCI	Total
Loss allowances - On-Balance	*22,547*	*38,361*	*141,520*	*3,201*	*205,628*
Loans and advances to other banks	4,938	0	670	0	5,609
Loans and advances to customers	15,421	38,012	140,850	3,201	197,484
Bonds to other banks	895	331	0	0	1,226
Bonds to customers	1,292	18	0	0	1,310
Loss allowances - Off-Balance	*3,771*	*3,588*	*5,716*	*0*	*13,074*
Provisions for granted commitments and financial guarantees	3,771	3,588	5,716	0	13,074
Loss allowances - Total 31/12/2023	26,318	41,949	147,236	3,201	218,703

The following tables show the gross carrying amounts and development of impairment losses for the loans and advances and bonds assigned to the category "financial assets at amortized cost".

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

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired		POCI	Total
			significant	not significant		
Gross carrying amount						
Gross carrying amount as at 01/01/2024	10,244,777	57	670	0	0	10,245,504
Gross carrying amount as at 30/06/2024	8,863,472	9	670	0	0	8,864,151
Loss allowances						
Loss allowances 01/01/2024	***4,938***	***0***	***670***	***0***	***0***	***5,609***
Increase due to new additions	4,085	0	0	0	0	4,085
Decreases due to disposals	(3,799)	0	0	0	0	(3,799)
Changes in risk parameters	70	0	0	0	0	70
Foreign currency effects and other adjustments	(1)	0	0	0	0	(1)
Loss allowances 30/06/2024	**5,294**	**0**	**670**	**0**	**0**	**5,964**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired		POCI	Total
			significant	not significant		
Gross carrying amount						
Gross carrying amount as at 01/01/2023	6,462,623	0	670	0	0	6,463,293
Gross carrying amount as at 30/06/2023	10,614,153	0	670	0	0	10,614,823
Loss allowances						
Loss allowances 01/01/2023	4,912	0	670	0	0	5,582
Increase due to new additions	3,798	0	0	0	0	3,798
Decreases due to disposals	(2,243)	0	0	0	0	(2,243)
Changes in risk parameters	(1,650)	0	0	0	0	(1,650)
Loss allowances 30/06/2023	4,816	0	670	0	0	5,486

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

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross carrying amount						
Gross carrying amount as at 01/01/2024	12,590,735	2,978,251	405,436	82,341	7,607	16,064,370
Gross carrying amount as at 30/06/2024	12,592,900	2,926,548	357,663	84,928	7,663	15,969,701
Loss allowances						
Loss allowances 01/01/2024	***15,421***	***38,012***	***97,511***	***43,338***	***3,202***	***197,483***
Increase due to new additions	4,112	498	0	0	0	4,610
Decreases due to disposals	(638)	(837)	(4,358)	(776)	0	(6,609)
Changes resulting from reclassification between stages	7,635	(7,882)	564	(317)	0	0
Transfers from Stage 1	(2,050)	2,021	0	30	0	0
Transfers from Stage 2	9,675	(10,811)	564	572	0	0
Transfers from Stage 3	10	909	0	(919)	0	0
Changes in risk parameters	(9,113)	10,697	28,432	2,883	351	33,249
Changes due to modifications, excl. disposal	0	0	(215)	(1)	0	(217)
Decreases due to use of impairment losses	0	0	0	(5,091)	0	(5,091)
Foreign currency effects and other adjustments	2	(23)	(17)	(26)	0	(64)
Loss allowances 30/06/2024	**17,419**	**40,464**	**121,916**	**40,009**	**3,552**	**223,360**

The direct write-downs to loans receivable totalled TEUR -856 in the first half of 2024 (H1 2023: -937). Income, excluding the effects of changes in the loss allowance, e.g. income received from receivables previously written off, amounted to TEUR 683 in the reporting period (H1 2023: 594).

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross carrying amount						
Gross carrying amount as at 01/01/2023	12,014,842	2,768,902	177,643	82,195	42,578	15,086,160
Gross carrying amount as at 30/06/2023	12,944,421	2,247,763	181,099	79,358	7,645	15,460,286
Loss allowances						
Loss allowances 01/01/2023	*14,806*	*31,616*	*101,003*	*45,367*	*2,816*	*195,608*
Increase due to new additions	7,261	2,364	5	21	0	9,651
Decreases due to disposals	(248)	(624)	(2,195)	(1,069)	0	(4,135)
Changes resulting from reclassification between stages	616	(5,446)	4,773	57	0	0
Transfers from Stage 1	(4,408)	4,376	13	19	0	0
Transfers from Stage 2	5,023	(10,204)	4,773	408	0	0
Transfers from Stage 3	0	383	(13)	(370)	0	0
Changes in risk parameters	(6,815)	5,468	3,483	3,645	178	5,959
Changes due to modifications, excl. disposal	0	0	(1)	(5)	0	(6)
Decreases due to use of impairment losses	0	0	(49,960)	(5,335)	0	(55,295)
Foreign currency effects and other adjustments	(2)	(18)	(31)	(21)	0	(71)
Loss allowances 30/06/2023	15,619	33,360	57,078	42,661	2,994	151,711

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

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired		POCI	Total
			significant	not significant		
Gross carrying amount						
Gross carrying amount as at 01/01/2024	1,752,244	20,260	0	0	0	1,772,504
Gross carrying amount as at 30/06/2024	2,028,243	9,839	0	0	0	2,038,083
Loss allowances						
Loss allowances 01/01/2024	***896***	***331***	***0***	***0***	***0***	***1,226***
Increase due to new additions	219	0	0	0	0	219
Decreases due to disposals	(115)	0	0	0	0	(115)
Changes resulting from reclassification between stages	428	(428)	0	0	0	0
Transfers from Stage 1	(46)	46	0	0	0	0
Transfers from Stage 2	474	(474)	0	0	0	0
Changes in risk parameters	(628)	135	0	0	0	(493)
Loss allowances 30/06/2024	**800**	**37**	**0**	**0**	**0**	**837**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	POCI	Total
Gross carrying amount						
Gross carrying amount as at 01/01/2023	1,316,619	10,806	0	0	0	1,327,424
Gross carrying amount as at 30/06/2023	1,586,456	12,518	0	0	0	1,598,975
Loss allowances						
Loss allowances 01/01/2023	*743*	*19*	*0*	*0*	*0*	*762*
Increase due to new additions	466	0	0	0	0	466
Decreases due to disposals	(223)	0	0	0	0	(223)
Changes resulting from reclassification between stages	8	(8)	0	0	0	0
Transfers from Stage 1	(10)	10	0	0	0	0
Transfers from Stage 2	18	(18)	0	0	0	0
Changes in risk parameters	(138)	113	0	0	0	(25)
Loss allowances 30/06/2023	857	123	0	0	0	979

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

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired		POCI	Total
			significant	not significant		
Gross carrying amount						
Gross carrying amount as at 01/01/2024	3,221,200	10,029	0	0	0	3,231,229
Gross carrying amount as at 30/06/2024	3,501,551	10,060	0	0	0	3,511,610
Loss allowances						
Loss allowances 01/01/2024	***1,292***	***18***	***0***	***0***	***0***	***1,310***
Increase due to new additions	393	0	0	0	0	393
Decreases due to disposals	(143)	0	0	0	0	(143)
Changes in risk parameters	235	2	0	0	0	238
Loss allowances 30/06/2024	**1,777**	**21**	**0**	**0**	**0**	**1,798**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired		POCI	Total
			significant	not significant		
Gross carrying amount						
Gross carrying amount as at 01/01/2023	2,792,167	0	0	0	0	2,792,167
Gross carrying amount as at 30/06/2023	2,954,744	0	0	0	0	2,954,744
Loss allowances						
Loss allowances 01/01/2023	*683*	*0*	*0*	*0*	*0*	*683*
Increase due to new additions	278	0	0	0	0	278
Decreases due to disposals	(302)	0	0	0	0	(302)
Changes in risk parameters	(155)	0	0	0	0	(155)
Loss allowances 30/06/2023	503	0	0	0	0	503

Provision for loan commitments and financial guarantees

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	Total
Loss allowances 01/01/2024	***3,772***	***3,588***	***4,209***	***1,507***	***13,075***
Increase due to new additions	1,625	1	27	29	1,681
Decreases due to disposals	(619)	(383)	(744)	(142)	(1,888)
Changes resulting from reclassification between stages	419	(330)	0	(89)	0
Transfers from Stage 1	(458)	455	0	3	0
Transfers from Stage 2	877	(883)	0	7	0
Transfers from Stage 3	0	99	0	(99)	0
Changes in risk parameters	(840)	629	(645)	158	(697)
Foreign currency effects and other adjustments	1	4	0	0	5
Loss allowances 30/06/2024	**4,358**	**3,508**	**2,846**	**1,464**	**12,176**

The comparative prior year data are as follows:

€'000	Stage 1 Performing	Stage 2 Under Performing	Stage 3 Credit impaired significant	Stage 3 Credit impaired not significant	Total
Loss allowances 01/01/2023	*4,027*	*6,604*	*3,291*	*1,807*	*15,729*
Increase due to new additions	1,127	1	414	3	1,545
Decreases due to disposals	(725)	(573)	(412)	(168)	(1,878)
Changes resulting from reclassification between stages	588	(371)	(219)	2	0
Transfers from Stage 1	(678)	678	0	0	0
Transfers from Stage 2	1,266	(1,292)	0	26	0
Transfers from Stage 3	0	243	(219)	(24)	0
Changes in risk parameters	(1,366)	709	3,465	(192)	2,616
Foreign currency effects and other adjustments	(6)	2	0	0	(4)
Loss allowances 30/06/2023	3,646	6,372	6,539	1,453	18,010

Determination of loss allowances

RLB NÖ-Wien recognizes loss allowances in accordance with IFRS 9 for financial assets arising from debt instruments measured at amortized cost or through other comprehensive income (not part of the current portfolio). Included here are assets reported under the balance sheet position “financial assets at amortized cost” as well as contingent liabilities and unused credit lines. These loss allowances are based on expected credit losses (ECL) and reflect the following:

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

The resulting expected credit losses are discounted back to the reporting date based on the effective interest rate.

Loss allowance model

The IFRS loss allowance model provides a three-stage approach for developing the related provision:

Stage 1: Transactions with no significant increase in credit risk since initial recognition. The loss allowance is based on the 12-month ECL.

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

Stage 3: Transactions in default or impaired, whereby RLB NÖ-Wien distinguishes between significant and non-significant customers for the determination of impairment losses. (Details can be found under “Significant Accounting Policies – Impairment allowances in the consolidated financial statements for 2023.)

The loss allowance is based on the remaining term of the transaction. Details on the identification of default incidents and the definition of default can be found under Note (32).

Determination of risk parameters

The calculation of the loss allowance includes historical as well as future-oriented information and is based on the following formula: the probability of default (PD) x the loss given default (LGD) x exposure at default (EAD). The resulting expected credit losses are discounted back to the reporting date based on the effective interest rate.

