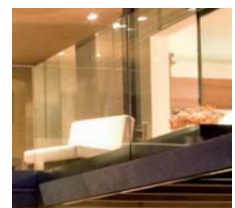


Annual Report 2011



CONTENTS

Editorial	2
The Supervisory Board · State Commissioners · The Managing Board	4
Raiffeisen Bausparkasse in 2011	5
Raiffeisen Bausparkasse's Equity Investments · Addresses	11
Slovakia	12
The Czech Republic	13
Croatia	14
Romania	15
<i>Raiffeisen Celebrates 125 Years in Austria</i>	16
<i>Raiffeisen Bausparkasse Celebrates its 50th Anniversary</i>	17
Consolidated Balance Sheet at December 31, 2011	22
Consolidated Income Statement for the 2011 Financial Year	24
Extracts from the Notes to the Consolidated Financial Statements for 2011	26
Disclosure of Equity Investments	28
Extracts from the Group Management Report	29
Publication Details	32

BAUSPAR BUILDING SOCIETY SAVING: IN AN UPTREND BASED ON SECURITY

The Bauspar building society system was able to bring its strengths to bear again in 2011, proving that — rightly — people in Austria see *Bauspar* building society saving as a timeless classic among investment products. As in the 2008 crisis year, the country's uneasy savers increasingly turned to dependable and proven ways of saving just at a time when economic conditions in general were difficult with a debt crisis and the threat of recession.

What Austrians wanted from a reliable financial investment in 2011 was precisely what the supporting pillars of the *Bauspar* building society system offered them — the safety of the capital invested, interest rates that are in line with the market and the state building society premium. This was evidenced not only by the system's consistently high popularity in surveys but also by the growing number of savers opting for *Bauspar* building society savings products.

Raiffeisen Bausparkasse can look back on another successful financial year. It concluded over 317,000 new *Bauspar* contracts. At the same time, loan disbursements increased strongly, coming to €1.1 billion, and both deposit balances and loan portfolios grew. There was therefore growth in every key business segment, and Raiffeisen Bausparkasse continued to strengthen its excellent market position among Austria's *Bausparkasse* building societies. The basis for these successes was created by the Raiffeisen Banking Group's many employees, who serve the customers of Raiffeisen Bausparkasse with commitment and expertise. We extend our warm thanks to them here.

The cut in the state building society premium subsidy as of April 1, 2012, within the scope of the expenditure reform package was a surprise. It will present us with big challenges in the future. However, we are confident that a few improvements in our terms and conditions will enable us to go on offering customers an attractive product. Moreover, we hope to continue to receive energetic support from the *Raiffeisen* banks and our sales partners.

Manfred Url, CEO

Johann Ertl, Director

Vienna
April 2012



Top: Manfred Url

Bottom: Johann Ertl

THE SUPERVISORY BOARD STATE COMMISSIONERS THE MANAGING BOARD

THE SUPERVISORY BOARD

Elected members:

Chairman: Walter ROTHENSTEINER, Vienna

1st Deputy Chairman: Ludwig SCHARINGER, Linz

2nd Deputy Chairman: Erwin HAMESEDER, Vienna

Peter GAUPER, Klagenfurt
 Wilfried HOPFNER, Bregenz
 Markus MAIR, Graz
 Julius MARHOLD, Eisenstadt
 Günther REIBERSDORFER, Salzburg
 Hannes SCHMID, Innsbruck

Works Council Delegates:

Xenophon AGATSIOTIS
 Gabriele ARZBERGER
 Erwin HAIDER
 Gerlinde HERZOG
 Ulrike KERSCHBAUMER-JUNG

STATE COMMISSIONERS

Gerhard POPP
 Markus KROIHER

THE MANAGING BOARD

Manfred URL, CEO

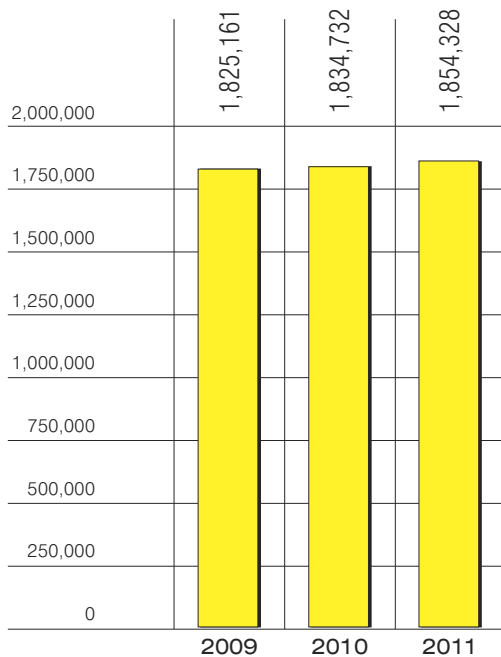
Johann ERTL

RAIFFEISEN BAUSPARKASSE IN 2011

Bauspar Building Society Saving as a

Safe Haven · The turbulence in the international financial markets together with worsening government debt crises led to further uncertainty among the population. As in prior years, Austria's *Bauspar* building society system proved to be rock-solid in 2011. Its main pillars — security and calculability — were more in demand than ever among Austrians. The system's closed financial circuit of savers and borrowers provides protection against fluctuations in the financial markets. At the same time, it guarantees savers a highly secure made-to-measure investment and borrowers a reliable way of financing their home combined with a free 6 per cent cap on loan rates. In other words, saving with a *Bauspar* building society has lost none of its attractiveness over the years. It meets savers' needs today as much as it did in the past.

Accounts*



* Savings contracts and loan agreements.

Unfailing Popularity · The high level of trust enjoyed by the *Bauspar* building society system among both savers and borrowers has been demonstrated not just by current business numbers but also by the latest survey results. The *Bauspar* contract and the *Sparbuch* passbook recently came out at the front of the pack in the regular saving and investment sentiment barometer published by *GfK-Institut*.

The Bauspar Building Society System is

Thriving · These results were confirmed by Raiffeisen Bausparkasse's excellent business numbers in the year under review. The flow of funds into safe *Bauspar* building society products continued unabated during 2011, as was manifested by the total of 317,090 new *Bauspar* contracts concluded during the year. As a result, new business was up even on the pleasing total recorded in 2010, growing by another 1 per cent, and Raiffeisen Bausparkasse continued to increase its market lead with a market share of 32.4 per cent. If one compares these figures with new business in 2005 — the relevant comparison year when measuring the number of new customers given that the minimum term of a *Bauspar* contract for tax purposes is six years — the increase was even bigger, coming to 10.1 per cent. Besides the popularity of the product, this success was also the fruit of special campaigns like our summer marketing focus and an end-of-year campaign offering new customers a special interest rate of 5 per cent until June 30, 2012.

