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Both Raiffeisen International and RZB Group more than double their respective H1-consolidated profits.

Merger plans for Raiffeisen Bank International fully on track. RBI's pro forma consolidated profit at € 472 million.

Raiffeisen International:

- **Consolidated profit in the first six months of 2010 more than doubles to € 171 million (H1 2009: € 78 million)**
- **Provisioning for impairment losses declines 42 per cent year-on-year to € 560 million (H1 2009: € 969 million)**
- **Return on equity before tax improves by 3.7 percentage points year-on-year to 8.6 per cent (H1 2009: 4.9 per cent)**

RZB Group:

- **Consolidated profit rises 139 per cent compared to H1 2009 to € 402 million (H1 2009: € 168 million)**
- **Provisioning for impairment losses declines by 52 per cent against the same period a year earlier to € 608 million (H1 2009: € 1,267 million)**
- **Return on equity before tax improves by 0.3 percentage points to 10.4 per cent (H1 2009: 10.1 per cent)**

Raiffeisen Bank International:

- **Merger plans fully on track; registration in commercial register expected in the fourth quarter**
- **Consolidated profit in H1 2010 (on pro forma basis): € 472 million**
- **Provisioning for impairment losses (on pro forma basis): € 608 million**
- **Return on equity before tax (on pro forma basis): 12.2 per cent**

All figures are based on International Financial Reporting Standards (IFRS).

"The RZB Group is on a good path. This is evident in its positive earnings development and in the fact the implementation of its optimized group structure is occurring according to plan," said Walter Rothensteiner, CEO of Raiffeisen Zentralbank Österreich AG (RZB) and Chairman of the Supervisory Board of Raiffeisen International Bank-Holding AG. "In the new structure, RZB will focus on its role as the central institution of Austria's Raiffeisen Banking Group and will operate as the group head office of the entire RZB Group. The future Raiffeisen Bank International will bundle together the corporate business RZB had

conducted so far with that in Central and Eastern Europe. RBI will be powerful force in banking in its home market, which consists of Austria and Central and Eastern Europe. In addition, RBI will be the only Austrian bank that it not only represented in the world's financial centres, but also has a strong presence in Asia at nine locations."

Raiffeisen International Bank-Holding AG, a member of the RZB Group headed by Raiffeisen Zentralbank Österreich AG (RZB), posted a consolidated profit (after tax and minorities) of € 171 million during the first six months of 2010, which represents an increase of 118.6 per cent compared to the same period a year earlier (H1 2009: € 78 million). The developments in provisioning for impairment losses, which declined by 42.2 per cent year-on-year to € 560 million (H1 2009: € 969 million) in particular had a positive impact on earnings. Profit before tax rose by 97.8 per cent to € 304 million (H1 2009: € 154 million), while profit after tax posted an increase of 78.2 per cent to € 212 million (H1 2009: € 119 million).

"In addition to the positive earnings development for the first half of this year, we have made decisive steps in pushing ahead the merger that will result in Raiffeisen Bank International. On a pro forma basis, Raiffeisen Bank International would have had a half-year consolidated profit more than 2.5 times larger than that posted by Raiffeisen International. We believe that this will allow us to remain one of the most attractive investment opportunities on the Vienna stock exchange", said Herbert Stepic, CEO of Raiffeisen International and designated CEO of RBI.

Attractive financials for Raiffeisen Bank International

The following pro forma figures¹ for Raiffeisen Bank International (RBI) result from merging principal business areas of RZB with Raiffeisen International:

For the first six months of 2010, Raiffeisen Bank International's profit before tax would have been € 579 million, while its consolidated profit (after taxes and minorities) would have amounted to € 472 million. RBI's provisioning for impairment losses would have stood at € 608 million.

RBI's net interest income would have been € 1,780 million. Its general administrative expenses would have amounted to € 1,425 million, while its profit from operating activities would have stood at € 1,261 million. The new bank would have had a cost/income ratio of 53.0 per cent.

RBI's balance sheet total as per 30. June 2010 would have stood at € 147.9 billion, which would have represented an increase of 1.3 per cent since the end of 2009 (31 December 2009: € 146 billion).

RBI's return on equity before tax would have stood at 12.2 per cent.

¹ No comparable figures can be provided due to the absence of results for the first half of 2009.

Raiffeisen Bank International's core capital ratio (tier 1), credit risk would have stood at 12.0 per cent (up 0.2 percentage points compared to year-end 2009), while its core capital ratio (tier 1), total would have stood at 9.5 per cent (up 0.1 percentage points). RBI's core tier 1 ratio (core capital less hybrid capital based on total risk) would have been 8.7 per cent (up 0.2 percentage points compared to year-end 2009).