For companies and private customers, the credit risk-relevant parameters are calculated at the portfolio level. A separate probability of default is estimated for each customer in the bank portfolio with the help of external data. The default probabilities for countries are calculated at the individual country level, whereby forecasted default probabilities are used to derive PDs for all rating categories in order to assign reasonable PD curves to products with different credit ratings in the same country.

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

The approaches used for countries and banks are based on external migration matrices with a subsequent PiT adjustment (countries) or a direct PiT adjustment (banks) to the parameters relevant for rating.

The LGD is estimated with the help of a component model and includes a differentiation between the value of the underlying collateral and an LGD for the unsecured portion.

The exposure at default represents the amount expected to be outstanding at the time of default during the next 12 months (Stage 1) or over the remaining lifetime (Stage 2). The calculation of this amount is based on the payment profile for the contractually agreed repayments. Early repayments that were not defined by the respective contract are included, if necessary, with a prepayment model. For open loan commitments, the exposure at default is calculated with a credit conversion factor (CCF) to develop the expected drawdown at the time of default. The CCF model differentiates not only between customer groups but also between the various types of products.

All point-in-time (PiT) adjustments to risk parameters (PD, LGD, CCF) were optimally selected for the respective portfolio. A variety of different models was tested, and the final model was selected from the most convincing recommendations. The models are monitored regularly and validated annually. The validation results are transferred to an action plan that is approved by management and subsequently implemented. This can lead to the adjustment of the models within the existing modelling logic.

Scenarios and macroeconomic, future-oriented information

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

- “Baseline“ scenario – the expected economic development
- “Optimistic“ scenario – somewhat better than the expected economic development
- “Pessimistic“ scenario – somewhat more negative than the expected economic development

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

Determination of a "significant increase in credit risk“

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

Qualitative criteria

- 30 days overdue: A significant increase in the credit risk is assumed when customers have a material payment which is more than 30 days overdue.
- Forbearance: Customers designated as "forbearance“ (deferral, etc.) are considered to have a significant increase in credit risk.

- Watch list: The customer has appeared in the early warning process. This represents an indicator for a significant increase in the credit risk.

Quantitative criteria

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

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

Real estate crisis

Macroeconomic developments since 2023 have created major challenges for estimating the loss allowances applicable to real estate financing, similar to the situation resulting from the COVID-19 pandemic and Russia-Ukraine war in earlier years. The foremost impact has been felt in commercial property financing: The increasing risks have not yet been fully reflected in the bank's risk models and parameters (especially PD and LGD) or in the credit ratings of customers.

The following factors are seen as the main drivers for the increase in direct and indirect risks: the changed interest rate environment in the Eurozone caused by continuing inflation and a significant upturn in (key) interest rates, the changed market environment for commercial properties with stagnating or declining prices and subsequent adjustments to the valuation of collateral as well as adjustments to customers' credit standing. This additional risk was therefore incorporated through individual credit rating adjustments, based on the scope of involvement at the end of 2023.

The adjustments are made with a simulated rating migration of one to three rating levels which is applied to the commercial real estate financing portfolio. A risk-sensitive differentiation is calculated according to the interest agreed and the speculative character of the financing; variable financed and speculative projects receive a higher downgrade than fixed financed and non-speculative projects. Management believes this overlay offsets the above-mentioned direct and indirect risks which cannot be clearly identified in the customers' individual credit ratings. The effect of these rating adjustments on the expected credit loss totalled TEUR 12,125 as of 30 June 2024 (H1 2023: 13,852).

Israel's war against Hamas

The credit portfolio of RLB NÖ-Wien is, at the present time, hardly affected by Israel's war against Hamas because there are no direct business relations with Israel. Moreover, the indirect effects through customers who conduct part of their business in or with Israel are manageable. The involved customers are monitored on a regular basis, and there are no further adjustments in the risk assessment at the portfolio level.

Russia-Ukraine war and its impact on energy prices and inflation
The outbreak of the Russia-Ukraine war led to the introduction of impact analyses for the corporate clients business as well as analyses and stress tests in the private customer portfolio. These analyses and tests are updated regularly and expanded to include the volatilities on energy markets and rising inflation. Apart from a limited number of individual cases, the impact analysis in the first half of 2024 did not identify any deterioration in the credit standing of the portfolio. The increased monitoring of payment difficulties produced similar results. A management overlay was not required as of 30 June 2024 because the economic and geopolitical framework are already included in current corporate figures.

Due to the ongoing economic uncertainty, the loss allowance for Stage 1 and 2 remains at a high level of EUR 73.7 million (H1 2023: 68.3 million).

Sensitivity analysis: loss allowance

The calculation of the loss allowance is based on models that include macroeconomic forecasts. For the following sensitivity analysis, the relevant macroeconomic factors for each point within a 30-day forecast period were changed by adjusting the values upward or downward by ten per cent each. The following table shows the effects of these adjustments on the risk allowance:

€'000	**30/06/2024**	**31/12/2023**
Inflation (10)%	261	(355)
Inflation +10%	(234)	304
Growth in residential property prices (10)%	474	(996)
Growth in residential property prices +10%	(499)	1,087
National budget in relation to GDP (10)%	(1,114)	1,891
National budget in relation to GDP +10%	1,144	(1,836)
Growth of gross investment (10)%	2,575	(2,929)
Growth of gross investment +10%	(2,288)	2,877
Difference in yield between 10-year government bonds and 3-month Euribor (10)%	352	(214)
Difference in yield between 10-year government bonds and 3-month Euribor +10%	(386)	177

This table shows the effects of the adjustments on the risk allowance for all segments, with the exception of the bank segment. Default probabilities are estimated separately for this latter segment based on external data and, consequently, sensitivity data is not available for the portfolio as a whole.

The following table shows the effect on the loss allowance that would result from the transfer of all non-defaulted financial instruments in Stage 1 or 2. However, the occurrence of one of these two scenarios is highly unlikely.

€m	30/06/2024	100% in Stage 1	100% in Stage 2
Loss allowances Stage 1&2	73.7	64.6	133.3

The comparative prior year data are shown below.

€m	31/12/2023	100% in Stage 1	100% in Stage 2
Loss allowances Stage 1&2	68.3	55.6	133.1

(17) Derivatives – hedge accounting

€'000	30/06/2024	31/12/2023
Fair value hedges	570,170	558,985
Positive fair values of derivatives in micro fair value hedges	176,118	196,387
Positive fair values of derivatives in portfolio fair value hedges	434,201	362,599
Total	**570,170**	558,985

Derivative financial instruments are reported as hedging instruments when the conditions for hedge accounting under IFRS 9 are met. Details on the recognized micro and portfolio fair value hedges as well as the underlying transactions, hedging instruments and hedged risks can be found in Note (34) Hedge accounting.

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

€'000	30/06/2024	31/12/2023
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(402,131)	(316,273)
Total	**(402,131)**	(316,273)

RLB NÖ-Wien applies hedge accounting to hedge the fair value of a portfolio against interest rate risks as defined in IAS 39.AG114-AG132. This position includes the positive and negative fair value changes to the assets in portfolio hedges which are attributable to the hedged risk (IAS 39.AG123). Additional details can be found in Note (33) Hedge accounting.

(19) Investments in companies valued at equity

€'000	30/06/2024	31/12/2023
Raiffeisen Bank International AG	2,409,318	2,368,181
Raiffeisen Informatik GmbH & Co KG	38,283	37,256
Total	**2,447,602**	2,405,437

(20) Property and equipment and investment property

€'000	30/06/2024	31/12/2023
Property and equipment	***6,133***	*7,042*
Other property and equipment	41,245	40,838
Land and buildings - own use	5,998	6,872
IT hardware	135	170
Right of use assets	***91,534***	*92,848*
Right of use assets for land and buildings	90,375	91,787
Right of use assets for cars and other tangible assets	1,159	1,061
Total	**138,913**	140,728

(21) Intangible assets

€'000	30/06/2024	31/12/2023
Purchased software and licenses	6,975	5,606
Total	**6,975**	5,606

(22) Tax assets

€'000	30/06/2024	31/12/2023
Current tax assets	4,386	5,343
Deferred tax assets	1,260	5,622
Total	**5,646**	10,965

As of 30 June 2024, current tax assets consisted solely of tax receivables from the group tax charge based on the tax group with Raiffeisen-Holding NÖ-Wien. Details are provided under Note (35) Related party disclosures.

(23) Other assets

€'000	30/06/2024	31/12/2023
Trust receivables - federal and provincial IPS	48,908	48,915
Open items from clearing, settlement and payment services	33,131	48,461
Deposits	28,970	28,953
Deferrals	16,896	5,658
Inventories foreign exchange transactions and coins	6,365	5,937
Semi- and finished goods/unfinished goods/inventories	3,404	4,314
Salary advances	1,681	1,694
Receivables from other taxes and duties	809	422
Prepayments made and accrued income	148	202
Receivables arising from custody fee	0	3,091
Other assets	7,975	5,829
Total	**148,286**	153,475

(24) Financial liabilities held for trading – derivatives

€'000	30/06/2024	31/12/2023
Derivatives	262,706	261,237
Total	**262,706**	261,237

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

(25) Financial liabilities at amortized cost

€'000	30/06/2024	31/12/2023
Deposits from other banks	10,942,689	12,155,098
Demand deposits	5,230,997	5,125,307
Time deposits	5,711,693	7,029,791
Deposits from customers	10,006,582	9,917,366
Demand deposits	5,871,294	6,024,376
Time deposits	2,815,412	2,652,678
Savings deposits	1,319,876	1,240,313
Securitized liabilities	9,210,743	9,247,583
Issued bonds	9,104,952	9,069,329
Tier 2 capital	105,791	178,253
Other financial liabilities	95,949	97,869
Lease liabilities	93,886	95,444
Trade payables	2,063	2,424
Total	**30,255,963**	31,417,916

The position “deposits from other banks“ includes liabilities of TEUR 445,000 from participation in the ECB’s TLTRO III programme (H1 2023: 1,040,000). The carrying amount of these transactions, including accrued interest, equals TEUR 468,002 (H1 2023: 1,071,489). In the first half of 2024, TEUR 595,000 (H1 2023: 1,270,000) were repaid as scheduled.

The following table reconciles Tier 2 capital and lease liabilities from 31 December 2023 to 30 June 2024, classified by cash and non-cash changes (see the consolidated cash flow statement).

€'000	As at 01/01/2024	Cash changes	Non-Cash changes	As at 30/06/2024
Tier 2 capital	178,253	(72,111)	(352)	105,790
Lease liabilities	95,444	(5,654)	4,095	93,886
Total	**273,697**	**(77,764)**	**3,744**	**199,676**

The comparative prior year data are shown below.

