

Reporting period:

**01.01.2009**

to

**30.06.2009**

**Quarterly financial report for credit institutions-TFI-KI**

Identification number (MB):	<b>00901717</b>	
Subjects identification number (MBS):	<b>080002366</b>	
Personal identification number (OIB):		
Issuer company:	<b>Raiffeisenbank Austria d.d. Zagreb</b>	
Post office number and city:	<b>10000</b>	<b>Zagreb</b>
Street and number:	<b>Petrinjska 59</b>	
E-mail address:	<b>info@rba.hr</b>	
Internet address:	<b>www.rba.hr</b>	
Code and name of municipality/city:	<b>133</b>	
Code and name of county:	<b>21</b>	<b>City of Zagreb</b>
		Number of employees: <b>2,529</b> (as at the quarter-end)
Consolidated report:	<b>YES</b>	Code in NKD: <b>6419</b>

Companies included in consolidation (according to IFRS):

Headquarters:

MB:

<b>RAIFFEISEN LEASING d.d.</b>	<b>Radnička 43 , Zagreb</b>	<b>01464477</b>
<b>RAIFFEISEN INVEST d.o.o.</b>	<b>Magazinska 69 , Zagreb</b>	<b>01606328</b>
<b>RAIFFEISEN FACTORING d.o.o.</b>	<b>Radnička c. 41 , Zagreb</b>	<b>01650343</b>
<b>RAIFFEISEN CONSULTING d.o.o.</b>	<b>Petrinjska 59 , Zagreb</b>	<b>01473620</b>
<b>RAIFFEISEN MIROVINSKO OSIGURAVAJUĆE DRUŠTVO d.o.o.</b>	<b>Magazinska 69 , Zagreb</b>	<b>01639404</b>
<b>RAIFFEISEN MIROVINSKO DRUŠTVO ZA UPRAVLJANJE DOBROVOLJNIM MIROVINSKIM FONDOM d.o.o.</b>	<b>Magazinska 69 , Zagreb</b>	<b>01587528</b>
<b>RAIFFEISEN MIROVINSKO DRUŠTVO ZA UPRAVLJANJE OBVEZNIM MIROVINSKIM FONDOM d.d.</b>	<b>Magazinska 69 , Zagreb</b>	<b>01583484</b>
<b>RAIFFEISEN UPRAVLJANJE NEKRETNINAMA d.o.o.</b>	<b>Petrinjska 59 , Zagreb</b>	<b>01759922</b>

Accounting:		
Contact person:	<b>Kuzmanić Robert / Trbović Ljiljana</b> (only name and surname of contact person is included)	
Phone:	<b>01/6174-180 i 6174-182</b>	Fax: <b>01/4604-875</b>
E-mail address:	<u>robert.kuzmanic@rba.hr, ljiljana.trbovic@rba.hr</u>	
Surname and name:	<b>Zdenko Adrović</b> (person representing the company)	

Documentation to be published:

1. Financial reports (balance, income statement, cash flow statement, statement on changes in equity and notes to financial statements)
2. Statement of person responsible for preparation of financial reports
3. Management Report on the condition of the company

M.P.

(signature of the President of the Management Board)

CONSOLIDATED BALANCE SHEET

as at 30.6.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Current period 30.06.2009.
1	3	4	5
<b>ASSETS</b>			
A) Cash and deposits with CNB	001	4,388,580	4,573,648
I. Cash	002	417,422	391,783
II. Deposits with CNB	003	3,971,158	4,181,865
B) deposits with banks	004	2,374,287	869,892
C) Treasury bills with ministry of finance	005	1,068,210	1,017,735
D) Securities and other financial instruments held for trading	006	3,870,279	3,773,154
E) Securities and other financial assets available for sale	007	10,022	11,094
F) Securities and other financial instruments held to maturity	008	884,161	887,174
G) Financial assets at fair value through profit or loss	009	412,793	381,952
H) Derivative financial assets	010	29,837	87,503
I) Loans to banks	011	340,544	588,590
J) Loans to other customers	012	27,771,618	26,494,526
K) Investment in subsidiaries, associates and joint ventures	013	211	235
L) Foreclosed assets	014	283	283
M) Tangible assets	015	1,463,303	1,447,102
N) Interest, fees and other assets	016	983,439	1,132,789
O) Total assets	017	<b>43,597,567</b>	<b>41,265,677</b>
<b>LIABILITIES</b>			
A) CAPITAL AND RESERVES	018	5,610,381	5,605,778
I. Core (paid in) capital	019	3,701,120	3,703,530
II. Capital reserves	020	2,790	2,993
III. Profit reserves	021	461,836	545,748
IV. Revaluation reserves	022	0	0
V. Retained earnings	023	890,207	1,049,529
VI. Loss brought forward	024	0	0
VII. Profit for the period	025	467,798	208,967
VIII. Loss for the period	026	0	0
IX. Unrealised gain/loss from revaluation of financial assets available for sale	027	6,633	6,938
X. Minority interests	028	79,997	88,073
B) Borrowings from banks	029	3,026,534	2,500,775
C) Deposits	030	23,018,654	22,847,487
D) Other borrowings	031	10,068,134	8,670,319
E) Derivative financial liabilities and other traded financial liabilities	032	382,448	154,443
F) Issued debt securities	033	99,683	92,283
G) Issued subordinated instruments	034	0	0
H) Issued hybrid instruments	035	0	0
I) Interest, fees and other liabilities	036	1,391,733	1,394,592
J) TOTAL LIABILITIES	037	<b>43,597,567</b>	<b>41,265,677</b>
K) OFF BALANCE SHEET ITEMS	038	<b>8,799,159</b>	<b>8,024,092</b>
<b>BALANCE SHEET SUPPLEMENT (to be input by issuer preparing consolidated financial reports)</b>			
<b>CAPITAL AND RESERVES</b>			
1. Attributable to equity holders of the Bank	039	5,530,384	5,517,705
2. Attributable to minority interests	040	79,997	88,073