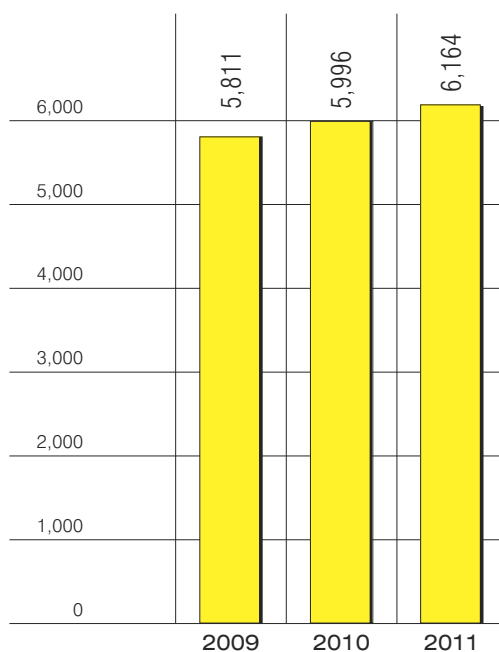


A Perfect Balance of Deposits and Loans

Raiffeisen Bausparkasse's positive business development was also mirrored by deposit balances and the loan portfolio. *Bauspar* savings deposit balances totalled €6.2 billion at year-end, which was 2.8 per cent more than at the end of 2010 (market share of 32.0 per cent). The loan portfolio also grew during 2011. As a result, at December 31, 2011, it came to €6.2 billion, or 4.7 per cent more than at the end of the previous year (market share of 32.9 per cent). There were 130,340 outstanding *Bauspar* loans in place at year-end (market share of 35.6 per cent).

Raiffeisen Bausparkasse is the undisputed market leader when it comes to *Bauspar* accounts in the portfolio. If one adds the impressive total of 1,723,988 savings contracts (increase of 1.5 per cent) to the 130,340 loan agreements in the portfolio, one gets a total of 1,854,328 *Bauspar* building society accounts under management at our *Bauspar* Centre on *Wiedner Hauptstrasse*. This translates into a market share of 33.4 per cent.

Deposit Balances € in millions



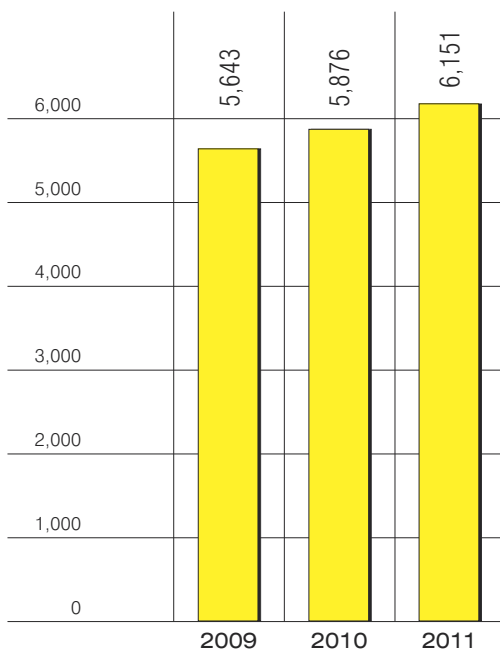
Lending Booms · Our secure low-cost *Bauspar* loans remained very much in demand in 2011. The demand for construction loans had already been brisk in prior years despite the financial crisis, and there was an out-and-out run on these low-rate loans in 2011. Raiffeisen Bausparkasse lent a total of €1.1 billion. This was not merely an impressive 13.7 per cent more than in 2010; it was also the second-highest loan total in 10 years. As a result, Raiffeisen Bausparkasse's market share in the loans market shot up to 32.4 per cent, giving it a clear leadership position in this segment as elsewhere.

The renovation, improvement and conversion segment accounted for the lion's share of loan offers (38.3 per cent), followed by property purchasing (26.0 per cent) and new construction (24.5 per cent). The other 11.2 per cent were accounted for by various other loans, including new loans for education and health care.

The high loaned amount illustrated once again the important role that *Bausparkasse* building societies play in private residential construction, for which significant amounts of money are provided each year. In addition, the big increase in the demand for *Bauspar* loans illustrates the confidence that developers have in this proven and crisis-proof way of financing housing. They are the only kind of loan that includes a free interest rate cap to shield borrowers from interest rate fluctuations in the money markets.



Loan Portfolio € in millions



The Limited Edition Energy Saver Loan

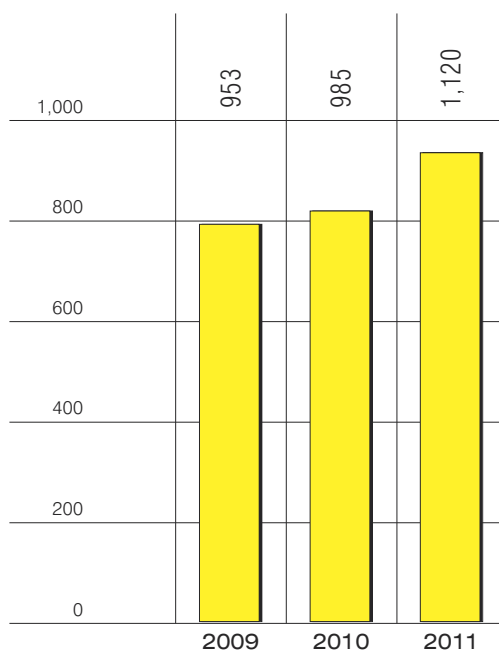
Raiffeisen Bausparkasse was able to score with customers with its attractive terms and conditions and its proven combination of low interest rates with a free 6 per cent interest rate cap. The energy saver loan campaign that had already proven its effectiveness in the past was a big contributor. As in 2010, a limited total contingent of €150 million was set aside for the campaign at an especially low interest rate of 1.2 per cent (fixed) and with a duration of 18 months.

Developers and Local Authorities Put Their Faith in the Bauspar System ·

Large numbers of cooperative building associations, developers and local authorities placed their trust in Raiffeisen Bausparkasse during 2011. Raiffeisen Bausparkasse was able to provide funds totalling €203 million for residential and local authority projects in Austria. This was over €50 million more than the amount provided in 2010 and accounted for roughly 18 per cent of total loan disbursements by Raiffeisen Bausparkasse.

Addition to Our Range of Services · Since the autumn of 2011, electronic loan applications have been included in the services we offer both customers and *Raiffeisen* banks. Advisors at *Raiffeisen* banks used to mail the applications they received from prospective borrowers to Raiffeisen Bausparkasse. With the help of freshly designed state-of-the-art software, they can now be sent simply and electronically at the touch of a button. Apart from saving paper and protecting the environment, this also saves time and makes processing customer applications much faster. Since October 2011, Raiffeisen Bausparkasse's land register searches have been fully electronic.

