Raiffeisen Bank International

First Quarter Report 2015

Survey of key data

Raiffeisen Bank International Group

Monetary values in € million	2015	Change	2014
Income statement	**1/1-31/3**		**1/1-31/3**
Net interest income	820	(16.2)%	979
Net provisioning for impairment losses	(260)	(7.4)%	(281)
Net fee and commission income	360	(4.2)%	376
Net trading income	(62)	220.8%	(19)
General administrative expenses	(691)	(8.5)%	(755)
Profit/loss before tax	188	(21.9)%	240
Profit/loss after tax	100	(42.1)%	173
Consolidated profit/loss	83	(48.1)%	161
Statement of financial position	**31/3**		**31/12**
Loans and advances to banks	15,016	(3.6)%	15,573
Loans and advances to customers	80,493	3.3%	77,925
Deposits from banks	22,455	0.2%	22,408
Deposits from customers	68,205	3.2%	66,094
Equity	8,654	4.2%	8,302
Assets	124,176	2.1%	121,624
Key ratios	**1/1-31/3**		**1/1-31/3**
Return on equity before tax	9.0%	1.1 PP	7.9%
Cost/income ratio	61.8%	5.7 PP	56.1%
Return on assets before tax	0.67%	(0.08) PP	0.74%
Net interest margin (average interest-bearing assets)	2.94%	(0.41) PP	3.35%
Provisioning ratio (average loans and advances to customers)	1.30%	(0.10) PP	1.40%
Bank-specific information	**31/3**		**31/12**
NPL ratio	11.9%	0.5 PP	11.3%
Risk-weighted assets (total RWA)	73,482	6.9%	68,721
Total capital requirement	5,879	6.9%	5,498
Total capital	11,271	2.4%	11,003
Common equity tier 1 ratio (transitional)	10.4%	(0.4) PP	10.9%
Common equity tier 1 ratio (fully loaded)	9.9%	(0.1) PP	10.0%
Total capital ratio (transitional)	15.3%	(0.7) PP	16.0%
Total capital ratio (fully loaded)	14.8%	(0.3) PP	15.2%
Stock data	**1/1-31/3**		**1/1-31/3**
Earnings per share in €	0.29	(52.4)%	0.60
Closing price in € (31/3)	13.02	(46.2)%	24.20
High (closing prices) in €	14.42	(53.9)%	31.27
Low (closing prices) in €	9.01	(56.3)%	20.60
Number of shares in million (31/3)	292.98	0.0%	292.98
Market capitalization in € million (31/3)	3,815	(46.2)%	7,090
Resources	**31/3**		**31/12**
Employees as at reporting date (full-time equivalents)	54,468	(0.5)%	54,730
Business outlets	2,851	(0.5)%	2,866
Customers in million	14.8	(0.3)%	14.8

Content

In this report RBI denotes the RBI Group. If RBI AG is used it denotes Raiffeisen Bank International AG.

Adding and subtracting rounded amounts in tables and charts may lead to minor discrepancies. Changes in tables are not based on rounded amounts.

RBI in the capital markets

Economic growth in the euro area is looking up

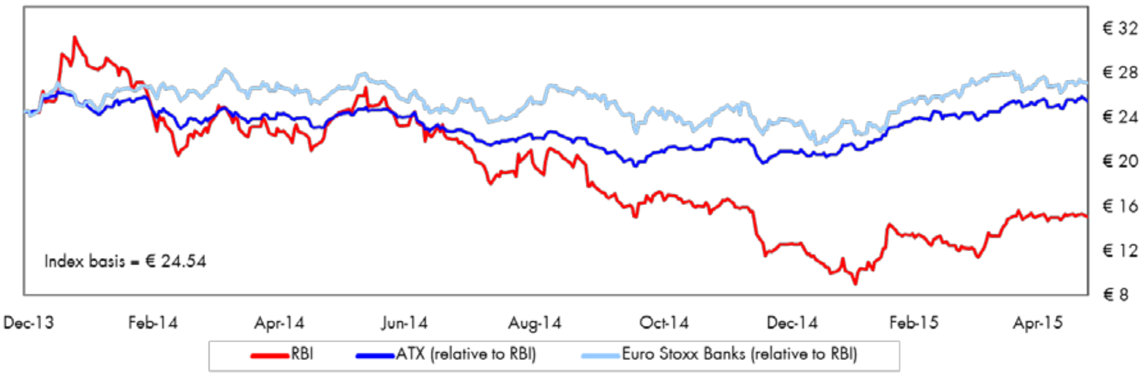
Economic growth in the euro area improved again in the first quarter of 2015. This was mainly attributable to improved export opportunities for companies that benefitted from the significantly weaker euro and low oil price. The newly elected Greek government repeatedly caused consternation at the European level and in financial markets with its swerving policy course. However, this had little if any impact on equity market sentiment, as evidenced for example by new record levels for both the Dow Jones and the DAX (Deutscher Aktienindex) indices. Other key equity indices such as the Euro Stoxx are also enjoying a strong rally.

The European Central Bank (ECB) commenced its quantitative easing program (government bond purchases) in early March due to the continued low inflation rate in the euro area. The Bank announced that it planned to purchase government bonds and other securities for one and a half years with a monthly volume of € 60 billion. This policy measure is expected to contribute in particular to improved economic growth in the Southern European countries.

Performance of RBI stock

RBI stock started the first quarter at a price of € 12.54. Impacted by the conflict in Eastern Ukraine, the share price declined at the beginning of the year, only to sharply recover on the publication of preliminary figures for the 2014 financial year. Overall, the stock gained 4 per cent in the first quarter. The share price was € 15.02 as at 18 May (editorial deadline for this report).

Price performance since 1 January 2014 compared to ATX and EURO STOXX Banks



Active capital market communication

RBI again offered interested investors an opportunity to obtain first-hand information at road shows in Frankfurt, London and Milan.

At the end of January, RBI announced that it intended to reduce its risk-weighted assets (total RWA). Over 600 interested investors participated in the conference call that was arranged at short notice. On 9 February 2015, RBI announced its preliminary figures for the 2014 financial year, as well as the previously communicated measures – i.e. capital buffer increase and RWA reduction. Over 1,100 participants took part in the subsequent conference call. Two days later, the RBI Management Board held an Investor Lunch for around 100 guests in London to personally present details on its strategic measures and to field questions from investors and analysts.

To mark the release of RBI's results for the 2014 financial year on 25 March, the Management Board met with investors in Vienna and held a conference call as well. On the following day, RBI invited institutional investors and analysts to its Investor Presentation in London. As in past years, the event took place on the day following the publication of the company's full-year results and was again met with keen interest among the approximately 80 participants.

The conference calls, as well as the Investor Presentation in London, can be accessed on the company's website at www.rbinternational.com → Investor Relations → Presentations & Webcasts.

A total of 28 equity analysts and 23 bond analysts regularly provide investment recommendations on RBI, making RBI the Austrian company with the largest number of analyst firms reporting on it.

Stock data and details

RBI stock has been listed on the Vienna Stock Exchange since 25 April 2005. RZB held approximately 60.7 per cent of RBI's stock at the end of the first quarter 2015, with the remaining shares in free float.

Share price as at 31 March 2015	€ 13.02
High/low in the first quarter 2015 (closing prices)	€ 14.42 / € 9.01
Earnings per share for first quarter 2015	€ 0.29
Bookvalue per share as at 31 March 2015	€ 27.83
Market capitalization as at 31 March 2015	€ 3.8 billion
Average daily trading volume in the first quarter 2015 (single count)	1,163,153 shares
Stock exchange turnover in the first quarter 2015	€ 828 million
Free float as at 31 March 2015	approximately 39.3%
ISIN	AT0000606306
Ticker symbols	RBI (Vienna Stock Exchange)
	RBI AV (Bloomberg)
	RBIV.VI (Reuters)
Market segment	Prime Market
Number of shares issued as at 31 March 2015	292,979,038

Rating details

Rating agency	Long-term rating	Outlook
Moody's Investors Service	Baa2	RuR uncertain
Standard & Poor's	A-	CreditWatch negative
Fitch Ratings	BBB	Negative

Financial Calendar 2015

17 June 2015	Annual General Meeting
24 June 2015	Ex-Dividend Date
5 August 2015	Start of Quiet Period
19 August 2015	Semi-Annual Report, Conference Call
29 October 2015	Start of Quiet Period
12 November 2015	Third Quarter Report, Conference Call

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Group management report

Market development

Economic indicators in the first quarter of 2015 point to solid growth for Central Europe (CE) again this year. The outlook for Southeastern Europe (SEE) remains patchy. However, economic growth in both regions is expected to notably exceed the average for the euro area. The economies in Eastern Europe (EE) will be gripped by recession in 2015. However, EU sanctions against Russia and restrictions on food imports to Russia from the EU will not materially impact economic growth, either in the euro area or in CE and SEE, as direct links are limited.

Central Europe (CE) – the Czech Republic, Hungary, Poland, Slovakia, and Slovenia – is the most economically developed region in CEE. With the exception of Poland, CE economies are small, open and thus highly dependent on exports to the euro area, mainly to Germany. Following a 3.0 per cent increase in 2014, economic growth in CE is expected to remain flat at 3.0 per cent in 2015. Poland should post the strongest GDP growth, followed by Hungary at 3.0 per cent, with the Czech Republic, Slovakia and Slovenia also expected to achieve 2.0 per cent growth or higher in 2015. CE generally benefits from the solid economic growth in Germany, as well as from the recovery in the euro area and expansionary monetary policies in a number of CE countries. GDP growth rates for 2016 will likely be in the vicinity of 2015 levels. After hitting lows in the first half of 2015 – in some cases in modest deflationary territory – inflation rates should start climbing again in the second half of 2015, albeit remaining at historically moderate levels.

In Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia – economic output is expected to grow 1.9 per cent in 2015, following 1.5 per cent in 2014. GDP growth both in Romania, which benefits from successfully implemented structural reforms, and in Albania is expected to reach roughly 3.0 per cent in 2015. In most other SEE countries in 2015, GDP growth will likely be somewhat weaker than in Romania and Albania, and Croatia and Serbia will continue to be mired in stagnation. Moderate economic growth in SEE is attributable to outstanding structural adjustments and to a high level of private sector debt, which is only being reduced at a slow pace. Positive growth rates are anticipated for all SEE countries in 2016 and could reach or exceed 3.0 per cent in Albania, Bosnia and Herzegovina, and Romania.

In Eastern Europe (EE) – Belarus, Russia and Ukraine – the economic situation remains quite bleak. In 2015, GDP development in EE is expected to be minus 4.4 per cent. The slowdown in the Russian economy, already discernible in 2013 and 2014, will deepen into a recession in 2015 due to the fall in the crude oil price and the sanctions regime. Russia's economy is expected to shrink 4.0 per cent this year, with the first half of the year particularly impacted. Consumer demand in Russia will decrease owing to declining real wages, while the lower oil price compared to the previous year erodes export revenues. The inflation rate in Russia rose sharply in the first quarter of 2015, but should stabilize over the course of the year and ultimately decline towards the end of 2015. Moreover, marked currency devaluations are weighing on the Russian and Ukrainian economies. Given the continued adjustment recession in Ukraine, its GDP is expected to decline by around 10 per cent in 2015, with growth also likely to remain subdued in 2016. In contrast, Belarus could experience a mild recession in 2015, with GDP growth of minus 2.0 per cent. For 2016, all EE countries are expected to post positive growth rates of between 0.5 per cent and 1.5 per cent.

Annual real GDP growth in per cent

Region/country	2013	2014e	2015f	2016f
Czech Republic	(0.7)	2.0	2.4	3.0
Hungary	1.5	3.6	3.0	2.5
Poland	1.7	3.3	3.5	3.4
Slovakia	1.4	2.4	2.5	3.0
Slovenia	(1.0)	2.6	2.0	2.0
Central Europe	**1.0**	**3.0**	**3.0**	**3.1**
Albania	0.4	2.4	3.0	4.0
Bosnia and Herzegovina	2.5	0.5	2.5	3.0
Bulgaria	1.1	1.7	1.2	2.1
Croatia	(0.9)	(0.4)	0.0	1.0
Kosovo	3.4	0.5	2.0	3.0
Romania	3.4	2.9	3.0	3.0
Serbia	2.6	(1.8)	0.0	2.5
Southeastern Europe	**2.2**	**1.5**	**1.9**	**2.6**
Russia	1.3	0.6	(4.0)	0.5
Belarus	1.0	1.6	(2.0)	1.0
Ukraine	0.2	(6.8)	(10.0)	1.5
Eastern Europe	**1.2**	**0.1**	**(4.4)**	**0.6**
Austria	**0.2**	**0.3**	**0.7**	**1.8**
Germany	**0.2**	**1.6**	**1.6**	**2.2**
Euro area	**(0.4)**	**0.9**	**1.4**	**1.9**

Source: Raiffeisen Research

Earnings and financial performance

The first quarter of 2015 was impacted by significant volatility in key currencies, a development that had already commenced in the fourth quarter of 2014. For example, the Russian rouble appreciated 16 per cent following its 38 per cent depreciation in 2014. However, the rouble's rate, based on the relevant average exchange rates used for the calculation of the income statement, was 32 per cent below the previous year's level with a corresponding impact on profits. The Swiss franc and US dollar appreciated strongly against the euro whereas the Ukrainian hryvnia and Belarus rouble were down 46 per cent and 18 per cent, respectively.

Profit before tax was € 188 million, which represents a year-on-year decline of 22 per cent, or € 52 million. Net trading income came to minus € 62 million in the first quarter, mainly impacted by currency effects in Ukraine. Net provisioning for impairment losses decreased, whereas derivative valuations contributed positively.

Operating income declined 17 per cent, or € 227 million, year-on-year to € 1,118 million. This was primarily attributable to valuation losses from strong currency fluctuations (notably in the Russian rouble and Ukrainian hryvnia). The falling market interest rate level in Central Europe and Southeastern Europe, as well as defaults in Asia, had a negative impact on the Group's net interest margin (calculated on interest-bearing assets), which declined 41 basis points to 2.94 per cent as a result. This was only partially offset by further increasing interest margins in Eastern Europe. Net interest income was down 16 per cent, or € 158 million, to € 820 million, mainly due to currency devaluations. In spite of the currency effects in Eastern Europe, net fee and commission income fell by only € 16 million to € 360 million; whereby, in particular, higher revenues in the foreign currency and securities business absorbed currency-related declines in income. Net trading income was strongly negative at € 62 million, driven by currency devaluations. In contrast, valuation results for interest-based transactions in the trading book were positive.

General administrative expenses were down 9 per cent, or € 64 million, year-on-year to € 691 million. The bulk of the decline was likewise attributable to currency devaluations in Eastern Europe, notably in Russia and Ukraine. The average number of staff further declined, with a 2,800 year-on-year reduction to 55,043. The number of business outlets was down by 140 to 2,851 year-on-year. Despite currency effects, other administrative expenses decreased only 4 per cent; due on the one hand to expenditures for the Single Resolution Fund in Austria and on the other to higher IT expenses at Group head office.

Net provisioning for impairment losses was down 7 per cent, or € 21 million, year-on-year to € 260 million. Whereas most countries posted declines, net provisioning in Russia was up € 23 million owing to underlying economic conditions, particularly among retail customers. Individual loan loss provisioning decreased € 50 million while allocations to portfolio-based loan loss provisions, notably in Hungary, increased € 29 million.

Net income from derivatives and liabilities reversed from minus € 27 million to plus € 20 million in the reporting period, mainly as a result of the valuation of banking book derivatives. Net income from financial investments totaled € 64 million, up € 27 million from the same period in the previous year. This was largely attributable to the positive valuation of US dollar-linked Ukrainian government bonds, for which a corresponding valuation loss on the foreign currency position was reported in net trading income.

Profit after tax fell 42 per cent year-on-year to € 100 million. Profit attributable to non-controlling interests declined € 4 million, down from minus € 12 million to minus € 17 million. Accordingly, consolidated profit stood at € 83 million in the first quarter, which corresponds to a decline of 48 per cent, or € 77 million. The average number of shares outstanding in the reporting period totaled 292.4 million (comparable period from the previous year: 268.1 million). This resulted in earnings per share of € 0.29.

Risk-weighted assets (total RWA) increased 7 per cent year to date to € 73,482 million. Roughly half of this increase was driven by currency appreciation, with the remainder largely attributable to market risk associated with a model-based increase from higher volatility and negative interest rate developments.

Comparison of results year-on-year

in € million	1/1-31/3/2015	1/1-31/3/2014	Change absolute	Change in %
Net interest income	820	979	(158)	(16.2)%
Net fee and commission income	360	376	(16)	(4.2)%
Net trading income	(62)	(19)	(43)	220.8%
Sundry net operating income	0	10	(10)	–
Operating income	**1,118**	**1,345**	**(227)**	**(16.9)%**
Staff expenses	(345)	(390)	45	(11.4)%
Other administrative expenses	(274)	(286)	12	(4.0)%
Depreciation	(71)	(78)	8	(9.8)%
General administrative expenses	**(691)**	**(755)**	**64**	**(8.5)%**
Operating result	**427**	**590**	**(163)**	**(27.6)%**
Net provisioning for impairment losses	(260)	(281)	21	(7.4)%
Other results	21	(69)	90	–
Profit/loss before tax	**188**	**240**	**(52)**	**(21.9)%**
Income taxes	(88)	(67)	(20)	30.2%
Profit/loss after tax	**100**	**173**	**(73)**	**(42.1)%**
Profit attributable to non-controlling interests	(17)	(12)	(4)	36.8%
Consolidated profit/loss	**83**	**161**	**(77)**	**(48.1)%**

Net interest income

In the first three months of 2015, net interest income fell 16 per cent, or € 158 million, to € 820 million year-on-year. Aside from being attributable to a reduced net interest margin, this was also due to currency-related declines in interest income in Russia and Ukraine and to loan defaults in Asia. Group head office also recorded a volume-based decline in net interest income.

The Group's net interest margin declined 41 basis points year-on-year to 2.94 per cent. This was primarily due, in addition to developments at Group head office, to reduced margins in many countries in the Central Europe and Southeastern Europe segments caused by the continued decline in market interest rates in these countries. In contrast, the net interest margin rose in Russia due to lower interest-bearing assets (optimization of the liquidity profile) and in Belarus due to higher interest rates and volumes.

Net fee and commission income

Net fee and commission income fell 4 per cent, or € 16 million, to € 360 million year-on-year, largely due to currency-related effects. Net income from the payment transfer business fell 14 per cent, or € 24 million, to € 148 million, primarily as a result of currency-related effects in Ukraine and Russia. As a result of lower fees, net income from loan and guarantee business declined 9 per cent, or € 5 million, to € 48 million, primarily at Group head office. In contrast, net income from the securities business increased 15 per cent, or € 5 million, to € 36 million, mainly driven by higher volumes and margins at Group head office, as well as in Slovakia and Hungary. Net income from the management of investment and pension funds grew 61 per cent, or € 4 million, to € 12 million, primarily in Slovakia and Croatia. Net income from the foreign currency, notes/coins and precious metals business rose 4 per cent, or € 3 million, to € 92 million, most notably in Slovakia, Belarus and Romania.

Net trading income

Compared to the same period last year, net trading income declined € 43 million to minus € 62 million, largely due to a € 109 million decline in currency-based transactions to minus € 149 million. This was largely attributable to exchange rate-related valuation losses on foreign currency positions in Ukraine, where net trading income reduced due to the sharp depreciation of the Ukrainian hryvnia (down € 64 million) and to a valuation loss on a hedging transaction for dividend income in Russian roubles (down € 53 million) at Group head office. In contrast, Belarus posted a significant increase due to positive effects from a strategic currency position, the discontinuation of hyperinflation accounting and an improved result from proprietary trading. Net income from interest-based transactions posted a positive performance and rose € 44 million to € 76 million. In particular, Russia and Group head office posted valuation gains from security positions. Net income from other transactions improved € 20 million, after the reduced interest rate level had a negative impact on the valuation of a guarantee product in the previous year.

Sundry net operating income

Sundry net operating income fell € 10 million to less than € 1 million year-on-year. Net income from other provisions improved € 8 million, primarily due to lower allocations in Hungary and to releases for litigation in Slovakia. This contrasted with a € 12 million rise in sundry operating expenses (€ 5 million increase in expenses in Slovakia in connection with the rise in the Swiss franc against the euro), a € 3 million reduction in net income from non-banking activities and a € 2 million reduction in net income from insurance contracts.

General administrative expenses

Compared to the same period last year, general administrative expenses declined € 64 million to € 691 million. The cost/income ratio increased 5.7 percentage points to 61.8 per cent, notably due to the currency effects which reduced net trading income.

At 50 per cent, the largest component in general administrative expenses was staff expenses, which fell 11 per cent, or € 45 million, to € 345 million. In Russia (down € 26 million) and in Ukraine (down € 15 million), currency effects were mainly responsible for the sharp decline in staff expenses. Ongoing cost reduction programs in Poland and Hungary also decreased expenses.

The average number of staff (full-time equivalents) fell by 2,800 year-on-year to 55,043. The biggest declines occurred in Ukraine (down 1,581), Poland (down 583), Hungary (down 209), and Bulgaria (down 184).

Other administrative expenses decreased 4 per cent, or € 12 million, to € 274 million. The comparatively small decline was due to charges for the Single Resolution Fund in Austria and to higher IT expenses at Group head office. In Russia (down € 8 million) and Ukraine (down € 7 million), the reduction was primarily attributable to currency effects. Poland (down € 3 million) posted lower legal, advisory and consulting expenses and IT expenses, while deposit insurance expenses rose. In Austria, the contribution of € 10 million to the Single Resolution Fund increased other administrative expenses.

Depreciation of tangible and intangible fixed assets fell 10 per cent, or € 8 million, year-on-year to € 71 million. Depreciation fell slightly in some countries, whereas the decline of € 4 million in Ukraine was due to the currency devaluation.

Net provisioning for impairment losses

Compared to the same period last year, net provisioning for impairment losses fell by a total of 7 per cent, or € 21 million, to € 260 million. This was predominantly due to a € 50 million reduction in individual loan loss provisions to € 220 million, while portfolio-based provisioning increased € 29 million to € 42 million.

Compared to the same period in the previous year, most countries recorded declines in net provisioning for impairment losses, especially Ukraine, Bulgaria and Romania. In contrast, the need for provisioning in the Group Corporates segment in the reporting period rose € 19 million to € 47 million as a result of large individual defaults. In Ukraine, the provisioning requirement fell € 11 million due to currency effects, while net provisioning for impairment losses in the local currency rose 64 per cent. In Bulgaria, net provisioning for impairment losses in the reporting period fell € 10 million, after they were heavily affected by collateral valuation impairments in the same period in the previous year. In Romania, the improvement in the credit risk profile of private individuals and sales of loans reduced net provisioning for impairment losses by € 9 million. In contrast, the underlying economic conditions in Russia required a € 23 million increase in net provisioning for impairment losses, especially in retail customer business.

The portfolio of non-performing loans rose € 729 million to € 9,568 million since the start of the year; on a currency-adjusted basis non-performing loans increased € 303 million. Most of this growth occurred in Asia (up € 217 million), in the Group Corporates segment (up € 66 million), in Poland (up € 52 million) and in Russia (up € 37 million), whereas a decline was posted in the Czech Republic (down € 25 million) and Hungary (down € 21 million). However in parallel, currency effects – notably as a result of the increase in the value of the US dollar and the Russian rouble – resulted in an increase of € 426 million. In the reporting period, the NPL ratio rose 0.5 percentage points to 11.9 per cent compared to year-end 2014. Non-performing loans were set against loan loss provisions of € 6,306 million, resulting in a NPL coverage ratio of 65.9 per cent compared to 67.4 per cent at the year-end.