CONSOLIDATED INCOME STATEMENT

for the  
period

01.01.

to

30.06.2009.

Amounts in HRK thousand

Position name	AOP code	Previous period 30.6.2008.		Current period 30.6.2009.	
		Cumulative	Quarterly	Cumulative	Quarterly
1	3	4	5	6	7
<b>1. Interest income</b>	<b>041</b>	<b>1,261,842</b>	<b>637,138</b>	<b>1,381,890</b>	<b>681,698</b>
a) from individuals	042	515,250	266,588	581,396	292,215
b) from companies	043	392,784	200,461	434,241	214,060
c) from financial institutions	044	191,711	85,895	145,812	69,520
d) other interest income	045	162,097	84,194	220,441	105,903
<b>2. Interest expense</b>	<b>046</b>	<b>-761,720</b>	<b>-376,350</b>	<b>-817,908</b>	<b>-377,999</b>
a) to individuals	047	-203,795	-108,680	-272,061	-137,401
b) to companies	048	-136,408	-61,710	-135,549	-58,666
c) to financial institutions	049	-418,377	-204,382	-402,735	-178,926
d) other interest expense	050	-3,140	-1,578	-7,563	-3,006
<b>3. Net interest income</b>	<b>051</b>	<b>500,122</b>	<b>260,788</b>	<b>563,982</b>	<b>303,699</b>
4. Fees and commissions income	052	294,269	152,691	244,958	128,204
5. Fees and commissions expense	053	-64,947	-30,416	-49,252	-24,971
<b>6. Net fees and commissions income</b>	<b>054</b>	<b>229,322</b>	<b>122,275</b>	<b>195,706</b>	<b>103,233</b>
7. Gains/(losses) from investment in subsidiaries, associates and joint ventures	055	0	0	0	0
8. Gains/(losses) from trading activities	056	-44,544	8,284	3,109	38,746
9. Gains/(losses) from embedded Derivatives	057	0	0	25	0
10. Gains/(losses) from financial assets designated at fair value through profit or loss	058	-8,854	-2,157	-5,139	97
11. Gains/(losses) from financial assets available for sale	059	8,039	8,039	0	14
12. Gains/(losses) from financial investments held to maturity	060	173	35	0	11
13. Gains/(losses) from Hedging Transactions	061	0	0	0	0
14. Exchange gains/(losses) from foreign currency	062	173,035	79,853	154,052	71,318
15. Other Income	063	139,166	67,216	208,815	91,430
16. Other Expenses	064	-33,234	-18,858	-44,105	-13,236
17. General administrative expenses and depreciation	065	-538,284	-268,038	-572,908	-282,863
18. Profit (loss) from operations before value adjustment, impairment and provisions for losses	066	<b>424,941</b>	<b>257,437</b>	<b>503,537</b>	<b>312,449</b>
19. Impairment and provisions for losses	067	-26,545	-35,679	-281,317	-140,972
20. Profit before tax	068	<b>398,396</b>	<b>221,758</b>	<b>222,220</b>	<b>171,477</b>
21. Income tax expense	069	-48,940	-19,510	-1,540	-1,540
22. Profit (loss) for the period	070	<b>349,456</b>	<b>202,248</b>	<b>220,680</b>	<b>169,937</b>
<b>INCOME STATEMENT SUPPLEMENT (to be input by issuer preparing consolidated financial statements)</b>					
I.* Profit attributable to shareholders of the Bank	071	336,963	200,599	208,967	137,204
II.* Profit attributable to minority interests	072	12,493	1,649	11,713	11,713
III.* Loss attributable to shareholders of the Bank	073	0	0	0	0
IV.* Loss attributable to minority interests	074	0	0	0	-3,757