€'000	As at 01/01/2023	Cash changes	Non-Cash changes	As at 30/06/2023
Tier 2 capital	468,161	(21,349)	10,524	457,336
Lease liabilities	93,382	(4,922)	8,981	97,441
Total	561,543	(26,271)	19,504	554,777

(26) Derivatives – hedge accounting

€'000	30/06/2024	31/12/2023
Fair value hedges	582,097	639,946
Negative fair values of derivatives in micro fair value hedges	475,275	353,065
Negative fair values of derivatives in portfolio fair value hedges	284,677	286,880
Total	**582,097**	639,946

Derivative financial instruments are reported as hedging instruments when the qualifying criteria for hedge accounting under IFRS 9, respectively IAS 39 are met. Details on the recognized micro and portfolio fair value hedges, the hedged items, hedging instruments and hedged risks can be found in Note (34) Hedge accounting.

(27) Fair value changes in the hedged items for portfolio hedges of interest rate risks

€'000	30/06/2024	31/12/2023
Fair value changes in the underlying transactions for portfolio hedges of interest rate risks	(100,318)	(83,571)
Total	**(100,318)**	(83,571)

RLB NÖ-Wien uses hedge accounting as defined in IAS 39.AG114-AG132 to hedge the fair value of a portfolio against changes in interest rates. This position includes the positive and negative fair value changes to the liabilities in portfolio hedges attributable to the hedged risk (IAS 39.AG123). Additional details can be found in Note (34) Hedge accounting.

(28) Provisions

€'000	30/06/2024	31/12/2023
Provisions for pensions	27,549	28,482
Provisions for severance payments	19,078	19,432
Provisions for jubilee benefits	5,302	5,341
Other personnel-related provisions	4,582	7,005
Pending legal proceedings	23,156	23,529
Loan commitments and financial guarantees	12,176	13,075
Other provisions	4,317	15,374
Total	**96,161**	112,238

Details on the development of the provisions for loan commitments and financial guarantees are provided in Note (16) Loss allowances.

(29) Tax liabilities

€'000	30/06/2024	31/12/2023
Tax liabilities	19,382	16,406
Total	**19,382**	16,406

As of 30 June 2024, this position consisted solely of liabilities from the group tax charge based on the corporate tax group with Raiffeisen-Holding NÖ-Wien. Details can be found under Note (35) Related party disclosures.

(30) Other liabilities

€'000	30/06/2024	31/12/2023
Open items from clearing, settlement and payment services	24,604	15,894
Liabilities from other taxes and duties	17,491	8,796
Liabilities for personnel-related expenses	5,022	6,201
Other liabilities	48,249	19,641
Total	**95,366**	50,532

Other liabilities include accruals and, among others, security deposits and audit and consulting fees.

(31) Equity

€'000	30/06/2024	31/12/2023
Attributable to non-controlling interests	*38*	*43*
Attributable to equity owners of the parent	*2,838,628*	*2,664,036*
Subscribed capital	219,789	219,789
Capital reserves	556,849	556,849
Additional tier 1	76,000	76,000
Other comprehensive income (OCI)	(688,475)	(776,191)
Other comprehensive income for the period (OCI) - not recyclable	28,035	28,349
IAS 19 reserve (revaluation of net liability from defined benefit plans)	(20,033)	(21,272)
Share of other comprehensive income from associates valued at equity	43,128	43,976
Financial assets - equity instruments at fair value through other comprehensive income	4,940	5,644
Other comprehensive income for the period (OCI) - recyclable	(716,511)	(804,540)
Share of other comprehensive income from associates valued at equity	(716,511)	(804,540)
Retained earnings	2,591,309	1,779,792
Share of profit from associates, other changes in equity	(173,683)	(175,948)
Other retained earnings	2,764,992	1,955,740
Profit/loss attributable to equity owners of the parent	83,156	807,796
Equity	**2,838,666**	2,664,080

The share capital of RLB NÖ-Wien remains unchanged in comparison with the previous year at TEUR 219,789 and consists of 2,197,892 registered shares.

The Annual General Meeting on 12 May 2017 authorised the Managing Board, with the consent of the Supervisory Board, to increase share capital by 19 April 2026 by up to TEUR 40,023 in one or more tranches through the issue of up to 400,226 new registered shares, with or without voting rights, in exchange for cash and/or contributions in kind.

In December 2022, an Additional Tier 1 (AT 1) capital instrument with a nominal value of TEUR 76,000 was issued through a private placement. The AT 1 capital instrument has an unlimited term and can be called by the issuer at the earliest after five years. The interest rate equals 10.672% up to 20 December 2027 (end of the first coupon period). The AT 1 bond meets the requirements for Additional Tier 1 capital as defined by Art.52 CRR.

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

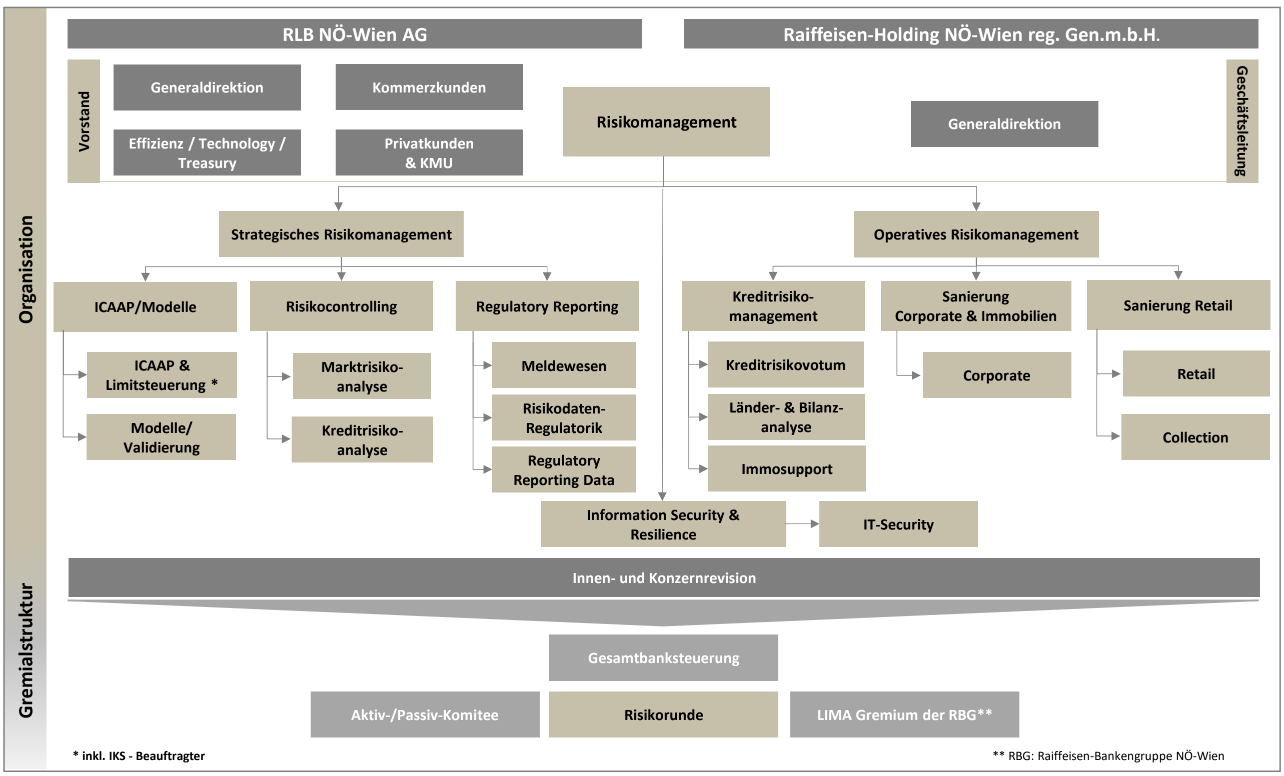
€'000	IAS 19 reserve	Fair value OCI reserve	Total
As at 01/01/2023	***(14,660)***	***(367)***	***(15,027)***
Unrealized gains/(losses) in the period	0	(169)	(169)
Actuarial gains and losses	(81)	0	(81)
Tax effects	(439)	0	(439)
As at 30/06/2023	***(15,181)***	***(536)***	***(15,717)***
As at 01/01/2024	***(21,272)***	***5,644***	***(15,628)***
Unrealized gains/(losses) in the period	0	841	841
Actuarial gains and losses	1,052	0	1,052
Tax effects	186	0	186
Other changes	0	(1,545)	(1,545)
As at 30/06/2024	***(20,033)***	***4,940***	***(15,094)***

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

(32) Risk report

The business activities of a bank are connected with the acceptance of branch-specific risks. These risks are undertaken in accordance with the risk policy and strategy defined by the RLB NÖ-Wien Group. The efficient identification, evaluation and active management of risks represents a central focus of the bank's activities. Additional information on the handling of risk and the organization of risk management is provided in the 2023 Annual Report under "Risks arising from financial instruments (Risk Report)". Risk management is the responsibility of the Managing Board and covers Strategic Risk Management, Operational Risk Management, Compliance and Law as well as Information Security & Resilience (together with IT Security). The risk management function in the sense of risk measurement and risk reporting is carried out by the Strategic Risk Management Departments. The overall group perspective forms the focal point for the Raiffeisen-Holding financial institution group in connection with the Internal Capital Adequacy Assessment Process (ICAAP) and includes the RLB NÖ-Wien-Group. The risk policy and strategy as well as risk management are uniformly defined for Raiffeisen-Holding and RLB NÖ-Wien.

The following diagram shows the organisational structure of the risk management units in the Risk Management Division as of 30 June 2024:



Strategic Risk Management and Operational Risk Management with their supporting units are integrated in the Risk Management Group and report directly to the responsible member of the Managing Board. This structure ensures that Strategic Risk Management and Operational Risk Management remain independent of the front office units.

Strategic Risk Management covers the ICAAP/Models, Risk Controlling and Regulatory Reporting Departments. The **ICAAP/Models Department** is responsible for overall risk analysis (risk capacity analysis and stress testing), the selection and implementation of models, the analysis, monitoring and management of investment and country risk as well as the internal control system (ICS) and the operational risk allocated to “non-financial risk“. The **Risk Controlling Department** is responsible for the analysis, assessment, monitoring and management of credit, macroeconomic, market (including credit spread risk) and liquidity risk, including the selection and implementation of models. The **Regulatory Reporting Department** is in charge of reporting and the optimization of the data structure for regulatory reporting, controlling and risk issues.

Operational Risk Management includes the Credit Risk Management, Corporate Recovery and Retail Recovery Departments. Operational credit risk management is the responsibility of the **Credit Risk Management Department** and includes the management and analysis of loan commitments from initial recognition through the entire term. This analysis is based on concrete facts derived from company data (financial reports and company analyses) and on the results of on-site visits and analyses in the individual companies. The **Corporate Recovery and Retail Recovery Departments** deal with customers in financial difficulties as part of operational risk management. These departments provide recovery support and advising as well as resolution for customers with payment difficulties.

