

2013 Raiffeisen-Holding NÖ-Wien

RAIFFEISEN-HOLDING NÖ-WIEN – OVERVIEW



**Raiffeisen-Holding
Niederösterreich-Wien**





Klaus Buchleitner, Chairman

Corporate profile.

In the year 2013, Raiffeisen-Holding NÖ-Wien continued on its course of consolidation. The main driver behind the group's strategic orientation is the new regulatory framework under Basel III. Our priority is to leverage all potential strengths which can contribute to enhancing our equity, streamlining the organization and increasing profitability, even if that means sacrificing promising areas of long-term growth. Due to the difficult market situation in the UK, the loss-making investment NOM Dairy UK Limited was sold in 2013, thus eliminating a major risk factor from the group's investment portfolio. In addition, the sale contributed to stabilizing Raiffeisen-Holding NÖ-Wien's long-term earnings outlook. In the course of its consolidation efforts as well as the revision and optimization of its structures, the group's business areas were restructured and streamlined in early 2014. The Services segment has now been integrated into the Financial Services area, and Renewable Energy is no longer considered a separate segment. As a result, Raiffeisen-Holding NÖ-Wien's portfolio now consists of four business areas: Financial Services, Industry, Media and Real Estate. The group's performance and results for the year 2013 show that we are on the right track – despite the highly challenging regulatory and economic environment. We will therefore continue to pursue this strategy consistently in 2014.

Raiffeisen-Holding Niederösterreich-Wien reg. Gen.mBH is one of the largest private holding companies in Austria, with direct and indirect stakes in some 700 companies.

The group's investment portfolio comprises the following core business areas: Financial Services, Industry, Media and Real Estate. Raiffeisen-Holding NÖ-Wien manages its portfolio of investments actively and serves as a long-term partner for its group companies.

The group's most important business area is Financial Services, which includes investments in Raiffeisenlandesbank Niederösterreich-Wien AG (78.5%), Raiffeisen Zentralbank Österreich AG as well as banking-related services. The group's numerous investments in and around this segment form a structured portfolio which has been built up over years and is well diversified in terms of its focus on various industries and lines of business. Raiffeisen Holding NÖ-Wien sees itself as a reliable, stable owner and core shareholder. In managing its extensive investment portfolio, the group pursues a long-term, value-oriented strategy.

Raiffeisen-Holding NÖ-Wien is organized as a cooperative. It is owned by its 165 members, and its strongest and most important shareholders are the Lower Austrian Raiffeisen banks. As such, Raiffeisen-Holding NÖ-Wien's main purpose is to support its members – especially its member cooperatives – in tangible and intangible forms and to serve as a platform to balance various interests and leverage synergies. Raiffeisen-Holding NÖ-Wien also fulfills this support function through distributions to its members and owners. In addition, the group offers services such as human resource development as well as member support and advising in matters related to cooperatives and banking.

Members of Raiffeisen-Holding NÖ-Wien

As of Dec. 31, 2013

Banks	68
Raiffeisen warehouses	18
Individuals	38
Legal entities	28
Production cooperatives and other companies	13
Members	165

Investment portfolio.

FINANCIAL SERVICES

Raiffeisen-Holding NÖ-Wien's holdings in banks and related services are combined in the Raiffeisenlandesbank NÖ-Wien AG (RLB NÖ-Wien) Group, which is the most significant investment in Raiffeisen-Holding NÖ-Wien's portfolio (78.58%). With a 34.74% stake in Raiffeisen Zentralbank Österreich AG, RLB NÖ-Wien is one of its main shareholders, thus also holding an indirect interest in Raiffeisen Bank International AG.

As the central institution in the group, RLB NÖ-Wien provides support and advising services for the 67 independent Raiffeisen banks in Lower Austria. As a regional bank, RLB NÖ-Wien also serves retail and corporate customers at approximately 60 locations in Vienna. Over the last ten years, Raiffeisen has managed to increase its market share from 3% to 13% of customers in Vienna. In its corporate banking activities, RLB NÖ-Wien focuses on the eastern region of Austria. In addition, the bank provides effective support for its customers in their international activities. In total, RLB NÖ-Wien serves some 270,000 customers.