Loan Disbursements € in millions



The ‘Renovation Cheque’ — Continuing a Success Story

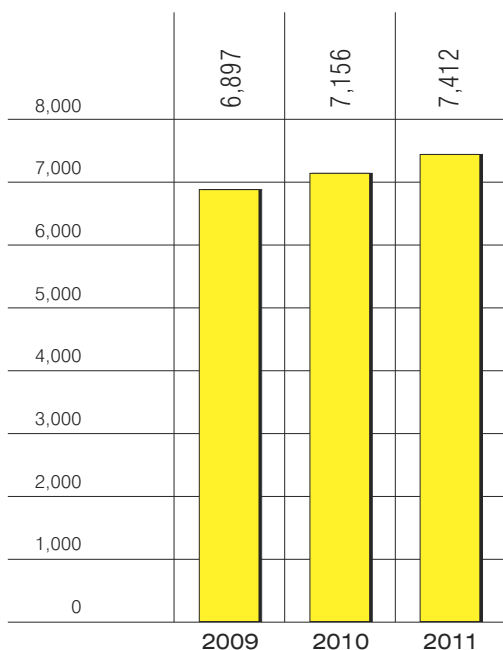
· The ‘renovation cheque’ campaign launched by the Austrian federal government in 2009 was a resounding success and it was repeated in 2011. In all, €70 million of federal subsidies were paid out to help with the thermal renovation of privately owned buildings. Besides benefiting the environment and house owners, this was also good for the Austrian economy because it increased investment by about €700 million. As in 2009, the Austrian Ministry of Economics and Life — the *Wirtschafts- und Lebensministerium* — asked Austria’s *Bausparkasse* building societies to administer the ‘renovation cheques’ free of charge.

Roughly half of all the subsidy applications made were submitted to and processed by Raiffeisen Bausparkasse, so once again, Raiffeisen Bausparkasse lived up to its reputation as an able partner in the residential construction, loan and subsidies fields.

The Recommender Award · For the third time in succession, Raiffeisen Bausparkasse won the Recommender Award with the best possible rating, namely ‘Excellent’. As in 2010, it performed best of any Austrian *Bausparkasse* building society. The Recommender Award is the Austrian prize for customer orientation at financial service providers. It is given to the banks, building societies and insurance companies that stand out because of their customers’ willingness to recommend them to others. Among other things, Raiffeisen Bausparkasse’s outstanding performance demonstrated the high quality of the advice given at Austrian *Raiffeisen* banks.



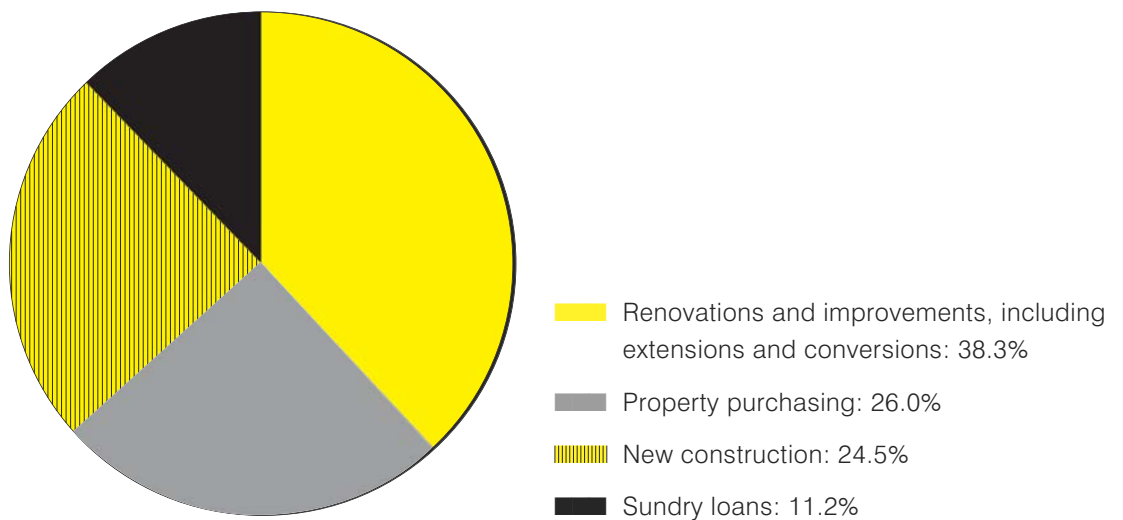
Assets € in millions



Outlook for 2012 · This year will be dominated by the cut in the state building society premium in Austria. Specifically, as of April 1, 2012, the interest rate range for the building society premium, previously from 3 to 8 per cent of the maximum annual deposit amount that qualifies for a subsidy, was lowered to a range of between 1.5 and 4 per cent. One of our main concerns will therefore be to design our terms and conditions in such a way that we can continue to offer our customers an attractive product.

In the past, the *Bauspar* system has already repeatedly shown its ability to adapt to changing times, defying both economic and money market crises. In recent years, the pattern we have seen is that the more uncertain times are, the bigger the inflow of funds into the safe and familiar haven of the *Bauspar* system will be. This means that we will find a way of sustaining the *Bauspar* cycle — a cycle that has been proving itself for decades even when conditions have been less favourable. This will benefit our many savers and borrowers as well as residential construction activity and the building industry.

Loan Offers by Purpose



RAIFFEISEN BAUSPARKASSE'S EQUITY INVESTMENTS

The Bauspar Building Society System is a Constant in the CEE Region ·

Raiffeisen Bausparkasse's subsidiaries in Slovakia, the Czech Republic, Croatia and Romania likewise experienced an unbroken trend towards *Bauspar* building society products. Because of their combination of a secure investment with low-cost loans to finance one's housing needs, these products are also felt to be particularly attractive in those markets. 2011 was dominated by political changes that had an impact on the *Bauspar* building society systems of each country. Various proposals for changes to the law, media reporting about them and continued heavy pressure to consolidate budgets in the CEE markets led to unease among some building society customers. Nevertheless, it proved possible to equal most of the outstanding results recorded in recent years and even surpass them.



Addresses

Prvá stavebná sporiteľňa, a.s.

Bajkalská 30, P.O.Box 48
SK 829 48 Bratislava 25
Phone: +421-2-5823 1111

Managing Board:

Imrich Béreš
Herbert Pfeiffer
Erich Feix

Raiffeisen stavební spořitelna, a.s.

Konevova 2747/99
CZ 130 45 Prague 3
Phone: +420-2-7103 1111

Managing Board:

Jan Jeníček
Hans-Dieter Funke
Roman Hurých

Raiffeisen stambena štedionica d.d.

Radnička cesta 47
HR 10 000 Zagreb
Phone: +385-1-600 6100

Managing Board:

Hans-Christian Vallant
Franjo Franjić

Raiffeisen Banca pentru Locuințe, S.A.