Risk management also includes the **Credit Processing Department** as support for efficiency management in the Efficiency/Technology/Treasury Group, which is responsible for the administrative part of the lending process.

The models and methods used to quantify risk reflect the descriptions provided in the consolidated financial statements for 2023 under the section “Risk Report”.

From a business and risk viewpoint, the first six months of 2024 were characterized by uncertainty, high inflation, unbalanced economic growth, and the consequences of the ongoing Russia-Ukraine war and the Israel-Hamas conflict. This risk report explains, among others, the development of risk including the previous effects of high inflation and geopolitical crises on the RLB NÖ-Wien-Group in the first half of 2024. The reported quantitative data are intended to clarify these effects. The information contained in the risk report to the annual financial statements as of 31 December 2023 applies to all other general descriptions concerning the risk strategy, culture and management (also see the commentary at the beginning of this risk report).

Macroeconomic environment and economic situation

Persistent high inflation, a very weak external environment and the resulting generally negative sentiment have held the Austrian economy in recession since 2023. The economy is expected to stabilize in 2024 but with very weak growth of only +0.2% (forecast: RBI / Raiffeisen Research). Private consumption is recovering due to the substantial increase in real wages, with an additional contribution coming from the export sector. In contrast, gross fixed capital formation will continue to decline this year. High financing costs and weak profit expectations have had a negative effect, in particular, on residential construction and economically sensitive capital investment. An improvement in the external environment with growth of 1.5% (forecast: RBI / Raiffeisen Research) is forecasted for 2025, above all but also supported by strong growth in real consumption. The employment market has proven to be crisis resistant. Unemployment increased slightly in 2024 but is projected to decline by 2026. HICP inflation (Harmonised Index of Consumer Prices) in Austria fell by more than half below the 2023 level of 7.7% to 3.3% in 2024 (forecast:

RBI / Raiffeisen Research), and this downward trend is expected to continue in 2025 and 2026. The gap between the inflation rate in the Eurozone and Austria has narrowed significantly and, at roughly one-half of a percentage point, will return to the range preceding the inflation shock in 2025 and 2026.

The risks associated with the growth forecasts are balanced. Geopolitical tensions and Austria's dependence on Russian gas represent downside risks, while the stronger recovery of domestic demand is seen as an upside risk. These three risk factors in total lead to an overall upside risk for the inflation forecast.

Internal Capital Adequacy Assessment Process (ICAAP) and stress testing

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

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

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

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

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

The risk utilization in the risk capacity analysis has remained relatively stable or improved slightly since 31 December 2023.

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

Inflation followed an unusual trend up to 2023. The scenario for the half-year stress tests (as of 31 December and 30 June) was therefore again designed and analysed to reflect the very negative development of inflation. The results confirm that the Raiffeisen-Holding
NÖ-Wien Financial Institutions Group, similar to the results of the risk capacity analysis, is substantially dependent on investments, loans and the credit spread as risk drivers. The risk capacity of the bank is met under every scenario. The risk appetite at the RLB NÖ-Wien-Group level is currently defined as 90% of the coverage pool.

Credit risk

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

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

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

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

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

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

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

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

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

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

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

Information on expected credit losses

The estimates of the economic trends required for the calculation of period-based expected credit losses are subject to uncertainty concerning the occurrence – or non-occurrence – of the related events. The RLB NÖ-Wien Group sees the following assumptions as the best possible estimates. The forecasts were developed by Moody's Analytics, which provides macroeconomic forecast values for various possible economic scenarios. The individual scenarios are weighted according to recommendations made by Moody's Analytics and amounts to 30% optimistic/40% baseline/30% pessimistic for all transactions as of 30 June 2024. These weightings remain unchanged compared to the previous year.

The following table shows the estimates for economic development in Austria under various scenarios based on the material macroeconomic factors used to calculate credit losses.

Variable	Scenario	2024	2025	2026
		Current	Current	Current
Annual GDP growth in %	baseline	0.89%	2.07%	1.61%
	optimistic	1.34%	2.96%	1.45%
	pessimistic	(0.57)%	(2.86)%	2.62%
Unemployment rate	baseline	4.90%	4.84%	4.79%
	optimistic	4.76%	4.62%	4.57%
	pessimistic	5.53%	6.04%	5.79%
Short-term yield (3M-Euribor)	baseline	2.74%	2.22%	2.29%
	optimistic	3.51%	2.65%	2.29%
	pessimistic	2.72%	0.95%	0.96%
Long-term yield (10-year Austrian government bonds)	baseline	2.67%	2.68%	2.69%
	optimistic	2.85%	3.21%	3.16%
	pessimistic	1.92%	1.55%	1.60%
Stock index (Eurostoxx)	baseline	208.91	215.22	224.51
	optimistic	227.88	235.06	243.08
	pessimistic	140.00	160.49	194.21
Residential property prices - Annual growth rate	baseline	0.07%	0.36%	0.23%
	optimistic	0.69%	0.29%	0.21%
	pessimistic	(1.53)%	(1.85)%	(0.89)%
Inflation rate	baseline	2.42%	1.64%	1.95%
	optimistic	2.66%	1.73%	2.13%
	pessimistic	1.90%	0.51%	1.60%
National budget in € billion	baseline	(5.03)	(0.16)	1.41
	optimistic	0.10	6.12	6.46
	pessimistic	(16.96)	(21.25)	(14.02)
Gross investments - Annual growth rate	baseline	(6.52)%	1.32%	5.24%
	optimistic	(8.90)%	5.84%	6.52%
	pessimistic	(10.34)%	(3.72)%	11.74%

Effects of the current macroeconomic environment on credit risk

Real estate crisis
Macroeconomic developments since 2023 have created major challenges for estimating the loss allowances for real estate financing, similar to the situation resulting from the COVID-19 pandemic and the Russia-Ukraine war in earlier years. The foremost impact has been felt in commercial property financing: The increasing risks in 2024 have not yet been fully reflected in the bank's risk models and parameters (especially PD and LGD) or in the credit ratings of customers.

The main drivers for the increase in direct and indirect risks include the changed interest rate environment in the Eurozone caused by ongoing inflation, the changed market environment for (commercial) properties with stagnating or declining prices and subsequent adjustments to the valuation of collateral as well as adjustments to customers' credit standing. The additional risk has therefore been incorporated through individual credit rating adjustments since December 2023, depending on the scope of involvement. Management believes this overlay offsets the above-mentioned direct and indirect risks which cannot be clearly identified in the customers' individual credit ratings.

Israel's war against Hamas
The credit portfolio of RLB NÖ-Wien is, at the present time, hardly affected by Israel's war against Hamas because there are no direct business relations with Israel. Moreover, the indirect effects through customers who conduct part of their business in or with Israel are manageable. The involved customers are reevaluated on a regular basis, and there is no further inclusion in the risk assessment at the portfolio level.

Russia-Ukraine war and its impact on energy prices and inflation
The outbreak of the Russia-Ukraine war led to the introduction of impact analyses for the corporate clients business and analyses and stress tests in the private customer portfolio. These analyses were updated regularly and expanded to include the volatilities on the energy markets and rising inflation. Apart from a limited number of individual cases, the impact analysis in the first half of 2024 did not identify any deterioration in the credit standing of the portfolio. Similar results were identified by the increased monitoring of payment difficulties.

The effects of the Russia-Ukraine war, including energy price volatilities, have become easier to estimate. A general loss allowance as a management overlay is no longer required because the economic and geopolitical conditions are already reflected in corporate indicators.

Sustainability and ESG factors in credit risk
The RLB NÖ-Wien Group uses an external scoring tool to evaluate the ESG relevance of risk positions. This tool classifies each transaction according to E (Environmental), S (Social) and G (Governance) criteria and assigns an appropriate ESG score. Each score is weighted according to its importance in the respective rating scheme to develop an overall ESG rating for each loan/security. The scale for the assignment of these ratings ranges from AAA, the best rating and very low ESG risk, to C, which represents a very high ESG risk and the worst possible classification. The evaluation of the ESG standing of loans and securities is included in the lending decision and also in decisions concerning the purchase of securities – in qualitative form at the present time, but will be based on the ESG rating after the complete implementation of the scoring system. Sustainability risks represent an important part of the risks for central bank management in the RLB NÖ-Wien Group, and the implementation of appropriate classification and analysis models and processes remains a focal point of activities in 2024. The goals defined by the sustainability strategy support the gradual transformation to a sustainable credit portfolio.

The decision by the RLB NÖ-Wien Group to join the PCAF (Partnership for Carbon Accounting Financials) and adhere to its standards supports this goal. The PCAF commitment letter was signed in November 2022.

Market risk (incl. credit spread risk)

Market risk and the related sub-risks are quantified for both the trading and banking book of the RLB NÖ-Wien-Group by the value at risk (VaR) indicator, which is calculated by historical simulation with equally weighted time series and the SAS Risk Management for Banking system. This calculation is based on a four-year history, which means crisis situations which lie more than four years in the past were previously excluded. A conservative mark-up is therefore added to the VaR to reflect the market risk. This add-on is based on an extended time series and covers an economic cycle with greater probability.

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

The total gone concern market risk was generally stable in the first half of 2024 with a high of TEUR 449,504 (at the end of January) and a low of TEUR 355,034 (at the end of March). The slight downward trend resulted, above all, from a decline in the credit spread risk. The most important categories of market risk, which result from trading activities by the RLB NÖ-Wien Treasury Department and from customer transactions, were the credit spread risk and interest rate risk.

The following table shows the monthly VaR for entire gone concern market risk of the RLB NÖ-Wien-Group for the risk capacity analysis, classified by type of risk and including correlations, in the first half of 2024. 31 December 2023 was selected as the comparative date.

€'000	VaR* at 30/06/2024	Average-VaR	VaR* at 31/12/2023
Currency risk	4,941	3,623	2,178
Interest rate risk	87,867	97,646	84,655
Price risk	129	136	129
Credit spread risk	274,980	301,080	357,136
Total	**367,917**	**402,485**	444,098

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

The VaR in the trading book was relatively low in the first half of 2024, whereby the maximum of TEUR 214 was reached on 14 February 2024 due to a higher trading volume of KfW bonds. The following table shows the VaR (99% VaR, 1 day) for the market risk in the trading book, classified by type or risk and including correlations. 31 December 2023 was selected as the comparative date.

€'000	VaR* at 30/06/2024	Average-VaR	VaR* at 31/12/2023
Currency risk	11	6	2
Interest rate risk	45	33	44
Price risk	7	8	8
Credit spread risk	80	78	66
Total	**104**	**89**	81

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

Liquidity risk

Structural liquidity (SLFT) and the refinancing concentration risks as of 30 June 2024 were substantially higher than the prescribed lower limits and remained nearly unchanged compared with 31 December 2023.