**CONSOLIDATED CASH FLOW STATEMENT - Indirect method**

for the period 01.01. to 30.06.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 30.6.2008.	Current period 30.6.2009.
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit (loss) before tax	<b>075</b>	398,396	222,220
2. Impairment and provisions for losses	<b>076</b>	26,545	281,317
3. Depreciation	<b>077</b>	143,441	155,227
4. Net unrealised (profit) loss from financial assets and liabilities designated at fair value through profit or loss	<b>078</b>	9,770	5,082
5. Profit/loss from sale of tangible assets	<b>079</b>	4,024	3,061
6. Other profit (loss)	<b>080</b>	0	0
7. Other increase of cash flow	<b>081</b>	-250,899	64,721
8. Net increase/decrease of deposits with CNB	<b>082</b>	-1,563,600	132,791
9. Net increase/decrease of treasury bills from Ministry of finance and treasury bills with CNB	<b>083</b>	4,125	50,474
10. Net increase/decrease of deposits with banks and loans to financial institutions	<b>084</b>	-111,641	-330,457
11. Net increase/decrease of other loans	<b>085</b>	-2,190,872	794,518
12. Net increase/decrease of securities and other financial instruments designated at fair value through profit or loss	<b>086</b>	177,710	19,783
13. Net increase/decrease of securities and other financial assets available for sale	<b>087</b>	-3,451	-911
14. Net increase/decrease of securities and other financial instruments actively traded and designated at fair value through profit or loss	<b>088</b>	86,529	81,698
15. Net increase/decrease of demand deposits	<b>089</b>	-893,311	-726,627
16. Net increase/decrease of savings and term deposits	<b>090</b>	980,075	574,072
17. Net increase/decrease of derivative financial liabilities	<b>091</b>	37,897	-228,006
18. Net increase/decrease of other liabilities	<b>092</b>	-143,810	-133,432
<b>19. Net cash inflow/(outflow) from operating activities</b>	<b>093</b>	<b>-3,289,072</b>	<b>965,531</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Receipts from sale/(payments for buying) of tangible and intangible assets	<b>094</b>	-377,996	-222,463
2. Receipts from sale/(payments for buying) of investments in subsidiaries, associates and joint ventures	<b>095</b>	0	0
3. Receipts from sale/(payments for buying) of securities and other financial instruments held to maturity	<b>096</b>	0	0
4. Received dividends	<b>097</b>	828	1,705
5. Other receipts/(payments) from investment activities	<b>098</b>	39,463	60,339
<b>6. Net cash inflow/(outflow) from investment activities</b>	<b>099</b>	<b>-337,705</b>	<b>-160,419</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Net increase/(decrease) in borrowings	<b>100</b>	89,663	-1,871,839
2. Net increase/(decrease) of issued debt securities	<b>101</b>	-4,700	-7,400
3. Net increase/(decrease) of issued subordinated and hybrid instruments	<b>102</b>	0	0
4. Receipts from issued share capital	<b>103</b>	1,464,800	0
5. Dividends paid	<b>104</b>	-220,310	-227,664
6. Other receipts/(payments) from financial activities	<b>105</b>	0	0
<b>7. Net cash inflow/(outflow) from financial activities</b>	<b>106</b>	<b>1,329,453</b>	<b>-2,106,903</b>
Total increase of cash flow	<b>107</b>	0	0
Total decrease of cash flow	<b>108</b>	-2,297,324	-1,301,791
Cash and cash equivalents at the beginning of the period	<b>109</b>	5,989,874	3,821,367
Increase in cash and cash equivalents	<b>110</b>	0	0
Decrease in cash and cash equivalents	<b>111</b>	-2,297,324	-1,301,791
Cash and cash equivalents at the end of the period	<b>112</b>	3,692,550	2,519,576

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

for the period **31.12.2008** to **30.06.2009**

Amounts in HRK thousand

Position name	AOP code	Previous period	Increase	Decrease	Current period
		31.12. 2008.			30.6.2009.
1. Capital paid	<b>113</b>	3,701,120	2,410	0	3,703,530
2. Capital reserves	<b>114</b>	2,790	203	0	2,993
3. Profit reserves	<b>115</b>	461,836	83,912	0	545,748
4. Retained earnings	<b>116</b>	890,207	159,322	0	1,049,529
5. Profit (loss) for the period	<b>117</b>	467,798	208,967	467,798	208,967
6. Revaluation of long term tangible assets	<b>118</b>	0	0	0	0
7. Revaluation of intangible assets	<b>119</b>	0	0	0	0
8. Revaluation of financial assets available for sale	<b>120</b>	6,633	305	0	6,938
9. Other revaluations	<b>121</b>	0	0	0	0
<b>10. Total capital and reserves</b>	<b>122</b>	<b>5,530,384</b>	<b>455,119</b>	<b>467,798</b>	<b>5,517,705</b>
11. Exchange rate differences relating to net investments abroad	<b>123</b>	0	0	0	0
12. Current and deferred taxes (part)	<b>124</b>	0	0	0	0
13. Cash flow hedging	<b>125</b>	0	0	0	0
14. Changes in accounting policies	<b>126</b>	0	0	0	0
15. Correction of significant errors in previous period	<b>127</b>	0	0	0	0
16. Other changes in capital	<b>128</b>	79,997	11,738	3,662	88,073
<b>17. Total increase or decrease of capital</b>	<b>129</b>	<b>5,610,381</b>	<b>466,857</b>	<b>471,460</b>	<b>5,605,778</b>
17 a. Attributable to equity holders of the Bank	<b>130</b>	5,530,384	455,119	467,798	5,517,705
17 b. Attributable to minority interests	<b>131</b>	79,997	11,738	3,662	88,073

Positions that decrease capital have to be input with negative sign.