6A Dimitrie Pompeiu Blvd, I bis Floor
RO Bucharest 2, Code 020337
Phone: +402-1-203 1960

Managing Board:

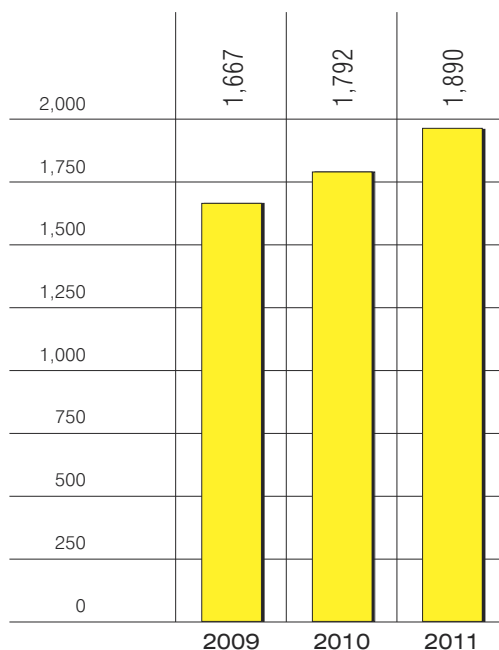
Aurelia Cionga
Marius Solescu

Slovakia: Growth in a Difficult Setting ·

Raiffeisen Bausparkasse holds a stake of 32.5 per cent in *Prvá stavebná sporiteľňa a.s.* (PSS) in Slovakia. 2011 was dominated by the government crisis. Debate about the building society premium subsidy unnerved customers. As a result, fewer new savings contracts were concluded than in 2010, when the total was high.

Nonetheless, PSS customers were eager savers, so *Bauspar* building society deposit balances were again over 5 per cent up on the previous year to around €1.9 billion. Similarly, the loan portfolio grew by roughly €37 million to €1.8 billion. Consequently, PSS continued to clearly assert its market leadership in the Slovakian building society market.

Slovakia:
Deposit Balances € in millions

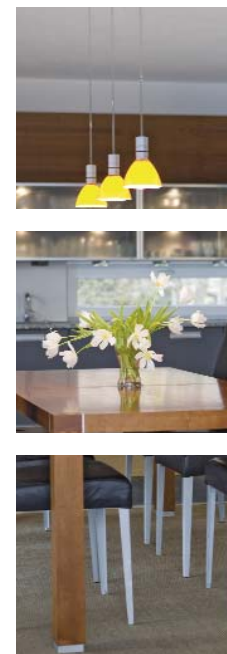


Czech Republic: Post Office Becomes New Sales Partner

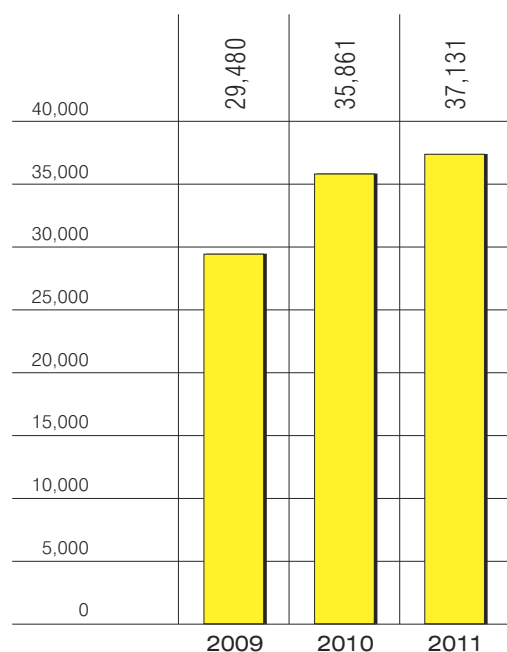
The *Bauspar* building society system was also the subject of a politically driven public debate in the Czech Republic, and the cut in the building society premium subsidy decided back in 2010 took effect. The consequence was that the Czech market — already hotly contested by the country's five building societies — shrank slightly compared with 2010.

However, *Raiffeisen stavební spořitelna, a.s.* (RSTS) was able to counter this trend by acquiring a strong new sales partner in the form of the Czech Post Office. The Post Office has a nationwide presence represented by about 3,000 branches and is a good supplement to the sales network that RSTS already has in place.

Despite fierce competition in the financial sector, the loan portfolio at RSTS set a new record. By the end of 2011, RSTS had granted a total of about Kč37.1 billion (roughly €1.4 billion) of *Bauspar* building society loans and bridging loans to its customers. Despite the difficult conditions, deposit balances fell only minimally, decreasing by 0.7 per cent to about Kč74.6 billion (roughly €2.9 billion).



Czech Republic: Loan Portfolio Kč in millions

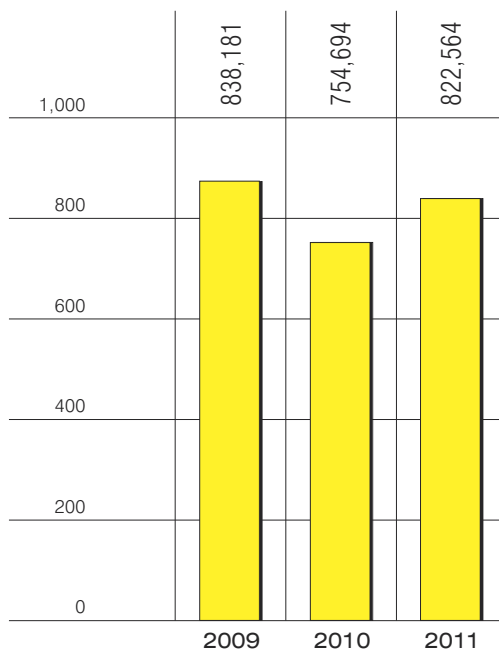


Croatia: Lending Continues to Increase ·

The key events of 2011 in Croatia were the closure of Croatia's EU accession negotiations and its parliamentary elections toward the end of the year. There are grounds to hope that the country's economy will profit from its imminent admission to the European Union and that structural reforms will be implemented. Once again, the building society premium subsidy was paid out late by the departing government in 2011, unnerving building society customers.

Raiffeisen stambena štedionica d.d. (RSS) successfully defended its market leadership in 2011. Thanks to good offerings, it scored particularly well with its customers in the loans segment, leading to substantial growth in its credit operations. At year-end 2011, RSS had a loan portfolio of about HRK823 million (roughly €109 million), which was 9 per cent more than at the end of the previous year. New business was sustained at the same level as in 2010, with roughly 30,000 new savings contracts being concluded. Consequently, *Bauspar* building society deposit balances were static on the previous year at about HRK1.5 billion (roughly €192 million).