The provisioning ratio, based on average volume of loans and advances to customers, fell 0.10 percentage points to 1.30 per cent year-on-year.

Other results

Other results – consisting of net income from derivatives and liabilities, net income from financial investments, goodwill impairments, bank levies, net income from the disposal of Group assets as well as one-off effects reported in sundry operating income/expenses – improved from minus € 69 million in the same period last year to plus € 21 million.

Net income from derivatives and liabilities increased from minus € 27 million to plus € 20 million in the reporting period, primarily due to net gains from the valuation of banking book derivatives.

Net income from financial investments rose € 27 million to € 64 million year-on-year. Here, valuation results from the fair value portfolio of securities – especially in Ukraine on fixed-income government bonds linked to the US dollar and in Russia on various bonds – were € 35 million higher than in the same period in the previous year. The valuation gain was set against a corresponding currency position loss reported in net trading income. Finally, impairment charges for equity participations rose € 7 million, primarily relating to a Hungarian and a Romanian real estate company.

Net income from the disposal of Group assets improved € 11 million to € 1 million compared with the same period last year. In the previous year, net income from the disposal of Group assets resulted in a loss of € 11 million following the sale of the trading group F.J. Elsner, Vienna.

The expense for bank levies fell € 4 million to € 64 million in the reporting period. This decline was the result of a € 4 million reduction in levies in Slovakia.

As a result of changed legislation in Croatia and in Serbia, sundry operating expenses in the reporting period included a one-off effect in the form of a provision of € 9 million. In Croatia, the legislation related to exchange rates applied for foreign currency loan disbursements and installments, while in Serbia it involved unilateral rate changes on foreign currency loans. Hungary, in contrast, posted a release of € 9 million in connection with the provision formed in the previous year for the Settlement Act (unilateral rate changes on consumer loans). The adjustments to loan agreements required by the Hungarian legislator were implemented in the first quarter.

Income taxes

Income tax expense increased € 20 million to € 88 million year-on-year, while the tax rate rose 19 percentage points to 47 per cent. This was due to the losses in Ukraine, which were not matched by the allocation of deferred tax assets, and to the absence of deferred tax assets at Group head office due to the current tax earnings forecasts.

Comparison of results with the previous quarter

in € million	Q1/2015	Q4/2014	Change absolute	Change in %
Net interest income	820	895	(75)	(8.3)%
Net fee and commission income	360	417	(58)	(13.8)%
Net trading income	(62)	(68)	6	(8.9)%
Sundry net operating income	0	(26)	26	(99.8)%
Operating income	**1,118**	**1,218**	**(100)**	**(8.2)%**
Staff expenses	(345)	(301)	(44)	14.8%
Other administrative expenses	(274)	(319)	45	(14.0)%
Depreciation	(71)	(108)	38	(34.7)%
General administrative expenses	**(691)**	**(728)**	**38**	**(5.2)%**
Operating result	**427**	**490**	**(63)**	**(12.8)%**
Net provisioning for impairment losses	(260)	(633)	373	(58.9)%
Other results	21	(336)	357	–
Profit/loss before tax	**188**	**(479)**	**667**	**–**
Income taxes	(88)	(243)	155	(63.9)%
Profit/loss after tax	**100**	**(722)**	**822**	**–**
Profit attributable to non-controlling interests	(17)	4	(21)	–
Consolidated profit/loss	**83**	**(718)**	**801**	**–**

Net interest income

Compared to the fourth quarter of 2014, net interest income declined 8 per cent, or € 75 million, to € 820 million in the first quarter of 2015. The net interest margin (calculated on interest-bearing assets) fell 13 basis points from the previous quarter, to 2.94 per cent. This was attributable to lower interest income from derivatives at Group head office and currency-related declines in interest income in Russia and Ukraine, as well as the continuing low market interest rates in numerous countries in the Central Europe and Southeastern Europe segments.

Net fee and commission income

Net fee and commission income dropped 14 per cent, or € 58 million, to € 360 million compared to the fourth quarter of 2014. The decline was due to both currency-related and seasonal factors. The largest decline – 15 per cent, or € 26 million, to € 148 million – was in net income from the payment transfer business, caused by lower volumes in Russia, currency devaluations in Ukraine and seasonal effects in Romania and Slovakia. As a result of volume effects, net income from the foreign currency, notes/coins and precious metals business also fell – 20 per cent, or € 23 million, to € 92 million – especially in Russia and Romania. Net income from other banking services declined € 5 million to € 13 million due to seasonally driven income in the fourth quarter of 2014, most notably in Russia.

Net trading income

Compared to the previous quarter, net trading income improved € 6 million to minus € 62 million. This was triggered by an increase in net income from interest-based transactions in Russia and at Group head office, primarily as a result of valuation gains from securities positions and derivatives. In contrast, income from currency-based transactions declined, in particular in Ukraine, where the significant hryvnia devaluation led to valuation losses on foreign currency positions, and at Group head office as a result of a hedging transaction related to Russian rouble-denominated dividend income, while income increased in Russia and Belarus. As of 2015, hyperinflation accounting is no longer applied in Belarus, which led to valuation gains from an economic hedge against the capital position.

Sundry net operating income

In the first quarter of 2015, sundry net operating income rose € 26 million compared to the previous quarter, to € 0 million. This was mainly due to a € 10 million increase in income from other provisions (releases in Slovakia and Hungary, lower allocations in

Romania and Bosnia and Herzegovina) and to an increase of € 11 million in net income from the disposal of tangible fixed assets.

General administrative expenses

At € 691 million in the first quarter of 2015, general administrative expenses were down 5 per cent, or € 38 million, from € 728 million in the previous quarter. Staff expenses rose 15 per cent, or € 44 million, to € 345 million, while other administrative expenses fell 14 per cent, or € 45 million, to € 274 million. Depreciation of tangible and intangible fixed assets fell 35 per cent, or € 38 million, from the previous quarter to € 71 million. This was due to impairments in Romania and in Ukraine in the previous quarter.

Net provisioning for impairment losses

Compared to the previous quarter, net provisioning for impairment losses fell 59 per cent, or € 373 million, to € 260 million. This was mainly attributable to developments in Asia, Ukraine, Hungary and Poland. Overall, individual loan loss provisioning declined € 556 million and portfolio-based loan loss provisioning increased €120 million. In the fourth quarter of 2014, proceeds from sales of impaired loans amounted to € 65 million, predominantly in Poland; whereas proceeds of € 1 million were booked in the first quarter of 2015.

Other results

Other results rose from minus € 336 million in the fourth quarter of 2014 to plus € 21 million in the first quarter of 2015. The increase was mainly driven by goodwill impairment charges of € 306 million in relation to Group units in Russia, Poland and Albania in the fourth quarter of 2014.

Bank levies increased in the first quarter of 2015 – especially in Hungary – by € 24 million to € 64 million.

Net income from derivatives and liabilities fell € 9 million from the previous quarter to € 20 million, mainly due to net income from the change in the credit spread of own issues, which fell from plus € 47 million in the fourth quarter of 2014 to plus € 27 million in the first quarter of 2015.

Net income from financial investments improved € 103 million from the previous quarter to € 64 million. This was primarily attributable to a € 100 million increase in the valuation of securities in the fair value portfolio, notably in Ukraine (€ 66 million increase) and in Russia (€ 29 million increase). Net proceeds from sales of securities from the fair value portfolio fell € 21 million compared to the prior period, due to sales of fixed-income government bonds in Ukraine in the fourth quarter of 2014. Impairment charges relating to equity participations, on the other hand, fell by € 24 million compared to the previous quarter.

Income taxes

Income tax expense declined € 155 million from the previous quarter to € 88 million. This was primarily due to the impairment losses recognized on deferred tax assets at Group head office and in Asia in the fourth quarter of 2014.

Statement of financial position

Total assets grew 2 per cent, or € 2,552 million, year to date to € 124,176 million, with a currency-related increase of € 2,280 million due mainly to appreciation against the euro of the Russian rouble (up 16 per cent), the US dollar (up 13 per cent) and the Polish zloty (up 5 per cent).

Assets

in € million	31/3/2015	Share	31/12/2014	Share
Loans and advances to banks (less impairment losses)	14,896	12.0%	15,459	12.7%
Loans and advances to customers (less impairment losses)	74,186	59.7%	71,971	59.2%
Financial investments	17,353	14.0%	17,916	14.7%
Other assets	17,741	14.3%	16,278	13.4%
Total assets	**124,176**	**100.0%**	**121,624**	**100.0%**

Loans and advances to banks before deduction of loan loss provisions decreased € 557 million year to date to € 15,016 million. This was mainly attributable to a € 1,153 million decrease in receivables from money market business – predominantly at Group head office – to € 9,770 million. At the same time, receivables from repurchase agreements were down € 1,569 million to € 3,044 million, whereas receivables from securities lending transactions were up € 320 million to € 541 million. The € 777 million growth in receivables from the giro and clearing business to € 2,846 million resulted primarily from increases in Romania and at Group head office.

Loans and advances to customers before deduction of loan loss provisions rose € 2,567 million, or 3 per cent, to € 80,493 million. The bulk of this change was attributable to currency effects, notably the appreciation of the Russian rouble, Swiss franc and US dollar. This included a € 1,520 million rise in loans to large corporate customers to € 50,102 million, predominantly at Group head office, in Poland and in Russia. Loans and advances to private individuals recorded an increase of € 827 million to € 23,144 million, mainly driven by growth in Slovakia as well as currency-driven increases in Poland and Russia.

The item financial investments declined € 563 million overall to € 17,353 million, primarily due to the reduction in the securities portfolio (mostly public sector bonds) in Poland, Asia, Slovakia, and Ukraine.

The € 1,462 million growth in other assets to € 17,741 million resulted in particular from an improvement of € 694 million in fair values of financial derivatives, as well as a € 304 million cash reserve increase.

Equity and liabilities

in € million	31/3/2015	Share	31/12/2014	Share
Deposits from banks	22,455	18.1%	22,408	18.4%
Deposits from customers	68,205	54.9%	66,094	54.3%
Equity and subordinated capital	13,027	10.5%	12,487	10.3%
Other liabilities	20,489	16.5%	20,634	17.0%
Total equity and liabilities	**124,176**	**100.0%**	**121,624**	**100.0%**

Deposits from banks (primarily commercial banks) remained stable at € 22,455 million, accompanied by a shift away from long-term towards short-term deposits predominantly at Group head office. The € 3,552 million increase in money market business to € 13,668 million as well as the € 130 million growth in the giro and clearing business to € 5,537 million were offset by the € 3,636 million decline in long-term funding to € 3,250 million.

Deposits from customers were up € 2,111 million to € 68,205 million, with deposits in particular from private individuals and the public sector posting increases. The € 1,414 million increase in deposits from private individuals to € 28,200 million stemmed largely from Poland (partly currency-related) and from Russia (entirely currency-related). Public sector deposits – mainly at Group head office and in Russia – increased € 1,007 million to € 2,158 million. In contrast, deposits from large corporate customers dropped € 289 million to € 30,999 million, with the largest decline in Hungary, while in Russia these increased on an organic basis in addition to the currency effect.

Other liabilities fell marginally to € 20,489 million. At the same time, debt securities issued decreased € 1,270 million – mainly due to lower refinancing needs – whereas negative fair values of derivatives rose € 490 million and trading liabilities were up € 541 million.

The funding structure is as follows:

in € million	31/3/2015	Share	31/12/2014	Share
Customer deposits	68,205	65.4%	66,094	64.0%
Medium- and long-term refinancing	13,862	13.3%	17,916	17.2%
Short-term refinancing	17,917	17.2%	15,085	14.7%
Subordinated liabilities	4,373	4.2%	4,185	4.1%
Total	**104,357**	**100.0%**	**103,281**	**100.0%**

Equity on the statement of financial position

Equity on the statement of financial position, consisting of consolidated equity, consolidated profit and non-controlling interests, increased 4 per cent, or € 352 million, to € 8,654 million versus the end of 2014.

Total comprehensive income of € 367 million consisted of profit after tax of € 100 million and other comprehensive income of € 267 million. Currency translation differences of € 284 million constituted the largest item in other comprehensive income. The key drivers here were the 16 per cent appreciation of the Russian rouble and 5 per cent appreciation of the Polish zloty, whereas the Ukrainian hryvnia depreciated 24 per cent. In contrast, a negative effect of € 466 million resulted from the depreciation of the Ukrainian hryvnia and Russian rouble in the comparable period of the previous year.

Total capital pursuant to the CRR/BWG

The consolidated figures shown below have been calculated in accordance with the provisions of the Capital Requirements Regulation (CRR) and Austrian Banking Act (BWG).

Total capital amounted to € 11,271 million as at 31 March 2015. This represents an increase of € 267 million compared to the 2014 year-end figure. Common equity tier 1 increased € 193 million, resulting in particular from currency translation differences of € 284 million primarily attributable to the positive development of the Russian rouble and Polish zloty. In contrast, the CRR transitional provisions led to a decline of € 87 million due to deductions and the lower allowance for minority interests. Tier 2 capital increased € 74 million to € 3,601 million, largely due to the currency development.

Total capital compared to a total capital requirement of € 5,879 million. The total capital requirement for credit risk came to € 4,760 million, representing an increase of € 196 million mainly attributable to the loss of third country recognition status in Serbia and Bosnia and Herzegovina, as well as to currency appreciation (Russian rouble, US dollar, Swiss franc). The total capital requirement for position risk in bonds, equities, commodities and open currency positions rose € 149 million to € 403 million, primarily resulting from higher volatility in the internal model induced by interest effects. The total capital requirement for operational risk stood at € 716 million (€ 36 million increase).

Based on total risk, the common equity tier 1 ratio (transitional) was 10.4 per cent with a total capital ratio (transitional) of 15.3 per cent.

Excluding the transitional provisions as defined within the CRR, the common equity tier 1 ratio (fully loaded) amounted to 9.9 per cent.

Risk management

For information on risk management, please refer to note (32) Risks arising from financial instruments, in the risk report section of the consolidated financial statements.

Outlook for RBI

We are planning an aggregate gross risk-weighted asset (total RWA) reduction of € 16 billion in selected markets by the end of 2017 (based on total RWA as at 31 December 2014: € 68.7 billion). We intend to partly offset the reduction with growth in other business areas.

After the implementation of the new strategic measures, the cost base should be 20 per cent below the level of 2014 (at constant prices and foreign exchange rates; general administrative expenses 2014: € 3,024 million). We target a cost/income ratio of between 50 and 55 per cent in the medium term.

We aim for a return on equity before tax of approximately 14 per cent and a consolidated return on equity of approximately 11 per cent in the medium term. The full year 2015 result may be negative as the majority of the restructuring costs (around € 550 million in total) are expected to be booked in 2015.

We expect net provisioning for impairment losses to remain elevated in 2015; however, we anticipate that the requirement will be below the level of the previous year (2014: € 1,716 million).

We target a CET1 ratio (fully loaded) of 12 per cent and a total capital ratio (fully loaded) of 16 per cent by the end of 2017.

Segment reports

Division of segments

RBI's internal management reporting is principally based on the existing organizational structure. This is a matrix structure, which means that each member of the Management Board is responsible for both individual countries and for specific business activities (country and functional responsibility model). A cash generating unit within the Group is either a country or a business activity. The presentation of the countries not only includes the subsidiary banks, but all of RBI's operating units (e.g. leasing companies) in the respective countries. Accordingly, the RBI management bodies – Management Board and Supervisory Board – make key decisions that determine the resources allocated to any given segment based on its financial strength and profitability. These reporting criteria are therefore an essential component in the decision-making process. Thus, the division into segments is also in accordance with IFRS 8. The reconciliation mainly contains amounts resulting from the elimination of intra-Group results and consolidation across the segments.

In February 2015, RBI decided to implement a range of measures to increase its capital buffer. These are intended to improve the CET1 ratio (fully loaded) to 12 per cent by the end of 2017. The planned steps will particularly affect those of RBI's business activities that generate low net income, have high capital requirements or are of lesser strategic importance. These measures include the sale of the units in Poland and Slovenia as well as the online bank Zuno AG. In line with the Group's focus on Central and Eastern Europe, business activities in Asia and the USA will be significantly reduced or exited by the end of 2017 and the end of 2016, respectively. For this reason, segment reporting was adapted at the start of the year. A separate Non-Core segment encompasses those business divisions which are to be disposed of or reduced. Additionally, the units in Belarus, Kazakhstan, Russia and Ukraine have been combined in the Eastern Europe segment.

This results in the following segments:

- Central Europe (Czech Republic, Hungary and Slovakia)
- Southeastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia)
- Eastern Europe (Belarus, Kazakhstan, Russia and Ukraine)
- Group Corporates (large corporate business activities with Austrian and multinational customers operated from Vienna)
- Group Markets (capital market-based customer and proprietary business operated from Vienna)
- Corporate Center (central control functions at Group head office and other Group units)
- Non-Core (Asia, Poland, Slovenia, USA and Zuno AG)

Segment overview

In Central Europe, profit before tax doubled to € 62 million compared to the same period last year. This was primarily attributable to an increased operating result and lower net provisioning for impairment losses in all three countries.

At € 89 million, profit before tax in the Southeastern Europe segment was only € 4 million less than in the comparable period of the previous year. Lower net provisioning for impairment losses in Bulgaria, Romania and Croatia was countered by a fall in the operating result in almost all of the segment's countries and a one-off effect in Serbia and Croatia.

In the Eastern Europe segment, profit before tax fell € 47 million to € 84 million year-on-year. This was due largely to a € 49 million drop in the operating result. While Russia and Belarus posted increases, the operating result in Ukraine was negative due to net trading income during the first quarter.

Profit before tax in the Group Corporates segment fell 71 per cent year-on-year to € 16 million. This was due to a 66 per cent increase in loan loss provisioning in relation to loans to large corporate customers at Group head office and lower fee and commission income stemming from lower securities issuance and project financing business volume.

Profit before tax in the Group Markets segment fell 42 per cent year-on-year to € 13 million, mainly due to the decrease in interest income resulting from the low level of market interest rates.

In the Corporate Center segment, profit before tax increased to € 157 million – up from minus € 15 million year-on-year. This resulted primarily from dividend income received during the first quarter, earlier than in the previous year. Higher income also arose from the valuation of derivatives entered into for hedging purposes and higher net income from liabilities designated at fair value.

At € 30 million, profit before tax in the Non-Core segment was almost on a par with the previous year (€ 31 million). A 19 per cent drop in net interest income caused by the low interest rate level in Poland, as well as lower interest income in Asia due to increased defaults, was countered by a 36 per cent fall in net provisioning for impairment losses, as well as 7 per cent lower general administrative expenses.

Central Europe

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	272	259	4.8%	272	244	11.1%
General administrative expenses	(150)	(150)	(0.2)%	(150)	(172)	(12.8)%
Operating result	**122**	**109**	**11.6%**	**122**	**73**	**67.4%**
Net provisioning for impairment losses	(22)	(40)	(45.0)%	(22)	(117)	(81.3)%
Other results	(38)	(40)	(3.9)%	(38)	6	–
Profit/loss before tax	**62**	**30**	**107.1%**	**62**	**(38)**	**–**
Assets	25,131	23,315	7.8%	25,131	25,155	(0.1)%
Net interest margin (average interest-bearing assets)	2.79%	3.18%	(0.39) PP	2.79%	2.89%	(0.10) PP
Return on equity before tax	**14.6%**	**5.2%**	**9.4 PP**	**14.6%**	**–**	**–**

Market interest rates in Central Europe have reached historic lows, which negatively affected net interest income for the segment. However, net income rose visibly as the credit risk situation continued to improve in the region's countries. The release of provisions for legal expenses and the Settlement Act in Hungary also led to a significant increase in net income.

Operating income

The Central Europe segment's net interest income fell 4 per cent year-on-year to € 167 million. This included declines in Hungary and Slovakia as well as an increase in the Czech Republic. Interest income in Hungary dropped € 7 million as a result of lower interest income from derivatives and securities and a low market interest rate level. In Slovakia, lower interest rates also reduced net interest income (down € 5 million). In the Czech Republic, in contrast, higher interest income from derivatives and lower interest rates in the deposit business drove net interest income up by € 5 million. The segment's net interest margin dropped 39 basis points year-on-year to 2.79 per cent. Total assets climbed 8 per cent year-on-year to € 25,131 million while risk-weighted assets (total RWA) sank 5 per cent from € 15,040 million to € 14,343 million.

Net fee and commission income in the segment increased 7 per cent, or € 6 million, to € 97 million year-on-year. Net income from securities business was up 37 per cent to € 9 million, largely fuelled by higher fees and margins in Slovakia and Hungary. Also, price adjustments in Slovakia caused net income from the management of investment and pension funds to rise € 3 million to € 7 million. Net income from the foreign currency, notes/coins, and precious metals business improved by € 2 million, as did net income from loan and guarantee business. In contrast, net income from payment transfer business declined 8 per cent, or € 4 million, to € 47 million due to volumes and margins, primarily in Hungary and the Czech Republic.

The segment's net trading income was up € 9 million to € 16 million. This included a year-on-year increase of € 11 million in net income from currency-based transactions to € 13 million, attributable to valuation gains on currency-based derivatives in Hungary and the Czech Republic. Net income from interest-based transactions fell from € 4 million in the comparable period of the previous year to € 3 million, with valuation losses in Hungary partially offset by gains from the sale of securities in Slovakia.

Sundry net operating income for the region climbed € 4 million to minus € 9 million, primarily due to an € 8 million rise in net income from other provisions (releases of provisions in Slovakia and Hungary).

General administrative expenses

The segment's general administrative expenses remained largely unchanged year-on-year at € 150 million. Staff expenses rose in Slovakia, but dropped in Hungary and the Czech Republic due to ongoing cost reduction programs. Other administrative expenses remained stable, with small declines in Slovakia and the Czech Republic. Depreciation of tangible fixed assets increased in Hungary and, to a lesser extent, in Slovakia. The number of business outlets in the segment decreased by 12 to 419 year-on-year, particularly as a result of a reduction in Hungary. The cost/income ratio in the region improved 2.7 percentage points to 55.1 per cent.

Net provisioning for impairment losses

At € 22 million, net provisioning for impairment losses in the Central Europe segment was € 18 million lower year-on-year. This item declined in all three countries: In the Czech Republic, net provisioning for impairment losses fell € 7 million year-on-year to € 3 million due to the sale of a large corporate customer's fully impaired loan. In Slovakia, net provisioning for impairment losses was € 7 million lower for corporate and retail customers. Hungary posted a € 4 million decline in net provisioning for impairment losses, largely driven by retail customers. The proportion of non-bank non-performing loans in the Central Europe segment's loan portfolio decreased 1.7 percentage points to 10.3 per cent year-on-year.

Other results and taxes

The Central Europe segment's other results rose € 2 million to minus € 38 million year-on-year.

During the reporting period, € 9 million in other provisions were released in Hungary in connection with new legislation introduced the previous year. This law related to foreign exchange margins which can be applied to foreign currency loan disbursement and installments, as well as unilateral rate changes on consumer loans.

The bank levies contained in the other results fell € 4 million to € 43 million due to the 20 basis point reduction in the tax rate in Slovakia. As in the previous year, the Hungarian bank levy of € 39 million for the entire year was recognized in full.

Net income from derivatives and liabilities changed from plus € 4 million in the previous year's period to minus € 4 million in the reporting period. This was primarily due to net income from hedging to adjust the currency and interest rate structure in the Czech Republic and the interest rate structure in Hungary.

Net income from financial investments declined € 2 million year-on-year to € 1 million. The valuation of securities in the fair value portfolio led to a € 1 million decline in net income from financial investments, mainly as a result of municipal bonds in Hungary. In the previous year's period, the sale of equity participations in the Czech Republic generated € 1 million in proceeds.