The market situation to date in 2024 (inflation, Israel's war against Hamas and the Russia-Ukraine war) had no significant longer term effects on the liquidity position (among others, buffer values, cash inflows and outflows etc.).

The following table shows the structural liquidity of the RLB NÖ-Wien-Group as of 30 June 2024:

€'000 Maturity band	Gap (absolute)	GoA	GoA limit	Accumulated from behind	S-LFT	S-LFT limit
18 months	(1,402,519)	0.7%	(10.0)%	506,885	109.7%	> 80%
2 years	(266,755)	(0.4)%	(10.0)%	1,909,404		
3 years	(1,208,579)	1.7%	(10.0)%	2,176,159	107.5%	> 70%
5 years	721,454	2.4%	(10.0)%	3,384,738	97.9%	> 60%
7 years	944,757	2.9%	(10.0)%	2,663,284		
10 years	(3,022,754)	-	-	1,718,527	99.0%	> 50%
15 years	1,301,410	-	-	4,741,281		
20 years	1,545,887	-	-	3,439,871		
30 years	1,757,852	-	-	1,893,984		
> 30 years	136,132	-	-	136,132		

The following table shows the structural liquidity of the RLB NÖ-Wien-Group as of 31 December 2023:

€'000 Maturity band	Gap (absolute)	GoA	GoA limit	Accumulated from behind	S-LFT	S-LFT limit
18 months	(2,215,730)	0.3%	(10.0)%	113,653	115.3%	> 80%
2 years	172,374	1.1%	(10.0)%	2,329,383		
3 years	(1,502,461)	1.0%	(10.0)%	2,157,008	111.8%	> 70%
5 years	842,606	3.2%	(10.0)%	3,659,469	100.3%	> 60%
7 years	369,991	1.3%	(10.0)%	2,816,862		
10 years	(2,274,246)	-	-	2,446,871	98.3%	> 50%
15 years	1,325,173	-	-	4,721,117		
20 years	1,477,040	-	-	3,395,944		
30 years	1,731,992	-	-	1,918,904		
> 30 years	186,913	-	-	186,913		

As of 30 June 2024, the liquidity coverage ratio (LCR) of the RLB NÖ-Wien Group equalled 155.56% (H1 2023: 144.59%).

The decisive factor for the rise in the LCR during the first half of 2024 was the increase of approximately EUR 560 million in the liquidity buffer that resulted from higher issuing activity and customer deposits.

The following table shows the quantitative data as of 30 June 2024 compared with 31 December 2023:

in TEUR		All currencies 30.06.2024	31.12.2023*
Liquidity buffer		9,700,058	9,140,481
Net liquidity outflow		6,235,656	6,321,588
MINIMUM LIQUIDITY RATIO (LIQUIDITY COVERAGE RATIO LCR)		**155.56%**	144.59%
	Total unweighted amount	*Total weighted amount*	*Total weighted amount*
HIGH-QUALITY LIQUID ASSETS			
Level 1 - assets excl. extremely high quality covered bonds	11,368,210	8,053,249	7,441,053
Level 1 - extremely high quality covered bonds	1,646,959	1,531,672	1,616,952
Level 2A - assets	121,262	103,072	50,292
Level 2B - assets	24,128	12,064	32,183
Liquidity buffer	**13,160,559**	**9,700,058**	9,140,481
CASH OUTFLOWS			
Outflows from unsecured transactions/deposits	18,093,404	7,110,632	7,088,121
1.1 Personal banking customer deposits	4,952,523	384,196	369,377
1.2 Operational deposits	4,532,120	3,619,250	3,613,530
1.3 Excess operational deposits	0	0	0
1.4 Non-operational deposits	4,131,470	2,032,404	1,875,586
1.5 Additional outflows (i.a. outflows from derivatives)	658,672	658,672	720,509
1.6 Committed facilities	1,768,436	169,650	191,787
1.7 Other products and services	2,011,818	208,095	203,433
1.8 Other liabilities	38,365	38,365	113,898
Outflows from secured lending and capital market-driven transactions	887,870	0	0
TOTAL OUTFLOWS	**18,981,274**	**7,110,632**	7,088,121
CASH INFLOWS			
Inflows from unsecured transactions/deposits	1,325,932	874,976	766,533
1.1 monies due from non-financial customers (except for central banks)	250,768	132,316	108,410
1.2 monies due from central banks and financial customers	465,248	132,745	108,017
1.3 inflows corresponding to outflows in accordance with promotional loan commitments	0	0	0
1.4 monies due from trade financing transactions	0	0	0
1.5 monies due from securities maturing within 30 days	166,870	166,870	16,807
1.6 Loans and advances with an undefined contractual end date	0	0	
1.7 monies due from positions in major index equity instruments provided that there is no double counting with liquid assets	0	0	0

in TEUR		All currencies 30.06.2024	31.12.2023*
1.8 inflows from the release of balances held in segregated accounts in accordance with regulatory requirements for the protection of customer trading assets	0	0	0
1.9 inflows from derivatives	443,046	443,046	533,299
1.10 inflows from undrawn credit or liquidity facilities provided by members of a group or an institutional protection scheme where the competent authorities have granted permission to apply a higher inflow rate	0	0	0
1.11 Other inflows	0	0	0
Inflows from secured lending and capital market-driven transactions	0	0	0
TOTAL INFLOWS	**1,325,932**	**874,976**	766,533
Inflows subject to 75% Cap	1,325,932	874,976	766,533
Fully exempt inflows	0	0	0
NET LIQUIDITY OUTFLOW	**17,655,343**	**6,235,656**	6,321,588

* The comparative amounts as of 31 December 2023 represent the final reported data from the financial statements as of 31 December 2023 (these amounts were not yet available when the notes to the financial statements were prepared).

Equity investment risk

In line with its focus as a full-service bank, RLB NÖ-Wien primarily holds strategic equity investments within the Raiffeisen sector and other equity investments that support banking operations. The largest equity investment is the shareholding in RBI, the leading institution in the Raiffeisen sector.

Raiffeisen-Holding NÖ-Wien is responsible for the management and control of equity investments and the related risks. Diligent and detailed investment management and controlling form the basis for the systematic management of investments (Information is provided in the 2023 consolidated financial statements of the RLB NÖ-Wien Group under the section "Risks arising from financial instruments – Risk Report").

The management of equity investments together with the measurement and control of risks represent integral processes in the business strategy. Equity investment risks can have the following effect on the RLB NÖ-Wien-Group:

- Risk of reduction of the carrying amount (value in use) of the investment
- Risk arising from legal or contractual funding obligations

The quantification of risk is based on a simulation model (Monte Carlo simulation) that was validated in 2023.

Based on historical volatilities for changes in the market capitalization of peer group companies, on the value in use of the equity investments and on the base interest rate, the potential loss in the (market) value of the simulated investments is calculated at a specific confidence level (95% and 99.9%) in the sense of value-at-risk based on the assumption of a normal distribution. The investment risk model also transfers the calculated risk premiums to the value in use of the investments as an exposure. The risk potential is still viewed at the individual and portfolio levels.

This simulation tool is used to generate a quarterly evaluation – extreme case (95.0%) and liquidation case (99.9%) – of the risk potential and risk cover pools from the investments. The results are transferred to the risk capacity analysis that is calculated regularly at the overall bank level.

The individual portfolio companies are responsible for sustainability management that is appropriate for their business operations. In particular, RBI, as a material investment of RLB NÖ-Wien, has installed a separate unit to adequately deal with this issue. RBI operates an extensive sustainability management system and has been working for some time on the development of a closely meshed risk management system to identify, quantify and manage ESG risks. It has also published a high-level sustainability report for several years. All other portfolio companies are addressing the issue of sustainability, depending on their area of business. The effects of these ESG aspects flow into the valuation of the individual investments and, consequently, also into the risk quantification.

RBI is directly affected by the Russia-Ukraine war due to its positioning in Central and Eastern Europe. The institution is currently evaluating all options up to an exit from the Russian market as well as how/when dividends could flow from Russia. These circumstances underscore the substantial uncertainty and increased risk connected with business activities in Russia. The current restrictions on distributions and the higher risk associated with the Russian investment are incorporated in the impairment test.

RLB NÖ-Wien also uses scenario analyses to evaluate the potential impact of the Russia-Ukraine war on its core investments. These analyses equip RLB NÖ-Wien to deal with the effects of the crisis on its risk capacity and to manage and control this risk at the right time. The effects also flow into the valuation of the equity investments and into the quantification of equity investment risk at RLB NÖ-Wien.

Rising inflation has no material or sustained direct effects on the equity investment risk of RLB NÖ-Wien. However, there is an indirect effect through the resulting increase in interest rates through a sharp rise in the cost of capital applied to company valuations and a corresponding influence on equity investment risk.

The following table shows the carrying amounts of the equity investments held by the RLB NÖ-Wien-Group as of 30 June 2024 and the comparative date on 31 December 2023.

€ '000	Carrying amount 30/06/2024	Percentage held	Carrying amount 31/12/2023	Percentage held
Investments in other banks	2,474,345	99.2%	2,431,692	99.2%
Investments in banking-related fields	19,431	0.8%	18,472	0.8%
Total equity investments	**2,493,776**	**100.0%**	2,450,164	100.0%

The carrying amounts of the equity investments increased by EUR 44 million in the first half of 2024, primarily due to the net earnings contribution from RBI.

Non-financial risk

The Raiffeisen-Holding NÖ-Wien Financial Institutions Group (and therefore also the RLB NÖ-Wien Group) defines non-financial risk (NFR) as a separate type for risk strategy and risk management. This risk type includes the sub-risk "operational risk" (incl. IT risk and legal risk) as well as outsourcing risk, compliance risk and model risks as sub-risks. (Information on the sub-risk types is provided in the 2023 consolidated financial statements of the RLB NÖ-Wien-Group under the section "Risks arising from financial instruments – Risk Report").

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

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

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

The ESG requirements for the sub-risks assigned to non-financial risk were evaluated and are gradually being implemented. The influence of ESG factors on risk identification and assessment as part of operational risk represented the focal point of this work in 2023 and the first half of 2024.

Internal control system - ICS

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

Sustainability and ESG risks

The increased attention to and integration of sustainability aspects (ESG - Environment, Social, Governance) represent an integral part of the business strategy and, as such, have been incorporated in the organizational units of the Raiffeisen-Holding NÖ-Wien-Group and RLB NÖ-Wien. Sustainability aspects at RLB NÖ-Wien are anchored in a separate department "ESG & Investor Relations Management", which is part of the ESG Transformation Department and reports directly to the Managing Board member responsible for Efficiency/Technology/Treasury. Together with the sustainability strategy defined for the Raiffeisen-Holding NÖ-Wien Group, which is updated regularly as part of the business strategy, ESG issues are anchored in RLB NÖ-Wien and in the Raiffeisen-Holding NÖ-Wien Group.