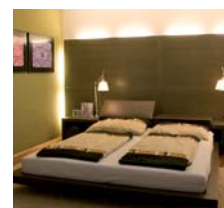
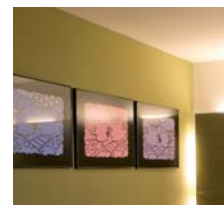
Croatia:
Loan Portfolio HRK in thousands



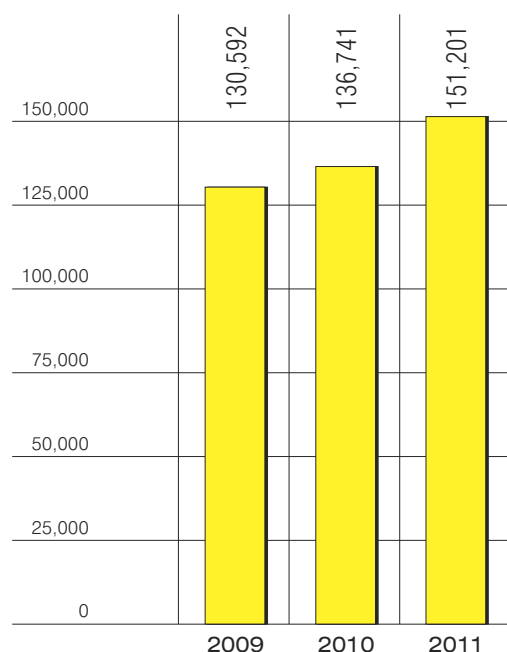
Romania: Conspicuous Increase in New

Contracts · Although Romania too had to struggle with the global economic situation and cope with its effects on the Romanian economy in 2011, the number of new contracts concluded by *Raiffeisen Banca pentru Locuințe, S.A.* (RBL) was up on 2010. RBL thus concluded about 33,000 new *Bauspar* savings contracts during 2011, or 32 per cent more than in the previous year. This underscores how confident the population is in *Bauspar* building society saving as a way of investing given that, notwithstanding extensive efforts on the part of the Romanian association of building societies, the responsible ministry only paid out the building society premium subsidy in part and late.

RBL was able to consolidate its overall position in the Romanian market during 2011. Deposit balances were at the same level as at the end of the previous year, at roughly RON240 million (about €55 million), while the loan portfolio grew by 7 per cent to roughly RON50.4 million (about €12 million). The contract portfolio grew compared with the end of the previous year to total 151,201 contracts. This translates into an increase of 10.6 per cent.



Romania:
Contract Portfolio



**Raiffeisen
Banca pentru Locuințe**

RAIFFEISEN CELEBRATES 125 YEARS IN AUSTRIA BUILDING A FUTURE ON SOLID FOUNDATIONS

Since the outbreak of the economic and financial crisis

— if not earlier — one thing has become clear again. Cooperative enterprises and combinations of them are particularly adaptable and effective and, therefore, financially stable, in times of crisis. The cooperative idea as conceived by Friedrich Wilhelm Raiffeisen is as modern now as it was when the first Austrian *Raiffeisenkasse* bank was set up 125 years ago. It can be summed up simply: unity creates strength. If large numbers of like-minded people work together, they can achieve what individuals cannot.

It is impressive to see what the *Raiffeisen* cooperatives have built up and developed in the 125 years and more since they were created. For decades, *Raiffeisen* has been a backbone and motor of the Austrian economy. The Raiffeisen Banking Group and other cooperative *Raiffeisen* enterprises have not just developed in parallel with general progress and adapted to the needs of the times. Often, they have also been a driving force when breaking new ground and pioneering innovators.

Founded on Local Roots

Raiffeisen embodies a combination of local ties and international strength. Because they are rooted in the local economy and local community, the autonomous *Raiffeisen* banks know the needs of the people in the regions they serve. The larger scale that is equally necessary to succeed in the market is provided by the unified group of *Raiffeisen* cooperatives.

Raiffeisen's Underlying Principles

The principles that underlie *Raiffeisen*'s work in Austria have been the roots of *Raiffeisen*'s successes in past decades: self-administration and responsibility for one's own actions, economic activity based on solidarity, sustainability and the subsidiarity principle. The main-spring of our work is always helping the members of the cooperative to help themselves. One of the key criteria for the successful development of the Raiffeisen Banking Group has been the creation of specialist entities like Raiffeisen Bausparkasse. These entities make it possible for the local *Raiffeisen* banks to offer their customers all the financial products they want and need.

Cooperatives make it clear that profitability and social responsibility are compatible goals. Cooperatives have for well over 100 years been putting into practice the social market economy that has been propagated in Austria and many other European countries for mere decades. The democratically organized *Raiffeisen* banks will continue to form the solid foundations of the *Raiffeisen* organization in the future, acting as a powerful engine of further developments in the years and decades to come.

RAIFFEISEN BAUSPARKASSE CELEBRATES ITS 50TH ANNIVERSARY

Approximately 4 million customers in Austria and the CEE countries, 425,000 residential units housing 1.2 million people and €24 billion of home construction loans — achievements of which Raiffeisen Bausparkasse could be proud on its 50th anniversary.

Raiffeisen Bausparkasse's round birthday was therefore appropriately celebrated on March 21, 2011, when 700 guests from the political and business communities and the Raiffeisen Banking Group accepted our invitation to a jubilee gala at Vienna Town Hall. Numerous prominent and long-standing friends and associates of Raiffeisen Bausparkasse came to congratulate us and look back on the past five decades together.

Presenter Vera Russwurm led us through the evening's varied programme. The highpoint of the evening's events was Ernst Ulrich von Weizsäcker's talk on renewable energy sources and the responsible use of resources.



RAIFFEISEN BAUSPARKASSE CELEBRATES ITS 50TH ANNIVERSARY



Ernst Ulrich von Weizsäcker captivated those present with a lecture on his book *Factor Five*.



Johann Ertl, Director of Raiffeisen Bausparkasse, Minister of the Environment Nikolaus Berlakovich and Manfred Url, CEO of Raiffeisen Bausparkasse.



Senior Raiffeisen Banking Group representatives from every Austrian province attended the event: Erwin Hameseder, CEO of Raiffeisenlandesbank NÖ-Wien and CEO of Raiffeisen-Holding NÖ-Wien.



Business economist Wilfried Hopfner, Chairman of the Managing Board of Raiffeisenlandesbank Vorarlberg, Johann Vieghofer, President of the Umbrella Association of the Austrian *Geschäftsleitervereinigung* and Markus Mair, CEO of Raiffeisen Landesbank Steiermark.



Landesrat Wolfgang Sobotka, Deputy Governor of Lower Austria.

Awarded the silver medal for services to the Republic of Austria: Erich Rainbacher (left), CEO of Raiffeisen Bausparkasse until the end of 2010.





The Austrian Financial Market Authority was also represented: board members Kurt Pribil and Helmut Ettl.



Herbert Stepic, Chairman of the Managing Board of Raiffeisen Bank International and Andreas Ittner, member of the Board of Governors of Oesterreichische Nationalbank.