Data under AOP codes 113 to 121 have to be input as balance, at balance sheet date

Reporting period:

01.01.2009

to

30.06.2009

## Quarterly financial report for credit institutions-TFI-KI

Identification number (MB): 00901717

Subjects identification number (MBS): 080002366

Personal identification number (OIB):  

Issuer company: Raiffeisenbank Austria d.d. Zagreb

Post office number and city: 10000

Zagreb

Street and number: Petrinjska 59

E-mail address: info@rba.hr

Internet address: www.rba.hr

Code and name of municipality/city: 133

Code and name of county: 21 City of Zagreb

Number of employees: 2,334

(as at the quarter-end)

Consolidated report: NO

Code in NKD: 6419

Companies included in consolidation (according to IFRS):

Headquarters:

MB:


Accounting:  

Contact person: Kuzmanić Robert / Trbović Ljiljana

(only name and surname of contact person is included)

Phone: 01/6174-180 i 6174-182

Fax: 01/4604-875

E-mail address: robert.kuzmanic@rba.hr, ljiljana.trbovic@rba.hr

Surname and name: Zdenko Adrović

(person representing the company)

Documentation to be published:

1. Financial reports (balance, income statement, cash flow statement, statement on changes in equity and notes to financial statements)
2. Statement of person responsible for preparation of financial reports
3. Management Report on the condition of the company

M.P.

\_\_\_\_\_  
(signature of the President of the Management Board)

UNCONSOLIDATED BALANCE SHEET

as at 30.6.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Current period 30.06.2009.
1	3	4	5
<b>ASSETS</b>			
A) Cash and deposits with CNB	001	4,388,570	4,573,643
I. Cash	002	417,412	391,778
II. Deposits with CNB	003	3,971,158	4,181,865
B) Deposits with banks	004	2,249,056	651,065
C) Treasury bills with ministry of finance	005	1,021,462	988,141
D) Securities and other financial instruments held for trading	006	3,870,279	3,773,154
E) Securities and other financial assets available for sale	007	10,022	10,183
F) Securities and other financial instruments held to maturity	008	793,827	789,020
G) Financial assets at fair value through profit or loss	009	361,524	373,600
H) Derivative financial assets	010	30,501	87,503
I) Loans to banks	011	338,161	588,590
J) Loans to other customers	012	25,858,204	24,802,244
K) Investment in subsidiaries and associates	013	210,745	210,745
L) Foreclosed assets	014	283	283
M) Tangible assets	015	419,891	402,880
N) Interest, fees and other assets	016	825,583	926,767
O) TOTAL ASSETS	017	40,378,108	38,177,818
<b>LIABILITIES</b>			
A) CAPITAL AND RESERVES	018	5,406,567	5,432,158
I. Core (paid in) capital	019	3,701,120	3,703,530
II. Capital reserves	020	2,790	2,993
III. profit reserves	021	458,546	540,894
IV. Revaluation reserves	022	0	0
V. Retained earnings	023	736,336	927,134
VI. Loss brought forward	024	0	0
VII. Profit for the period	025	500,810	250,481
VIII. Loss for the period	026	0	0
IX. Unrealised gain/loss from revaluation of financial assets available for sale	027	6,965	7,126
X. Minority interests	028	0	0
B) Borrowings from banks	029	3,018,423	2,490,773
C) Deposits	030	23,206,529	23,130,141
D) Other borrowings	031	7,220,007	5,819,022
E) Derivative financial liabilities and other trading financial liabilities	032	384,402	155,427
F) Issued debt securities	033	99,683	92,283
G) Issued subordinated instruments	034	0	0
H) Issued hybrid instruments	035	0	0
I) Interests, fees and other liabilities	036	1,043,497	1,058,014
J) TOTAL LIABILITIES	037	40,379,108	38,177,818
K) OFF BALANCE SHEET ITEMS	038	8,835,804	8,059,594
<b>BALANCE SHEET SUPPLEMENTS (to be input by issuer preparing consolidated financial reports)</b>			
<b>CAPITAL AND RESERVES</b>			
1. Attributable to equity holders of the Bank	039		
2. Attributable to minority interests	040		

**UNCONSOLIDATED INCOME STATEMENT**

for the period 01.01. to 30.06.2009.