The deconsolidation of three leasing companies generated a loss of € 1 million, compared to a gain of € 1 million in the previous year's period.

Income tax expense in the segment increased, particularly in Slovakia and the Czech Republic, rising 19 per cent to € 19 million due to an increase in current tax expense associated with higher net income for the period.

Detailed results of individual countries:

Czech Republic

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	58	54	8.6%	58	56	3.3%
Net fee and commission income	25	27	(6.6)%	25	26	(2.3)%
Net trading income	5	0	>500.0%	5	(3)	–
Sundry net operating income	2	2	24.0%	2	1	111.0%
Operating income	**91**	**83**	**9.4%**	**91**	**80**	**13.6%**
General administrative expenses	(49)	(49)	(1.2)%	(49)	(52)	(6.3)%
Operating result	**42**	**34**	**25.0%**	**42**	**28**	**50.6%**
Net provisioning for impairment losses	(3)	(10)	(68.9)%	(3)	(10)	(68.4)%
Other results	(3)	4	–	(3)	2	–
Profit/loss before tax	**36**	**27**	**31.0%**	**36**	**21**	**73.9%**
Income taxes	(7)	(6)	30.8%	(7)	(4)	81.3%
Profit/loss after tax	**28**	**22**	**31.0%**	**28**	**17**	**72.0%**
Assets	8,302	7,345	13.0%	8,302	8,371	(0.8)%
Loans and advances to customers	6,521	5,948	9.6%	6,521	6,318	3.2%
hereof corporate %	44.7%	43.1%	1.6 PP	44.7%	44.5%	0.2 PP
hereof retail %	54.7%	56.3%	(1.6) PP	54.7%	54.9%	(0.2) PP
hereof foreign currency %	12.4%	11.4%	1.0 PP	12.4%	12.9%	(0.4) PP
Deposits from customers	5,840	5,220	11.9%	5,840	5,957	(2.0)%
Loan/deposit ratio (net)	107.4%	109.3%	(1.8) PP	107.4%	101.9%	5.6 PP
Equity	889	732	21.5%	889	858	3.6%
Return on equity before tax	16.9%	15.6%	1.3 PP	16.9%	10.8%	6.1 PP
Return on equity after tax	13.4%	12.4%	1.1 PP	13.4%	8.6%	4.8 PP
Cost/income ratio	53.7%	59.5%	(5.8) PP	53.7%	65.1%	(11.4) PP
Net interest margin (average interest-bearing assets)	2.90%	3.05%	(0.15) PP	2.90%	2.95%	(0.04) PP
Employees as at reporting date	2,725	2,738	(0.5)%	2,725	2,706	0.7%
Business outlets	125	126	(0.8)%	125	126	(0.8)%
Customers	394,073	388,022	1.6%	394,073	390,709	0.9%

Hungary

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	36	43	(17.0)%	36	35	0.4%
Net fee and commission income	31	32	(3.9)%	31	32	(3.1)%
Net trading income	8	5	42.7%	8	7	8.1%
Sundry net operating income	(8)	(16)	(47.5)%	(8)	(28)	(70.0)%
Operating income	**65**	**64**	**2.1%**	**65**	**46**	**42.1%**
General administrative expenses	(42)	(42)	0.1%	(42)	(57)	(27.2)%
Operating result	**24**	**23**	**5.6%**	**24**	**(11)**	**–**
Net provisioning for impairment losses	(14)	(18)	(23.8)%	(14)	(87)	(84.0)%
Other results	(31)	(35)	(12.0)%	(31)	4	–
Profit/loss before tax	**(21)**	**(31)**	**(32.0)%**	**(21)**	**(94)**	**(77.8)%**
Income taxes	0	(2)	(99.1)%	0	(3)	(99.3)%
Profit/loss after tax	**(21)**	**(33)**	**(36.5)%**	**(21)**	**(97)**	**(78.4)%**
Assets	6,708	6,241	7.5%	6,708	6,936	(3.3)%
Loans and advances to customers	4,608	4,894	(5.8)%	4,608	4,714	(2.2)%
hereof corporate %	55.7%	51.5%	4.2 PP	55.7%	54.5%	1.2 PP
hereof retail %	31.8%	35.4%	(3.6) PP	31.8%	32.8%	(1.1) PP
hereof foreign currency %	43.5%	61.8%	(18.3) PP	43.5%	58.0%	(14.5) PP
Deposits from customers	4,082	4,115	(0.8)%	4,082	4,276	(4.5)%
Loan/deposit ratio (net)	90.8%	96.3%	(5.6) PP	90.8%	88.3%	2.5 PP
Equity	315	377	(16.5)%	315	320	(1.4)%
Return on equity before tax	–	–	–	–	–	–
Return on equity after tax	–	–	–	–	–	–
Cost/income ratio	63.5%	64.8%	(1.2) PP	63.5%	124.0%	(60.5) PP
Net interest margin (average interest-bearing assets)	2.26%	2.95%	(0.69) PP	2.26%	2.32%	(0.07) PP
Employees as at reporting date	2,234	2,488	(10.2)%	2,234	2,298	(2.8)%
Business outlets	114	122	(6.6)%	114	114	0.0%
Customers	565,198	599,544	(5.7)%	565,198	580,052	(2.6)%

Slovakia

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	74	78	(5.9)%	74	78	(5.9)%
Net fee and commission income	41	32	28.4%	41	39	6.0%
Net trading income	3	1	179.5%	3	2	78.5%
Sundry net operating income	(3)	1	–	(3)	(1)	413.2%
Operating income	**116**	**112**	**2.9%**	**116**	**119**	**(2.5)%**
General administrative expenses	(59)	(59)	0.4%	(59)	(63)	(5.1)%
Operating result	**56**	**53**	**5.6%**	**56**	**56**	**0.3%**
Net provisioning for impairment losses	(5)	(12)	(58.2)%	(5)	(20)	(76.0)%
Other results	(4)	(8)	(49.4)%	(4)	0	–
Profit/loss before tax	**47**	**33**	**41.5%**	**47**	**36**	**31.9%**
Income taxes	(11)	(8)	43.1%	(11)	(10)	20.5%
Profit/loss after tax	**36**	**25**	**41.0%**	**36**	**26**	**36.1%**
Assets	10,125	9,733	4.0%	10,125	9,896	2.3%
Loans and advances to customers	7,615	7,032	8.3%	7,615	7,470	1.9%
hereof corporate %	47.3%	47.8%	(0.5) PP	47.3%	48.1%	(0.7) PP
hereof retail %	52.5%	52.0%	0.5 PP	52.5%	51.8%	0.7 PP
hereof foreign currency %	1.0%	1.0%	0.0 PP	1.0%	1.2%	(0.2) PP
Deposits from customers	7,574	7,048	7.5%	7,574	7,348	3.1%
Loan/deposit ratio (net)	97.3%	96.5%	0.8 PP	97.3%	98.4%	(1.1) PP
Equity	1,050	1,054	(0.3)%	1,050	1,016	3.4%
Return on equity before tax	19.0%	13.3%	5.7 PP	19.0%	15.5%	3.5 PP
Return on equity after tax	14.4%	10.1%	4.3 PP	14.4%	11.4%	3.0 PP
Cost/income ratio	51.4%	52.6%	(1.3) PP	51.4%	52.8%	(1.4) PP
Net interest margin (average interest-bearing assets)	3.04%	3.41%	(0.36) PP	3.04%	3.28%	(0.24) PP
Employees as at reporting date	3,721	3,659	1.7%	3,721	3,648	2.0%
Business outlets	180	176	2.3%	180	178	1.1%
Customers	788,576	774,001	1.9%	788,576	786,121	0.3%

Southeastern Europe

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	295	318	(7.1)%	295	310	(4.8)%
General administrative expenses	(159)	(163)	(2.7)%	(159)	(188)	(15.7)%
Operating result	**136**	**155**	**(11.8)%**	**136**	**122**	**12.1%**
Net provisioning for impairment losses	(41)	(63)	(34.5)%	(41)	(77)	(46.6)%
Other results	(6)	2	–	(6)	3	–
Profit/loss before tax	**89**	**94**	**(4.6)%**	**89**	**48**	**84.3%**
Assets	21,432	20,752	3.3%	21,432	21,371	0.3%
Net interest margin (average interest-bearing assets)	3.83%	4.30%	(0.47) PP	3.83%	4.17%	(0.34) PP
Return on equity before tax	**21.4%**	**16.1%**	**5.3 PP**	**21.4%**	**9.1%**	**12.4 PP**

Despite pressure on the operating income of the region's banks caused by the lower market interest rate level, the segment's net income was almost at the level of the previous year, which was attributable to a further improvement in the credit risk situation in most of the markets.

Operating income

Net interest income declined 8 per cent, or € 16 million, to € 193 million year-on-year. Net interest income fell in all of the segment's countries, with the exception of Kosovo. The largest decrease of € 6 million was reported in Romania, where above all lower market interest rates resulted in lower net interest income. However, low interest rates were also mainly responsible for the negative development in all other countries. The net interest margin fell 47 basis points to 3.83 per cent. Total assets rose 3 per cent to € 21,432 million, while risk-weighted assets (total RWA) were down 5 per cent to € 14,532 million.

Net fee and commission income increased 5 per cent, or € 5 million, to € 87 million. Net income from the foreign currency, notes/coins and precious metals business increased € 2 million to € 18 million year-on-year, driven mainly by higher volumes and margins in Romania, Bosnia and Herzegovina, Bulgaria and Kosovo. Net income from payment transfer business, which was positively influenced by higher volumes and fees in Bulgaria, Kosovo and Serbia, was up 3 per cent to € 46 million. A significant 51 per cent increase to € 4 million was reported in net income from the management of investment and pension funds, primarily due to developments in Croatia. In contrast, net income from loan and guarantee business declined 11 per cent to € 6 million.

Net trading income in Southeastern Europe fell € 5 million to € 12 million year-on-year. A reduction in income in Croatia and Albania was mainly responsible for the € 3 million fall in interest-based transactions to € 6 million. Those countries reported declines due to lower volumes and lower government bond interest rates. Net income from currency-based transactions was down € 1 million to € 5 million as a result of valuation losses on foreign currency positions in Romania. Set against this were valuation gains from securities positions in Croatia and positive effects from currency movements in Serbia.

Sundry net operating income decreased € 6 million to € 4 million year-on-year largely as a result of a lower net income from non-banking activities and the charging of costs for insurance contracts in leasing business.

General administrative expenses

General administrative expenses fell € 4 million to € 159 million year-on-year. Staff expenses were down 2 per cent, or € 1 million, to € 72 million; the largest declines were reported in Romania and Bosnia and Herzegovina. Other administrative expenses fell 3 per cent, or € 2 million, to € 69 million, largely as a result of a decline in advertising, PR and promotional expenses in Romania. Depreciation was down 6 per cent, or € 1 million, to € 18 million. The cost/income ratio rose 2.4 percentage points to 53.8 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses of € 41 million was € 22 million lower than in the corresponding period of the previous year. The largest declines were reported in Bulgaria, Romania and Croatia: In Bulgaria, net provisioning for impairment losses fell € 10 million, as in the comparable period of the previous year higher impairment losses for corporate customers were incurred and retail loan collateral valuations had to be reduced. In Romania, net provisioning for impairment losses fell € 9 million due to the improved risk profile of private individuals. In Croatia (decline of € 6 million), net provisioning for impairment losses was lower both for loans to large corporate customers and private individuals. The share of non-bank non-performing loans in the segment's loan portfolio decreased 0.7 percentage points to 13.2 per cent.

Other results and taxes

Other results amounted to minus € 6 million in the reporting period compared to plus € 2 million in the comparable period of the previous year. This was mainly due to government measures in Croatia (rates on foreign currency loans fixed for one year) and Serbia (new provision for unilateral changes in interest rates on consumer loans linked to foreign currencies), which resulted in expenses of € 9 million. In addition, the deconsolidation of a Bulgarian group unit led to a loss of € 2 million. The € 3 million increase in net income from financial investments was mainly attributable to net proceeds from the sale of shares in a credit card company in Romania (€ 2 million).

Tax expense fell 10 per cent year-on-year to € 12 million, while the tax rate was unchanged at 14 per cent.

Detailed results of individual countries:

Albania

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	18	21	(13.0)%	18	19	(7.9)%
Net fee and commission income	2	2	(4.2)%	2	3	(20.5)%
Net trading income	4	5	(24.3)%	4	4	(12.4)%
Sundry net operating income	0	0	(83.1)%	0	2	–
Operating income	**24**	**28**	**(13.5)%**	**24**	**28**	**(15.3)%**
General administrative expenses	(10)	(9)	7.5%	(10)	(11)	(8.0)%
Operating result	**14**	**18**	**(24.5)%**	**14**	**17**	**(20.0)%**
Net provisioning for impairment losses	(5)	(6)	(18.6)%	(5)	(10)	(52.7)%
Other results	0	0	–	0	0	–
Profit/loss before tax	**9**	**12**	**(28.0)%**	**9**	**7**	**28.8%**
Income taxes	(1)	(2)	(29.9)%	(1)	(1)	69.6%
Profit/loss after tax	**7**	**10**	**(27.7)%**	**7**	**6**	**23.6%**
Assets	1,993	2,052	(2.9)%	1,993	1,976	0.9%
Loans and advances to customers	942	903	4.3%	942	899	4.7%
hereof corporate %	72.5%	70.1%	2.4 PP	72.5%	71.0%	1.5 PP
hereof retail %	27.5%	29.9%	(2.4) PP	27.5%	29.0%	(1.5) PP
hereof foreign currency %	61.3%	68.5%	(7.2) PP	61.3%	67.4%	(6.2) PP
Deposits from customers	1,686	1,684	0.1%	1,686	1,669	1.0%
Loan/deposit ratio (net)	49.9%	48.4%	1.5 PP	49.9%	48.0%	1.9 PP
Equity	223	214	4.2%	223	216	3.3%
Return on equity before tax	16.8%	24.7%	(7.9) PP	16.8%	14.4%	2.4 PP
Return on equity after tax	14.3%	20.9%	(6.6) PP	14.3%	12.8%	1.5 PP
Cost/income ratio	42.6%	34.2%	8.3 PP	42.6%	39.2%	3.4 PP
Net interest margin (average interest-bearing assets)	4.09%	4.79%	(0.70) PP	4.09%	4.56%	(0.47) PP
Employees as at reporting date	1,327	1,352	(1.8)%	1,327	1,326	0.1%
Business outlets	90	95	(5.3)%	90	92	(2.2)%
Customers	711,608	683,297	4.1%	711,608	723,451	(1.6)%

Bosnia and Herzegovina

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	16	18	(12.9)%	16	17	(3.3)%
Net fee and commission income	8	8	2.4%	8	9	(12.3)%
Net trading income	0	0	98.6%	0	0	(0.6)%
Sundry net operating income	1	1	(29.9)%	1	(3)	–
Operating income	**25**	**28**	**(8.5)%**	**25**	**24**	**7.0%**
General administrative expenses	(13)	(14)	(6.7)%	(13)	(20)	(34.0)%
Operating result	**12**	**14**	**(10.4)%**	**12**	**4**	**216.7%**
Net provisioning for impairment losses	(2)	0	>500.0%	(2)	(10)	(80.6)%
Other results	0	0	–	0	0	273.2%
Profit/loss before tax	**10**	**13**	**(20.3)%**	**10**	**(6)**	**–**
Income taxes	(1)	(2)	(26.5)%	(1)	0	339.2%
Profit/loss after tax	**9**	**12**	**(19.4)%**	**9**	**(7)**	**–**
Assets	1,931	2,010	(3.9)%	1,931	1,944	(0.7)%
Loans and advances to customers	1,168	1,225	(4.7)%	1,168	1,176	(0.7)%
hereof corporate %	33.1%	35.7%	(2.6) PP	33.1%	34.1%	(1.0) PP
hereof retail %	66.5%	63.9%	2.7 PP	66.5%	65.5%	1.0 PP
hereof foreign currency %	73.6%	71.7%	1.9 PP	73.6%	74.0%	(0.4) PP
Deposits from customers	1,498	1,551	(3.4)%	1,498	1,503	(0.3)%
Loan/deposit ratio (net)	71.9%	73.7%	(1.8) PP	71.9%	72.5%	(0.5) PP
Equity	281	280	0.4%	281	272	3.4%
Return on equity before tax	15.7%	20.6%	(4.9) PP	15.7%	–	–
Return on equity after tax	13.9%	18.0%	(4.1) PP	13.9%	–	–
Cost/income ratio	51.6%	50.6%	1.0 PP	51.6%	83.7%	(32.0) PP
Net interest margin (average interest-bearing assets)	3.52%	3.85%	(0.33) PP	3.52%	3.61%	(0.09) PP
Employees as at reporting date	1,390	1,475	(5.8)%	1,390	1,434	(3.1)%
Business outlets	97	98	(1.0)%	97	96	1.0%
Customers	490,136	497,183	(1.4)%	490,136	499,973	(2.0)%

Bulgaria

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	28	31	(10.9)%	28	31	(11.1)%
Net fee and commission income	9	9	4.6%	9	11	(17.1)%
Net trading income	1	1	(28.6)%	1	1	41.9%
Sundry net operating income	0	0	–	0	0	(75.1)%
Operating income	**38**	**41**	**(7.0)%**	**38**	**43**	**(12.5)%**
General administrative expenses	(20)	(22)	(7.7)%	(20)	(23)	(12.8)%
Operating result	**18**	**19**	**(6.3)%**	**18**	**20**	**(12.2)%**
Net provisioning for impairment losses	(6)	(17)	(62.5)%	(6)	(9)	(28.8)%
Other results	(1)	0	–	(1)	0	–
Profit/loss before tax	**11**	**3**	**303.7%**	**11**	**11**	**(7.0)%**
Income taxes	(1)	0	297.8%	(1)	(1)	13.5%
Profit/loss after tax	**9**	**2**	**304.5%**	**9**	**10**	**(9.1)%**
Assets	3,268	3,201	2.1%	3,268	3,223	1.4%
Loans and advances to customers	2,074	2,439	(15.0)%	2,074	2,175	(4.6)%
hereof corporate %	40.5%	43.7%	(3.2) PP	40.5%	40.4%	0.1 PP
hereof retail %	59.0%	55.8%	3.2 PP	59.0%	58.0%	0.9 PP
hereof foreign currency %	61.3%	67.0%	(5.7) PP	61.3%	61.5%	(0.3) PP
Deposits from customers	2,205	2,038	8.2%	2,205	2,168	1.7%
Loan/deposit ratio (net)	86.4%	106.7%	(20.3) PP	86.4%	91.3%	(4.9) PP
Equity	506	474	6.6%	506	496	1.9%
Return on equity before tax	8.7%	2.2%	6.5 PP	8.7%	9.7%	(1.0) PP
Return on equity after tax	7.7%	1.9%	5.7 PP	7.7%	8.8%	(1.1) PP
Cost/income ratio	53.6%	54.0%	(0.4) PP	53.6%	53.8%	(0.2) PP
Net interest margin (average interest-bearing assets)	3.52%	4.03%	(0.51) PP	3.52%	3.99%	(0.47) PP
Employees as at reporting date	2,699	2,846	(5.2)%	2,699	2,751	(1.9)%
Business outlets	153	156	(1.9)%	153	156	(1.9)%
Customers	764,363	740,162	3.3%	764,363	761,894	0.3%

Croatia

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	36	37	(3.9)%	36	37	(3.4)%
Net fee and commission income	15	15	1.0%	15	16	(5.8)%
Net trading income	2	3	(46.3)%	2	2	(9.2)%
Sundry net operating income	3	8	(58.7)%	3	(1)	–
Operating income	**56**	**63**	**(11.9)%**	**56**	**54**	**3.1%**
General administrative expenses	(31)	(32)	(1.5)%	(31)	(33)	(5.7)%
Operating result	**25**	**32**	**(22.1)%**	**25**	**21**	**16.8%**
Net provisioning for impairment losses	(6)	(12)	(48.0)%	(6)	(15)	(57.6)%
Other results	(3)	0	–	(3)	(1)	434.5%
Profit/loss before tax	**15**	**20**	**(22.7)%**	**15**	**6**	**171.4%**
Income taxes	(2)	(4)	(39.0)%	(2)	1	–
Profit/loss after tax	**13**	**16**	**(18.6)%**	**13**	**7**	**94.5%**
Assets	4,694	4,639	1.2%	4,694	4,647	1.0%
Loans and advances to customers	3,232	3,388	(4.6)%	3,232	3,200	1.0%
hereof corporate %	38.4%	42.3%	(4.0) PP	38.4%	41.2%	(2.9) PP
hereof retail %	54.8%	49.5%	5.3 PP	54.8%	54.4%	0.4 PP
hereof foreign currency %	58.3%	69.0%	(10.7) PP	58.3%	64.9%	(6.6) PP
Deposits from customers	3,142	2,822	11.4%	3,142	3,128	0.5%
Loan/deposit ratio (net)	92.8%	108.3%	(15.6) PP	92.8%	92.3%	0.5 PP
Equity	715	705	1.5%	715	702	2.0%
Return on equity before tax	8.8%	11.2%	(2.4) PP	8.8%	3.5%	5.3 PP
Return on equity after tax	7.4%	9.0%	(1.6) PP	7.4%	4.1%	3.3 PP
Cost/income ratio	55.7%	49.8%	5.8 PP	55.7%	60.8%	(5.2) PP
Net interest margin (average interest-bearing assets)	3.45%	3.66%	(0.21) PP	3.45%	3.54%	(0.09) PP
Employees as at reporting date	2,171	2,039	6.5%	2,171	2,127	2.1%
Business outlets	78	76	2.6%	78	77	1.3%
Customers	459,987	477,294	(3.6)%	459,987	463,552	(0.8)%

Kosovo

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	11	9	18.4%	11	10	8.5%
Net fee and commission income	2	2	34.1%	2	2	7.0%
Net trading income	0	0	>500.0%	0	0	125.4%
Sundry net operating income	0	0	83.5%	0	0	>500.0%
Operating income	**13**	**11**	**20.5%**	**13**	**12**	**6.1%**
General administrative expenses	(6)	(6)	1.3%	(6)	(7)	(15.8)%
Operating result	**7**	**5**	**44.9%**	**7**	**5**	**37.9%**
Net provisioning for impairment losses	0	1	(98.6)%	0	(2)	–
Other results	0	0	–	0	0	–
Profit/loss before tax	**7**	**5**	**32.2%**	**7**	**3**	**114.1%**
Income taxes	(1)	(1)	26.2%	(1)	0	138.6%
Profit/loss after tax	**6**	**5**	**33.0%**	**6**	**3**	**111.4%**
Assets	802	717	11.9%	802	778	3.1%
Loans and advances to customers	491	457	7.4%	491	488	0.6%
hereof corporate %	39.9%	38.9%	1.0 PP	39.9%	39.4%	0.5 PP
hereof retail %	60.1%	61.1%	(1.0) PP	60.1%	60.6%	(0.5) PP
hereof foreign currency %	0.0%	0.0%	0.0 PP	0.0%	0.0%	0.0 PP
Deposits from customers	619	564	9.8%	619	604	2.5%
Loan/deposit ratio (net)	75.4%	76.9%	(1.6) PP	75.4%	76.7%	(1.4) PP
Equity	130	112	15.9%	130	124	4.9%
Return on equity before tax	23.0%	20.9%	2.1 PP	23.0%	12.0%	11.0 PP
Return on equity after tax	20.4%	18.4%	2.0 PP	20.4%	10.7%	9.7 PP
Cost/income ratio	47.0%	55.9%	(8.9) PP	47.0%	59.2%	(12.2) PP
Net interest margin (average interest-bearing assets)	5.50%	5.24%	0.27 PP	5.50%	5.14%	0.36 PP
Employees as at reporting date	712	700	1.7%	712	705	1.0%
Business outlets	52	54	(3.7)%	52	52	0.0%
Customers	281,871	253,830	11.0%	281,871	278,432	1.2%