The members of the Supervisory Board of Raiffeisen Bausparkasse with presenter Vera Russwurm: CEO of RZB and Chairman of our Supervisory Board Walter Rothensteiner; his deputy Ludwig Scharinger, CEO of RLB-OÖ; and Julius Marhold, CEO of RLB Burgenland.



Peter Gauper, member of the Managing Board of Raiffeisenlandesbank Kärnten, and Georg Kraft-Kinz, Deputy CEO of Raiffeisenlandesbank NÖ-Wien.



The former CEO of Raiffeisen Bausparkasse, Udo Steininger (right) and notary Günther Fleisch.



Mathias Bauer, Chairman of the Managing Board of Raiffeisen Capital Management and Hannes Schmid, Spokesman of the Managing Board of Raiffeisen-Landesbank Tirol.



Günther Reibersdorfer, CEO of Raiffeisenverband Salzburg, also attended the gala.

Consolidated Financial Statements for 2011



CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2011

Assets

	December 31, 2011		December 31, 2010	
	€	€	€k	€k
1. Cash and balances with central banks		59,933,091.30		79,226
2. Debt instruments issued by public bodies which are eligible for refinancing with the central bank				
Treasury bills and similar securities		1,290,454,925.38		1,303,586
3. Receivables from other banks				
a) Receivable on demand	26,222,732.48		16,599	
b) Other receivables	<u>578,050,614.69</u>	604,273,347.17	<u>636,795</u>	653,394
4. Mortgage-backed loans				
a) <i>Bauspar</i> loans	4,227,928,431.94		4,027,991	
b) Mortgage-backed bridging loans	1,266,464,433.03		1,312,174	
c) Other mortgage-backed loans	<u>480,306,847.12</u>	5,974,699,712.09	<u>399,273</u>	5,739,438
5. Other loans				
a) <i>Bauspar</i> loans	209,484,091.44		193,946	
b) Bridging loans backed by <i>Bauspar</i> savings deposit balances less deposit balances registered as collateral for bridging loans	283,305,007.34		258,545	
c) Other loans	<u>817,089,991.65</u>	1,309,879,090.43	<u>824,670</u>	1,277,161
6. Bonds and other fixed-interest securities				
a) Issued by public sector entities	48,251,230.27		45,613	
b) Issued by other borrowers (Of which own issuances: €0.00; previous year: €0 thousand)	<u>634,161,659.58</u>	682,412,889.85	<u>653,551</u>	699,164
7. Shares and other variable-yield securities		385,348,605.50		410,926
8. Equity investments				
a) In associates accounted for using the equity method	88,890,701.87		88,750	
b) In other entities	<u>233,691.43</u>	89,124,393.30	<u>194</u>	88,944
9. Investments in subsidiaries				
In other group companies		475,038.78		108
10. Intangible non-current assets (Of which goodwill within the meaning of § 254 (3) UGB [Austrian enterprises code]: €0.00; previous year: €0 thousand)		5,400,281.57		7,417
11. Property, plant and equipment (Of which land and buildings used by the Bank within the scope of its own activities: €13,869,484.31; previous year: €14,711 thousand)		15,937,569.77		17,120
12. Other assets		134,042,853.55		127,630
13. Prepaid expenses		<u>2,408,353.69</u>		<u>16,361</u>
		<u>10,554,390,152.38</u>		<u>10,420,475</u>
Off-balance sheet items				
1. Foreign assets		3,397,629,067.47		3,580,655

	December 31, 2011		Equity and Liabilities December 31, 2010	
	€	€	€k	€k
1. Payables to other banks				
a) Payable on demand	121,394,614.27		104,351	
b) With agreed maturities or notice periods	<u>922,838,697.24</u>	1,044,233,311.51	<u>748,549</u>	852,900
2. Payables to customers				
<i>Bauspar</i> deposit balances less deposit balances registered as collateral for bridging loans		8,861,269,273.84		8,908,568
3. Other liabilities		89,816,028.72		97,431
4. Deferred income		4,247,834.14		14,175
5. Provisions				
a) Provisions for post-employment benefits	6,899,000.00		7,404	
b) Provisions for termination benefits	5,470,000.00		5,747	
c) Provisions for taxes	1,273,866.15		2,264	
d) Other provisions	<u>15,123,193.38</u>	28,766,059.53	<u>17,755</u>	33,170
6. Consolidated profit		7,505,191.20		7,227
7. Supplementary capital		145,000,000.00		167,000
8. Subscribed capital		35,000,000.00		35,000
9. Capital reserves				
a) Appropriated	62,245.08		62	
b) Unappropriated	<u>8,029,584.92</u>	8,091,830.00	<u>8,030</u>	8,092
10. Retained earnings				
a) Statutory reserve	6,976,600.00		6,977	
b) Reserve pursuant to the <i>Satzung</i> (Articles of Association)	10,523,400.00		10,523	
c) Other reserves	229,400,380.23		193,371	
d) Exchange differences	33,006,821.55		36,552	
e) Goodwill arising from the elimination of the carrying amount of the Group's investment in each subsidiary and the Group's portion of the equity of each subsidiary	(43,832,101.49)		(43,832)	
f) Negative goodwill arising from the elimination of the carrying amount of the Group's investment in each subsidiary and the Group's portion of the equity of each subsidiary	<u>8,577,382.93</u>	244,652,483.22	<u>8,577</u>	212,168
11. Minority interests		15,959,640.22		14,896
12. Liability reserve (<i>Haftrücklage</i>) under § 23 (6) <i>BWG</i> (Austrian banking act)		69,848,500.00		69,848
		<u>10,554,390,152.38</u>		<u>10,420,475</u>
Off-balance sheet items				
1. Contingent liabilities under guarantees		31,085.77		31
2. Commitments		839,233,066.81		719,676
3. Eligible own funds pursuant to § 23 <i>BWG</i>		463,714,891.44		458,812
4. Own funds requirement under § 22 <i>BWG</i>		381,425,186.11		370,069
5. Foreign liabilities		3,014,082,045.17		3,164,813