The merger is fully on track. The approval provided for the merger at the annual general meetings of RZB and Raiffeisen International at the beginning of July represents the last internal milestone in the merger process. In the third quarter, the merger will be put forward for entry into the corporate register, while the actual entry of the merger and Raiffeisen Bank International into the corporate register is expected to take place in the fourth quarter, with retroactive effect as of 1 January 2010.

"The second quarter's development is especially gratifying, with both the 7 per cent rise in net interest income and the 13 per cent decline in provisioning for impairment losses against the preceding quarter representing moves in the right direction," said Martin Grill, CFO of Raiffeisen International and designated CFO of RBI.

Details for Raiffeisen International

Profit from operating activities declined in the first half of 2010 by 17 per cent, or € 183 million, on the comparable period last year to € 889 million. The main reasons for that were lower net interest income, weaker net trading income, and a negative value for other net operating income.

Net interest income fell in the reporting period by 4 per cent, or € 66 million, on the comparable period last year to € 1,430 million. The decline was thus below that of the average balance sheet total in the amount of 5 per cent.

Net fee and commission income rose by 2 per cent, or € 14 million, on the comparable period last year to € 599 million.

Net trading income declined by 21 per cent, or € 25 million, to € 94 million. The principal income components derived from interest-related and currency-related business.

Return on equity before tax at 8.6 per cent

Operating business declined in the reporting period, but sharply lower net allocations to provisioning for impairment losses led to a significant recovery of earnings and hence to improved returns. The average equity underlying the calculation increased by 11 per cent on the comparable period last year to € 7.1 billion due to participation rights and positive currency effects.

At 98 per cent, the rise of profit before tax was far above that of average equity, so the return on equity also climbed by 3.7 percentage points to 8.6 per cent on the comparable period last year.

The return on equity after tax rose by 2.2 percentage points to 6.0 per cent. The consolidated return on equity improved by 2.7 percentage points to 5.6 per cent due to less sharply increased minority interests. Earnings per share amounted to € 0.91 and were thus up by € 0.60.

General administrative expenses rise by 6 per cent year-on-year

General administrative expenses rose by 6 per cent on the comparable period last year to € 1,207 million. The increase was partly caused by revaluation of some CEE currencies and partly due to, for example, higher legal and consulting expenses, IT costs, and depreciation on tangible fixed assets.

A decline of operating income by 5 per cent and rise of general administrative expenses by 6 per cent led to an increase of the cost/income ratio. It came to 57.6 per cent and was thus 6.0 percentage points above the comparable period last year.

The average number of employees amounted to 56,291 in the first half of 2010 and was thus below the comparable figure for the previous year by 5,678. The number of employees as per 30 June 2010 stood at 55,994, which represents a decline of 1 per cent, or 536, versus the end of 2009.

In total, Raiffeisen International's 2,959 business outlets as per 30 June 2010 serviced more than 14.7 million customers.

Other administrative expense rose by 6 per cent, or € 28 million, compared with the year-earlier period to € 507 million.

Slight increase of balance sheet total

Raiffeisen International's balance sheet total rose by 2 per cent, or € 1.8 billion, versus the end of last year to € 78.1 billion. Currency effects led to an increase of the balance sheet total by 3 per cent, or € 2.7 billion. Viewed organically, however, it shrank by about 1 per cent.

Capitalization improved further

In the reporting period, consolidated own funds as defined by the BWG increased by 2 per cent, or € 193 million, to € 8,522 million.² Core capital (Tier 1) registered an increase of 2 per cent, or € 139 million, versus the end of 2009 and amounted to € 7,211 million at 30 June 2010. Core capital was positively influenced by revaluations of the Ukrainian hryvnia of 16 per cent, of the Russian rouble of 11 per cent, and of the Belarusian rouble of 10 per cent. A devaluation of the Serbian dinar of 9 per cent had negative effects. The core capital ratio based on credit risk fell by 0.2 percentage points

² That does not include the reporting period's current profit, since Austrian law prohibits it from being taken into account yet.

to 13.9 per cent. The core capital ratio based on total risk amounted to 11.0 per cent and thus remained unchanged versus the end of last year. The own funds ratio amounted to 13.0 per cent. The core Tier 1 ratio (core capital less hybrid capital based on total risk) came to 9.2 per cent.

Q2-consolidated profit more than triples on year-on-year basis

In the second quarter, Raiffeisen International generated net interest income (after provisioning for impairment losses) of € 475.1 million, which represents an increase of 131.5 per cent compared to the same period a year earlier and of 20,3 per cent compared to the first quarter of 2010 (Q1 2010: € 395.1 million). The main reason for this development lies in the second-quarter's provisioning for impairment losses, which at € 265.1 million were € 258.3 million lower than during the comparable period of 2009.