Romania

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	62	67	(8.5)%	62	70	(11.9)%
Net fee and commission income	41	38	8.3%	41	38	7.1%
Net trading income	3	6	(44.9)%	3	3	(1.2)%
Sundry net operating income	0	1	–	0	2	–
Operating income	**106**	**112**	**(5.8)%**	**106**	**114**	**(7.1)%**
General administrative expenses	(61)	(63)	(3.5)%	(61)	(73)	(16.0)%
Operating result	**45**	**49**	**(8.9)%**	**45**	**41**	**8.6%**
Net provisioning for impairment losses	(17)	(26)	(34.7)%	(17)	(24)	(29.7)%
Other results	2	2	(12.9)%	2	4	(63.6)%
Profit/loss before tax	**30**	**25**	**16.8%**	**30**	**22**	**37.0%**
Income taxes	(5)	(4)	36.0%	(5)	(6)	(13.6)%
Profit/loss after tax	**25**	**22**	**13.7%**	**25**	**16**	**54.3%**
Assets	6,850	6,264	9.4%	6,850	6,920	(1.0)%
Loans and advances to customers	4,369	4,318	1.2%	4,369	4,313	1.3%
hereof corporate %	32.7%	34.2%	(1.5) PP	32.7%	33.3%	(0.6) PP
hereof retail %	64.8%	63.2%	1.6 PP	64.8%	64.1%	0.7 PP
hereof foreign currency %	48.3%	53.0%	(4.8) PP	48.3%	49.7%	(1.4) PP
Deposits from customers	4,586	4,127	11.1%	4,586	4,681	(2.0)%
Loan/deposit ratio (net)	88.2%	96.1%	(7.9) PP	88.2%	85.1%	3.1 PP
Equity	765	701	9.2%	765	726	5.3%
Return on equity before tax	16.7%	16.1%	0.5 PP	16.7%	13.6%	3.0 PP
Return on equity after tax	14.0%	13.9%	0.1 PP	14.0%	10.1%	3.8 PP
Cost/income ratio	58.3%	56.3%	2.0 PP	57.7%	63.8%	(6.1) PP
Net interest margin (average interest-bearing assets)	3.70%	4.36%	(0.65) PP	3.70%	4.35%	(0.64) PP
Employees as at reporting date	5,201	5,329	(2.4)%	5,201	5,292	(1.7)%
Business outlets	517	530	(2.5)%	517	529	(2.3)%
Customers	2,095,440	2,053,737	2.0%	2,095,440	2,089,544	0.3%

Serbia

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	23	25	(10.5)%	23	24	(4.5)%
Net fee and commission income	9	8	3.5%	9	9	(7.9)%
Net trading income	1	1	173.5%	1	1	70.6%
Sundry net operating income	1	1	(2.4)%	1	1	13.2%
Operating income	**34**	**35**	**(4.3)%**	**34**	**35**	**(3.1)%**
General administrative expenses	(17)	(17)	1.6%	(17)	(22)	(20.1)%
Operating result	**17**	**18**	**(9.8)%**	**17**	**13**	**24.6%**
Net provisioning for impairment losses	(5)	(3)	78.5%	(5)	(7)	(30.6)%
Other results	(4)	0	>500.0%	(4)	0	>500.0%
Profit/loss before tax	**8**	**16**	**(49.6)%**	**8**	**6**	**25.9%**
Income taxes	(1)	(2)	(67.6)%	(1)	(1)	(20.3)%
Profit/loss after tax	**7**	**14**	**(47.3)%**	**7**	**5**	**32.1%**
Assets	1,935	1,892	2.3%	1,935	1,885	2.7%
Loans and advances to customers	1,085	1,067	1.7%	1,085	1,129	(3.9)%
hereof corporate %	50.1%	47.3%	2.7 PP	50.1%	52.2%	(2.1) PP
hereof retail %	48.5%	50.2%	(1.7) PP	48.5%	46.7%	1.8 PP
hereof foreign currency %	69.2%	74.8%	(5.7) PP	69.2%	61.3%	7.9 PP
Deposits from customers	1,337	1,164	14.8%	1,337	1,240	7.8%
Loan/deposit ratio (net)	71.9%	82.3%	(10.4) PP	71.9%	81.4%	(9.5) PP
Equity	477	508	(6.3)%	477	466	2.2%
Return on equity before tax	6.9%	13.2%	(6.3) PP	6.9%	5.5%	1.4 PP
Return on equity after tax	6.4%	11.6%	(5.2) PP	6.4%	4.9%	1.5 PP
Cost/income ratio	51.1%	48.1%	3.0 PP	51.1%	61.9%	(10.9) PP
Net interest margin (average interest-bearing assets)	5.04%	5.74%	(0.70) PP	5.04%	5.23%	(0.19) PP
Employees as at reporting date	1,588	1,593	(0.3)%	1,588	1,581	0.4%
Business outlets	85	85	0.0%	85	85	0.0%
Customers	644,444	609,052	5.8%	644,444	640,337	0.6%

Eastern Europe

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	289	398	(27.5)%	289	315	(8.3)%
General administrative expenses	(130)	(191)	(31.8)%	(130)	(164)	(20.5)%
Operating result	**159**	**208**	**(23.5)%**	**159**	**152**	**4.8%**
Net provisioning for impairment losses	(134)	(119)	12.8%	(134)	(247)	(45.9)%
Other results	59	42	41.4%	59	5	>500.0%
Profit/loss before tax	**84**	**131**	**(35.7)%**	**84**	**(91)**	**–**
Assets	17,635	19,861	(11.2)%	17,635	16,500	6.9%
Net interest margin (average interest-bearing assets)	6.39%	6.34%	0.05 PP	6.39%	6.95%	(0.57) PP
Return on equity before tax	**20.6%**	**20.5%**	**0.1 PP**	**20.6%**	**–**	**–**

In Eastern Europe, the currency depreciation in Ukraine had a significant impact on net income due to valuation losses on open foreign currency positions and resulted in a loss after tax of minus € 82 million. In Russia, an increase in loan loss provisions was the main reason why the profit after tax fell 13 per cent. In Belarus, net income doubled as a result of the favorable earnings situation and a valuation gain from a capital hedge transaction.

Operating income

Net interest income fell 18 per cent, or € 55 million, to € 249 million year-on-year. This was mainly due to a currency-based decline in net interest income in Ukraine (down 51 per cent, or € 43 million, to € 42 million) and Russia (down 10 per cent, or € 18 million, to € 175 million). In contrast, net interest income in Belarus rose 24 per cent, or € 6 million, to € 31 million on the back of higher credit volumes and interest rates. The net interest margin increased 5 basis points to 6.39 per cent year-on-year. The segment's total assets fell 11 per cent year-on-year to € 17,635 million, while risk-weighted assets (total RWA) were down 9 per cent to € 14,602 million.

Net fee and commission income was down € 21 million to € 93 million year-on-year. Net income from payment transfer business declined – mainly as a result of currency movements in Ukraine and Russia – 29 per cent, or € 17 million, to € 41 million. Net income from loan and guarantee business also fell in Russia and Ukraine by € 4 million to € 14 million primarily as a result of currency effects.

Net trading income in the Eastern Europe segment declined from minus € 29 million in the same period of the previous year to minus € 48 million in the reporting period. This was mainly due to net income from currency-based transactions, which fell € 35 million to € 54 million and suffered from higher valuation losses of € 55 million on foreign currency positions in Ukraine. In contrast, Belarus reported a significant € 23 million increase, which was attributable to positive effects from the hedging of the capital position, the end to hyperinflation accounting and improved net income from proprietary trading. Net income from interest-based transactions was also up € 16 million to € 6 million as a result of valuation gains from securities positions in Russia.

Sundry net operating income fell € 14 million to minus € 5 million year-on-year. The figure in the previous year included a non-recurring effect of € 9 million resulting from the sale of a building in Russia. In the first quarter of 2014, the release of other provisions in Russia also led to higher income.

General administrative expenses

General administrative expenses fell € 61 million to € 130 million year-on-year. The decline related mainly to Russia and Ukraine and was above all caused by the depreciation of the Russian rouble and Ukrainian Hryvnia. The segment's staff expenses, which were € 40 million lower, were also affected by an organic decline. Exchange rate movements in Russia and Ukraine were responsible for the € 15 million decline in other administrative expenses and the € 5 million decrease in depreciation. The number of the segment's business outlets fell by 83 to 980. The cost/income ratio improved 2.9 percentage points to 45.0 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses increased € 15 million to € 134 million year-on-year. The ongoing unfavorable economic environment in Russia (inflation, sanctions, currency trend) led to higher net provisioning for impairment losses, especially in the retail business. The € 23 million increase related to both individual and portfolio-based loan loss provisions. In Belarus, net provisioning for impairment losses was up € 3 million as a result of increased lending volume to large corporate customers. In Ukraine, net provisioning for impairment losses fell € 11 million to € 81 million year-on-year due to currency movements. The share of non-bank non-performing loans in the segment's loan portfolio rose 3.9 percentage points to 14.9 per cent year-on-year.

Other results and taxes

Other results in the segment increased € 17 million to € 59 million year-on-year. This was mainly attributable to a € 38 million rise in valuation gains from securities in the fair value portfolio. In Ukraine, the result improved € 21 million year-on-year due to the valuation of fixed-income government bonds. In Russia, the valuation of bonds was € 16 million higher year-on-year. Net income from derivative financial instruments in Russia fell from € 12 million in the comparable period of the previous year to minus € 9 million in the reporting period, reflecting the valuation of interest rate swaps carried out to mitigate interest rate structure risk and changes in fair values of banking book derivatives. The deconsolidation of three Russian Group units resulted in a gain of € 1 million.

The tax expense increased 20 per cent to € 35 million, while the tax rate was up 19 percentage points to 41 per cent. This was largely attributable to the loss in Ukraine, which was not offset by deferred tax assets due to the tax earnings forecasts.

Detailed results of individual countries:

Belarus

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	31	25	23.5%	31	27	17.1%
Net fee and commission income	16	15	10.3%	16	15	6.8%
Net trading income	23	0	–	23	6	293.3%
Sundry net operating income	0	0	>500.0%	0	(1)	(77.0)%
Operating income	**71**	**40**	**76.0%**	**71**	**47**	**49.9%**
General administrative expenses	(19)	(19)	0.0%	(19)	(17)	8.3%
Operating result	**52**	**21**	**142.9%**	**52**	**30**	**74.1%**
Net provisioning for impairment losses	(4)	0	–	(4)	(5)	(29.3)%
Other results	(1)	0	–	(1)	0	>500.0%
Profit/loss before tax	**47**	**21**	**121.4%**	**47**	**25**	**92.8%**
Income taxes	(11)	(5)	122.4%	(11)	(11)	(4.0)%
Profit/loss after tax	**37**	**17**	**121.1%**	**37**	**14**	**171.5%**
Assets	1,616	1,435	12.5%	1,616	1,536	5.2%
Loans and advances to customers	1,096	949	15.5%	1,096	1,047	4.7%
hereof corporate %	72.0%	73.4%	(1.5) PP	72.0%	69.6%	2.4 PP
hereof retail %	28.0%	26.6%	1.5 PP	28.0%	30.4%	(2.4) PP
hereof foreign currency %	73.7%	73.4%	0.2 PP	73.7%	68.5%	5.1 PP
Deposits from customers	864	773	11.8%	864	867	(0.3)%
Loan/deposit ratio (net)	123.2%	120.3%	2.9 PP	123.2%	117.6%	5.6 PP
Equity	314	272	15.2%	314	329	(4.6)%
Return on equity before tax	69.3%	37.4%	32.0 PP	69.3%	35.6%	33.8 PP
Return on equity after tax	53.9%	29.1%	24.8 PP	53.9%	19.6%	34.2 PP
Cost/income ratio	26.6%	46.8%	(20.2) PP	26.6%	36.8%	(10.2) PP
Net interest margin (average interest-bearing assets)	8.97%	7.80%	1.17 PP	8.97%	7.33%	1.64 PP
Employees as at reporting date	2,150	2,178	(1.3)%	2,150	2,176	(1.2)%
Business outlets	97	96	1.0%	97	97	0.0%
Customers	729,639	723,688	0.8%	729,639	744,935	(2.1)%

Russia

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	175	194	(9.5)%	175	199	(12.1)%
Net fee and commission income	55	66	(15.4)%	55	90	(38.4)%
Net trading income	25	12	116.1%	25	(55)	–
Sundry net operating income	(3)	11	–	(3)	(1)	336.6%
Operating income	**252**	**281**	**(10.2)%**	**252**	**234**	**8.0%**
General administrative expenses	(79)	(114)	(30.3)%	(79)	(109)	(27.2)%
Operating result	**173**	**168**	**3.4%**	**173**	**125**	**38.6%**
Net provisioning for impairment losses	(49)	(27)	84.4%	(49)	(35)	40.2%
Other results	(6)	(2)	246.6%	(6)	(20)	(72.2)%
Profit/loss before tax	**118**	**139**	**(15.0)%**	**118**	**69**	**70.4%**
Income taxes	(24)	(31)	(22.8)%	(24)	(19)	27.3%
Profit/loss after tax	**95**	**109**	**(12.8)%**	**95**	**51**	**86.2%**
Assets	13,849	15,103	(8.3)%	13,849	12,457	11.2%
Loans and advances to customers	9,347	9,598	(2.6)%	9,347	8,389	11.4%
hereof corporate %	61.5%	55.1%	6.4 PP	61.5%	60.9%	0.6 PP
hereof retail %	38.5%	44.9%	(6.4) PP	38.5%	39.1%	(0.6) PP
hereof foreign currency %	44.7%	34.5%	10.2 PP	44.7%	47.8%	(3.1) PP
Deposits from customers	8,525	9,805	(13.1)%	8,525	7,317	16.5%
Loan/deposit ratio (net)	104.3%	94.0%	10.2 PP	104.3%	109.9%	(5.6) PP
Equity	1,496	2,300	(34.9)%	1,496	1,197	25.0%
Return on equity before tax	37.8%	27.3%	10.5 PP	37.8%	21.9%	15.9 PP
Return on equity after tax	30.3%	21.3%	9.0 PP	30.3%	16.0%	14.2 PP
Cost/income ratio	31.4%	40.4%	(9.0) PP	31.4%	46.5%	(15.1) PP
Net interest margin (average interest-bearing assets)	5.82%	5.46%	0.35 PP	5.82%	6.09%	(0.27) PP
Employees as at reporting date	8,415	8,530	(1.3)%	8,415	8,252	2.0%
Business outlets	212	196	8.2%	212	212	0.0%
Customers	2,959,946	2,683,852	10.3%	2,959,946	2,940,532	0.7%

Ukraine

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	42	84	(50.6)%	42	59	(29.3)%
Net fee and commission income	21	33	(37.4)%	21	30	(31.2)%
Net trading income	(96)	(40)	136.5%	(96)	(52)	83.8%
Sundry net operating income	(1)	(1)	102.9%	(1)	(3)	(64.5)%
Operating income	**(34)**	**77**	**–**	**(34)**	**34**	**–**
General administrative expenses	(32)	(58)	(45.2)%	(32)	(37)	(14.5)%
Operating result	**(66)**	**18**	**–**	**(66)**	**(3)**	**>500.0%**
Net provisioning for impairment losses	(81)	(92)	(12.0)%	(81)	(207)	(60.9)%
Other results	65	43	50.9%	65	25	160.6%
Profit/loss before tax	**(82)**	**(30)**	**170.2%**	**(82)**	**(185)**	**(55.8)%**
Income taxes	0	7	–	0	34	–
Profit/loss after tax	**(82)**	**(24)**	**248.8%**	**(82)**	**(151)**	**(45.8)%**
Assets	2,150	3,289	(34.6)%	2,150	2,481	(13.3)%
Loans and advances to customers	2,475	3,027	(18.2)%	2,475	2,688	(7.9)%
hereof corporate %	52.6%	54.8%	(2.2) PP	52.6%	54.6%	(1.9) PP
hereof retail %	47.2%	44.9%	2.2 PP	47.2%	45.2%	2.0 PP
hereof foreign currency %	64.1%	54.3%	9.8 PP	64.1%	57.5%	6.6 PP
Deposits from customers	1,294	1,610	(19.7)%	1,294	1,541	(16.1)%
Loan/deposit ratio (net)	101.9%	141.0%	(39.2) PP	101.9%	104.7%	(2.8) PP
Equity	89	618	(85.7)%	89	218	(59.3)%
Return on equity before tax	–	–	–	–	–	–
Return on equity after tax	–	–	–	–	–	–
Cost/income ratio	(93.0)%	76.2%	–	(93.0)%	109.9%	–
Net interest margin (average interest-bearing assets)	7.49%	9.32%	(1.84) PP	7.49%	9.52%	(2.03) PP
Employees as at reporting date	11,255	12,891	(12.7)%	11,255	11,478	(1.9)%
Business outlets	670	770	(13.0)%	670	671	(0.1)%
Customers	2,903,062	3,014,699	(3.7)%	2,903,062	2,940,953	(1.3)%

Group Corporates

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	98	115	(15.1)%	98	108	(9.3)%
General administrative expenses	(32)	(32)	(0.2)%	(32)	(27)	15.6%
Operating result	**66**	**84**	**(20.7)%**	**66**	**81**	**(17.8)%**
Net provisioning for impairment losses	(47)	(28)	65.6%	(47)	(53)	(12.1)%
Other results	(4)	(1)	180.4%	(4)	(1)	184.0%
Profit/loss before tax	**16**	**54**	**(70.9)%**	**16**	**26**	**(39.4)%**
Assets	16,593	16,423	1.0%	16,593	15,615	6.3%
Net interest margin (average interest-bearing assets)	1.91%	1.57%	0.34 PP	1.91%	1.51%	0.40 PP
Return on equity before tax	**5.7%**	**13.7%**	**(8.0) PP**	**5.7%**	**5.9%**	**(0.2) PP**

Profit before tax in the segment fell by a significant 71 per cent year-on-year. This was mainly due to higher impairment losses on loans and advances as well as lower operating income, which reduced the result by € 19 million and € 17 million respectively.

Operating income

Net interest income in the segment rose 2 per cent, or € 2 million, to € 83 million year-on-year. The increase was due to the partial reclassification of transactions from net fee and commission income to net interest income. This contrasted with a decline in net interest income at Group head office (Austrian and multinational corporate customers serviced from Vienna), where lower net interest income was reported despite higher margins due to reduced loan volumes. The segment's net interest margin increased 34 basis points to 1.91 per cent. Total assets increased 1 per cent year-on-year to € 16,593 million whilst risk-weighted assets (total RWA) declined 1 per cent to € 9,499 million.

Net fee and commission income declined € 19 million year-on-year to € 14 million. Declines occurred at Group head office due to the reclassification of interest-like income components to net interest income. The reduction was also attributable to lower fee and commission income from bond issues as well as from real estate and project financing transactions and export and investment financing, whilst higher fee and commission income resulted from Cash Management and Capital Markets Sales.

The € 1 million decline in net trading income resulted from interest-based derivative financial instruments at Group head office.

General administrative expenses

General administrative expenses remained unchanged year-on-year at € 32 million. The cost/income ratio increased 4.8 percentage points to 32.4 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses increased € 19 million year-on-year to € 47 million. Net provisioning for impairment losses in the reporting period related predominantly to individual loan loss provisions to large corporate customers, especially from the Donbass region. The proportion of non-bank non-performing loans in the segment's loan portfolio increased 2 percentage points year-on-year to 8.2 per cent.

Other results and taxes

Other results declined € 2 million to minus € 4 million due to a higher allocation of expenses for bank levies to the segment.

Tax expense posted an earnings-driven decline of € 10 million to € 4 million.

Group Markets

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	79	86	(7.9)%	79	92	(13.9)%
General administrative expenses	(58)	(62)	(5.9)%	(58)	(56)	4.5%
Operating result	**21**	**24**	**(13.0)%**	**21**	**36**	**(42.4)%**
Net provisioning for impairment losses	(1)	2	–	(1)	(2)	(26.8)%
Other results	(7)	(4)	66.3%	(7)	(7)	(6.7)%
Profit/loss before tax	**13**	**22**	**(41.5)%**	**13**	**27**	**(53.0)%**
Assets	18,543	16,579	11.9%	18,543	15,916	16.5%
Net interest margin (average interest-bearing assets)	0.97%	1.09%	(0.12) PP	0.97%	0.95%	0.02 PP
Return on equity before tax	**9.6%**	**9.8%**	**(0.3) PP**	**9.6%**	**17.9%**	**(8.3) PP**

Operating income

Net interest income in the Group Markets segment declined € 12 million to € 27 million. The main reasons for the negative trend were the prevailing conditions, particularly the ongoing low interest rate level and flat yield curve, which led to significantly reduced income generating opportunities. The net interest margin declined 12 basis points to 0.97 per cent. Total assets increased by 12 per cent year-on-year to € 18,543 million and risk-weighted assets (total RWA) declined 12 per cent to € 5,055 million.

Net fee and commission income declined 6 per cent year-on-year to € 27 million. This was attributable to a drop in net fee and commission income from capital market transactions, which amounted to almost € 4 million in the same period of the previous year.

Net trading income increased 54 per cent, or € 8 million, to € 22 million due to the valuation losses reported in the previous year with respect to guarantee products. This increase was partly offset by losses connected with positions in the Swiss franc.

General administrative expenses

General administrative expenses fell 6 per cent, or € 4 million, year-on-year to € 58 million. The cost/income ratio improved 1.6 percentage points year-on-year to 73.8 per cent.

Net provisioning for impairment losses

In the reporting period a net amount of € 1 million was allocated at Group head office for non-performing loans to financial institutions after an amount of € 2 million was released in the same period of the previous year. The share of non-performing loans in the segment's total credit exposure was 2.5 per cent.

Other results and taxes

Other results declined € 3 million year-on-year to minus € 7 million. This was mainly attributable to Group head office's € 5 million higher allocation of bank levies and a € 2 million reduction in valuation results for securities in the fair value portfolio. In contrast, net income from derivative financial instruments improved € 4 million due to interest rate developments.

Tax expense declined € 2 million to € 3 million mainly for earnings-related reasons.

Corporate Center

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	212	125	69.7%	212	123	72.2%
General administrative expenses	(79)	(72)	9.8%	(79)	(61)	30.6%
Operating result	**132**	**52**	**152.3%**	**132**	**62**	**112.8%**
Net provisioning for impairment losses	(3)	(8)	(69.0)%	(3)	(6)	(55.6)%
Other results	28	(59)	–	28	(319)	–
Profit/loss before tax	**157**	**(15)**	**–**	**157**	**(263)**	**–**
Assets	29,446	33,405	(11.9)%	29,446	30,371	(3.0)%
Net interest margin (average interest-bearing assets)	–	–	–	–	–	–
Return on equity before tax	**29.2%**	**–**	**–**	**29.2%**	**–**	**–**

The segment primarily comprises income from the Group head office management functions and from other Group units. As a result, its income is more volatile, especially on a quarterly basis due to the varying amounts of dividend income received from units in other segments.

Operating income

Net interest income in the Corporate Center segment increased € 125 million year-on-year to € 252 million. This increase was mainly due to higher intra-Group dividend income; in the previous year some dividends were not received until the second quarter. Besides income from the predominantly short-term investment of free liquidity, an interest expense of € 22 million (prior year period: € 16 million) for the subordinated capital of RBI AG was also reported in this segment. The segment's total assets declined 12 per cent to € 29,446 million year-on-year, and risk-weighted assets (total RWA) declined 8 per cent to € 17,715 million.