CONSOLIDATED INCOME STATEMENT FOR THE 2011 FINANCIAL YEAR

	€	2011 €	2010 €k
1. Interest income and similar income		369,878,550.97	360,136
Of which:			
a) Income from <i>Bauspar</i> loans	160,246,374.78		163,896
b) Income from fixed-interest securities	61,140,860.74		64,256
2. Interest expenses and similar charges		(221,056,172.12)	(213,104)
Of which:			
On <i>Bauspar</i> deposit balances	157,953,630.52		160,435
I. NET INTEREST INCOME		148,822,378.85	147,032
3. Income from securities and equity investments		23,354,150.54	21,318
a) Income from variable-yield securities	13,083,956.36		12,064
b) Income from investments in other entities	5,852.13		6
c) Income from investments in subsidiaries	200,000.00		200
d) Income from investments in associates accounted for using the equity method	<u>10,064,342.05</u>		9,048
4. Other operating income		63,817,722.61	69,283
II. OPERATING INCOME		235,994,252.00	237,633
5. General administrative expenses		(137,231,163.91)	(143,829)
a) Staff costs			
aa) Wages and salaries	24,773,503.41		24,462
ab) Statutory social security contributions, payroll-related taxes and additional compulsory contributions	7,175,271.32		7,123
ac) Fringe benefits	808,422.70		668
ad) Old-age benefits and support	2,255,420.91		1,500
ae) Change in the provision for post-employment benefits	(505,000.00)		214
af) Termination benefits and payments to corporate benefit funds	<u>994,085.21</u>		685
	35,501,703.55		34,652
b) Other administrative expenses (operating expenditure)	<u>101,729,460.36</u>		109,177
6. Impairment allowances on assets recognized in items 10 and 11		(4,813,929.12)	(4,603)
7. Other operating expenses		(3,618,177.01)	(3,164)
III. OPERATING EXPENSES		(145,663,270.04)	(151,596)
IV. PROFIT FROM OPERATIONS (balance carried forward)		90,330,981.96	86,037

	2011 €	2010 €k
IV. PROFIT FROM OPERATIONS (balance brought forward)	90,330,981.96	86,037
8. Realized and unrealized gains and losses on receivables and securities and provisions made for commitments	(21,044,296.01)	(17,629)
9. Realized and unrealized gains and losses on securities classified as financial investments and on equity investments and investments in subsidiaries	(16,645,771.57)	(8,089)
V. PROFIT FROM ORDINARY ACTIVITIES	52,640,914.38	60,319
10. Income tax	(5,304,727.48)	(5,130)
11. Other taxes (not included in item 10)	(218,601.11)	31
VI. PROFIT FOR THE YEAR	47,117,585.79	55,220
12. Minority interests in profit	(2,666,340.53)	(2,750)
13. Exchange differences	(1,272,399.34)	262
14. Change in reserves	(35,900,768.07)	(46,101)
15. Retained profit brought forward	227,113.35	596
<u>VII. CONSOLIDATED PROFIT</u>	<u>7,505,191.20</u>	<u>7,227</u>

The Managing Board

Manfred Url
CEO

Johann Ertl
Director

EXTRACTS FROM THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2011

Other receivables from other banks is made up of fixed-rate deposits with the following maturities:

	December 31, 2011	December 31, 2010
	€k	€k
Up to 3 months	265,185	461,296
From 3 months to 1 year	52,075	78,036
From 1 to 5 years	185,652	56,412
Over 5 years	75,139	41,051
	578,051	636,795

The **mortgage-backed loans** and **other loans** had the following maturities:

	December 31, 2011	December 31, 2010
	€k	€k
Receivable on demand	22,782	23,632
Up to 3 months	171,464	182,206
From 3 months to 1 year	564,844	559,978
From 1 to 5 years	2,072,446	1,980,212
Over 5 years	4,453,043	4,270,571
	7,284,579	7,016,599

Other loans includes receivables from subsidiaries in the amount of €41,431 thousand (2010: €36,265 thousand).

The balance sheet value of listed **bonds and other fixed-interest securities** did not include any bonds issued by the Group (2010: €0 thousand).

€1,072,744 thousand (2010: €1,063,508 thousand) of **treasury bills and similar securities**, which totalled €1,290,454 thousand (2010: €1,303,586 thousand), was measured as non-current assets in accordance with § 56 (1) BWG; €534,138 thousand (2010: €476,930 thousand) of **bonds and other fixed-interest securities** totalling €682,413 thousand (2010: €699,164 thousand) was thus measured; and €149,813 thousand (2010: €172,142 thousand) of **shares and other variable-yield securities** totalling €385,349 thousand (2010: €410,926 thousand) was thus measured.

Shares and other variable-yield securities consists solely of investment fund shares.

Payables to other banks includes payables under credits granted to refinance loans with the following maturities:

	December 31, 2011	December 31, 2010
	€k	€k
Up to 3 months	93,136	0
From 3 months to 1 year	5,100	0
From 1 to 5 years	40,157	48,391
Over 5 years	784,446	700,158
	<u>922,839</u>	<u>748,549</u>

Payables to customers had the following maturities:

	December 31, 2011	December 31, 2010
	€k	€k
Payable on demand	402,995	399,082
Up to 3 months	1,767,013	1,844,755
From 3 months to 1 year	1,940,672	1,999,602
From 1 to 5 years	4,181,156	4,047,961
Over 5 years	569,434	617,168
	<u>8,861,270</u>	<u>8,908,568</u>

The **bonds** that were issued in 2002, 2004, 2005 and 2007 constitute supplementary capital for the purposes of § 23 (7) *BWG* or subordinated debt capital within the meaning of § 23 (14) 5 *BWG*.

Interest income and similar income and other operating income broke down as follows by geographical market:

	Austria	CEECs	Austria	CEECs
		2011		2010
	€k	€k	€k	€k
Interest income and similar income	233,458	136,421	223,566	136,570
Other operating income	35,216	28,602	34,994	34,289

Other operating income comprised mainly fees and other income from building society operations in the amount of €59,779 thousand (2010: €65,788 thousand).

Outlay on supplementary capital and subordinated debt capital came to €7,368 thousand (2010: €7,744 thousand).

DISCLOSURE OF EQUITY INVESTMENTS PURSUANT TO § 265 (2) UGB (AUSTRIAN ENTERPRISES CODE)

		Nominal Capital	Equity Interest held at Dec. 31, 2011
Consolidated entities			
<i>Raiffeisen stavební spořitelna, a.s.</i> , Prague	CZK	650,000,000.00	90.00%
<i>Raiffeisen stambena štedionica d.d.</i> , Zagreb	HRK	180,000,000.00	100.00%
<i>Raiffeisen Bausparkassen Holding GmbH</i> , Vienna	EUR	10,000,000.00	100.00%
<i>Koněvova s.r.o.</i> , Prague	CZK	10,000,000.00	90.00%
Associates			
Accounted for using the equity method			
<i>Privá stavebná sporiteľ'ňa, a.s.</i> , Bratislava	EUR	66,500,000.00	32.50%
<i>Raiffeisen Banca pentru Locuințe, S.A.</i> , Bucharest	RON	131,074,560.00	33.35%
<i>Raiffeisen Wohnbaubank AG</i> , Vienna	EUR	5,100,000.00	25.00%
<i>Raiffeisen Wohnbauleasing Ges.m.b.H.</i> , Vienna	EUR	36,400.00	50.00%
Non-consolidated entities			
Non-consolidated on the grounds of immateriality in accordance with § 249 (2) UGB			
<i>RBM Wohnbau Ges.m.b.H.</i> , Vienna	EUR	37,000.00	100.00%
<i>RGS Wohnbau Gesellschaft m.b.H.</i> , Vienna	EUR	36,336.42	100.00%
<i>Raiffeisen-Wohnbauleasing Österreich GmbH</i> , Vienna	EUR	35,000.00	50.00%
<i>K1 Wernergasse 14-16 Projekt- und Entwicklungsgesellschaft mbH</i> , Vienna	EUR	35,000.00	100.00%
<i>Raiffeisen finanční poradenství s.r.o.</i> , Prague	CZK	1,000,000.00	90.00%
<i>Dobré bývanie s.r.o.</i> , Bratislava	EUR	6,638.78	100.00%