Provisioning needs were also lower, namely by 10.1 per cent, in comparison with the first quarter of 2010, during which provisioning for impairment losses had amounted to € 294.8 million.

The lower volume of provisioning for impairment losses in the second quarter had a correspondingly positive effect on Raiffeisen International's consolidated profit, which rose by 224.3 per cent in comparison to the second quarter of 2009 to reach € 70.7 million (Q2 2009: € 21.8 million).

RZB Group's consolidated profit in H1 2010 more than doubles

In the first half of 2010, the RZB Group headed by Raiffeisen Zentralbank Österreich AG generated a profit before tax of € 547 million, which represents an increase of 18.0 per cent in comparison to the same period a year earlier (H1 2009: € 463 million). RZB Group's consolidated profit (after tax and minorities) rose by 138.6 per cent to € 402 million (H1 2009: € 168 million). This improvement was significantly affected by the decline in provisioning for impairment losses, which dropped by 52.0 per cent to € 608 million (H1 2009: € 1,267 million).

The operating income of RZB Group fell by 4 per cent or € 117 million to € 2,700 million in comparison to the comparable period of the previous year. The main reasons for this decline were principally the weaker net trading income and other net operating income.

Net interest income came in at € 1,790 million, despite the reduction in the average balance sheet total by 4 per cent, and so remained at roughly the same level as the previous year (minus € 2 million)

General administrative expenses rose by 6 per cent on the comparable period last year to € 1,468 million. The increase was partly caused by the revaluation of some CEE currencies, and partly by, for example, higher legal and consulting expenses, IT costs, and depreciation on tangible fixed assets.

The RZB Group's profit from operating activities for the first six months of 2010 amounted to € 1,232 Millionen and was thus 13.6 per cent, or € 194 million, beneath the corresponding figure posted in H1 2009.

The decline in operating income by 4 per cent and the rise in general administrative expenses by 6 per cent had a negative impact on the cost/income ratio. It amounted to 54.4 per cent and was thus 5.0 percentage points above the comparable period last year.

Currency movements had a perceptible impact on RZB's balance sheet total, pushing it up by around € 3.6 billion since the beginning of the year. In addition to the upward movement of some CEE currencies, this was also influenced by the US dollar, which has appreciated by 15 per cent since the end of 2009. In contrast to previous quarters, organic development recorded modest growth again.

Although the 14 per cent decline in the operating profit weighed down on RZB profit and therefore also on the profitability figures, the improved situation with regard to provisioning for impairment losses resulted in a higher return on equity before tax. For the first six months it reached 10.4 per cent and was therefore 0.3 percentage points higher than it had been in the same period in 2009. The consolidated return on equity (after minority interests) also rose, namely from 5.0 per cent to 10.2 per cent. This increase is attributable to the much lower theoretical tax rate compared to the comparable period of the previous year.

Compared to year-end 2009, the core capital ratios based on credit risk and total risk each fell by 0.1 percentage points to 11.7 and 9.3 per cent, respectively. The core Tier 1 ratio (Tier 1 capital minus hybrid capital, based on total risk) amounted to 8.5 per cent, unchanged from year-end 2009. The own funds ratio fell by 0.3 percentage points, bringing it to 12.8 per cent as at 30 June 2010.

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Raiffeisen International's financial report for the first half of 2010 is available at:
<http://qr022010.ri.co.at>

The RZB Group's financial report for the first half of 2010 is available at:
<http://www.rzb.at/q2report2010>

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Raiffeisen Zentralbank Österreich AG (RZB) is the central institution of the Austrian Raiffeisen Banking Group, the country's largest banking group. It is a leading corporate and investment bank in Austria and also considers Central and Eastern Europe (CEE) as its home market. RZB is the only Austrian bank with a global network of business units reaching all important finance centres around the globe. It is also present in Asia with branches and representative offices in nine locations.

Via listed subsidiary Raiffeisen International Bank-Holding AG, RZB operates one of the largest banking networks in CEE, covering 17 markets across the region through subsidiary banks, leasing companies and a range of other financial service providers. The group's 56,000 employees service more than 14.7 million customers through around 3,000 business outlets.