Net fee and commission income improved from minus € 4 million to plus € 5 million year-on-year, due mainly to the partial reclassification of transactions from net interest income to net fee and commission income at Group head office.

The segment's net trading income declined significantly, falling € 45 million to minus € 72 million year-on-year. This was mainly due to valuation losses from a hedging transaction relating to Russian rouble-denominated dividend income (down € 53 million).

Sundry net operating income, primarily comprising intra-Group service charges, fell € 3 million to € 26 million.

General administrative expenses

The segment's general administrative expenses increased – mainly due to the first-time booking of contributions to the bank resolution fund at Group head office – by € 7 million to € 79 million.

Net provisioning for impairment losses

Net provisioning for impairment losses generally plays a subordinate role in this segment due to the predominantly intra-Group nature of its business activities. In the reporting period net provisioning for impairment losses for corporate customers of Group head office amounted to € 3 million compared to € 8 million in the previous year's period.

Other results and taxes

Other results in the segment reversed from minus € 59 million in the prior year period to plus € 28 million in the reporting period. Net income from derivatives and liabilities posted a positive performance, improving € 76 million to € 45 million. Net income from the disposal of Group assets was positive at € 3 million in the reporting period, after a loss of € 11 million was incurred in the previous year's period due to the deconsolidation of the trading group F.J. Elsner, Vienna. In addition, the expenses in the segment for bank levies were € 6 million lower than in the previous year. On the other hand, net income from financial investments declined by € 9 million.

Due to earnings-related reasons, the segment's tax expense amounted to € 3 million after tax income of € 17 million in the prior year period.

Non-Core

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Operating income	152	169	(10.2)%	152	129	17.8%
General administrative expenses	(105)	(113)	(6.6)%	(105)	(103)	2.3%
Operating result	**47**	**56**	**(17.4)%**	**47**	**26**	**78.4%**
Net provisioning for impairment losses	(16)	(25)	(36.3)%	(16)	(135)	(88.3)%
Other results	(1)	0	>500.0%	(1)	0	114.1%
Profit/loss before tax	**30**	**31**	**(5.4)%**	**30**	**(109)**	**–**
Assets	21,676	22,457	(3.5)%	21,676	21,062	2.9%
Net interest margin (average interest-bearing assets)	2.07%	2.38%	(0.31) PP	2.07%	1.79%	0.28 PP
Return on equity before tax	**8.2%**	**7.0%**	**1.2 PP**	**8.2%**	**–**	**–**

The Non-Core segment posted an almost stable profit before tax of € 30 million. Slight growth of € 3 million in Poland, due primarily to lower net provisioning for impairment losses, was negated by a € 3 million increase in net provisioning for loans in Slovenia.

Operating income

Net interest income fell 19 per cent, or € 24 million, to € 106 million year-on-year. This was primarily attributable to a 20 per cent, or € 16 million, decline in net interest income to € 64 million in Poland caused by continuing low market interest rates. In Asia, net interest income fell 23 per cent, or € 9 million, to € 29 million due to loan defaults. The net interest margin fell 31 basis points to 2.07 per cent year-on-year. The segment's total assets fell 3 per cent to € 21,676 million year-on-year, while risk-weighted assets (total RWA) increased 5 per cent to € 13,253 million due to currency effects.

Net fee and commission income declined € 3 million to € 41 million year-on-year. Net income from the payment transfer business was down € 3 million to € 8 million, due above all to lower income from the credit card and giro business in Poland. Net income from the foreign currency, notes/coins and precious metals business fell € 1 million to € 17 million. Conversely, net income from the sale of own and third-party products was up € 2 million to € 5 million in Poland.

Net trading income rose € 8 million to € 2 million, with net income from interest-based transactions increasing € 12 million to € 16 million year-on-year. This increase was attributable to higher income from interest-based derivatives in Poland. Net income from currency-based transactions fell from minus € 11 million in the previous year's quarter to minus € 14 million. Valuation losses in Poland were partly compensated by valuation gains in Asia.

Sundry net operating income was up € 2 million to € 3 million year-on-year, due above all to lower allocations to other provisions in Slovenia.

General administrative expenses

General administrative expenses declined € 7 million, or 7 percent, to € 105 million year-on-year, with the majority of this fall being recorded in Poland. Staff expenses were down € 1 million, or 2 per cent, to € 51 million. Declines occurred in Poland, Slovenia and at the online bank Zuno, while staff expenses in Asia increased. Other administrative expenses fell € 5 million, or 10 per cent, to € 44 million, due primarily to a decline in Poland – where legal, advisory and consulting expenses (down € 2 million) and IT expenses (down € 1 million) fell in the wake of the merger with Polbank; whereas deposit insurance fees increased € 2 million. Depreciation of tangible and intangible fixed assets fell € 1 million, or 12 per cent, to € 11 million. The number of business outlets decreased by 23 to 374. The cost/income ratio rose 2.7 percentage points to 69.3 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses fell € 9 million to € 16 million year-on-year. Net provisioning for impairment losses in Poland declined € 13 million to € 6 million, following increased defaults in the large corporate customer business and direct write-downs on loans to retail customers during the same period last year. In Slovenia, net provisioning for impairment losses increased € 6 million due to a non-performing loan to a large corporate customer. In Asia, the € 3 million decline was primarily attributable to the release of provisions for impairment losses for a corporate customer. The proportion of non-performing loans to non-banks in the segment's loan portfolio increased 4.5 percentage points to 14.0 per cent.

Other results and taxes

Other results declined € 1 million due to the impairment of an equity participation in Asia.

Tax expense increased € 5 million to € 13 million year-on-year, largely in Poland and driven by earnings in Asia.

Detailed results of individual countries:

Asia

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	29	38	(22.9)%	29	12	152.5%
Net fee and commission income	3	3	29.2%	3	3	24.7%
Net trading income	0	(6)	(99.8)%	0	(3)	(99.6)%
Sundry net operating income	0	1	–	0	3	–
Operating income	**32**	**36**	**(9.4)%**	**32**	**14**	**127.0%**
General administrative expenses	(12)	(12)	1.8%	(12)	(8)	49.9%
Operating result	**20**	**24**	**(15.1)%**	**20**	**6**	**229.1%**
Net provisioning for impairment losses	(3)	(6)	(55.6)%	(3)	(152)	(98.2)%
Other results	(2)	0	–	(2)	0	–
Profit/loss before tax	**16**	**18**	**(12.3)%**	**16**	**(146)**	**–**
Income taxes	(5)	(3)	91.1%	(5)	(40)	(86.7)%
Profit/loss after tax	**10**	**15**	**(31.4)%**	**10**	**(186)**	**–**
Assets	4,777	6,661	(28.3)%	4,777	4,849	(1.5)%
Loans and advances to customers	3,259	4,124	(21.0)%	3,259	3,424	(4.8)%
hereof corporate %	100.0%	100.0%	0.0 PP	100.0%	100.0%	0.0 PP
hereof retail %	0.0%	0.0%	0.0 PP	0.0%	0.0%	0.0 PP
hereof foreign currency %	68.7%	68.1%	0.7 PP	68.7%	60.7%	8.1 PP
Deposits from customers	594	1,101	(46.0)%	594	1,108	(46.4)%
Loan/deposit ratio (net)	465.7%	360.9%	104.9 PP	465.7%	287.2%	178.5 PP
Equity	–	–	–	–	–	–
Return on equity before tax	–	–	–	–	–	–
Return on equity after tax	–	–	–	–	–	–
Cost/income ratio	37.6%	33.5%	4.1 PP	37.6%	56.0%	(18.4) PP
Net interest margin (average interest-bearing assets)	2.73%	2.16%	0.57 PP	2.73%	0.98%	1.75 PP
Employees as at reporting date	254	274	(7.3)%	254	253	0.4%
Business outlets	6	6	0.0%	6	6	0.0%
Customers	135	146	(7.5)%	135	135	0.0%

Poland

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	64	80	(19.8)%	64	67	(4.2)%
Net fee and commission income	33	37	(10.6)%	33	36	(6.5)%
Net trading income	2	0	–	2	1	82.1%
Sundry net operating income	3	2	14.6%	3	(4)	–
Operating income	**102**	**119**	**(14.5)%**	**102**	**100**	**2.3%**
General administrative expenses	(78)	(84)	(8.0)%	(78)	(79)	(2.1)%
Operating result	**24**	**35**	**(30.3)%**	**24**	**20**	**20.0%**
Net provisioning for impairment losses	(6)	(19)	(66.9)%	(6)	28	–
Other results	0	0	–	0	0	–
Profit/loss before tax	**18**	**15**	**19.2%**	**18**	**48**	**(62.0)%**
Income taxes	(6)	(4)	68.9%	(6)	(11)	(41.1)%
Profit/loss after tax	**12**	**12**	**3.4%**	**12**	**38**	**(67.9)%**
Assets	14,586	13,069	11.6%	14,586	13,729	6.2%
Loans and advances to customers	10,727	10,097	6.2%	10,727	9,791	9.6%
hereof corporate %	38.1%	36.3%	1.8 PP	38.1%	38.0%	0.1 PP
hereof retail %	61.8%	63.6%	(1.8) PP	61.8%	61.9%	(0.1) PP
hereof foreign currency %	55.9%	28.3%	27.6 PP	55.9%	58.8%	(2.9) PP
Deposits from customers	8,800	7,370	19.4%	8,800	7,737	13.7%
Loan/deposit ratio (net)	114.9%	128.1%	(13.2) PP	114.9%	116.2%	(1.3) PP
Equity	1,510	1,473	2.5%	1,510	1,441	4.8%
Return on equity before tax	5.0%	4.2%	0.8 PP	5.0%	13.5%	(8.5) PP
Return on equity after tax	3.3%	3.2%	0.1 PP	3.3%	10.5%	(7.2) PP
Cost/income ratio	76.3%	70.9%	5.4 PP	76.3%	79.8%	(3.5) PP
Net interest margin (average interest-bearing assets)	1.90%	2.62%	(0.72) PP	1.90%	2.07%	(0.17) PP
Employees as at reporting date	5,425	5,847	(7.2)%	5,425	5,462	(0.7)%
Business outlets	351	371	(5.4)%	351	351	0.0%
Customers	691,597	760,045	(9.0)%	691,597	689,676	0.3%

Slovenia

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	3	4	(7.4)%	3	3	(2.1)%
Net fee and commission income	2	2	11.9%	2	2	0.8%
Net trading income	0	0	(82.8)%	0	0	(45.0)%
Sundry net operating income	0	(3)	(95.7)%	0	0	(55.1)%
Operating income	**5**	**3**	**101.8%**	**5**	**5**	**1.3%**
General administrative expenses	(5)	(5)	2.6%	(5)	(6)	(25.4)%
Operating result	**1**	**(2)**	**–**	**1**	**(1)**	**–**
Net provisioning for impairment losses	(5)	1	–	(5)	(7)	(25.6)%
Other results	0	0	>500.0%	0	0	–
Profit/loss before tax	**(4)**	**(1)**	**213.2%**	**(4)**	**(8)**	**(49.3)%**
Income taxes	0	0	–	0	0	–
Profit/loss after tax	**(4)**	**(1)**	**213.2%**	**(4)**	**(8)**	**(50.5)%**
Assets	1,103	1,264	(12.7)%	1,103	1,146	(3.7)%
Loans and advances to customers	798	1,000	(20.2)%	798	825	(3.4)%
hereof corporate %	59.1%	60.1%	(1.0) PP	59.1%	59.0%	0.1 PP
hereof retail %	33.1%	32.2%	0.9 PP	33.1%	33.3%	(0.2) PP
hereof foreign currency %	4.8%	4.2%	0.5 PP	4.8%	4.3%	0.4 PP
Deposits from customers	447	430	4.0%	447	485	(7.7)%
Loan/deposit ratio (net)	149.1%	203.7%	(54.7) PP	149.1%	144.5%	4.5 PP
Equity	49	31	57.4%	49	53	(7.6)%
Return on equity before tax	–	–	–	–	–	–
Return on equity after tax	–	–	–	–	–	–
Cost/income ratio	88.4%	173.9%	(85.5) PP	88.4%	120.0%	(31.6) PP
Net interest margin (average interest-bearing assets)	1.32%	1.24%	0.08 PP	1.32%	1.31%	0.01 PP
Employees as at reporting date	225	247	(8.9)%	225	230	(2.2)%
Business outlets	14	16	(12.5)%	14	14	0.0%
Customers	61,603	64,528	(4.5)%	61,603	63,426	(2.9)%

USA

in € million	1/1-31/3 2015	1/1-31/3 2014	Change	Q1/2015	Q4/2014	Change
Net interest income	7	7	2.5%	7	8	(6.3)%
Net fee and commission income	2	2	10.4%	2	3	(28.3)%
Net trading income	0	0	–	0	0	62.7%
Sundry net operating income	0	0	5.6%	0	0	77.0%
Operating income	**9**	**9**	**2.9%**	**9**	**10**	**(11.5)%**
General administrative expenses	(4)	(4)	10.2%	(4)	(4)	15.4%
Operating result	**5**	**5**	**(2.6)%**	**5**	**7**	**(26.0)%**
Net provisioning for impairment losses	(1)	0	–	(1)	(4)	(69.7)%
Other results	0	0	–	0	0	–
Profit/loss before tax	**4**	**5**	**(28.6)%**	**4**	**3**	**29.7%**
Income taxes	(1)	(2)	(36.0)%	(1)	0	–
Profit/loss after tax	**3**	**4**	**(25.5)%**	**3**	**3**	**(13.5)%**
Assets	875	670	30.6%	875	814	7.5%
Loans and advances to customers	774	638	21.4%	774	716	8.1%
hereof corporate %	100.0%	100.0%	0.0 PP	100.0%	100.0%	0.0 PP
hereof retail %	0.0%	0.0%	0.0 PP	0.0%	0.0%	0.0 PP
hereof foreign currency %	5.7%	5.2%	0.6 PP	5.7%	8.1%	(2.3) PP
Deposits from customers	0	0	–	0	0	–
Loan/deposit ratio (net)	–	–	–	–	–	–
Equity	45	35	28.3%	45	38	20.7%
Return on equity before tax	41.2%	75.9%	(34.7) PP	41.2%	40.1%	1.2 PP
Return on equity after tax	30.5%	53.8%	(23.3) PP	30.5%	44.4%	(13.9) PP
Cost/income ratio	45.6%	42.6%	3.0 PP	45.6%	35.0%	10.7 PP
Net interest margin (average interest-bearing assets)	3.56%	5.90%	(2.34) PP	3.56%	3.83%	(0.27) PP
Employees as at reporting date	62	66	(6.1)%	62	65	(4.6)%
Business outlets	2	2	0.0%	2	2	0.0%
Customers	–	–	–	–	–	–

Interim consolidated financial statements

(Interim report as at March 31, 2015)

Statement of comprehensive income

Income statement

in € million	Notes	1/1-31/3/2015	1/1-31/3/2014	Change
Interest income		1,301	1,442	(9.8)%
Interest expenses		(480)	(463)	3.7%
Net interest income	**[2]**	**820**	**979**	**(16.2)%**
Net provisioning for impairment losses	[3]	(260)	(281)	(7.4)%
Net interest income after provisioning		**560**	**697**	**(19.7)%**
Fee and commission income		457	471	(2.9)%
Fee and commission expense		(98)	(95)	2.5%
Net fee and commission income	**[4]**	**360**	**376**	**(4.2)%**
Net trading income	[5]	(62)	(19)	220.8%
Net income from derivatives and liabilities	[6]	20	(27)	–
Net income from financial investments	[7]	64	37	75.0%
General administrative expenses	[8]	(691)	(755)	(8.5)%
Other net operating income	[9]	(63)	(57)	11.0%
Net income from disposal of group assets	[10]	1	(11)	–
Profit/loss before tax		**188**	**240**	**(21.9)%**
Income taxes	[11]	(88)	(67)	30.2%
Profit/loss after tax		**100**	**173**	**(42.1)%**
Profit attributable to non-controlling interests		(17)	(12)	36.8%
Consolidated profit/loss		**83**	**161**	**(48.1)%**

Earnings per share

in €	1/1-31/3/2015	1.1.-31.3.2014[1]	Change
Earnings per share	0.29	0.60	(0.31)

1 Earnings per share published in the first quarter 2014 considered dividend on participation capital. In 2014, no dividend was paid on participation capital. Therefore adapted earnings per share amounted to € 0.60.

Earnings per share are obtained by dividing consolidated profit by the average number of ordinary shares outstanding. As at March 31, 2015, the number of average ordinary shares oustanding was 292.4 million (March 31, 2014: 268.1 million). As there were no conversion rights or options outstanding, a dilution of earnings per share did not occur.

Other comprehensive income and total comprehensive income

	Total		Group equity		Non-controlling interests	
in € million	1/1-31/3 2015	1/1-31/3 2014	1/1-31/3 2015	1/1-31/3 2014	1/1-31/3 2015	1/1-31/3 2014
Profit/loss after tax	**100**	**173**	**83**	**161**	**17**	**12**
Items which are not reclassified to profit and loss	**0**	**0**	**0**	**0**	**0**	**0**
Remeasurements of defined benefit plans	0	0	0	0	0	0
Deferred taxes on items which are not reclassified to profit and loss	0	0	0	0	0	0
Items that may be reclassified subsequently to profit or loss	**267**	**(451)**	**271**	**(441)**	**(4)**	**(10)**
Exchange differences	284	(466)	287	(455)	(4)	(11)
Capital hedge	(11)	1	(11)	1	0	0
Hyperinflation	0	13	0	12	0	2
Net gains (losses) on derivatives hedging fluctuating cash flows	(15)	0	(15)	0	0	0
Net gains (losses) on financial assets available-for-sale	6	3	6	3	0	0
Deferred taxes on income and expenses directly recognized in equity	3	(1)	3	(1)	0	0
Other comprehensive income	**267**	**(451)**	**271**	**(441)**	**(4)**	**(10)**
Total comprehensive income	**367**	**(278)**	**354**	**(280)**	**13**	**2**

Quarterly results

in € million	Q2/2014	Q3/2014	Q4/2014	Q1/2015
Net interest income	975	940	895	820
Net provisioning for impairment losses	(287)	(515)	(633)	(260)
Net interest income after provisioning	**688**	**425**	**262**	**560**
Net fee and commission income	389	404	417	360
Net trading income	28	30	(68)	(62)
Net income from derivatives and liabilities	(15)	103	28	20
Net income from financial investments	42	23	(39)	64
General administrative expenses	(764)	(776)	(728)	(691)
Other net operating income	(90)	(225)	(352)	(63)
Net income from disposal of group assets	0	1	0	1
Profit/loss before tax	**278**	**(16)**	**(479)**	**188**
Income taxes	(79)	(96)	(243)	(88)
Profit/loss after tax	**198**	**(112)**	**(722)**	**100**
Profit attributable to non-controlling interests	(15)	(7)	4	(17)
Consolidated profit/loss	**183**	**(119)**	**(718)**	**83**

in € million	Q2/2013	Q3/2013	Q4/2013	Q1/2014
Net interest income	972	940	953	979
Net provisioning for impairment losses	(249)	(330)	(350)	(281)
Net interest income after provisioning	**722**	**610**	**603**	**697**
Net fee and commission income	411	417	424	376
Net trading income	60	100	81	(19)
Net income from derivatives and liabilities	(66)	(56)	(14)	(27)
Net income from financial investments	(23)	9	(15)	37
General administrative expenses	(829)	(813)	(910)	(755)
Other net operating income	(58)	(38)	(30)	(57)
Net income from disposal of group assets	0	0	0	(11)
Profit/loss before tax	**216**	**229**	**138**	**240**
Income taxes	(79)	(80)	4	(67)
Profit/loss after tax	**137**	**149**	**142**	**173**
Profit attributable to non-controlling interests	(17)	(15)	4	(12)
Consolidated profit/loss	**120**	**134**	**146**	**161**

Statement of financial position

Assets in € million	Notes	31/3/2015	31/12/2014	Change
Cash reserve	[13]	7,073	6,769	4.5%
Loans and advances to banks	[14, 39]	15,016	15,573	(3.6)%
Loans and advances to customers	[15, 39]	80,493	77,925	3.3%
Impairment losses on loans and advances	[16]	(6,426)	(6,069)	5.9%
Trading assets	[17, 39]	8,533	7,917	7.8%
Derivatives	[18, 39]	1,610	1,643	(2.0)%
Financial investments	[19, 39]	14,015	14,468	(3.1)%
Investments in associates	[39]	0	0	(0.2)%
Intangible fixed assets	[20]	750	759	(1.2)%
Tangible fixed assets	[21]	1,438	1,408	2.2%
Other assets	[22, 39]	1,674	1,231	36.0%
Total assets		**124,176**	**121,624**	**2.1%**

Equity and liabilities in € million	Notes	31/3/2015	31/12/2014	Change
Deposits from banks	[23, 39]	22,455	22,408	0.2%
Deposits from customers	[24, 39]	68,205	66,094	3.2%
Debt securities issued	[25, 39]	9,324	10,593	(12.0)%
Provisions for liabilities and charges	[26, 39]	945	969	(2.4)%
Trading liabilities	[27, 39]	7,419	6,877	7.9%
Derivatives	[28, 39]	1,268	778	62.9%
Other liabilities	[29, 39]	1,533	1,417	8.2%
Subordinated capital	[30, 39]	4,373	4,185	4.5%
Equity	[31]	8,654	8,302	4.2%
Consolidated equity		8,072	8,300	(2.8)%
Consolidated profit/loss		83	(493)	–
Non-controlling interests		499	495	0.9%
Total equity and liabilities		**124,176**	**121,624**	**2.1%**

Statement of changes in equity

in € million	Subscribed capital	Participation capital	Capital reserves	Retained earnings	Consolidated profit/loss	Non-controlling interests	Total
Equity as at 1/1/2015	**892**	**0**	**4,991**	**2,417**	**(493)**	**495**	**8,302**
Capital increases/decreases	0	0	0	0	0	0	0
Transferred to retained earnings	0	0	0	(493)	493	0	0
Dividend payments	0	0	0	0	0	(3)	(3)
Total comprehensive income	0	0	0	271	83	13	367
Own shares/share incentive program	0	0	0	(1)	0	0	0
Other changes	0	0	0	(6)	0	(5)	(12)
Equity as at 31/3/2015	**892**	**0**	**4,992**	**2,188**	**83**	**499**	**8,654**

in € million	Subscribed capital	Participation capital	Capital reserves	Retained earnings	Consolidated profit/loss	Non-controlling interests	Total
Equity as at 1/1/2014	**595**	**2,500**	**2,575**	**3,652**	**557**	**485**	**10,364**
Capital increases/decreases	297	0	2,435	0	0	0	2,732
Transferred to retained earnings	0	0	0	557	(557)	0	0
Dividend payments	0	0	0	0	0	(2)	(2)
Total comprehensive income	0	0	0	(441)	161	2	(278)
Own shares/share incentive program	0	0	(5)	5	0	0	0
Other changes	0	0	(6)	5	0	7	6
Equity as at 31/3/2014	**892**	**2,500**	**4,999**	**3,778**	**161**	**492**	**12,821**

Statement of cash flows

in € million	1/1-31/3/2015	1/1-31/3/2014
Cash and cash equivalents at the end of previous period	**6,769**	**6,674**
Net cash from operating activities	(2,339)	(4,433)
Net cash from investing activities	2,349	(156)
Net cash from financing activities	16	2,945
Effect of exchange rate changes	278	(217)
Cash and cash equivalents at the end of period	**7,073**	**4,814**

Segment reporting

As a rule, internal management reporting at RBI is based on the current organizational structure. This matrix structure means that each member of the Management Board is responsible both for individual countries and for specific business activities (country and functional responsibility model). A cash generating unit within the Group is either a country or a business activity. Accordingly, the RBI management bodies – Management Board and Supervisory Board – make key decisions that determine the resources allocated to any given segment based on its financial strength and profitability, which is why these reporting criteria are an essential component in the decision-making process. Thus, the division into segments was also undertaken in accordance with IFRS 8. The reconciliation contains mainly the amounts resulting from the elemination of intra-group results and consolidation between the segments.