The year 2013 was characterized by changes and strategic preparations at RLB NÖ-Wien, mainly due to the changing economic and regulatory environment. However, the bank once again managed to thrive in a challenging business environment in the year under review.

INDUSTRY

Raiffeisen-Holding NÖ-Wien's industrial portfolio includes investments spanning multiple industries – from agricultural processing to construction – with a clear focus on the food industry.

The group's investments include AGRANA Beteiligungs-AG and Südzucker AG Mannheim/Ochsenfurt in the sugar, starch and fruit sector, Leipnik Lundenburger Invest Beteiligungs AG in the core business areas of flour & milling and vending, as well as NÖM AG in the milk and dairy industry. The group's fourth major industrial investment Strabag SE, one of Europe's leading construction companies.

Once again, the greatest challenges faced by these companies in 2013 were high volatility in raw material prices and weak economic developments. However, the companies in Raiffeisen-Holding NÖ-Wien's industrial portfolio were once again able to hold their ground, in particular thanks to timely cost-cutting and optimization programs.

MEDIA

In the Media segment, Raiffeisen-Holding NÖ-Wien's investments range from print to electronic media.

The group's print media holdings include stakes in the KURIER daily newspaper, Mediaprint Zeitungs- und Zeitschriftenverlag GmbH & Co KG, the NEWS GmbH publishing group and Niederösterreichisches Pressehaus Druck- und Verlagsgesellschaft mbH.

As for electronic media, the portfolio includes the television broadcaster SAT.1 Privatfunk und Programmgesellschaft m.b.H. and the broadcasting transmission service provider Österreichische Rundfunksender GmbH & Co KG. Most of the group's media investments are bundled in the company Medicur - Holding Gesellschaft m.b.H. (Medicur).

Due to a large number of new technologies, the media industry is currently in a state of transformation. Especially in the print segment, advertising revenues are declining due to the economic situation and the loss of advertising customers to television and electronic media. In response to these developments, the group made significant restructuring efforts, took cost-cutting measures and enhanced sales activities, thus managing to offset part of the decline in revenues. The cost-cutting programs and the implementation of new market and sales strategies will continue in the year 2014.

Part of Raiffeisen Banking Group Austria

In the field of real estate management and development, Raiffeisen-Holding NÖ-Wien acts as a long-term partner offering comprehensive real estate know-how for institutional and private clients. The group's range of services includes active asset management coupled with project management, consulting, in-house projects, and additional services.

The real estate portfolio comprises 70 managed real estate investments with rentable space totaling 186,000 square meters. Raiffeisen-Holding's investments in this segment focus mainly on office properties in Vienna, complemented by investments in the health care field, regional investments in Lower Austria and Vienna, as well as stakes in real estate companies.

This segment also underwent a restructuring process in the year 2013: In addition to a number of internal restructuring measures, the group consolidated its portfolio by selling the Demel Building in the center of Vienna as well as its minority stake in the LOISIUM Wine & Spa Resort.

Highlights in the year under review included the opening of Raiffeisen-Holding NÖ-Wien's new office building as well as the completion and handover of the new university building at Oskar Morgenstern Platz 1 in Vienna.

With a market share of 32%, the Raiffeisen Banking Group (RBG) Austria is the country's leading banking group.

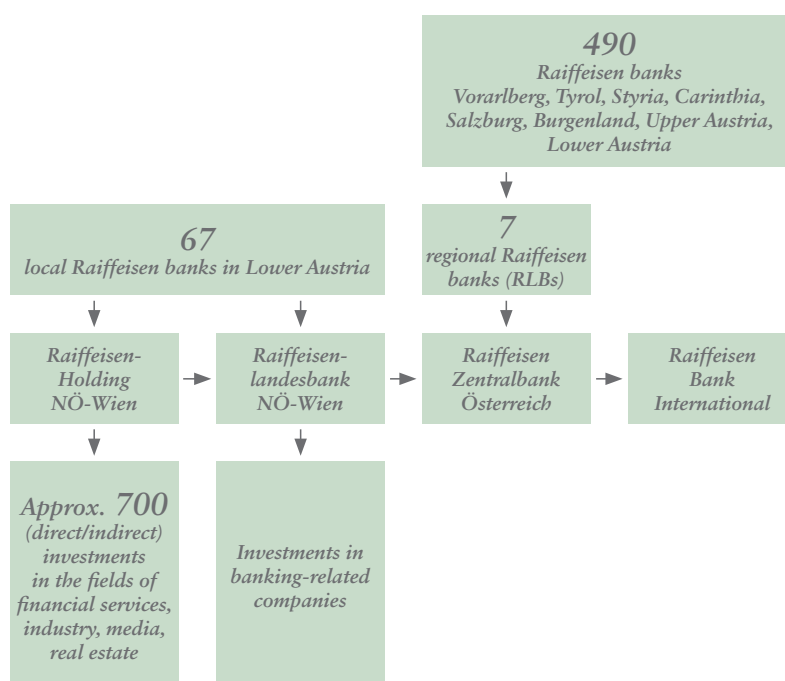
The group is organized in three tiers: the local Raiffeisen cooperative banks, the regional Raiffeisenlandesbank organizations and Raiffeisen Zentralbank Österreich AG.