Sustainability was defined as a focal point of the strategic reorientation in the coming years. In particular, the implementation of necessary measures related to sustainability risks and ESG factors were extensively monitored and analysed during the first half of 2024. The methods, models and strategies applicable to ESG risks will be continuously improved in the near term and should contribute to the more precise measurement of inherent ESG risks. These issues are derived from the sustainability strategy and represent an integral part of the risk strategy. ESG risks describe the possible negative impact on companies, in particular as the result of climate and environmental effects. Banks are exposed to sustainability risks in a number of ways. ESG factors are taken into consideration as partial aspects of the risk types identified by the risk inventory, e.g. credit, market, liquidity and non-financial risk (and here, above all, operational risk) as well as reputation risk. The effects of ESG factors can result, on the one hand, from physical risks like the consequences of climate change and can lead to default by borrowers or impairment losses to collateral. On the other hand, the effects can result from so-called transition risks caused, for example, by political or technological developments. The intervention measures implemented to attain certain climate policy goals can have a sizeable negative influence on branches with a greater environmental impact. ESG risks were analysed in 2023 as part of a risk inventory based on an ESG survey of individual risks. The resulting ESG heat map and evaluation matrix serve as a tool to identify, analyse and assess the materiality of ESG risks and the related drivers from the outside-in perspective. ESG factors are taken into consideration as partial aspects of the risk types identified by the risk inventory, e.g. credit, country, CVA (Credit Valuation Adjustment), investment, market, liquidity and non-financial risk (and here, above all, operational risk) as well as reputation risk. The ESG heat map derived from the risk inventory is used to integrate ESG risks in the entire risk organisation. This assessment is updated annually as part of the risk inventory process which, in the 2024 calendar year, is scheduled for the fourth quarter. In 2023, the ESG Transformation Department carried out a double materiality analysis from the inside-out and outside-in perspectives. Additional information can be found in the Non-financial Report of the Raiffeisen-Holding NÖ-Wien Group for 2023.

In addition to the social and environmental motivation to examine ESG factors, lawmakers and supervisory authorities have placed high demands on the financial sector for sustainability risk management and reporting. The Raiffeisen-Holding NÖ-Wien Group – and, accordingly, RLB NÖ-Wien – increased their focus on projects involving ESG factors/risks, an ESG market programme and the ESG taxonomy in 2023 to further implement and integrate sustainability issues in all areas of the banking group. ESG factors and risk projects were transferred to an ESG stream in the Strategic Risk Management Department during the first half of 2024, which will pursue the further development of ESG risk management together with the involved organizational units. That means ESG issues, factors and risks will be included in the banking group's governance as well as its corporate identity, product offering and customer support together with the related risk management, risk measurement, stress tests and extensive ESG reporting. High priority has also been given to the implementation of an ESG corporate rating for the banking group. The Raiffeisen-Holding NÖ-Wien Group carried out its first ESG stress test in 2023, which provided plausible and expected results compared with the ECB ESG stress test from 2022 based on currently available data and assumptions.

Additional information on sustainability in the Raiffeisen-Holding NÖ-Wien Group, and therefore also in the RLB NÖ-Wien Group, can be found in the "Non-financial statement" which represents part of the management report by the Raiffeisen-Holding NÖ-Wien Group as of 31 December 2023.

(33) Fair value of financial instruments

Financial instruments measured at fair value

The accounting policies applied to the financial instruments at a fair value and the disclosures on the development of this fair value reflect the Significant Accounting Policies described in the consolidated financial statements for 2023.

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

€'000	30/06/2024 Level I	Level II	Level III	31/12/2023 Level I	Level II	Level III
Total						
Financial assets held for trading	***319,336***	***420,609***	***1,121***	*328,653*	*414,369*	*1,076*
Derivatives	0	301,880	1,121	0	288,460	1,076
Bonds	319,336	118,729	0	328,653	125,908	0
Non-trading financial assets mandatorily at fair value through profit or loss	***0***	***1,031***	***139,293***	*0*	*891*	*150,063*
Equity instruments	0	0	16,754	0	0	16,744
Bonds	0	1,031	0	0	891	0
Loans and advances	0	0	122,539	0	0	133,319
Financial assets at fair value through other comprehensive income	***0***	***0***	***29,739***	*0*	*0*	*28,253*
Equity instruments	0	0	29,739	0	0	28,253
Derivatives - hedge accounting	***0***	***570,170***	***0***	*0*	*558,985*	*0*
Total						
Financial liabilities held for trading	***0***	***262,706***	***0***	*0*	*261,237*	*0*
Derivatives	0	262,706	0	0	261,237	0
Derivatives - hedge accounting	***0***	***582,097***	***0***	*0*	*639,946*	*0*

The loans and advances at fair value are all assigned to Level III. This assignment resulted primarily from credit risk premiums which are not observable on the market. The scope of these non-observable input factors equals up to approximately 54% (H1 2023: approximately 38%). Debt instruments with a fair value of TEUR 15,327 (H1 2023: 0) were reclassified from Level II to Level I during the first half of 2024. There were no reclassifications from Level I to Level II during the reporting period.

The assignment of equity instruments to Level III was based on non-observable input factors for the DCF method, in particular the cash flows resulting from internal forecasts.

The following table shows the development from 1 January 2024 to 30 June 2024 of the assets at fair value which are assigned to Level III:

€'000	01/01/2024	Additions	Disposals	Profit, income statement	Profit, other comprehensive income	30/06/2024
Total						
Financial assets held for trading	***1,076***	***0***	***0***	***45***	***0***	***1,121***
Derivatives	1,076	0	0	45	0	1,121
Non-trading financial assets mandatorily at fair value through profit or loss	***150,063***	***705***	***(9,708)***	***(1,767)***	***0***	***139,293***
Equity instruments	16,744	0	0	9	0	16,754
Loans and advances	133,319	705	(9,708)	(1,777)	0	122,539
Financial assets at fair value through other comprehensive income	***28,253***	***2,334***	***(1,691)***	***0***	***842***	***29,739***
Equity instruments	28,253	2,334	(1,691)	0	842	29,739

There have been no reclassifications to or from Level III since the end of the last reporting period.

The following table shows the development from 1 January 2023 to 30 June 2023 of the assets at fair value which are assigned to Level III:

€'000	01/01/2023	Additions	Disposals	Profit, income statement	Profit, other comprehensive income	30/06/2023
Total						
Non-trading financial assets mandatorily at fair value through profit or loss	*126,948*	*3,297*	*(4,591)*	*(806)*	*0*	*124,848*
Equity instruments	14,086	408	0	8	0	14,502
Loans and advances	112,862	2,889	(4,591)	(814)	0	110,345
Financial assets at fair value through other comprehensive income	*19,110*	*1,215*	*0*	*0*	*(169)*	*20,156*
Equity instruments	19,110	1,215	0	0	(169)	20,156

The results recognized to the income statement for the financial instruments allocated to Level III totalled TEUR -1,581 (H1 2023: -1,059) and are reported under "profit/loss from financial assets and liabilities".

Sensitivity analysis of the non-observable parameters for financial instruments measured at Level III

In cases where non-observable parameters flow into the valuation of a financial instrument, the parameter can be selected from a range of alternatives. A shift in the parameters at the ends of these ranges (+/- 100 bps with a floor at 0) would lead to an increase of EUR +0.8 million (H1 2023: +1.0 million) or a decrease of EUR -1.2 million (H1 2023: -1,4 million) in the fair value of loans and advances (assets) as of 30 June 2024. This calculation reflects the applicable market conditions and internal valuation requirements. RLB NÖ-Wien held no securities classified under Level III as of 30 June 2024.

The probability is extremely low that all non-observable parameters (e.g. discounts and credit spreads) would move to the ends of the ranges at the same time. Therefore, the results cannot be used to draw conclusions over actual, future market developments.

Financial instruments not measured at fair value

The following table shows the fair values and carrying amounts of financial instruments at amortized cost in accordance with the respective business model. Classification is based on the classes of financial instruments defined by RLB NÖ-Wien. These financial instruments are not managed on the basis of fair value and, consequently, are not carried at fair value on the balance sheet. In these cases, fair value has no impact on the consolidated balance sheet or consolidated income statement.

30/06/2024 €'000	Fair value	Carrying amount	Difference
Total			
Cash, cash balances at central banks and other demand deposits	***5,669,721***	***5,667,643***	***2,078***
Cash	54,368	54,368	0
Balances with central banks	2,837,851	2,837,580	271
Other demand deposits	2,777,502	2,775,695	1,807
Financial assets at amortized cost	***23,967,503***	***24,538,378***	***(570,875)***
Bonds	5,357,297	5,547,058	(189,762)
Debt instruments from other banks	1,990,678	2,037,246	(46,568)
Debt instruments from customers	3,366,618	3,509,812	(143,194)
Loans and advances	18,610,206	18,991,320	(381,113)
Total			
Financial liabilities at amortized cost	***30,081,552***	***30,160,014***	***(78,462)***
Deposits	20,981,964	20,949,271	32,693
Securitized liabilities	9,099,588	9,210,743	(111,155)

The comparative prior year data are shown below:

31/12/2023 €'000	Fair value	Carrying amount	Difference
Total			
Cash, cash balances at central banks and other demand deposits	***6,654,951***	***6,653,098***	***1,854***
Cash	56,188	56,188	0
Balances with central banks	3,958,457	3,958,332	125
Other demand deposits	2,640,305	2,638,577	1,728
Financial assets at amortized cost	***24,003,478***	***24,511,142***	***(507,664)***
Bonds	4,819,186	5,001,197	(182,011)
Loans and advances	19,184,292	19,509,945	(325,653)
Total			
Financial liabilities at amortized cost	***30,666,777***	***31,320,047***	***(653,270)***
Deposits	21,530,532	22,072,464	(541,933)
Securitized liabilities	9,136,245	9,247,583	(111,338)

The following table shows the fair values of assets measured at amortized cost, based on the fair value hierarchy.

30/06/2024 Fair value €'000	Fair value Level I	Fair value Level II	Fair value Level III
Total			
Cash, cash balances at central banks and other demand deposits	54,368	5,589,737	25,616
Bonds	5,009,728	347,568	0
Loans and advances	0	41,160	18,569,046
Total			
Deposits	0	0	20,981,964
Securitized liabilities	0	8,987,245	112,344

The comparative prior year data are shown below:

31/12/2023 Fair value €'000	Fair value Level I	Fair value Level II	Fair value Level III
Total			
Cash, cash balances at central banks and other demand deposits	56,188	6,550,474	48,289
Bonds	4,375,449	443,737	0
Loans and advances	0	0	19,184,292
Total			
Deposits	0	0	21,530,532
Securitized liabilities	0	8,950,364	185,881

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

(34) Hedge accounting

The following section provides detailed information on the accounting treatment of hedging relationships, the hedged items, hedging instruments and hedged risks in the firm of tables. The risk strategy applied by the RLB NÖ-Wien Group remains unchanged and reflects the description in the consolidated financial statements for 2023.