In February 2015, RBI decided to implement a range of measures to increase its capital buffer. These are intended to improve the CET1 ratio (fully loaded) to 12 per cent by the end of 2017. The planned steps will particularly affect those of RBI's business activities that generate low net income, have high capital requirements or are of lesser strategic importance. These measures include the sale of the units in Poland and Slovenia as well as the online bank Zuno AG. In line with the Group's focus on Central and Eastern Europe, business activities in Asia and the USA will be significantly reduced or exited by the end of 2017 and the end of 2016, respectively. For this reason, segment reporting was adapted at the start of the year. A separate Non-Core segment encompasses those business divisions which are to be disposed of or reduced. Additionally, the units in Belarus, Kazakhstan, Russia and Ukraine have been combined in the Eastern Europe segment.

This results in the following segments:

- Central Europe (Czech Republic, Hungary and Slovakia)
- Southeastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia)
- Eastern Europe (Belarus, Kazakhstan, Russia and Ukraine)
- Group Corporates (large corporate business activities with Austrian and multinational customers operated from Vienna)
- Group Markets (capital market-based customer and proprietary business operated from Vienna)
- Corporate Center (central control functions at Group head office and other Group units)
- Non-Core (Asia, Poland, Slovenia, USA and Zuno AG)

1/1-31/3/2015 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates	Group Markets
Net interest income	167	193	249	83	27
Net fee and commission income	97	87	93	14	27
Net trading income	16	12	(48)	0	22
Sundry net operating income	(9)	4	(5)	1	2
Operating income	**272**	**295**	**289**	**98**	**79**
General administrative expenses	(150)	(159)	(130)	(32)	(58)
Operating result	**122**	**136**	**159**	**66**	**21**
Net provisioning for impairment losses	(22)	(41)	(134)	(47)	(1)
Other results	(38)	(6)	59	(4)	(7)
Profit/loss before tax	**62**	**89**	**84**	**16**	**13**
Income taxes	(19)	(12)	(35)	(4)	(3)
Profit/loss after tax	**43**	**77**	**50**	**12**	**10**
Profit attributable to non-controlling interests	(22)	0	(1)	0	0
Profit/loss after deduction of non-controlling interests	**21**	**77**	**49**	**12**	**10**
Risk-weighted assets (credit risk)	12,160	12,045	12,204	8,654	2,871
Risk-weighted assets (total RWA)	14,343	14,532	14,602	9,499	5,055
Total capital requirement	1,147	1,163	1,168	760	404
Assets	25,131	21,432	17,635	16,593	18,543
Liabilities	22,877	18,335	15,732	11,357	22,026
Net interest margin (average interest-bearing assets)	2.79%	3.83%	6.39%	1.91%	0.97%
NPL ratio	10.3%	13.2%	14.9%	8.2%	7.5%
NPL coverage ratio	71.6%	67.2%	85.4%	51.7%	78.9%
Cost/income ratio	55.1%	53.8%	45.0%	32.4%	73.8%
Provisioning ratio (average loans and advances to customers)	0.47%	1.23%	4.31%	1.17%	0.12%
Average equity	1,706	1,667	1,631	1,099	530
Return on equity before tax	**14.6%**	**21.4%**	**20.6%**	**5.7%**	**9.6%**
Business outlets	419	1,072	980	0	5

1/1-31/3/2015 in € million	Corporate Center	Non-Core	Reconciliation	Total
Net interest income	252	106	(257)	820
Net fee and commission income	5	41	(5)	360
Net trading income	(72)	2	7	(62)
Sundry net operating income	26	3	(23)	0
Operating income	**212**	**152**	**(278)**	**1,118**
General administrative expenses	(79)	(105)	22	(691)
Operating result	**132**	**47**	**(256)**	**427**
Net provisioning for impairment losses	(3)	(16)	3	(260)
Other results	28	(1)	(10)	21
Profit/loss before tax	**157**	**30**	**(263)**	**188**
Income taxes	(3)	(13)	0	(88)
Profit/loss after tax	**155**	**17**	**(263)**	**100**
Profit attributable to non-controlling interests	(1)	0	8	(17)
Profit/loss after deduction of non-controlling interests	**154**	**17**	**(255)**	**83**
Risk-weighted assets (credit risk)	15,811	11,801	(16,048)	59,498
Risk-weighted assets (total RWA)	17,715	13,253	(15,517)	73,482
Total capital requirement	1,417	1,060	(1,241)	5,879
Assets	29,446	21,676	(26,280)	124,176
Liabilities	26,265	19,603	(20,672)	115,522
Net interest margin (average interest-bearing assets)	–	2.07%	–	2.94%
NPL ratio	–	14.0%	–	11.9%
NPL coverage ratio	–	52.6%	–	66.2%
Cost/income ratio	37.5%	69.3%	–	61.8%
Provisioning ratio (average loans and advances to customers)	0.27%	0.43%	–	1.30%
Average equity	2,154	1,453	(1,854)	8,384
Return on equity before tax	**29.2%**	**8.2%**	**–**	**9.0%**
Business outlets	1	374	–	2,851

1/1-31/3/2014 in € million	Central Europe	Southeastern Europe	Eastern Europe	Group Corporates	Group Markets
Net interest income	175	209	304	82	39
Net fee and commission income	91	82	114	33	29
Net trading income	7	16	(29)	1	14
Sundry net operating income	(14)	10	10	0	4
Operating income	**259**	**318**	**398**	**115**	**86**
General administrative expenses	(150)	(163)	(191)	(32)	(62)
Operating result	**109**	**155**	**208**	**84**	**24**
Net provisioning for impairment losses	(40)	(63)	(119)	(28)	2
Other results	(40)	2	42	(1)	(4)
Profit/loss before tax	**30**	**94**	**131**	**54**	**22**
Income taxes	(16)	(14)	(29)	(14)	(4)
Profit/loss after tax	**14**	**80**	**102**	**40**	**17**
Profit attributable to non-controlling interests	(11)	0	1	0	0
Profit/loss after deduction of non-controlling interests	**3**	**80**	**103**	**40**	**17**
Risk-weighted assets (credit risk)	12,755	12,662	12,989	9,110	4,624
Risk-weighted assets (total RWA)	15,040	15,254	16,051	9,392	5,760
Total capital requirement	1,203	1,220	1,284	751	474
Assets	23,315	20,752	19,861	16,423	16,579
Liabilities	21,151	17,758	16,667	10,730	17,446
Net interest margin (average interest-bearing assets)	3.18%	4.30%	6.34%	1.75%	1.09%
NPL ratio	12.1%	14.0%	11.0%	6.2%	16.0%
NPL coverage ratio	64.9%	64.1%	76.7%	50.5%	65.3%
Cost/income ratio	57.8%	51.3%	47.9%	27.5%	72.3%
Provisioning ratio (average loans and advances to customers)	0.89%	1.09%	3.39%	0.63%	(0.29)%
Average equity	2,305	2,321	2,555	1,574	873
Return on equity before tax	**5.2%**	**16.1%**	**20.5%**	**13.7%**	**9.8%**
Business outlets	431	1,094	1,063	1	4

1/1-31/3/2014 in € million	Corporate Center	Non-Core	Reconciliation	Total
Net interest income	127	131	(87)	979
Net fee and commission income	(4)	43	(12)	376
Net trading income	(27)	(6)	4	(19)
Sundry net operating income	29	1	(30)	10
Operating income	**125**	**169**	**(125)**	**1,345**
General administrative expenses	(72)	(113)	28	(755)
Operating result	**52**	**56**	**(98)**	**590**
Net provisioning for impairment losses	(8)	(25)	(1)	(281)
Other results	(59)	0	(8)	(69)
Profit/loss before tax	**(15)**	**31**	**(106)**	**240**
Income taxes	17	(8)	0	(67)
Profit/loss after tax	**2**	**23**	**(106)**	**173**
Profit attributable to non-controlling interests	(2)	0	0	(12)
Profit/loss after deduction of non-controlling interests	**1**	**23**	**(106)**	**161**
Risk-weighted assets (credit risk)	18,751	11,067	(16,602)	65,357
Risk-weighted assets (total RWA)	19,193	12,636	(13,426)	79,900
Total capital requirement	1,535	997	(1,074)	6,392
Assets	33,405	22,457	(25,445)	125,410
Liabilities	23,435	17,016	(13,481)	112,590
Net interest margin (average interest-bearing assets)	–	2.38%	–	3.35%
NPL ratio	–	9.4%	–	10.6%
NPL coverage ratio	–	66.3%	–	65.2%
Cost/income ratio	57.9%	66.6%	–	56.1%
Provisioning ratio (average loans and advances to customers)	–	0.65%	–	1.40%
Average equity	2,719	1,808	(2,064)	12,091
Return on equity before tax	**(2.2)%**	**7.0%**	**–**	**7.9%**
Business outlets	1	397	0	2,991

Notes

Principles underlying the consolidated financial statements

Principles of preparation

The condensed interim consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the international accounting standards adopted by the EU on the basis of IAS Regulation (EC) 1606/2002 including the applicable interpretations of the International Financial Reporting Interpretations Committee (IFRIC/SIC). The condensed consolidated interim financial statements as at March 31, 2015 are prepared in accordance with IAS 34.

In addition to the information on risks arising from financial instruments in the individual notes to the financial statements, the risk report section in particular contains detailed information on the issues of credit risk, concentration risk, market risk, and liquidity risk.

The interim report as at March 31, 2015 did not undergo a complete audit, nor did it undergo an audit inspection carried out by a certified auditor (framework prime market of the Vienna Stock Exchange).

The same recognition and measurement principles and consolidation methods were fundamentally applied in the interim reporting, as those used in preparing the consolidated financial statements 2014 (see Annual Report 2014, page 212 ff). Standards and interpretations to be applied in the EU from January 1, 2015 onward were accounted for in this interim report.

The relevant provisions for accounting in hyperinflation economies according to IAS 29 were applied for two subsidiaries in Belarus until December 31, 2014. Since 2011, the historical acquisition and production costs had been adjusted due to the changes in the general purchasing power and had been disclosed in the prevailing measuring unit at the reporting date until December 31, 2014. From January 1, 2015 on, accounting for hyperinflation economies was finished because the relevant parameters indicating hyperinflation were no longer given. The carrying values in 2015 were based on all carrying values stated in the prevailing measuring unit as at December 31, 2014. Expense and income items were again translated with the average exchange rate for the consolidated financial statements while the application of IAS 29 required period-end exchange rates.

Critical accounting judgements and key sources of estimation uncertainty

If estimates or assessments are necessary for accounting and measuring under IAS/IFRS rules, they are made in accordance with the respective standards. They are based on past experience and other factors, such as planning and expectations or forecasts of future events that appear likely from today's standard. This primarily affects impairment losses in the credit business, the fair value and the impairment of financial instruments, deferred taxes, provisions for pensions and pension-related liabilities, and calculations used to determine the recoverability of goodwill and the intangible asset values capitalized in the course of the initial consolidation. The actual values may deviate from the estimated figures.

Application of new and revised standards

The annual improvements to IFRS 2010–2012 cycle (entry into force February 1, 2015 in the EU) and 2011–2013 cycle (entry into force January 1, 2015 in the EU) comprise numerous amendments to various standards. The amendments are effective for annual periods beginning on or after February 1, 2015. They comprise amendments to various IFRS with impacts on the recognition, measurement and disclosure of business cases as well as terminological and editorial adaptions.

The amendments to IAS 19 (entry into force February 1, 2015 in the EU) clarify the provisions that relate to the allocation of employee or third party contributions linked to service to periods of service. In addition, a solution that simplifies accounting practice is permitted if the amount of the contributions is independent on the number of years of service performed.

The first-time application of the above mentioned IFRS had no material impact on the interim consolidated financial statements as the amendments had been contingently applicable.

Currencies

Rates in units per €	2015 As at 31/3	2015 Average 1/1-31/3	2014 As at 31/12	2014 Average 1/1-31/3
Albanian lek (ALL)	140.340	140.140	140.140	140.263
Belarusian rouble (BYR)	15,970.000	16,112.500	14,380.000	13,287.500
Bosnian marka (BAM)	1.956	1.956	1.956	1.956
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Croatian kuna (HRK)	7.645	7.672	7.658	7.644
Czech koruna (CZK)	27.533	27.626	27.735	27.428
Hungarian forint (HUF)	299.430	307.508	315.540	306.983
Kazakh tenge (KZT)	201.630	210.098	221.970	230.965
Malaysian Ringgit (MYR)	3.987	4.101	4.247	4.518
Polish zloty (PLN)	4.085	4.180	4.273	4.186
Romanian leu (RON)	4.410	4.444	4.483	4.482
Russian rouble (RUB)	62.440	70.976	72.337	47.949
Serbian dinar (RSD)	120.215	121.263	120.958	115.471
Singapore dollar (SGD)	1.477	1.535	1.606	1.739
Turkish lira (TRY)	2.813	2.808	2.832	3.015
Ukrainian hryvnia (UAH)	25.449	23.596	19.233	12.650
US-Dollar (USD)	1.076	1.136	1.214	1.373

Consolidated group

Number of units	Fully consolidated 31/3/2015	Fully consolidated 31/12/2014	Equity method 31/3/2015	Equity method 31/12/2014
As at beginning of period	**135**	**143**	**0**	**1**
Included for the first time in the financial period	10	10	0	0
Merged in the financial period	(1)	0	0	0
Excluded in the financial period	(22)	(18)	0	(1)
As at end of period	**122**	**135**	**0**	**0**

Four companies operating in leasing business and six companies in investment business are included in the Group for the first time. 16 entities were excluded due to immateriality and further six companies were sold.

Notes to the income statement

(1) Income statement according to measurement categories

in € million	1/1-31/3/2015	1/1-31/3/2014
Net income from financial assets and liabilities held-for-trading	152	196
Net income from financial assets and liabilities at fair value through profit or loss	181	44
Net income from financial assets available-for-sale	(4)	2
Net income from loans and advances	847	921
Net income from financial assets held-to-maturity	37	42
Net income from financial liabilities measured at acquisition cost	(481)	(463)
Net income from derivatives (hedging)	62	32
Net revaluations from exchange differences	(211)	(87)
Other operating income/expenses	(394)	(447)
Profit/loss before tax from continuing operations	**188**	**240**

(2) Net interest income

in € million	1/1-31/3/2015	1/1-31/3/2014
Interest and interest-like income, total	**1,301**	**1,442**
Interest income	1,295	1,435
from balances at central banks	12	8
from loans and advances to banks	42	48
from loans and advances to customers	1,005	1,095
from financial investments	81	112
from leasing claims	44	46
from derivative financial instruments - economic hedge	54	82
from derivative financial instruments - hedge accounting	57	46
Current income	2	1
from shares and other variable-yield securities	1	0
from shares in affiliated companies	1	1
Interest-like income	4	6
Interest expenses and interest-like expenses, total	**(480)**	**(463)**
Interest expenses	(478)	(451)
on deposits from central banks	(20)	(2)
on deposits from banks	(59)	(85)
on deposits from customers	(301)	(249)
on debt securities issued	(48)	(63)
on subordinated capital	(51)	(52)
Interest-like expenses	(2)	(12)
Total	**820**	**979**

(3) Net provisioning for impairment losses

in € million	1/1-31/3/2015	1/1-31/3/2014
Individual loan loss provisions	**(220)**	**(269)**
Allocation to provisions for impairment losses	(478)	(594)
Release of provisions for impairment losses	281	344
Direct write-downs	(37)	(29)
Income received on written-down claims	15	10
Portfolio-based loan loss provisions	**(42)**	**(13)**
Allocation to provisions for impairment losses	(152)	(149)
Release of provisions for impairment losses	109	136
Gains from loan termination or sale	**1**	**1**
Total	**(260)**	**(281)**

(4) Net fee and commission income

in € million	1/1-31/3/2015	1/1-31/3/2014
Payment transfer business	148	172
Loan and guarantee business	48	53
Securities business	36	31
Foreign currency, notes/coins, and precious metals business	92	88
Management of investment and pension funds	12	7
Sale of own and third party products	11	8
Other banking services	13	16
Total	**360**	**376**

(5) Net trading income

in € million	1/1-31/3/2015	1/1-31/3/2014
Interest-based transactions	76	32
Currency-based transactions	(149)	(40)
Equity-/index-based transactions	11	7
Other transactions	0	(20)
Total	**(62)**	**(19)**

The refinancing expenses for trading assets included in net trading income amounted to € 6 million (comparable period: € 14 million).

(6) Income from derivatives and liabilities

in € million	1/1-31/3/2015	1/1-31/3/2014
Net income from hedge accounting	5	(13)
Net income from other derivatives	(51)	47
Net income from liabilities designated at fair value	66	(61)
Income from repurchase of liabilities	(1)	0
Total	**20**	**(27)**

(7) Net income from financial investments

in € million	1/1-31/3/2015	1/1-31/3/2014
Net income from equity participations	**(5)**	**1**
Net valuations of equity participations	(7)	0
Net proceeds from sales of equity participations	2	1
Net income from securities at fair value through profit and loss	**69**	**35**
Net valuations of securities	71	36
Net proceeds from sales of securities	(2)	(1)
Total	**64**	**37**

(8) General administrative expenses

in € million	1/1-31/3/2015	1/1-31/3/2014
Staff expenses	**(345)**	**(390)**
Wages and salaries	(266)	(298)
Social security costs and staff-related taxes	(63)	(74)
Other voluntary social expenses	(10)	(10)
Sundry staff expenses	(6)	(8)
Other administrative expenses	**(274)**	**(286)**
Office space expenses	(68)	(80)
IT expenses	(66)	(64)
Communication expenses	(17)	(18)
Legal, advisory and consulting expenses	(23)	(24)
Advertising, PR and promotional expenses	(18)	(22)
Deposit insurance fees	(28)	(26)
Resolution fund	(11)	0
Car expenses	(4)	(5)
Security expenses	(8)	(12)
Traveling expenses	(3)	(3)
Training expenses for staff	(2)	(3)
Sundry administrative expenses	(21)	(22)
Depreciation of tangible and intangible fixed assets	**(71)**	**(78)**
Tangible fixed assets	(30)	(35)
Intangible fixed assets	(34)	(36)
Leased assets (operating lease)	(7)	(7)
Total	**(691)**	**(755)**

(9) Other net operating income

in € million	1/1-31/3/2015	1/1-31/3/2014
Net income arising from non-banking activities	5	8
Rental income from operating lease (vehicles and equipment)	7	8
Rental income from investment property incl. operating lease (real estate)	10	8
Other taxes	(81)	(83)
hereof bank levies	(64)	(67)
Net expense from allocation and release of other provisions	(3)	(11)
Sundry operating income and expenses	(1)	14
Total	**(63)**	**(57)**

(10) Net income from disposal of group assets

In the reporting period, 16 subsidiaries were excluded from the consolidated group due to materiality reasons. Moreover, six subsidiaries were excluded due to sale. Net income from disposal of group assets amounted to € 1 million.

(11) Income taxes

in € million	1/1-31/3/2015	1/1-31/3/2014
Current income taxes	(80)	(49)
Austria	(14)	1
Foreign	(67)	(50)
Deferred taxes	(7)	(19)
Total	**(88)**	**(67)**

Notes to the statement of financial position

(12) Statement of financial position according to measurement categories

Assets according to measurement categories in € million	31/3/2015	31/12/2014
Cash reserve	7,073	6,769
Trading assets	9,217	8,618
Financial assets at fair value through profit or loss	5,478	3,854
Financial assets available-for-sale	2,515	2,366
Loans and advances	90,756	88,661
Financial assets held-to-maturity	6,022	8,248
Derivatives (hedging)	927	942
Other assets	2,189	2,167
Total assets	**124,176**	**121,624**

Positive fair values of derivatives not designated as hedging instruments according to IAS 39 hedge accounting are reported in the measurement category trading assets. The measurement category financial assets available-for-sale comprises other affiliated companies, other equity participations as well as non fixed-interest and fixed-interest securities. Loans and advances are reported on a net basis after provisions for impairment losses. Other assets comprise intangible and tangible fixed assets.

Equity and liabilities according to measurement categories in € million	31/3/2015	31/12/2014
Trading liabilities	8,284	7,455
Financial liabilities	104,309	102,102
Liabilities at fair value through profit and loss	1,581	2,596
Derivatives (hedging)	402	201
Provisions for liabilities and charges	945	969
Equity	8,654	8,302
Total equity and liabilities	**124,176**	**121,624**

Negative fair values of derivatives not designated as hedging instruments according to IAS 39 hedge accounting are reported in the measurement category trading liabilities.

(13) Cash reserve

in € million	31/3/2015	31/12/2014
Cash in hand	2,019	3,025
Balances at central banks	5,054	3,743
Total	**7,073**	**6,769**

(14) Loans and advances to banks

Loans and advances to banks classified regionally (counterparty's seat) are as follows:

in € million	31/3/2015	31/12/2014
Austria	3,761	3,453
Foreign	11,255	12,120
Total	**15,016**	**15,573**

(15) Loans and advances to customers

in € million	31/3/2015	31/12/2014
Sovereigns	1,454	1,451
Corporate customers – large corporates	50,102	48,582
Corporate customers – mid market	3,001	2,958
Retail customers – private individuals	23,144	22,317
Retail customers – small and medium-sized entities	2,791	2,618
Total	**80,493**	**77,925**

Loans and advances to customers classified regionally (counterparty's seat) are as follows:

in € million	31/3/2015	31/12/2014
Austria	6,899	6,945
Foreign	73,594	70,980
Total	**80,493**	**77,925**

(16) Impairment losses on loans and advances

Provisions for impairment losses are allocated to the following asset classes:

in € million	31/3/2015	31/12/2014
Banks	120	115
Sovereigns	4	1
Corporate customers – large corporates	3,759	3,583
Corporate customers – mid market	334	305
Retail customers – private individuals	1,932	1,811
Retail customers – small and medium-sized entities	277	255
Total	**6,426**	**6,069**

(17) Trading assets

in € million	31/3/2015	31/12/2014
Bonds, notes and other fixed-interest securities	2,945	3,100
Shares and other variable-yield securities	393	348
Positive fair values of derivative financial instruments	5,195	4,469
Total	**8,533**	**7,917**

Pledged securities ready to be sold or repledged by transferee shown under trading assets amounted to € 567 million (31/12/2014: € 679 million).

(18) Derivatives

in € million	31/3/2015	31/12/2014
Positive fair values of derivatives in fair value hedges (IAS 39)	924	941
Positive fair values of derivatives in cash flow hedges (IAS 39)	2	0
Positive fair values of other derivatives	683	701
Total	**1,610**	**1,643**

(19) Financial investments

in € million	31/3/2015	31/12/2014
Bonds, notes and other fixed-interest securities	13,651	14,030
Shares and other variable-yield securities	10	8
Equity participations	354	430
Total	**14,015**	**14,468**

Pledged securities ready to be sold or repledged by the transferee shown under financial investments amounted to € 288 million (31/12/2014: € 352 million).