**Amounts in HRK  
thousand**

Position name	AOP code	Previous period 30.6.2008.		Current period 30.6.2009.	
		Cumulative	Quarterly	Cumulative	Quarterly
1	3	4	5	6	7
<b>1. Interest income</b>	<b>041</b>	<b>1,191,708</b>	<b>599,874</b>	<b>1,320,178</b>	<b>652,294</b>
a) from individuals	042	515,250	266,588	581,408	292,227
b) from companies	043	332,930	168,314	379,333	187,891
c) from financial insitutions	044	186,466	83,213	142,515	67,841
d) other interest income	045	157,062	81,759	216,922	104,335
<b>2. Interest expense</b>	<b>046</b>	<b>-703,852</b>	<b>-344,943</b>	<b>-762,462</b>	<b>-352,370</b>
a) to individuals	047	-203,795	-108,680	-272,061	-137,401
b) to companies	048	-137,570	-62,868	-135,534	-58,648
c) to financial insitutions	049	-359,347	-171,816	-347,304	-153,315
d) other interest expense	050	-3,140	-1,579	-7,563	-3,006
<b>3. Net interest income</b>	<b>051</b>	<b>487,856</b>	<b>254,931</b>	<b>557,716</b>	<b>299,924</b>
4. Fees and commissions income	052	234,443	127,636	211,328	110,396
5. Fees and commissions expense	053	-66,159	-33,376	-46,894	-23,715
<b>6. Net fees and commissions income</b>	<b>054</b>	<b>168,284</b>	<b>94,260</b>	<b>164,434</b>	<b>86,681</b>
7. Gains/(losses) from investment in subsidiaries, associates and joint ventures	055	0	0	0	0
8. Gains/(losses) from trading activities	056	-40,252	6,652	2,879	34,760
9. Gains/(losses) from embedded derivatives	057	0	0	25	0
10. Gains/(losses) from financial assets designated at fair value through profit or loss	058	-6,991	-2,460	-4,468	-84
11. Gains/(losses) from financial assets available for sale	059	8,039	8,039	0	0
12. Gains/(losses) from financial investments held to maturity	060	0	0	0	0
13. Gains/(losses) from Hedging transaction	061	0	0	0	0
14. Exchange gains/(losses) from foreign currency	062	158,362	84,263	152,735	58,084
15. Other Income	063	52,598	49,349	110,210	6,898
16. Other Expenses	064	-23,668	-13,036	-45,840	-13,199
17. General administrative expenses and depreciation	065	-396,287	-197,832	-416,177	-207,755
18. Profit (loss) from operations before value adjustment, impairment and provisions for losses	066	<b>407,941</b>	<b>284,166</b>	<b>521,514</b>	<b>265,309</b>
19. Impairment and provisions for losses	067	-23,477	-33,872	-269,347	-135,387
20. Profit before tax	068	<b>384,464</b>	<b>250,294</b>	<b>252,167</b>	<b>129,922</b>
21. Income tax expense	069	-49,086	-19,583	-1,686	-1,686
22. Profit (loss) for the period	070	<b>335,378</b>	<b>230,711</b>	<b>250,481</b>	<b>128,236</b>
<b>INCOME STATEMENT SUPPLEMENT (to be input by issuer preparing consolidated financial statements)</b>					
I.* Profit attributable to shareholders of the Bank	071				
II.* Profit attributable to minority interests	072				
III.* Loss attributable to shareholders of the Bank	073				
IV.* Loss attributable to minority interests	074				