Raiffeisen operates a very dense branch network, and its independent banks are thus distinguished by their commitment to regional and local interests, with a clear focus on ensuring security and trust. Some 1.7 million people in Austria are members (and thus co-owners) of Raiffeisen banks.

Raiffeisen NÖ-Wien is a key component of RBG Austria and consists of RLB NÖ-Wien, the Lower Austrian Raiffeisen banks and Raiffeisen-Holding NÖ-Wien. Raiffeisen NÖ-Wien has taken on a leading role in the Raiffeisen Banking Group in Austria.

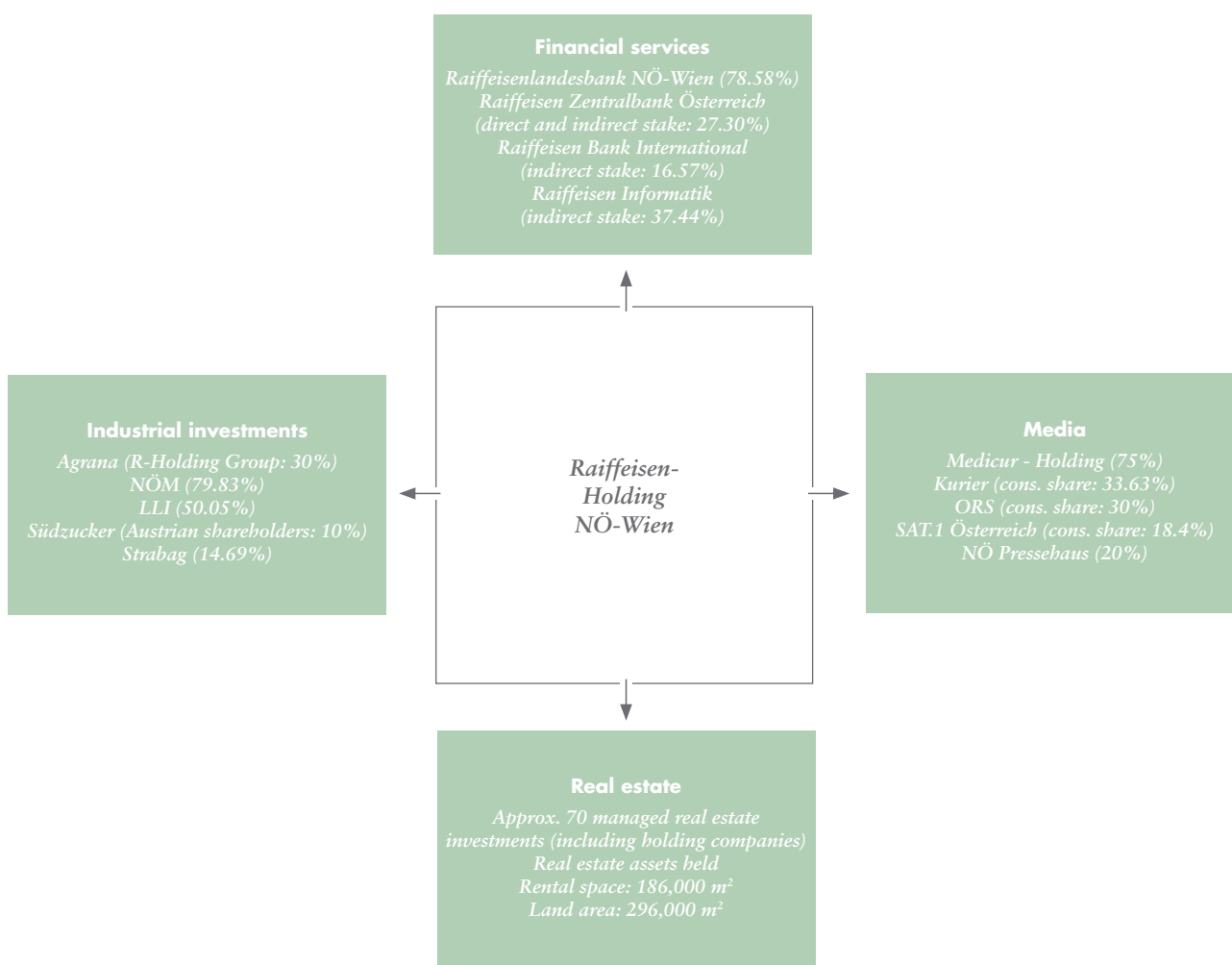
Raiffeisen Banking Group Austria

As of January 1, 2014



Portfolio structure.

As of January 1, 2014



Publishing Information

Editing and coordination: Katharina Fuchs, Michaela Stefan

Design/production: franke&hagen graphic design

Images: Thomas Topf, iStockphoto

Printing/binding: AV+Astoria Druckzentrum GmbH

Key figures.

Amounts in EUR million	2013	2012	Change ¹	2011
<i>Earnings indicators</i>				
Net interest income after risk provisions	16.5	42.2	-60.9%	90.7
Net fee and commission income	68.9	73.2	-5.9%	68.5
Net trading income	4.9	7.6	-35.3%	-1.6
Net income from financial investments	3.2	-138.3	> 100%	-11.5
Net income from industrial investments	412.0	417.6	-1.3%	401.0
Net income from associates and joint ventures	274.2	237.9 ²	15.3%	252.7
Net profit for the year after taxes	170.3	-26.2	> 100%	141.2