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

€'000	Nominal Value 30/06/2024	Carrying amount 30/06/2024 Total	Total	Change in fair value 01/01 - 30/06/2024	Income statement presen-tation – fair value change	Income statement effect – ineffective-ness 01/01 - 30/06/2024	Income statement presen-tation – ineffective-ness
Interest rate risk - micro-hedges							
Interest Rate Swaps - Bonds	3,551,010	119,376	41,575	65,589	Profit or loss from hedge accounting	786	Profit or loss from hedge accounting
Interest Rate Swaps - Loans and advances	850,912	41,424	9,321	13,911	Profit or loss from hedge accounting	(195)	Profit or loss from hedge accounting
Interest Rate Swaps - Deposits	399,034	11,439	18,689	(11,757)	Profit or loss from hedge accounting	(68)	Profit or loss from hedge accounting
Interest Rate Swaps - Securitized liabilities	7,128,865	15,367	283,077	(70,688)	Profit or loss from hedge accounting	902	Profit or loss from hedge accounting
Interest rate risk - portfolio hedges							
Interest rate swaps - Assets	3,688,970	353,749	32,124	90,792	Profit or loss from hedge accounting	3,516	Profit or loss from hedge accounting
Interest Rate Swaps - Liabilities	2,342,500	4,789	123,313	(33,502)	Profit or loss from hedge accounting	(852)	Profit or loss from hedge accounting
Floors - Assets	5,525,200	24,025	73,998	19,148	Profit or loss from hedge accounting	427	Profit or loss from hedge accounting
Floors - Assets 3-month-EURIBOR	2,150,400	0	8,685	5,338	Profit or loss from hedge accounting	357	Profit or loss from hedge accounting
Floors - Assets 6-month-EURIBOR	3,374,800	24,025	65,313	13,809	Profit or loss from hedge accounting	70	Profit or loss from hedge accounting

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

€'000	Nominal Value 31/12/2023	Carrying amount 31/12/2023 Total	Total	Change in fair value 01/01 - 30/06/2023	Income statement presen-tation – fair value change	Income statement effect – ineffective-ness 01/01 - 30/06/2023	Income statement presen-tation – ineffective-ness
Interest rate risk - micro-hedges							
Interest Rate Swaps - Bonds	2,874,960	95,866	87,970	(21,262)	Profit or loss from hedge accounting	(1,757)	Profit or loss from hedge accounting
Interest Rate Swaps - Loans and advances	803,238	37,183	17,766	(6,651)	Profit or loss from hedge accounting	(326)	Profit or loss from hedge accounting
Interest Rate Swaps - Deposits	407,695	12,933	8,131	3,725	Profit or loss from hedge accounting	(318)	Profit or loss from hedge accounting
Interest Rate Swaps - Securitized liabilities	7,218,390	50,404	239,198	47,075	Profit or loss from hedge accounting	1,363	Profit or loss from hedge accounting
Interest rate risk - portfolio hedges							
Interest rate swaps - Assets	3,500,204	323,993	77,830	(42,016)	Profit or loss from hedge accounting	(5,082)	Profit or loss from hedge accounting
Interest Rate Swaps - Liabilities	2,044,000	8,649	108,257	5,452	Profit or loss from hedge accounting	2,486	Profit or loss from hedge accounting
Floors - Assets	5,525,200	29,956	100,794	5,554	Profit or loss from hedge accounting	4,741	Profit or loss from hedge accounting
Floors - Assets 3-month-EURIBOR	2,150,400	0	14,527	(1,641)	Profit or loss from hedge accounting	904	Profit or loss from hedge accounting
Floors - Assets 6-month-EURIBOR	3,374,800	29,956	86,267	7,195	Profit or loss from hedge accounting	3,837	Profit or loss from hedge accounting

The following table shows the carrying amounts of the hedged items in recognized hedging relationships as of 30 June 2024 and the respective developments during the reporting period:

€'000	Carrying amount of the hedged items 30 /06/2024		Cumulative fair value changes of the hedged items		Fair value changes of the hedged items 01/01 - 30/06/2024	Cumulative fair value changes of the de-designated hedged items 30/06/2024
	Total	Total	Total	Total		
Interest rate risk - micro-hedges						
Financial assets at amortized cost	***4,276,075***		***(87,312)***		***(78,910)***	***4,624***
Bonds	3,454,923		(49,767)		(64,803)	0
Loans and advances	821,152		(37,545)		(14,107)	4,624
Financial liabilities at amortized cost		***9,014,094***		***(305,297)***	***83,280***	***0***
Deposits		398,210		(12,028)	11,689	0
Securitized liabilities		8,615,884		(293,269)	71,591	0
Interest rate risk - portfolio hedges						
Portfolio-Hedge*	***8,316,972***	***1,793,321***	***22,141***	***6,323***	***(73,348)***	***(530,912)***
Portfolio-Hedge Assets	4,209,194		19,100		(87,277)	(346,175)
Portfolio-Hedge Liabilities		1,793,321		6,323	32,649	(106,641)
Portfolio- Hedge Floors Assets	4,107,777		3,041		(18,720)	(78,096)
Portfolio-Hedge Floors Assets 3-month-EURIBOR	1,869,209		648		(4,981)	(17,186)
Portfolio-Hedge Floors Assets 6-month-EURIBOR	2,238,569		2,393		(13,739)	(60,910)

* The amounts reported under the carrying amount represent the synthetic hedged item as of 30 June 2024, including the designation quota.

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

€'000	Carrying amount of the hedged items 31/12/2023		Cumulative fair value changes of the hedged items		Fair value changes of the hedged items 01/01 - 30/06/2023	Cumulative fair value changes of the de-designated hedged items 31/12/2023
	Total	Total	Total	Total		
Interest rate risk - micro-hedges						
Financial assets at amortized cost	*3,644,543*		*(8,402)*		*25,830*	*4,659*
Bonds	2,857,124		15,036		19,505	0
Loans and advances	787,419		(23,438)		6,325	4,659
Financial liabilities at amortized cost		*9,217,396*		*(221,945)*	*(49,755)*	*105*
Deposits		414,847		(235)	(4,043)	105
Securitized liabilities		8,802,549		(221,710)	(45,713)	0
Interest rate risk - portfolio hedges						
Portfolio-Hedge*	*8,388,405*	*2,192,290*	*137,065*	*39,658*	*33,156*	*(330,109)*
Portfolio-Hedge Assets	4,056,104		124,557		36,935	(380,739)
Portfolio-Hedge Liabilities		2,192,290		39,658	(2,966)	123,228
Portfolio- Hedge Floors Assets	4,332,300		12,507		(813)	(72,599)
Portfolio-Hedge Floors Assets 3-month-EURIBOR	2,099,035		2,428		2,545	(15,898)
Portfolio-Hedge Floors Assets 6-month-EURIBOR	2,233,265		10,079		(3,357)	(56,701)

* The amounts reported under the carrying amount represent the synthetic hedged item as of 31 December 2023, including the designation quota.

(35) Related party disclosures

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

€'000	**30/06/2024**	**31/12/2023**
Cash, cash balances at central banks and other demand deposits	***2,635,146***	*2,457,465*
Associates	2,635,146	2,457,465
Financial assets held for trading	***137,244***	*135,677*
Parent	2,214	190
Entities related via the parent	113	291
Associates	134,916	135,196
Non-trading financial assets mandatorily at fair value through profit or loss	***1,320***	*1,320*
Joint ventures	1,320	1,320
Financial assets at amortized cost	***2,287,946***	*2,232,654*
Parent	1,310,635	1,190,554
Subsidiaries	10,123	10,931
Entities related via the parent	307,308	352,196
Associates	506,838	510,094
Entities accounted for using the equity method via the parent	137,796	154,741
Joint ventures	15,246	14,137
Other assets	***28,960***	*28,968*
Parent	28,949	28,953
Entities related via the parent	4	6
Associates	2	3
Entities accounted for using the equity method via the parent	5	6

€'000	30/06/2024	31/12/2023
Financial liabilities held for trading	***97,936***	***88,235***
Parent	94,025	84,185
Entities related via the parent	432	14
Associates	3,479	4,036
Financial liabilities at amortized cost	***1,075,824***	***1,131,233***
Parent	61,019	76,170
Subsidiaries	15,553	7,752
Entities related via the parent	240,298	250,716
Associates	619,092	551,359
Entities accounted for using the equity method via the parent	124,800	230,657
Joint ventures	15,062	14,579
Other liabilities	***170***	***368***
Parent	169	360
Subsidiaries	0	7
Entities accounted for using the equity method via the parent	1	1

€'000	30/06/2024	31/12/2023
Contingent liabilities and other off-balance sheet obligations	***534,481***	***453,967***
Parent	0	97
Subsidiaries	4,590	4,980
Entities related via the parent	75,334	75,700
Associates	125,539	104,501
Entities accounted for using the equity method via the parent	326,086	265,220
Joint ventures	2,931	3,469

01/01 - 30/06/2024 €'000	Interest income	Interest expenses	Other expenses	Other income
Parent	33,825	18,345	9,799	1,834
Subsidiaries	387	37	2,526	134
Entities related via the parent	6,945	1,463	380	45
Associates	56,587	7,901	16,037	2,211
Entities accounted for using the equity method via the parent	4,106	408	936	5
Joint ventures	803	197	4,595	8
Other related parties	3	33	0	0

The comparative prior year data are as follows:

01/01 - 30/06/2023 €'000	Interest income	Interest expenses	Other expenses	Other income
Parent	20,138	12,635	11,457	2,641
Subsidiaries	339	6	3,229	25
Entities related via the parent	3,279	7	126	23
Associates	38,183	4,251	19,120	1,791
Entities accounted for using the equity method via the parent	3,580	125	1,280	1
Joint ventures	1	95	3,115	0
Other related parties	2	11	0	0

The following legal and business relations exist with related companies:

- The parent of RLB NÖ-Wien is Raiffeisen-Holding NÖ-Wien: The business relationships between RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien consist primarily of refinancing for Raiffeisen-Holding NÖ-Wien.
- The liquidity management agreement concluded between RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien regulates the relationship between these two parties with respect to liquidity provision, measurement and monitoring. This agreement was concluded for an indefinite period of time and can be cancelled by both parties.
- RLB NÖ-Wien and Raiffeisen-Holding NÖ-Wien have concluded a management service agreement which is designed to realise synergies and ensure the competent provision of services for central functions in the Group.
- RLB NÖ-Wien has been a member of a corporate tax group created in accordance with § 9 of the Austrian Corporate Income Tax Act since the 2005 assessment year. The head of the tax group is RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung (Raiffeisen-Holding NÖ-Wien), with which RLB NÖ-Wien concluded a tax contribution agreement. As of 30 June 2024, the corporate tax group with Raiffeisen-Holding NÖ-Wien as its head included RLB NÖ-Wien as well as 45 (H1 2023: 45) other members. The tax base for the entire group equals the total income of the head of the group plus the allocated taxable income of the group members after the maximum allowable deduction of the tax loss carryforwards held by the head of the group. RLB NÖ-Wien is charged a proportional share of group corporate income tax, which is assessed at the level of the head of the group, Raiffeisen-Holding NÖ-Wien. A tax charge based on the contractually agreed rate is payable to the head of the group, Raiffeisen-Holding NÖ-Wien, on the untaxed portion of the taxable income recorded by RLB NÖ-Wien. In the event of a tax loss, RLB NÖ-Wien receives a negative tax charge. As of 30 June 2024, the receivables from tax charges equalled TEUR 4,017 (H1 2023: 5,294) and the liabilities from tax charges amounted to TEUR 16,298 (H1 2023: 12,937).
- RLB NÖ-Wien and the following companies have established tax groups for VAT purposes:
  - RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN registrierte Genossenschaft mit beschränkter Haftung
  - „AKTUELL“ Raiffeisen Versicherungs-Maklerdienst Gesellschaft m.b.H.
  - MODAL-Gesellschaft für betriebsorientierte Bildung und Management GmbH
  - RBE Raiffeisen Beratungs- und Entwicklungs GmbH
  - Raiffeisen Versicherungs- und Bauspar-Agentur GmbH
  - Veritas Treuhandgesellschaft für Versicherungsüber-prüfung und -vermittlung m.b.H.
- RLB NÖ-Wien has arranged for Directors and Officers (D&O) insurance and fidelity insurance to cover its corporate bodies and key managers as well as the corporate bodies and key managers of its subsidiaries and carries the related costs.
- Information on the Raiffeisen deposit protection scheme and the national Raiffeisen institution-based protection scheme is provided in the consolidated financial statements for 2023.
- As of 30 June 2024, leases with the parent included TEUR 69,419 (H1 2023: 77,617) of right-of-use assets and TEUR 71,474 (H1 2023: 79,643) of lease liabilities. The resulting interest expense totalled TEUR 491 (H1 2023: 529) and amortization equalled TEUR 3,599 (H1 2023: 3,513).
- A conditional agreement to offset the loans and advances to and deposits from other banks was concluded with an associate. In addition, a settlement agreement was concluded with the parent for the reciprocal offset of Interbank deposits and credits.

The business transactions and relations with related companies reflect arm’s length terms and conditions.

Key management includes the members of the Managing Board and Supervisory Board of RLB NÖ-Wien as well as the members of management, the managing board and supervisory board of Raiffeisen-Holding NÖ-Wien.

The relationships between key management and RLB NÖ-Wien are as follows:

€'000	30/06/2024	31/12/2023
Demand deposits	4,176	3,379
Bonds	498	498
Time deposits	300	0
Savings deposits	389	327
Total	**5,362**	4,204
Current accounts	2	6
Loans	652	676
Other liabilities	20	10
Total	**675**	691

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

€'000	30/06/2024	31/12/2023
Current accounts	62	45
Total	**62**	45

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

€'000	30/06/2024	31/12/2023
Demand deposits	530	332
Savings deposits	52	51
Total	**581**	383
Other liabilities	3	0
Total	**3**	0

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

New issues totalled TEUR 706,927 in the first half of 2024 (H1 2023: 3,918,017). Own bonds with a total nominal value of TEUR 0 (H1 2023: 1,658,000) were used in connection with securities lending transactions and repurchase agreements which are not reported on the balance sheet due to the net form of presentation (offsetting of financial assets and liabilities).

Bonds totalling TEUR 907,464 were redeemed during the reporting period (H1 2023: 2,045,191). In addition, issues of TEUR 250,000 (H1 2023: 1,899,600) were confounded before the end of the original term following the expiration of the lending or repurchase transaction.

Bond repurchases in the first half of 2024 amounted to TEUR 11,100 (H1 2023: 8,357).

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

The following table shows the off-balance sheet obligations as of 30 June 2024 and 31 December 2023:

€'000	30/06/2024	31/12/2023
Contingent liabilities	***648,562***	*663,042*
Of which arising from guarantees	595,696	622,903
Of which arising from letters of credit	44,642	31,915
Of which other contingent liabilities	8,223	8,223
Commitments	***3,175,316***	*3,297,202*
Of which arising from revocable loan commitments	1,360,390	1,327,960
Of which arising from irrevocable loan commitments	1,814,926	1,969,242
Up to 1 year	351,648	174,585
More than 1 year	1,463,278	1,794,657

(38) Legal risks and other uncertainties

Tax exemption pursuant to § 6 para. 1 no. 28 second sentence of the Austrian Value Added Tax Act:

A request for preliminary ruling submitted by the Austrian Federal Financial Court to the Court of Justice of the European Union (CJEU) was published on 7 July 2024. It involves the question of whether the value added tax (VAT) exemption provided by § 6 para. 1 no. 28 second sentence of the Austrian Value Added Tax Act of 1994 (in the current version) represents a government subsidy as defined in Art. 107 para. 1 of the Treaty on the European Union. § 6 para. 1 no. 28 second sentence exempts various services from VAT which are provided between companies that primarily generate banking, insurance or pension fund turnover, to the extent these services are utilized directly to generate the defined tax-free turnover and for the provision of personnel by these companies for the associations named in § 6 para. 1 no. 28 of the Austrian Value Added Tax Act.

RLB NÖ-Wien has always applied the statutory provisions of § 6 para. 1 no. 28 second sentence of the Austrian Value Added Tax Act in accordance with the law and, based on the information available to date and open legal questions, does not expect the request for preliminary ruling by the Austrian Federal Financial Court to the CJEU will result in any claims. A provision was not recognized at the present time due to the related insufficient probability. The amount of a possible claim cannot be estimated currently due to the early stage of the proceedings.

(39) Own funds

RLB NÖ-Wien is part of Raiffeisen-Holding NÖ-Wien (the Raiffeisen-Holding NÖ-Wien Financial Institution Group) and is therefore not subject to the regulations governing financial institution groups or requirements on a consolidated basis. Raiffeisen-Holding NÖ-Wien, the parent, is responsible for compliance with these regulatory requirements at the financial institution group level. Accordingly, the own funds requirements for the financial institution group are reported below and in the consolidated financial statements of Raiffeisen-Holding NÖ-Wien.

€'000	30/06/2024	31/12/2023
Paid-in capital	1,032,072	1,032,072
Retained earnings	3,112,406	3,041,551
Less qualified investments	(122,151)	(171,667)
Accumulated other comprehensive income and other equity	(685,046)	(792,769)
Common equity Tier 1 before deductions	***3,337,281***	***3,109,187***
Intangible assets incl. goodwill	(9,107)	(7,520)
Other transition adjustments to common equity Tier 1 capital	9,362	19,153
Loss allowances-backstop for non-performing loans (NPLs)	(12,774)	(12,216)
Corrections in respect of cash flow hedge reserves	(101,305)	(87,373)
Corrections for credit standing related to changes in values of derivatives	(6,565)	(7,088)
Value adjustment based on the prudent valuation requirement	(2,821)	(2,778)
Common equity Tier 1 capital after deductions (CET1)	***3,214,070***	***3,011,365***
Additional core capital after deductions	95,000	95,000
Additional own funds	***3,309,070***	***3,106,365***
Eligible supplementary capital	113,270	119,217
Supplementary capital after deductions	***113,270***	***119,217***
Total qualifying capital	***3,422,340***	***3,225,582***
Total capital requirement	**1,161,883**	**1,151,701**
Common equity Tier 1 ratio (CET1 ratio)	22.13%	20.92%
Tier 1 ratio (T1 ratio)	22.78%	21.58%
Total capital ratio	23.56%	22.41%
Surplus capital ratio	194.55%	180.07%

Under a fully loaded analysis, the Common Equity Tier 1 Ratio equalled 22.06% (H1 2023: 20.77%) and the Total Capital Ratio 23.49% (H1 2023: 22.26%).

Total capital requirements comprise the following:

€'000	30/06/2024	31/12/2023
Capital requirements for credit risk	1,101,572	1,090,477
Capital requirements for position risk in debt instruments and assets	3,091	3,183
Capital requirement CVA	4,987	5,808
Capital requirements for operational risk	52,233	52,233
Total capital requirement (total risk)	**1,161,883**	1,151,701
Assessment base for credit risk	***13,769,647***	*13,630,958*
Total basis of assessment (total risk)	***14,523,540***	*14,396,261*

(40) Average number of employees

The average number of employees (full-time equivalents) during the reporting period is shown below:

	01/01 - 30/06/2024	01/01 - 31/12/2023
Salaried employees	1,207	1,162
Wage earners	26	27
Total	**1,233**	1,189

(41) Events after the reporting date

In an ad-hoc press release on 5 September 2024, RBI announced that a Russian court had issued a preliminary injunction restricting the disposal of all shares in the Russian subsidiary AO Raiffeisenbank with immediate effect. This decision is related to court proceedings recently initiated by Rasperia Trading Limited in Russia against STRABAG SE, its Austrian core shareholders and AO Raiffeisenbank. As a result of the decision, RBI cannot transfer its shares in AO Raiffeisenbank. RBI intends to undertake all legal steps to reverse the court decision. RLB NÖ-Wien does not expect the court decision will have any direct effect on the valuation of RBI in the consolidated financial statements.

Statement by the Managing Board

The Managing Board of RLB NÖ-Wien prepared these condensed consolidated interim financial statements as of 30 June 2024 in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, as of 10 September 2024. A half-year management report was also prepared. The requirements for interim financial reporting defined by § 125 of the Austrian Stock Exchange Act were therefore met.

"We confirm to the best of our knowledge that these condensed consolidated interim financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the RLB NÖ-Wien Group in accordance with the applicable accounting standards; that the half-year management report of the RLB NÖ-Wien Group presents a true and fair view of the assets, liabilities, financial position of the RLB NÖ-Wien-Group with regard to significant events which occurred during the first six months of the financial year and their effects on the condensed consolidated interim financial statements; and that the half-year management report describes the principal risks and uncertainties to which the Group will be exposed during the remaining six months of the financial year. We note that IFRS accounting - for systemic reasons - is becoming increasingly future-oriented. Accordingly, IFRS financial statements include a growing number of planning elements and uncertainty factors."

Vienna, 10 September 2024

The Managing Board

Michael HÖLLERER
Chairman
responsible for the Directorate General

Reinhard KARL
Deputy Chairman, responsible
for the Corporate Clients Segment

Roland MECHTLER
Member, responsible for
Efficiency/Technology/Treasury

Martin HAUER
Member, responsible for
Private Customers & SMEs

Claudia SÜSSENBACHER
Member, responsible for
Risk Management