(20) Intangible fixed assets

in € million	31/3/2015	31/12/2014
Goodwill	143	140
Software	524	531
Other intangible fixed assets	83	88
Total	**750**	**759**

(21) Tangible fixed assets

in € million	31/3/2015	31/12/2014
Land and buildings used by the Group for own purpose	568	568
Other land and buildings (investment property)	348	275
Office furniture, equipment and other tangible fixed assets	279	298
Leased assets (operating lease)	243	266
Total	**1,438**	**1,408**

(22) Other assets

in € million	31/3/2015	31/12/2014
Tax assets	362	365
Current tax assets	74	81
Deferred tax assets	287	285
Receivables arising from non-banking activities	71	63
Prepayments and other deferrals	196	249
Clearing claims from securities and payment transfer business	168	256
Lease in progress	51	30
Assets held for sale (IFRS 5)	43	90
Inventories	54	41
Valuation fair value hedge portfolio	25	29
Any other business	705	108
Total	**1,674**	**1,231**

(23) Deposits from banks

Deposits from banks classified regionally (counterparty's seat) break down as follows:

in € million	31/3/2015	31/12/2014
Austria	9,377	8,765
Foreign	13,079	13,643
Total	**22,455**	**22,408**

(24) Deposits from customers

in € million	31/3/2015	31/12/2014
Sovereigns	2,158	1,151
Corporate customers – large corporates	30,999	31,289
Corporate customers – mid market	2,464	2,729
Retail customers – private individuals	28,200	26,786
Retail customers – small and medium-sized entities	4,384	4,140
Total	**68,205**	**66,094**

Deposits from customers classified regionally (counterparty's seat) are as follows:

in € million	31/3/2015	31/12/2014
Austria	6,221	6,493
Foreign	61,984	59,601
Total	**68,205**	**66,094**

(25) Debt securities issued

in € million	31/3/2015	31/12/2014
Bonds and notes issued	8,520	10,059
Money market instruments issued	787	517
Other debt securities issued	16	17
Total	**9,324**	**10,593**

(26) Provisions for liabilities and charges

in € million	31/3/2015	31/12/2014
Severance payments and other	82	81
Retirement benefits	33	33
Taxes	114	129
Current	63	83
Deferred	51	46
Contingent liabilities and commitments	98	98
Pending legal issues	97	94
Overdue vacation	52	51
Bonus payments	188	154
Restructuring	13	13
Settlement Act Hungary	159	251
Other	108	64
Total	**945**	**969**

(27) Trading liabilities

in € million	31/3/2015	31/12/2014
Negative fair values of derivative financial instruments	**6,114**	**5,686**
Interest-based transactions	3,142	3,079
Currency-based transactions	1,590	1,445
Equity-/index-based transactions	1,048	1,018
Credit derivatives business	24	17
Other transactions	309	128
Short-selling of trading assets	**616**	**498**
Certificates issued	**689**	**693**
Total	**7,419**	**6,877**

(28) Derivatives

in € million	31/3/2015	31/12/2014
Negative fair values of derivatives in fair value hedges (IAS 39)	170	137
Negative fair values of derivatives in cash flow hedges (IAS 39)	233	63
Negative fair values of other derivative financial instruments	865	578
Total	**1,268**	**778**

(29) Other liabilities

in € million	31/3/2015	31/12/2014
Liabilities from non-banking activities	50	52
Liabilities from insurance contracts	243	202
Accruals and deferred items	240	225
Liabilities from dividends	0	1
Clearing claims from securities and payment transfer business	333	414
Valuation fair value hedge portfolio	134	144
Liabilities held for Sale IFRS 5	0	12
Other liabilities	532	368
Total	**1,533**	**1,417**

(30) Subordinated capital

in € million	31/3/2015	31/12/2014
Hybrid tier 1 capital	397	397
Subordinated liabilities	3,976	3,788
Total	**4,373**	**4,185**

(31) Equity

in € million	31/3/2015	31/12/2014
Consolidated equity	8,072	8,300
Subscribed capital	892	892
Capital reserves	4,992	4,991
Retained earnings	2,188	2,417
Consolidated profit/loss	83	(493)
Non-controlling interests	499	495
Total	**8,654**	**8,302**

As at March 31, 2015 subscribed capital of RBI AG as defined by the articles of incorporation amounted to € 894 million. After deduction of 604,517 own shares, the stated subscribed capital totaled € 892 million.

Risk report

(32) Risks arising from financial instruments

Active risk management is a core competency of the Group. In order to effectively identify, measure, and manage risks, the Group continues to develop its comprehensive risk management system. Risk management is an integral part of overall bank management. In particular, in addition to legal and regulatory requirements, it takes into account the nature, scale and complexity of the business activities and the resulting risks. The principles and organization of risk management are disclosed in the relevant chapters of the 2014 Annual Report, pages 153 ff.

Economic capital

Economic capital constitutes an important instrument in overall bank risk management. It sets the internal capital requirement for all material risk categories being measured based on comparable models and thus allows for an agregated view of the Group's risk profile. Economic capital has thus become an important instrument in overall bank risk management and is used for making risk-adjusted business decisions and in performance measurement. For this purpose, a business unit's profit is set in relation to the economic capital attributed to the unit (return on risk-adjusted capital, RORAC).

Risk contribution of individual risk types to economic capital:

in € million	31/3/2015	Share	31/12/2014	Share
Credit risk corporate customers	1,924	27.9%	1,810	24.5%
Credit risk retail customers	1,737	25.2%	1,555	21.1%
Market risk	696	10.1%	1,367	18.5%
Operational risk	561	8.1%	630	8.5%
Macroeconomic risk	462	6.7%	462	6.3%
Credit risk sovereigns	452	6.6%	468	6.3%
Other tangible fixed assets	265	3.8%	275	3.7%
Credit risk financial institutions	217	3.2%	194	2.6%
Participation risk	106	1.5%	130	1.8%
Liquidity risk	101	1.5%	93	1.3%
CVA risk	40	0.6%	40	0.5%
Risk buffer	328	4.8%	351	4.8%
Total	**6,888**	**100.0%**	**7,376**	**100.0%**

Regional allocation of economic capital according to booking Group unit:

in € million	31/3/2015	Share	31/12/2014[1]	Share
Central Europe	2,315	33.6%	2,236	30.3%
Eastern Europe	2,086	30.3%	2,749	37.3%
Southeastern Europe	1,354	19.7%	1,304	17.7%
Austria	1,004	14.6%	936	12.7%
Rest of World	129	1.9%	151	2.0%
Total	**6,888**	**100.0%**	**7,376**	**100.0%**

1 Adaption of previous year figures due to changes in presentation of regions.

The Group uses a confidence level of 99.92 per cent for calculating economic capital. This confidence level corresponds to the probability of survival of the target rating. The objective of calculating economic capital is to determine the amount of capital that would be required for servicing all of the claims of customers and creditors even in the case of such an extremely rare loss event.

Credit risk

Reconciliation of figures from IFRS consolidated financial statements to total credit exposure (according to CRR)

The following table translates items of the statement of financial position (banking and trading book positions) into the maximum credit exposure, which is used in portfolio management. It includes exposures on and off the statement of financial position before the application of credit-conversion factors and thus represents the maximum credit exposure. It is not reduced by the effects of credit risk mitigation, for example guarantees and physical collateral, effects that are, however, considered in the total assessment of credit risks. The total credit exposure is used – if not explicitly stated otherwise – for showing exposures in all subsequent charts in the risk report. The reasons for the deviation between the figures of internal portfolio management and external accounting are the different scopes of consolidation (regulatory versus IFRS, i.e. corporate legal basis), different classification and presentation of exposure volumes.

in € million	31/3/2015	31/12/2014
Cash reserve	5,054	3,743
Loans and advances to banks	15,016	15,573
Loans and advances to customers	80,493	77,925
Trading assets	8,533	7,917
Derivatives	1,610	1,643
Financial investments	13,651	14,030
Other assets	1,740	979
Contingent liabilities	10,619	10,038
Commitments	9,471	10,020
Revocable credit lines	17,487	18,269
Description differences	(5,319)	(4,897)
Total	**158,354**	**155,240**

Items on the statement of financial position contain only credit risk parts.

A more detailed credit portfolio analysis is based on individual customer ratings. Ratings are performed separately for different asset classes using internal risk classification models (rating and scoring models), which are validated by a central organization unit. Default probabilities assigned to individual rating grades are estimated for each asset class separately. As a consequence the default probability of the same ordinal rating grade (e.g. good credit standing corporates 4, financial institutions A3, and sovereigns A3) is different between these asset classes.

Rating models in the main non-retail asset classes – corporates, financial institutions, and sovereigns – are uniform in all Group units and rank creditworthiness in 27 grades for corporate customers and 10 grades for financial institutions and sovereigns. For retail asset classes, country specific scorecards are developed based on uniform Group standards. Customer rating, as well as validation is supported by specific software tools (e.g., for business valuation, rating and default database).

Credit portfolio – Corporates

The following table shows the total credit exposure by internal rating for corporate customers (large corporates and mid-market). For a better readability, the individual grades of the rating scale are summarized to the 9 main rating grades.

in € million		31/3/2015	Share	31/12/2014	Share
1	Minimal risk	4,146	5.4%	4,197	5.6%
2	Excellent credit standing	10,411	13.6%	10,172	13.6%
3	Very good credit standing	9,538	12.4%	9,004	12.0%
4	Good credit standing	10,694	13.9%	10,044	13.4%
5	Sound credit standing	13,564	17.7%	13,794	18.4%
6	Acceptable credit standing	11,640	15.2%	11,288	15.1%
7	Marginal credit standing	5,964	7.8%	5,950	7.9%
8	Weak credit standing / sub-standard	2,679	3.5%	2,694	3.6%
9	Very weak credit standing / doubtful	1,471	1.9%	1,566	2.1%
10	Default	6,192	8.1%	5,921	7.9%
NR	Not rated	377	0.5%	213	0.3%
Total		**76,676**	**100.0%**	**74,842**	**100.0%**

Compared to year-end 2014, total credit exposure for corporate customers increased € 1,834 million to € 76,676 million. At the end of the first quarter, the largest segment in terms of corporate customers was Group Corporates with € 24,638 million, followed by Central Europe with € 13,297 million, Eastern Europe with € 11,311 million and Non-Core with € 11,031 million. The rest is divided between Southeastern Europe with € 8,977 million, Group Markets with € 5,839 million and Corporate Center with € 1,583 million.

The share of loans with good to minimum risk credit profiles slightly increased to 45.3 per cent (2014: 44.6 per cent). The share of loans with marginal credit standing to even weaker credit profiles decreased from 13.6 per cent to 13.2 per cent. This reflects the loan portfolio's active management. Based thereon, the portfolio's growth is strongly focused on economically thriving markets and at the same time the high lending standards demand that new loans were granted primarily to customers with good credit ratings. The share of default loans according to CRR (rating 10) amounted to 8.1 per cent or € 6,192 million of total credit exposure to corporate customers.

The rating model for project finance has five grades and takes into account both the individual probability of default and the available collateral. The exposure from project finance is shown in the table below:

in € million		31/3/2015	Share	31/12/2014	Share
6.1	Excellent project risk profile – very low risk	3,670	41.9%	3,571	41.5%
6.2	Good project risk profile – low risk	3,208	36.6%	3,100	36.0%
6.3	Acceptable project risk profile – average risk	539	6.2%	734	8.5%
6.4	Poor project risk profile – high risk	518	5.9%	487	5.7%
6.5	Default	817	9.3%	717	8.3%
NR	Not rated	1	0.0%	0	0.0%
Total		**8,754**	**100.0%**	**8,609**	**100.0%**

At the end of the first quarter, the credit exposure in project finance amounted to € 8,754 million, with the two best rating grades – excellent project risk profile with a very low risk and good project risk profile, with a low risk - accounting for the highest share, at 78.5 per cent. This reflects mainly the high level of collaterialzation in such specialized lending transactions.

The following table provides a breakdown by country of risk of the maximum credit exposure for corporates and project finance structured by regions:

in € million	31/3/2015	Share	31/12/2014[1]	Share
Central Europe	22,802	26.7%	22,453	26.9%
Austria	16,191	19.0%	15,943	19.1%
Eastern Europe	15,828	18.5%	15,553	18.6%
Southeastern Europe	10,485	12.3%	10,805	12.9%
Western Europe	9,390	11.0%	9,197	11.0%
Asia	5,446	6.4%	4,995	6.0%
Other	5,287	6.2%	4,504	5.4%
Total	**85,429**	**100.0%**	**83,451**	**100.0%**

1 Adaption of previous year figures due to changes in presentation of regions.

The table below provides a breakdown of the maximum credit exposure for corporates and project finance selected by industries:

in € million	31/3/2015	Share	31/12/2014	Share
Wholesale and retail trade	19,586	22.9%	19,367	23.2%
Manufacturing	18,237	21.3%	18,112	21.7%
Real estate	9,758	11.4%	9,612	11.5%
Financial intermediation	10,445	12.2%	9,786	11.7%
Construction	6,146	7.2%	5,473	6.6%
Transport, storage and communication	3,735	4.4%	3,613	4.3%
Electricity, gas, steam and hot water supply	3,539	4.1%	3,236	3.9%
Freelance/technical services	4,307	5.0%	4,390	5.3%
Other industries	9,677	11.3%	9,863	11.8%
Total	**85,429**	**100.0%**	**83,451**	**100.0%**

Credit portfolio – Retail customers

Retail customers are subdivided into private individuals and small and medium-sized entities (SMEs). For retail customers, a two-fold scoring system is used – consisting of the initial and ad-hoc scoring based on customer data and of the behavioral scoring based on account data. The table below provides a breakdown of the retail credit exposure:

in € million	31/3/2015	Share	31/12/2014	Share
Retail customers – private individuals	25,759	88.5%	25,273	88.3%
Retail customers – small and medium-sized entities	3,346	11.5%	3,347	11.7%
Total	**29,104**	**100.0%**	**28,620**	**100.0%**
hereof non-performing loans	2,898	10.0%	2,622	9.2%
hereof individual loan loss provision	1,978	6.8%	1,864	6.5%
hereof portfolio-based loan loss provision	244	0.8%	202	0.7%

The total credit exposure of retail customers breaks down by segments as follows (excluding Corporate Center):

31/3/2015 in € million	Central Europe	Southeastern Europe	Eastern-Europe	Group Markets	Non-Core
Retail customers – private individuals	8,312	6,821	4,552	13	6,060
Retail customers – small and medium-sized entities	1,080	886	592	0	788
Total	**9,392**	**7,708**	**5,144**	**13**	**6,848**
hereof non-performing loans	803	563	954	0	577
hereof individual loan loss provision	508	355	811	0	259
hereof portfolio-based loan loss provision	82	37	90	0	30

31/12/2014[1] in € million	Central Europe	Southeastern Europe	Eastern-Europe	Group Markets	Non-Core
Retail customers – private individuals	8,297	7,051	4,332	12	5,581
Retail customers – small and medium-sized entities	1,099	934	574	0	739
Total	**9,396**	**7,986**	**4,906**	**12**	**6,320**
hereof non-performing loans	751	569	815	0	487
hereof individual loan loss provision	541	359	701	0	233
hereof portfolio-based loan loss provision	62	34	66	0	35

1 Adaption of previous year figures due to changes in segments.

Compared to year-end 2014, the total credit exposure to retail customers increased € 484 million to € 29,104 million in the first quarter. The highest volume amounting to € 9,392 million was booked in the segment Central Europe. Compared to year-end 2014, this represented a decrease of € 4 million. Southeastern Europe ranked second with a credit exposure of € 7,708 million. Compared to year-end 2014, this represents a decrease of € 278 million. Compared to year-end 2014, the segment Non-Core showed an increase of € 528 million mainly due to currency appreciation of the Polish zloty and Swiss francs. The segment Eastern Europe reported an increase of € 238 million mainly resulting from currency appreciation of the Russian rouble partly offset by the currency devaluation of the Ukrainian hryvnia.

In the table below, the total retail exposure selected by products is shown:

in € million	31/3/2015	Share	31/12/2014	Share
Mortgage loans	15,503	53.3%	14,639	51.1%
Personal loans	6,230	21.4%	6,076	21.2%
Credit cards	2,618	9.0%	2,551	8.9%
Car loans	1,477	5.1%	2,100	7.3%
Overdraft	1,809	6.2%	1,782	6.2%
SME financing	1,468	5.0%	1,473	5.1%
Total	**29,104**	**100.0%**	**28,620**	**100.0%**

The share of foreign currency loans in the retail portfolio provides an indication of potential change in default rates if the exchange rate of the domestic currency changes. The internal risk assessment thus takes into account not only the share of foreign currency loans, but also the usually stricter lending criteria of loan distribution and – in several countries – the customer's ability to match payments with foreign currency income.

in € million	31/3/2015	Share	31/12/2014	Share
Swiss franc	3,986	45.6%	4,229	47.0%
Euro	3,817	43.6%	3,905	43.4%
US-Dollar	934	10.7%	863	9.6%
Other foreign currencies	10	0.1%	10	0.1%
Loans in foreign currencies	**8,746**	**100.0%**	**9,007**	**100.0%**
Share of total loans	30.1%		31.5%	

Compared to year-end 2014, foreign currency loans in Swiss francs and Euro declined, while US-Dollar loans increased due to currency appreciation.

Credit portfolio – Financial institutions

The financial institutions asset class mainly contains banks and securities firms. The internal rating model for financial institutions is based on a peer-group approach that takes both qualitative and quantitative information into account. The final rating for financial institutions is capped by the country rating of the respective home country.

The following table shows the maximum credit exposure by internal rating for financial institutions (excluding central banks). Due to the limited number of customers (or observable defaults), the default probabilities of individual rating categories in this asset class are estimated based on a combination of internal and external data.

in € million		31/3/2015	Share	31/12/2014	Share
A1	Excellent credit standing	0	0.0%	0	0.0%
A2	Very good credit standing	1,657	7.6%	1,487	6.9%
A3	Good credit standing	3,397	15.6%	7,928	37.0%
B1	Sound credit standing	11,028	50.6%	6,364	29.7%
B2	Average credit standing	1,983	9.1%	2,748	12.8%
B3	Mediocre credit standing	1,919	8.8%	1,261	5.9%
B4	Weak credit standing	569	2.6%	521	2.4%
B5	Very weak credit standing	243	1.1%	339	1.6%
C	Doubtful/high default risk	281	1.3%	124	0.6%
D	Default	203	0.9%	194	0.9%
NR	Not rated	501	2.3%	448	2.1%
Total		**21,781**	**100.0%**	**21,414**	**100.0%**

Total credit exposure amounted to € 21,781 million in the first quarter, which represents an increase of € 367 million compared to the year-end 2014. This mainly resulted from an increase of money market, swap and guarantee business which was partly offset by a decrease in repo business.

At € 11,028 million, or 50.6 per cent, the bulk of this customer group was in the B1 rating class, which increased € 4,664 million compared to year-end 2014. This mainly resulted from a rating downgrade from A3 to B1. At the same time, rating grade A3 reported the largest decline of € 4,531 million compared to year-end 2014.

At 74.7 per cent, or € 16,281 million, Group Markets accounted for the highest share of the loan portfolio with financial institutions, followed by the segment Southeastern Europe with € 1,670 million, or 7.8 per cent.

The table below shows the total credit exposure to financial institutions (excluding central banks) selected by products:

in € million	31/3/2015	Share	31/12/2014	Share
Derivatives	5,613	25.8%	5,301	24.8%
Loans	5,241	24.1%	5,219	24.4%
Money market	3,579	16.4%	2,835	13.2%
Repo	3,076	14.1%	4,150	19.4%
Bonds	2,558	11.7%	2,473	11.5%
Other	1,713	7.9%	1,437	6.7%
Total	**21,781**	**100.0%**	**21,414**	**100.0%**

Credit portfolio – Sovereigns

Another asset class is formed by central governments, central banks and regional municipalities, as well as other public sector entities. The table below provides a breakdown of the total credit exposure to sovereigns (including central banks) by internal rating:

in € million		31/3/2015	Share	31/12/2014	Share
A1	Excellent credit standing	4,013	18.2%	3,651	16.8%
A2	Very good credit standing	1,205	5.5%	1,406	6.5%
A3	Good credit standing	3,435	15.6%	3,629	16.7%
B1	Sound credit standing	3,185	14.5%	2,986	13.7%
B2	Average credit standing	2,297	10.4%	3,276	15.1%
B3	Mediocre credit standing	2,616	11.9%	1,700	7.8%
B4	Weak credit standing	3,989	18.1%	3,952	18.2%
B5	Very weak credit standing	769	3.5%	880	4.0%
C	Doubtful/high default risk	519	2.4%	272	1.3%
D	Default	0	0.0%	0	0.0%
NR	Not rated	13	0.1%	2	0.0%
Total		**22,040**	**100.0%**	**21,754**	**100.0%**

Compared to year-end 2014, the credit exposure to sovereigns increased € 286 million to € 22,040 million in the first quarter, which represents 13.9 per cent of the bank's total credit exposure.

The rating class excellent credit standing (A1 rating) reported an increase of € 362 million. This mainly resulted from a rise in deposits at the Austrian National Bank (plus € 320 million).

The intermediate rating classes good credit standing (A3 rating) to mediocre credit standing (B3 rating) accounted for the highest share with 52.4 per cent of the total credit exposure. The high level of exposure in the intermediate rating classes was mainly due to deposits of Group units in Central and Southeastern Europe and segment Non-Core at their local central banks. These are mandatory for meeting the respective minimum reserve requirements or used to manage excess liquidity on a short-term basis, and are therefore inextricably linked to the business activities in these countries. Furthermore, this high exposure resulted from bonds of central banks and governments in Central and Southeastern Europe and segment Non-Core. The decrease in rating class B2 was mainly based on rating downgrade of Russia from B2 to B3 and the decrease of deposits at the Romanian National Bank. The credit exposure in rating classes B4 and B5 amounted to € 4,758 million, or 21.6 per cent, of total loans outstanding.

The breakdown below shows the total credit exposure to sovereigns (including central banks) selected by products:

in € million	31/3/2015	Share	31/12/2014	Share
Bonds	13,560	61.5%	14,249	65.5%
Loans	7,114	32.3%	5,996	27.6%
Derivatives	829	3.8%	791	3.6%
Other	537	2.4%	718	3.3%
Total	**22,040**	**100.0%**	**21,754**	**100.0%**

The table below shows the credit exposure to the public sector in non-investment grade (rating B3 and below):

in € million	31/3/2015	Share	31/12/2014	Share
Hungary	2,482	31.4%	2,646	38.9%
Croatia	1,031	13.1%	894	13.1%
Bulgaria	753	9.5%	395	5.8%
Albania	734	9.3%	744	10.9%
Bosnia and Herzegovina	552	7.0%	432	6.4%
Serbia	539	6.8%	310	4.6%
Russia	413	5.2%	–	–
Slovenia	290	3.7%	290	4.3%
Ukraine	273	3.4%	267	3.9%
Belarus	241	3.1%	243	3.6%
Other	593	7.5%	585	8.6%
Total	**7,901**	**100.0%**	**6,807**	**100.0%**

Compared to year-end 2014, the credit exposure to non-investment grade sovereigns increased € 1,094 million to € 7,901 million. This increase mainly resulted from rating downgrade of Russia from B2 to B3 and the increase of the minimum reserve at the Bulgarian National Bank.

The credit exposure is mainly based on deposits of Group units with the local central banks in Central and Southeastern Europe. They are used for meeting the respective minimum reserve requirements and for managing the short-term investment of excess liquidity, and are therefore inextricably linked to the business activities in these countries.