UNCONSOLIDATED CASH FLOW STATEMENT - Indirect method

for the period 01.01. to 30.06.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 30.6.2008.	Current period 30.6.2009.
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit (loss) before tax	075	384,464	252,167
2. Impairment and provisions for losses	076	23,477	269,347
3. Depreciation	077	57,883	65,341
4. Net unrealised (profit) loss from financial assets and liabilities designated at fair value through profit or loss	078	7,660	4,844
5. Profit/loss from sale of tangible assets	079	0	-541
6. Other profit (loss)	080	0	0
7. Other increase of cash flow	081	-285,355	12,572
8. Net increase/decrease of deposits with CNB	082	-1,563,600	132,791
9. Net increase/decrease of treasury bills with Ministry of finance and treasury bills with CNB	083	4,125	33,321
10. Net increase/decrease of deposits with banks and loans to financial institutions	084	236,457	-144,260
11. Net increase/decrease of other loans	085	-1,685,610	582,986
12. Net increase/decrease of securities and other financial instruments designated at fair value through profit or loss	086	154,324	-18,288
13. Net increase/decrease of securities and other financial assets available for sale	087	-668	0
14. Net increase/decrease of securities and other financial instruments actively traded and designated at fair value through profit or loss	088	86,529	81,698
15. Net increase/decrease of demand deposits	089	-889,092	-728,925
16. Net increase/decrease of savings and term deposits	090	774,757	672,149
17. Net increase/decrease of derivative financial liabilities	091	38,438	-228,975
18. Net increase/decrease of other liabilities	092	-122,993	-161,529
<b>19. Net cash inflow/(outflow) from operating activities</b>	<b>093</b>	<b>-2,779,204</b>	<b>824,698</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Receipts from sale/(payments for buying) of tangible and intangible assets	094	-108,339	-61,242
2. Receipts from sale/(payments for buying) of investments in subsidiaries, associates and joint ventures	095	0	0
3. Receipts from sale/(payments for buying) of securities and other financial instruments held to maturity	096	0	0
4. Received dividends	097	45,828	81,367
5. Other receipts/(payments) from investment activities	098	39,464	60,339
<b>6. Net cash inflow/(outflow) from investment activities</b>	<b>099</b>	<b>-23,047</b>	<b>80,464</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Net increase/(decrease) in borrowings	100	-641,869	-1,876,901
2. Net increase/(decrease) of issued debt securities	101	-4,700	-7,400
3. Net increase/(decrease) of issued subordinated and hybrid instruments	102		0
4. Receipts from issued share capital	103	1,464,800	0
5. Dividends paid	104	-220,310	-227,664
6. Other receipts/(payments) from financial activities	105	0	0
<b>7. Net cash inflow/(outflow) from financial activities</b>	<b>106</b>	<b>597,921</b>	<b>-2,111,965</b>
Total increase of cash flow	107	-2,204,330	-1,206,803
Total decrease of cash flow	108	0	0
Cash and cash equivalents at the beginning of the period	109	5,896,869	3,726,373
Increase in cash and cash equivalents	110	0	0
Decrease in cash and cash equivalents	111	-2,204,330	-1,206,803
Cash and cash equivalents at the end of the period	112	3,692,539	2,519,570

UNCONSOLIDATED STATEMENT ON CHANGES IN EQUITY

for the period **01.01.2009** to **30.06.2009.**

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Increase	Decrease	Current period 30.6.2009.
1. Capital paid	<b>113</b>	3,701,120	2,410	0	3,703,530
2. Capital reserves	<b>114</b>	2,790	203	0	2,993
3. Profit reserves	<b>115</b>	458,546	82,348	0	540,894
4. Retained earnings	<b>116</b>	736,336	190,798	0	927,134
5. Profit (loss) for the period	<b>117</b>	500,810	250,481	500,810	250,481
6. Revaluation of long term tangible assets	<b>118</b>	0	0	0	0
7. Revaluation of intangible assets	<b>119</b>	0	0	0	0
8. Revaluation of financial assets available for sale	<b>120</b>	6,965	161	0	7,126
9. Other revaluations/minority interest	<b>121</b>	0	0	0	0
<b>10. Total capital and reserves</b>	<b>122</b>	<b>5,406,567</b>	<b>526,401</b>	<b>500,810</b>	<b>5,432,158</b>
11. Exchange rate differences relating to net investments abroad	<b>123</b>	0	0	0	0
12. Current and deferred taxes (part)	<b>124</b>	0	0	0	0
13. Cash flow hedging	<b>125</b>	0	0	0	0
14. Changes in accounting policies	<b>126</b>	0	0	0	0
15. Correction of significant errors in previous period	<b>127</b>	0	0	0	0
16. Other changes in capital	<b>128</b>	0	0	0	0
<b>17. Total increase or decrease of capital</b>	<b>129</b>	<b>5,406,567</b>	<b>526,401</b>	<b>500,810</b>	<b>5,432,158</b>
17 a. Attributable to equity holders of the Bank	<b>130</b>	0	0	0	0
17 b. Attributable to minority interests	<b>131</b>	0	0	0	0

Positions that decrease capital have to be input with negative sign.

Data under AOP codes 113 to 121 have to be input as balance, at balance sheet date

## **Statement of persons responsible for preparation of quarterly and semi-annual financial statements**

To the best of our knowledge and belief:

1. the set of consolidated and non-consolidated quarterly and semi-annual financial statements of Raiffeisenbank Austria d.d. and Group, which have been prepared pursuant to the financial reporting standards applicable for banks in the Republic of Croatia, present a complete and fair view of assets and liabilities, profits and losses and financial position and business operations of Bank and Group
2. the Management Board statement represents a fair account of the operating results and standing of Bank and Group

Executive Director Accounting  
and Tax Advisory Division

Robert Kuzmanić

Chairman of Management Board

Zdenko Adrović

**Unaudited financial statements of  
Raiffeisenbank Austria d.d. Zagreb  
for the period 01 January 2009 to 30 June 2009**

**Contents:**

1. Management Board report for the first half of 2009 (including the report for Q2 2009)

**MANAGEMENT BOARD REPORT FOR FIRST HALF 2009**

- **RBA Group profit before tax: HRK 222 mn**
- **RBA consolidated total assets: HRK 41.3 bn**