EXTRACTS FROM THE GROUP MANAGEMENT REPORT

1) GENERAL REMARKS

The Group was created in 1998 when we acquired a 75 per cent majority of the shares in *Raiffeisen stavební spořitelna, a.s.*, Prague. Another 15 per cent of the shares were subsequently acquired in 2008, giving Raiffeisen Bausparkasse a 90 per cent stake in *Raiffeisen stavební spořitelna, a.s.* Other important Group members include *Prvá stavebná sporiteľňa, a.s.*, Bratislava, in which we hold a stake of 32.5 per cent, and *Raiffeisen Banca pentru Locuințe, S.A.*, Bucharest, in which we hold a stake of 33.35 per cent. In December 2009, *Raiffeisen Banca pentru Locuințe, S.A.*, Bucharest, was merged with *HVB Banca pentru Locuințe, S.A.*, Bucharest, in which we had acquired a stake of 33.35 per cent in 2009. A capital increase took place at *Raiffeisen stambena štedionica d.d.*, Zagreb, in 2008, increasing Raiffeisen Bausparkasse's stake to 100 per cent. We refer you to the section of the Notes regarding the scope of consolidation.

2) BUSINESS PERFORMANCE IN 2011

The Raiffeisen Bausparkassen Group had a highly successful 2011, achieving good results in both the saving and loan segments. Given that the effects of the financial crisis were still being felt by the financial markets, this was very gratifying. The Group's assets were up on the end of the previous year, growing from €10.4 billion to €10.6 billion. Savings deposit balances stayed at the same high level as in the previous year, coming to €8.9 billion, while the loan portfolio grew from €7.0 billion to €7.3 billion.

As in prior years, Group parent **Raiffeisen Bausparkasse Gesellschaft m.b.H.** saw brisk demand for *Bauspar* building society contracts. This boosted the number of new contracts from about 314,000 to roughly 317,000, increasing Raiffeisen Bausparkasse's market share from 30.3 to 32.4 per cent. Raiffeisen Bausparkasse also achieved an increase in loan disbursements, which came to €1.1 billion in 2011, as against €1.0 billion in 2010. This raised its market share in that area from 31.5 to 32.4 per cent. Deposit balances (including deposit balances registered as collateral for bridging loans) were up on the year to €6.2 billion (year-end 2010: €6.0 billion), which translates into a market share of 32.0 per cent. The loan portfolio exceeded the already high level of €5.9 billion recorded at the end of 2010, coming to €6.2 billion. This gave Raiffeisen Bausparkasse a market share of roughly 32.9 per cent in the loans segment.

Prvá stavebná sporiteľňa, a.s., Bratislava, concluded approximately 160,000 new contracts. Although this was less than the total of roughly 201,000 new contracts concluded in 2010, aggregate deposit balances increased, growing from €1.8 billion to €1.9 billion.

Having contained about 833,000 contracts at the end of 2010, the portfolio of savings contracts at **Raiffeisen stavební spořitelna, a.s.**, Prague, shrank by 9.2 per cent to roughly 756,000 contracts. The number of bridging loans in the loan portfolio fell slightly to roughly 53,000, compared with about 55,000 at the end of 2010. The number of *Bauspar* loans in the portfolio was still at the same high level as at the end of the previous year, coming to approximately 59,000.

Raiffeisen stambena štedionica d.d., Zagreb, recorded a small year-on-year drop in the number of new contracts to roughly 29,000, compared with about 30,000 contracts in 2010. Deposit balances were unchanged from the end of the previous financial year at HRK1.4 billion.

In Romania, **Raiffeisen Banca pentru Locuințe, S.A.**, Bucharest, developed well. The number of loans in the portfolio was static on the previous year at approximately 3,000. As for deposit balances, the number of new contracts increased by 32.4 per cent from roughly 25,000 at the end of 2010 to about 33,000 at year-end 2011, and the portfolio of savings contracts grew by 10.6 per cent from roughly 134,000 to 148,000.

Raiffeisen Bausparkasse's Environmental Initiative · Raiffeisen Bausparkasse has for a long time been taking a host of measures to encourage its customers to save energy and, as a result, to do more to protect the environment. Sustainability, climate protection, energy efficiency and the use of renewable resources are strategically important to Raiffeisen Bausparkasse as a member of the *Raiffeisen Klimaschutz* climate protection initiative. Apart from significantly reducing running costs, the thermal renovation of existing houses and the associated reduction in greenhouse gases caused by room heating are important if we are actually to meet the targets agreed under the Kyoto Protocol. As a contribution to sustainable climate protection, Raiffeisen Bausparkasse makes offset payments for its CO₂ emissions.

Fostering our Workforce · Employees throughout the Group continued to have access to an extensive training programme in 2011. Besides specialist courses, they were also offered personality development modules. Training was carried out by both in-house and external lecturers. This is how we ensure that our customers are given top quality advice.

3) THE BUSINESS OUTLOOK IN 2012

Within Austria, the tax and expenditure reform package for 2012 – 2016 is going to represent a major strategic challenge for Group parent Raiffeisen Bausparkasse. The present draft bill includes a halving of the building society premium subsidy in Austria. A cut in the building society premium subsidy could dent *Bauspar* savings deposit balances and, as a consequence, cause a shortage of funds for *Bauspar* loans. During 2012, Group parent Raiffeisen Bausparkasse will be striving to keep the *Bauspar* building society system as attractive as possible. It is still impossible to gauge the quantitative impact that the package will have on Raiffeisen Bausparkasse's operations in Austria. We do not think that it will seriously affect our profit for 2012.

We expect to conclude roughly 370,000 new contracts in Central and Eastern Europe during 2012.

Raiffeisen Bausparkasse Gesellschaft m.b.H.

Wiedner Hauptstrasse 94, A-1050 Vienna, Austria

Phone: +43-1-54 646-0

Internet: <http://www.bausparen.at>

Publisher: Raiffeisen Bausparkasse Gesellschaft m.b.H.
Editor: Doris Kornitzer · **Both at:** Wiedner Hauptstraße 94, A-1050 Vienna, Austria
Photography: Johannes Ifkovits
Design: mach-art
Translation: Adrian Weisweiler BA (Oxford), MA (Oxford), London
Herstellung: AV+Astoria Druckzentrum GmbH

24-0412-0,3-AV





**Raiffeisen
Wohn
Bausparen**