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Raiffeisen International Group

Monetary values in € million	2010	Change	2009
Income statement	1/1-30/6		1/1-30/6
Net interest income	1,430	(4.4)%	1,496
Provisioning for impairment losses	(560)	(42.2)%	(969)
Net fee and commission income	599	2.3%	585
Net trading income	94	(21.0)%	119
General administrative expenses	(1,207)	5.6%	(1,143)
Profit before tax	304	97.8%	154
Profit after tax	212	78.2%	119
Consolidated profit (after minorities)	171	118.6%	78
Statement of financial position	30/6		31/12
Loans and advances to banks	9,217	(10.6)%	10,310
Loans and advances to customers	52,370	3.7%	50,515
Deposits from banks	19,946	(0.8)%	20,110
Deposits from customers	43,255	1.6%	42,578
Equity (including minorities and profit)	7,469	6.7%	7,000
Total assets	78,115	2.4%	76,275
Key ratios	1/1-30/6		1/1-30/6
Return on equity before tax	8.6%	3.7 PP	4.9%
Return on equity after tax	6.0%	2.2 PP	3.8%
Consolidated return on equity (after minorities)	5.6%	2.7 PP	2.9%
Cost/income ratio	57.6%	6.0 PP	51.6%
Return on assets before tax	0.79%	0.41 PP	0.38%
Net provisioning ratio (average risk-weighted assets, credit risk)	2.15%	(1.21) PP	3.36%
Bank-specific information¹	30/6		31/12
Risk-weighted assets (credit risk)	51,585	3.0%	50,090
Total own funds	8,522	2.3%	8,328
Total own funds requirement	5,235	2.3%	5,117
Excess cover ratio	62.8%	0.0 PP	62.8%
Core tier 1 ratio (without hybrid capital), total	9.2%	0.0 PP	9.2%
Core capital ratio (tier 1), credit risk	13.9%	(0.2) PP	14.1%
Core capital ratio (tier 1), total	11.0%	0.0 PP	11.0%
Own funds ratio	13.0%	0.0 PP	13.0%
Stock data	30/6		30/6
Earnings per share in € ²	0.91	0.60	0.31
Price in €	31.49	27.2%	24.75
High (closing prices) in €	42.75	43.4%	29.82
Low (closing prices) in €	30.19	132.2%	13.00
Number of shares in million	154.67	-	154.67
Market capitalization in € million	4,870	27.2%	3,828
Resources	30/6		31/12
Number of employees as of reporting date	55,994	(0.9)%	56,530
Business outlets	2,959	(2.0)%	3,018

¹ Calculated according to the Austrian Banking Act (Bankwesengesetz, BWG). Raiffeisen International as part of the RZB-Group is not subject to the Austrian Banking Act.

² Adjusted for the computational compensation for the participation rights, earnings per share would amount to € 1.11 (1/1 – 30/6/2009: €0.51)

RZB Group

Monetary values in € million	2010	Change	2009
Income Statement	1/1-30/6		1/1-30/6
Net interest income	1,790	(0.1%)	1,792
Provisioning for impairment losses	(608)	(52.0%)	(1,267)
Net fee and commission income	715	3.8%	689
Net trading income	181	(32.0%)	266
General administrative expenses	(1,468)	5.5%	(1,391)
Profit before tax	547	18.0%	463
Profit after tax	487	102.0%	241
Consolidated profit (after minorities)	402	138.6%	168
Earnings per share in €	51.61	40.54 €	11.07
Statement of financial position	30/6		31/12
Loans and advances to banks	31,627	(6.7%)	33,887
Loans and advances to customers	78,920	5.4%	74,855
Deposits from banks	51,492	3.2%	49,917
Deposits from customers	55,492	0.1%	55,423
Equity (including minorities and profit)	11,007	6.8%	10,308
Total assets	152,212	2.9%	147,938
Key ratios	1/1-30/6		1/1-30/6
Return on equity before tax	10.4%	0.3 PP	10.1%
Return on equity after tax	9.3%	4.0 PP	5.2%
Consolidated return on equity (after minority interests)	10.2%	5.2 PP	5.0%
Cost/income ratio	54.4%	5.0 PP	49.4%
Return on assets before tax	0.73%	0.14 PP	0.59%
Net provisioning ratio (average risk-weighted assets, credit risk)	1.60%	(1.37 PP)	2.97%
Bank-specific information	30/6		31/12
Risk-weighted assets (credit risk)	77,646	3.5%	74,990
Total own funds	12,454	1.2%	12,308
Total own funds requirement	7,764	3.3%	7,516
Excess cover ratio	60.4%	(3.4 PP)	63.8%
Core Tier 1 ratio (without hybrid capital), total	8.5%	0.0 PP	8.5%
Core capital ratio (Tier 1), credit risk	11.7%	(0.1 PP)	11.8%
Core capital ratio (Tier 1), total	9.3%	(0.1 PP)	9.4%
Own funds ratio	12.8%	(0.3 PP)	13.1%
Resources	30/6		31/12
Number of employees as of reporting date	59,257	(0.9%)	59,800
Business outlets	2,980	(1.9%)	3,038

Ratings	Long-term	Short-term	Financial strength	Outlook
Fitch Ratings	A	F1	–	Stable
Moody's Investors Service	A1	P-1	D+	Stable
Standard & Poor's	A	A-1	–	Negative