Share attributable to shareholders of the parent company	103.8	-64.3 ²	> 100%	108.1
Share attributable to other shareholders	66.4	38.1	74.5%	33.1
<i>Balance-sheet indicators</i>				
Total assets	30,736.7	34,010.1	-9.6%	34,029.0
Financial assets	5,773.3	7,018.7	-17.7%	6,629.6
Investments in associated companies and joint ventures	4,237.8	4,279.5 ²	-1.0%	4,053.7
Loans and advances to other banks	6,918.6	8,275.6	-16.4%	9,352.3
Loans and advances to customers	10,736.4	10,198.5	5.3%	9,882.6
Deposits from other banks	9,116.5	12,961.2	-29.7%	14,767.0
Deposits from customers	7,987.5	7,643.1	4.5%	6,981.9
Equity	3,397.2	3,450.2 ²	-1.5%	3,268.4
<i>Regulatory capital</i>				
Eligible Tier 1 capital (after deduction)	2,076.1	2,077.4	-0.1%	1,964.3
Supplementary own funds (after deduction)	1,260.0	918.1	37.2%	947.6
Eligible capital	3,336.1	2,995.4	11.4%	2,911.9
Total own funds	3,350.8	3,009.2	11.4%	2,930.4
Surplus own funds	2,100.5	1,618.9	29.7%	1,546.0
Surplus own funds ratio	168.0%	116.4%	51.6 PP	111.7%
Tier 1 ratio (credit risk)	14.5%	12.8%	1.7 PP	12.1%
Tier 1 ratio (total)	13.3%	12.0%	1.3 PP	11.4%
Own funds ratio (credit risk)	23.3%	18.6%	4.7 PP	18.1%
Own funds ratio (total)	21.4%	17.3%	4.1 PP	16.9%
<i>Average number of employees³</i>	5,859	5,887	-0.5%	5,918

¹ PP = percentage points

² Figures for the previous year restated in accordance with IAS 8.

³ Number of employees in fully consolidated subsidiaries and Raiffeisen-Holding NÖ-Wien reg. Gen.mBH.