Raiffeisenbank Austria d.d (RBA) prepared the consolidated statement of operations for the first half of 2009 pursuant to the CNB methodology. At the end of first half of 2009 the RBA Group consists of the Bank and the following bank subsidiaries:

subsidiary	activity	Held by Bank at
Raiffeisen mirovinsko društvo za upravljanje obveznim mirovinskim fondom d.d.	Pension fund management	100%
Raiffeisen mirovinsko društvo za upravljanje dobrovoljnim mirovinskim fondom d.o.o.	Pension fund management	100%
Raiffeisen Consulting d.o.o.	Financial and consulting services	100%
Raiffeisen Leasing d.o.o.	Leasing	50%
Raiffeisen mirovinsko osiguravajuće društvo d.o.o.	Pension insurance company	100%
Raiffeisen Invest d.o.o.	Investment fund management	100%
Raiffeisen Factoring d.o.o.	Factoring	100%
Raiffeisen upravljanje nekretninama d.o.o.	Property management	100% indirectly

Apart from these subsidiaries, the Group also holds a 20% stake in Raiffeisen trening centar d.o.o. (Raiffeisen Training Center), which provides training and education services within the Raiffeisen Group in Croatia and for Raiffeisen groups from neighboring countries.

**Market**

All Group members have been founded in Croatia for the purpose of providing services for customers on the Croatian financial market. Therefore the Group result depends on the level of development of the domestic financial market, as well as the growth or downturn of the real economy. Following the period of extreme volatility of interest and exchange rates on domestic money markets and the repayment of matured government bonds denominated in FC with domestic bank loans financed for this specific purpose with the relaxing of CNB measures in the first quarter, the major developments on the financial market in the second quarter were Croatia's elections for representative bodies and local

municipality governments and the government's participation in the international financial market with a new Eurobond issue of EUR 750 mn.

Holding the elections generally effects the increased public sector spending during the pre-election campaign, which leads to deficit growth of federal and municipal governments. The placement of government bonds to foreign investors is used to fund the deficit resulting from the public sector expenditure growth. In the first six months of 2009 Croatia had to deal with the economic downturn as measured by annual GDP changes and budget revenue decline. Therefore, and despite the successful placement of government bonds on the external market, a portion of the growing federal deficit still remains uncovered. This deficit was financed by the government through increased borrowing from local banks, thus squeezing out the private sector from the bank's lending potential. On the other hand, public companies did not start reducing their operating expenditures and investments on time, and, under the circumstances of a limited access to capital sources, they prolonged the payment of their liabilities to suppliers, thus creating an insolvency spiral. The insolvency growth recorded on the financial market in the first quarter spilled into the real economy in the second quarter. The CNB, in an effort to defend the exchange rate of the kuna from deprecation pressures, was implementing measures for contracting kuna liquidity levels in the first quarter. Following the CNB intervention on the FX market and the curbing of credit growth the money market liquidity reached a stable level in the second quarter. However, the insolvency of the real economy has been growing, with the stagnating credit volumes adding to the complexity of the problem.

Apart from the targeted release of foreign liquidity reserves to banks intended for the servicing of the country's external debt, a portion of the banks' liquidity was also released by the CNB for the purpose of stimulating credit activity on the domestic market. However, banks facing unpredictable movements in deposits against a backdrop of real economy recession and justified fears of unemployment rise and an increased number of insolvent companies used this extra liquidity to reduce their own debts, resulting in reduced total assets in banks. As banks account for more than three quarters of the total financial assets on the domestic market, the asset development in banks determined the pace of Croatia's total financial assets.

## **RBA Group**

In the first six months of 2009 RBA Group assets fell to 41,266 mn, down by 5.4%. The largest portion of this decline totaling HRK 2,332 mn refers to the decreased placements to banks or liquid assets, from which repayments were made of credits to financial institutions, which are used by the Group, alongside with the domestic deposits, to finance assets. This means that the unblocked liquidity was utilized to service the Group's liabilities resulting in lower balance sheet total. At the same time lending to customers declined, because the recession means shrinking placements to customers with the sales

potential being sensitive to crisis. With a decrease in the demand for financial products by private individuals and SMEs, customer loans fell by 4.6 per cent.

As for the equity structure, the retained earnings after last year profit allocation grew. As expected, the current profit at the end of six months declined as compared to the end of previous year. Customer deposits fell by 0.7 per cent standing at HRK 22,847 mn. The deposit decline was due to adverse processes caused by the recession of the real economy, especially affecting corporate customers, which tend to reduce their working capital during crisis.

The growing lack of liquidity of the real sector, initiated by parallel activities of fiscal authorities aimed at defending the kuna and the public sector due to delayed adaptation to changes in capital developments in the international market, is the major threat to companies' business, and thus to the quality of the lending portfolio of the Group.

The Group's profit before tax for the period ended 30 June 2009 totaled HRK 222.2 mn, having declined by 44 percent over the same period last year. Analyzed by the quarters of this year, the profit reached HRK 51 mn in Q1 and 171 mn in Q2. The declining profits in the first quarter are attributable to the lower net interest income by HRK 43 mn and a negative trading activity balance by HRK 74 mn. Profit/loss on trading assets depends primarily on the revaluation of portfolio at market prices in the short term and the price spread resulting from asset trading in the long term. As this year's first quarter was marked by the growing risk on financial markets and decreased value of financial assets, the loss for the period was booked. In the second quarter the risk premium fell, which was accompanied by the rising price of financial assets and the resulting positive spread on the trading portfolio revaluation.

Interest expenses fell by 14.1 percent and interest income by 2.6 percent in Q2, which lead to increased net interest income. The decline in interest expenses was effected by the reduction of reference interest rates used in the Group's financial liabilities to corporate customers and financial institutions, which lead to the decrease in interest expenses on existing credit liabilities of the Group and on term deposits kept by corporate clients in the Bank. Interest income did not fall at the same rate, as the interest rates were raised on the existing corporate placements at the end of the first quarter.

Commission and fee income totaled HRK 196 mn in the first half of 2009, down by 14.7 percent YoY. As the fee income is the chief source of income for non-banking members of the Group, the expected consequence of the reduced investment fund assets is a decline in fees for asset management services, and thus in the total net fee income as well. The fee income stood at the lowest level in the first quarter this year, and the recovery of the capital market in the second quarter resulted in increased assets and the growth of net fee income by 11.6 percent.

The Group's operating income totaled HRK 573 mn, up by 6.4% over the previous year, due to business network expansion. Since the first quarter of the last year 11 new bank

outlets have been opened, thus bringing the total number of bank outlets to 70. This year will be marked by business process rationalization activities, in line with the shrinking demand for financial services of the Group. At the same time positive effects of previous year's investments in the improvement of technology support to business operations have materialized. These activities contributed to the reduction of operating expenses, so the expenses in Q2 were lower by 2.5 percent as compared to expenses in Q1.

The costs for value adjustment and risk provisioning amount to HRK 281 mn, exceeding the level of gross profit. The increase in impairment losses resulted from the growing credit risk. The impairment losses were 9.6 times higher than those recorded in the first half of the previous year. This year the impairment losses do not deviate quarter by quarter, an indication of the stabilization of negative trends in the change of quality of the Group's placement portfolio.

### **Bank**

The Bank's net assets fell by HRK 2.2 bn in Q1, primarily due to the repayment of the matured syndicated EUR 400 mn loan to foreign creditors. Just a small portion of this amount was replaced by a new syndicated loan raised for EUR 115 mn, and the rest is the net reduction of the Bank's liabilities. Visits to international debt market are hindered by the investors' continuingly strong aversion to Croatia's risk.

On the assets side, liquid assets in banks fell by HRK 1.6 bn, and they were used to fund the matured liabilities of the Bank. The so released liquidity was used balancing assets and liabilities. Customer deposits declined 0.3 percent, and equity rose by 0.5 percent, so at the end of H1 the Bank's total assets stood at HRK 38.2 bn, down by 5.4 percent over the end of previous year. Lending portfolio also shrank by 4.1 percent, amounting to HRK 24.8 bn for the period ended 30 June 2009.

The Bank's profit before taxation amounted to HRK 252 mn, down by 34.4 percent YoY. The main cause of such declining profit was the upwards trend in provisions for impairment losses. The balance between the Bank's total income and total expenses before risk provisions rose 27.8% YoY, resulting primarily from the 14.3 percent increase in net interest income. Net fee and commission income dropped 2.3 percent. The Bank recorded less income from investment banking service and sale of non-banking financial products. Fees for fund transfer services, being the largest source of fee income as compared to the same period last year, did not change significantly within the income and expenses result.

The minimum positive spread gain on trading activities amount to HRK 3 mn. Last year the loss from trading activities reached HRK 40 mn due to the plummeting of the domestic capital market. Operating expenses stood at HRK 416 mn, up by 5 percent YoY, due to expansion of the Bank's business network as well as the higher base for calculating deposit insurance costs.



Provisioning costs amounting to HRK 269 mn were the key factor contributing to the profit decline as compared to the comparable period last year. Such significant increase in provision expenses resulted from shrinking liquidity of companies, which effected the growth of the Bank's matured claims over 90 days past due, as well as the increase in problem loans. In addition, delays in completion of construction projects contributed to growing risk in project financing. This prompted the Bank to initiate special actions on housing loans at more favorable terms for purchase of flats from the Bank's housing projects portfolio, in conjunction with the investors reducing their prices too.

The Bank has stepped up its debt collection activities and the debt recovery from received collateral. Still, further growth of risk provision losses depends primarily on the movement of real income of private individuals and the performance and liquidity of corporate customers of the Bank.

Zagreb, 31 July 2009  
Chairman of Management Board  
Zdenko Adrović