Non-performing exposure not failed

The following table shows the non-performing exposure not failed according to asset classes:

in € million	31/3/2015	Share	31/12/2014	Share
Corporate customers	839	75.8%	778	73.3%
Retail customers	268	24.2%	283	26.6%
Banks	0	0.0%	1	0.1%
Sovereigns	0	0.0%	0	0.0%
Total	**1,106**	**100.0%**	**1,062**	**100.0%**

Non-performing loans and provisioning

The table below shows the share of non-performing loans (NPL) in the defined asset classes loans and advances to customers and loans and advances to banks (excluding items off the statement of financial position) in the statement of financial position and the corresponding share of provisioning:

	NPL		NPL ratio		NPL coverage ratio	
in € million	**31/3/2015**	**31/12/2014**	**31/3/2015**	**31/12/2014**	**31/3/2015**	**31/12/2014**
Corporate customers	6,684	6,227	12.6%	12.1%	61.2%	62.4%
Retail customers	2,884	2,611	11.1%	10.5%	76.6%	79.1%
Sovereigns	0	0	0.0%	0.0%	>500.0%	344.1%
Total non-banks	**9,568**	**8,838**	**11.9%**	**11.3%**	**65.9%**	**67.4%**
Banks	137	130	0.9%	0.8%	87.3%	88.2%
Total	**9,705**	**8,968**	**10.2%**	**9.6%**	**66.2%**	**67.7%**

The table below shows the share of non-performing loans (NPL) in the defined asset classes loans and advances to customers and loans and advances to banks (excluding items off the statement of financial position) as reported in the statement of financial position and the corresponding share of provisioning, selected by segments:

	NPL		NPL ratio		NPL coverage ratio	
in € million	**31/3/2015**	**31/12/2014**[1]	**31/3/2015**	**31/12/2014**[1]	**31/3/2015**	**31/12/2014**[1]
Central Europe	1,937	1,931	9.1%	9.0%	71.6%	73.6%
Southeastern Europe	1,768	1,770	11.3%	11.6%	67.2%	66.5%
Eastern Europe	1,930	1,764	12.2%	12.6%	85.4%	82.4%
Non-Core	2,267	1,830	13.1%	10.3%	51.2%	47.7%
Group Corporates	1,343	1,240	8.0%	7.6%	51.7%	65.7%
Group Markets	422	395	3.7%	3.9%	80.0%	79.7%
Corporate Center	38	38	0.8%	0.8%	52.6%	52.1%
Total	**9,705**	**8,968**	**10.2%**	**9.6%**	**66.2%**	**67.7%**

1 Adaption of previous year figures due to changes in segments.

The table below shows the development of non-performing loans in the defined asset classes loans and advances to customers and loans and advances to banks (excluding items off the statement of financial position) as reported in the statement of financial position:

in € million	**As at 1/1/2015**	**Change in consolidated group/ Exchange differences**	**Additions/disposals**	**As at 31/3/2015**
Corporate customers	6,227	254	203	6,684
Retail customers	2,611	173	100	2,884
Sovereigns	0	0	0	0
Total non-banks	**8,838**	**426**	**303**	**9,568**
Banks	130	6	2	137
Total	**8,968**	**432**	**305**	**9,705**

In Corporate Customers, total non-performing loans increased € 457 million to € 6,684 million at the end of the first quarter. The ratio of non-performing loans to total credit exposure increased 0.5 percentage points to 12.6 per cent, the NPL coverage ratio decreased 1.2 percentage points to 61.2 per cent. In the retail porfolio, non-performing loans rose 10.5 per cent, or € 273 million, to € 2,884 million. The ratio of non-performing loans to total credit exposure increased 0.6 percentage points to 11.1 per cent, the NPL coverage ratio sank 2.5 percentage points to 76.6 per cent. Non-performing loans for financial institutions amounted to € 137 million at the end of the first quarter, thus representing an increase of € 8 million compared to year-end 2014 and the NPL coverage ratio declined 0.9 percentage points to 87.3 per cent.

In segment Non-Core, non-performing loans increased significantly by 23.8 per cent, or € 437 million, to € 2,267 million, which mainly resulted from non-performing loan exposure in Asia. Here, the NPL ratio rose 2.8 percentage points to 13.1 per cent, while the NPL coverage ratio increased 3.5 percentage points to 51.2 per cent. In the segment Eastern Europe, non-performing loans increased 9.4 per cent, or € 166 million, to € 1,930 million. The ratio of non-performing loans to credit exposure sank 0.4 percentage points to 12.2 per cent, while the NPL coverage increased 3.0 percentage points to 85.4 per cent. In the segment Group Corporates, non-performing loans increased 8.3 per cent, or € 103 million, to € 1,343 million. Here, the NPL ratio increased 0.4 percentage points to 8.0 per cent and the NPL coverage ratio decreased 14.0 percentage points to 51.7 per cent. In Central Europe, non-performing loans increased 0.3 per cent, or € 5 million, to € 1,937 million. The ratio of non-performing loans to total credit exposure increased 0.1 percentage points to 9.1 per cent, while the NPL coverage ratio went down 2.0 percentage points to 71.6 per cent. In the segment Group Markets, non-performing loans increased 6.8 per cent, or € 27 million, to € 422 million. The ratio of non-performing loans to total credit exposure decreased 0.2 percentage points to 3.7 per cent, while the NPL coverage ratio rose 0.3 percentage points to 80.0 per cent.

The following table shows the development of impairment losses on loans and provisions for liabilities off the statement of financial position:

in € million	As at 1/1/2015	Change in consolidated group	Allocation[1]	Release	Usage[2]	Transfers, exchange differences	As at 31/3/2015
Individual loan loss provisions	5,726	30	500	(281)	(167)	224	6,033
Portfolio-based loan loss provisions	441	0	152	(109)	0	9	492
Total	**6,167**	**30**	**652**	**(390)**	**(167)**	**233**	**6,524**

1 Allocation including direct write-downs and income on written down claims.
2 Usage including direct write-downs and income on written down claims.

Concentration risk

The Group's credit portfolio is well diversified in terms of geographical region and industry. Single name concentrations are also actively managed (based on the concept of groups of connected customers) by limits and regular reporting. As a consequence, portfolio granularity is high. The regional breakdown of the loans reflects the broad diversification of credit business in the European markets of the Group. The following table shows the regional distribution of the credit exposure of all asset classes by the borrower's home country and grouped by region:

in € million	31/3/2015	Share	31/12/2014	Share
Austria	**24,496**	**15.5%**	**23,613**	**15.2%**
Central Europe	**48,938**	**30.9%**	**47,964**	**30.9%**
Poland	15,510	9.8%	14,590	9.4%
Slovakia	12,291	7.8%	11,916	7.7%
Czech Republic	11,286	7.1%	11,593	7.5%
Hungary	8,452	5.3%	8,440	5.4%
Other	1,399	0.9%	1,424	0.9%
Other European Union	**22,868**	**14.4%**	**23,101**	**14.9%**
Germany	6,263	4.0%	5,962	3.8%
Great Britain	5,655	3.6%	6,040	3.9%
France	3,215	2.0%	3,812	2.5%
Netherlands	2,014	1.3%	1,974	1.3%
Other	5,721	3.6%	5,313	3.4%

in € million	31/3/2015	Share	31/12/2014	Share
Southeastern Europe	**24,139**	**15.2%**	**24,145**	**15.6%**
Romania	8,575	5.4%	8,915	5.7%
Croatia	5,287	3.3%	5,175	3.3%
Bulgaria	3,649	2.3%	3,692	2.4%
Serbia	1,972	1.2%	1,805	1.2%
Other	4,656	2.9%	4,558	2.9%
Asia	**6,721**	**4.2%**	**7,000**	**4.5%**
China	3,246	2.0%	3,207	2.1%
Singapore	1,340	0.8%	1,337	0.9%
Other	2,135	1.3%	2,456	1.6%
Eastern Europe	**23,339**	**14.7%**	**22,946**	**14.8%**
Russia	17,279	10.9%	16,803	10.8%
Ukraine	3,845	2.4%	4,007	2.6%
Belarus	1,713	1.1%	1,360	0.9%
Other	503	0.3%	776	0.5%
North America	**3,296**	**2.1%**	**2,899**	**1.9%**
Rest of World	**4,556**	**2.9%**	**3,571**	**2.3%**
Total	**158,354**	**100.0%**	**155,240**	**100.0%**

1 Adaption of previous year figures due to changes in the presentation of regions.

The Group does not own any banking subsidiaries that are incorporated in the so-called European periphery countries. Nonetheless, some of the bank's loans and advances are to customers domiciled in theses countries and result from credit financing and capital markets activities. The Group holds no material volumes of government bonds in these countries.

Market risk

Market risk management is based on figures from an internal model that calculates value-at-risk (VaR) for changes in the following risk factors: foreign exchange, interest rate changes, credit spreads and equity indices. The Austrian Financial Market Authority has approved this model so that it can be used for calculating total capital requirements for market risks.

The following table lists risk measures for overall market risk in the trading and banking book for each risk type. The VaR is dominated by risk arising from equity positions held in foreign currencies, structural interest risks and spread risks on the bond books (frequently held as a liquidity reserve).

Total VaR 99% 1d in € million	VaR as at 31/3/2015	Average VaR	Minimum VaR	Maximum VaR	VaR as at 31/12/2014
Currency risk	34	58	29	114	114
Interest rate risk	18	27	15	63	54
Credit spread risk	18	13	9	24	18
Share price risk	1	1	1	1	1
Vega risk	3	2	1	5	1
Total	52	72	42	132	135

Excange rate risk on total bank level also includes equity positions of subsidiaries denominated in foreign currency. The structural exchange rate risk resulting from equity positions is managed independently from the mainly short-term trading positions.

Liquidity risk

The following table shows the liquidity gap and the ratio of expected cash inflows plus counterbalancing capacity to cash outflows (liquidity ratio) for selected maturities on a cumulative basis, taking into account all items on the statement of financial position and transactions off the statement of financial position. Based on expert opinions, statistical analyses and country specifics, this calculation also incorporates estimates on the prolongation of defined assets, the so-called sediment of customer deposits, and the liquidity counterbalancing capacity (in particular, assets that are eligible for refinancing at central banks and that can be used as collateral in securities lending transactions).

in € million	31/3/2015			31/12/2014		
Maturity	1 week	1 month	1 year	1 week	1 month	1 year
Liquidity gap	17,063	17,411	19,863	15,443	15,202	16,237
Liquidity ratio	152%	137%	121%	159%	135%	117%

Internal limts are used in each Group unit in order to limit liquidity risk. They require a positive short-term liquidity gap based on the internal liquidity model. The Group holds sizeable amounts of liquid securities and favors assets eligible in tender transactions in the lending business in order to ensure liquidity in various currencies. In the case of a liquidity shortage in the Group, contingency plans would come into force. Such prioritized action lists for handling liquidity needs exist for all major Group units.

Additional notes

(33) Contingent liabilities and commitments

in € million	31/3/2015	31/12/2014
Contingent liabilities	**10,619**	**10,038**
Acceptances and endorsements	338	63
Credit guarantees	6,256	6,290
Other guarantees	2,315	2,191
Letters of credit (documentary business)	1,545	1,396
Other contingent liabilities	165	98
Commitments	**9,471**	**10,020**
Irrevocable credit lines and stand-by facilities	9,471	10,020
Up to 1 year	2,732	3,000
More than 1 year	6,739	7,019

(34) Derivatives

31/3/2015	Nominal amount by maturity				Fair values	
in € million	Up to 1 year	> 1 year to 5 years	More than 5 years	Total	Positive	Negative
Interest rate contracts	27,350	61,698	43,131	132,179	4,605	(3,751)
Foreign exchange rate and gold contracts	50,835	12,188	2,747	65,769	2,079	(2,400)
Equity/index contracts	1,907	1,852	494	4,253	94	(1,047)
Commodities	118	210	46	373	1	(135)
Credit derivatives	99	1,430	368	1,896	27	(25)
Precious metals contracts	25	10	12	48	0	(25)
Total	**80,332**	**77,388**	**46,798**	**204,518**	**6,805**	**(7,382)**

31/12/2014	Nominal amount by maturity				Fair values	
in € million	Up to 1 year	> 1 year to 5 years	More than 5 years	Total	Positive	Negative
Interest rate contracts	31,359	63,387	43,256	138,002	4,532	(3,489)
Foreign exchange rate and gold contracts	48,206	11,277	2,951	62,434	1,496	(1,813)
Equity/index contracts	1,705	1,895	1,140	4,741	64	(1,018)
Commodities	80	212	14	307	2	(103)
Credit derivatives	57	1,536	0	1,593	18	(17)
Precious metals contracts	15	20	12	48	0	(25)
Total	**81,423**	**78,328**	**47,374**	**207,126**	**6,112**	**(6,465)**

(35) Fair Value of financial instruments

Fair value of financial instruments not reported at fair value

31/3/2015 in € million	Level I	Level II	Level III	Fair value	Carrying amount	Difference
Assets						
Cash reserve	0	7,073	0	7,073	7,073	0
Loans and advances to banks	0	10,178	4,836	15,014	14,896	118
Loans and advances to customers	0	21,236	52,899	74,136	74,186	(51)
Financial investments	5,139	1,112	371	6,621	6,377	245
Liabilities						
Deposits from banks	0	18,228	4,148	22,376	22,455	(80)
Deposits from customers	0	28,165	40,379	68,545	68,205	339
Debt securities issued	505	4,638	1,585	6,727	6,658	70
Subordinated capital	0	3,977	408	4,385	3,876	509

31/12/2014 in € million	Level I	Level II	Level III	Fair value	Carrying amount	Difference
Assets						
Cash reserve	0	6,769	0	6,769	6,769	0
Loans and advances to banks	0	11,069	4,503	15,572	15,459	114
Loans and advances to customers	0	20,300	50,495	70,796	71,971	(1,175)
Financial investments	5,034	3,405	406	8,844	8,678	166
Liabilities						
Deposits from banks	0	18,388	4,057	22,445	22,408	37
Deposits from customers	0	27,069	39,289	66,358	66,094	264
Debt securities issued	444	3,705	1,761	5,910	5,867	43
Subordinated capital	0	3,773	410	4,183	3,719	464

Fair value of financial instruments reported at fair value

in € million	31/3/2015 Level I	Level II	Level III	31/12/2014 Level I	Level II	Level III
Trading assets	**2,997**	**6,046**	**173**	**3,139**	**5,365**	**115**
Positive fair values of derivatives[1]	90	5,658	132	159	4,939	73
Shares and other variable-yield securities	393	0	0	346	2	0
Bonds, notes and other fixed-interest securities	2,515	388	41	2,634	424	42
Call/time deposits from trading purposes	0	0	0	0	0	0
Financial assets at fair value through profit or loss	**2,898**	**2,469**	**111**	**3,435**	**333**	**86**
Shares and other variable-yield securities	7	0	2	4	0	4
Bonds, notes and other fixed-interest securities	2,892	2,469	109	3,431	333	83
Financial assets available-for-sale	**1,930**	**158**	**86**	**1,857**	**0**	**82**
Other interests[2]	13	0	0	3	0	0
Bonds, notes and other fixed-interest securities	1,916	158	85	1,853	0	82
Derivatives (hedging)	**0**	**925**	**2**	**0**	**942**	**0**
Positive fair values of derivatives from hedge accounting	0	925	2	0	942	0

1 Including other derivatives.
2 Includes only securities traded on the stock exchange

in € million	31/3/2015 Level I	Level II	Level III	31/12/2014 Level I	Level II	Level III
Trading liabilities	**673**	**7,562**	**49**	**555**	**6,873**	**27**
Negative fair values of derivative financial instruments[1]	126	6,813	41	128	6,117	19
Call/time deposits from trading purposes	0	0	0	0	0	0
Short-selling of trading assets	548	68	0	427	71	0
Certificates issued	0	681	8	0	685	8
Liabilities at fair value through profit and loss	**0**	**1,581**	**0**	**0**	**2,596**	**0**
Debt securities issued	0	1,116	0	0	2,130	0
Subordinated capital	0	466	0	0	466	0
Derivatives (hedging)	**0**	**402**	**0**	**0**	**201**	**0**
Negative fair values of derivatives from hedge accounting	0	402	0	0	201	0

1 Including other derivatives.

Level I Quoted market prices.
Level II Valuation techniques based on market data.
Level III Valuation techniques not based on market data.

Movements between Level I and Level II

Compared to year-end, the share of financial assets according to Level II increased. The increase resulted primarily from higher fair values of derivative financial instruments and investments in bonds, notes and other fixed-interest securities. Regarding bonds, notes and other fixed-interest securities, there was a slight shift from Level I to Level II. This was due to the fact that no quoted market prices for these financial instruments were available at the reporting date.

Movements in Level III of financial instruments at fair value

The following tables show the changes in the fair value of financial instruments whose fair value can not be calculated on the basis of observable market data and are therefore subject to other measurement models. Financial instruments of this category have a value component unobservable on the market and having a material impact on the fair value. In the reporting period, € 4.4 million were reclassified from Level II to Level III due to the changes of significance of unobservable parameters.

in € million	As at 1/1/2015	Change in consolidated group	Exchange differences	Purchases	Sales, repayment
Trading assets	115	0	(4)	67	(12)
Financial assets at fair value through profit or loss	86	0	3	36	(14)
Financial assets available-for-sale	82	0	4	6	(11)
Derivatives (hedging)	0	0	0	2	(2)

in € million	Gains/loss in P/L	Gains/loss in other comprehensive income	Transfer to level III	Transfer from level III	As at 31/3/2015
Trading assets	3	0	4	0	173
Financial assets at fair value through profit or loss	0	0	0	0	111
Financial assets available-for-sale	4	1	0	0	86
Derivatives (hedging)	0	2	0	0	2

in € million	As at 1/1/2015	Change in consolidated group	Exchange differences	Purchases	Sales, repayment
Trading liabilities	27	0	0	21	0

in € million	Gains/loss in P/L	Gains/loss in other comprehensive income	Transfer to level III	Transfer from level III	As at 31/3/2015
Trading liabilities	1	0	0	0	49

Qualitative information for the valuation of financial instruments in Level III

Financial assets	Type	Fair value in € million	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Shares and other variable-yield securities	Closed end real estate fund	0	Net asset value	Haircuts	20 - 50%
Shares and other variable-yield securities	Shares	3	Approximati on method	–	n.a.
Bonds, notes and other fixed-interest securities	Fixed coupon bonds	187	Discounted cash flow method	Credit spread	2 - 20%
Bonds, notes and other fixed-interest securities	Asset backed securities	49	Broker estimate	Probability of default Loss severity Expected prepayment rate	n.a.
Positive fair value of banking book derivatives without hedge accounting	Forward foreign exchange contract	133	Discounted cash flow method	Interest rate	10 - 30%
Total		**371**			

Financial liabilities	Type	Fair value in € million	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Negative fair value of banking book derivatives without hedge accounting	OTC options	41	Option model	Closing Period Currency risk LT volatility Index category	2 - 16% 0 - 5% 0 - 3% 0 - 5%
Issued certificates for trading purposes	Certificates	8	Option model	Closing period Bid-Ask Spread LT Volatility Index category	0 - 3% 0 - 3% 0 - 3% 0 - 2.5%
Total		**49**			

(36) Transferred financial assets

The following table shows the carrying amount of transferred financial assets:

31/3/2015			Transferred assets			Associated liabilities
in € Millionen	Carrying amount	hereof securitizations	hereof repurchase agreements	Carrying amount	hereof securitizations	hereof repurchase agreements
Loans and advances	324	262	63	216	161	55
Trading assets	92	0	92	91	0	91
Financial investments	202	0	202	265	0	265
Total	**619**	**262**	**357**	**572**	**161**	**411**

31/12/2014		Transferred assets			Associated liabilities	
in € Millionen	Carrying amount	hereof securitizations	hereof repurchase agreements	Carrying amount	hereof securitizations	hereof repurchase agreements
Kredite und Forderungen	321	258	63	217	162	55
Handelsaktiva	79	0	79	73	0	73
Wertpapiere und Beteiligungen	124	0	124	88	0	88
Gesamt	**524**	**258**	**266**	**378**	**162**	**216**

(37) Assets pledged as collateral and received financial assets

	31/3/2015		31/12/2014	
in € million	Pledged	Otherwise restricted with liabilities	Pledged	Otherwise restricted with liabilities
Loans and advances[1]	8,431	2,048	7,087	1,735
Trading assets[2]	597	45	694	33
Financial investments	534	155	712	131
Total	**9,562**	**2,249**	**8,492**	**1,900**

1 Without loans and advances from reverse repo and securities lending business.
2 Without derivatives.

(38) Offsetting of financial assets and liabilities

The disclosures set out in the tables below, include financial assets and financial liabilities that are offset in the Group's statement of financial position or are subject to an enforceable/unenforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position or not.

31/3/2015		Gross amount	Net amount	Related amounts not set-off in the statement of financial position		Net amount
in € million	of recognized assets set-off in the statement of financial position	of recognized liabilities set-off in the statement of financial position	of recognized assets set-off in the statement of financial position	Financial instruments	Cash collateral received	
Derivatives (legally enforceable)	6,140	3	6,137	5,441	51	644
Reverse repurchase, securities lending & similar agreements (legally enforceable)	5,029	0	5,029	4,971	0	58
Other financial instruments (legally enforceable)	2,572	472	2,100	1,306	0	794
Total	**13,741**	**475**	**13,266**	**11,718**	**51**	**1,497**

31/3/2015		Gross amount	Net amount	Related amounts not set-off in the statement of financial position		Net amount
in € million	of recognized liabilities set-off in the statement of financial position	of recognized assets set-off in the statement of financial position	of recognized liabilities set-off in the statement of financial position	Financial instruments	Cash collateral pledged	
Derivatives	5,730	3	5,726	5,376	110	240
Repurchase, securities lending & similar agreements	411	0	411	405	0	6
Other financial instruments	2,078	471	1,607	1,307	0	301
Total	**8,219**	**475**	**7,744**	**7,087**	**110**	**546**

31/12/2014		Gross amount	Net amount	Related amounts not set-off in the statement of financial position		Net amount
in € million	of recognized assets set-off in the statement of financial position	of recognized liabilities set-off in the statement of financial position	of recognized assets set-off in the statement of financial position	Financial instruments	Cash collateral received	
Derivatives (legally enforceable)	5,536	11	5,525	4,758	35	733
Reverse repurchase, securities lending & similar agreements	6,271	0	6,271	6,253	0	18
Other financial instruments	4,848	448	4,400	1,317	0	3,084
Total	**16,655**	**459**	**16,196**	**12,328**	**35**	**3,834**

31/12/2014		Gross amount	Net amount	Related amounts not set-off in the statement of financial position		Net amount
in € million	of recognized liabilities set-off in the statement of financial position	of recognized assets set-off in the statement of financial position	of recognized liabilities set-off in the statement of financial position	Financial instruments	Cash collateral pledged	
Derivatives	5,142	11	5,132	4,781	124	226
Repurchase, securities lending & similar agreements	406	0	406	399	0	7
Other financial instruments	1,817	447	1,369	1,317	0	53
Total	**7,365**	**458**	**6,907**	**6,497**	**124**	**285**

(39) Related parties

Transactions with related parties that are natural persons are limited to banking business transactions that are carried out at fair market conditions. Moreover, members of the Management Board hold shares of Raiffeisen Bank International AG. Detailed information regarding this issue is published on the homepage of Raiffeisen Bank International. Further business transactions with related parties that are natural persons, especially large banking business transactions, were not concluded in the current financial year.

The following tables show transactions with related companies. Parent companies are Raiffeisen-Landesbanken-Holding GmbH, Vienna and Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna:

31/3/2015 in € million	Parent companies	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	1,702	303	198	108
Loans and advances to customers	0	1,344	14	198
Trading assets	0	53	0	0
Financial investments	0	262	0	96
Other assets (incl. derivatives)	45	371	0	1
Deposits from banks	489	391	3,753	300
Deposits from customers	0	295	294	213
Debt securities issued	0	11	0	0
Provisions for liabilities and charges	0	8	13	0
Trading liabilities	0	89	0	0
Other liabilities including derivatives	3	298	0	0
Subordinated capital	0	0	0	0
Guarantees given	0	170	2	2
Guarantees received	770	342	171	28

31/12/2014 in € million	Parent companies	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	1,770	128	183	107
Loans and advances to customers	21	1,457	4	163
Trading assets	0	48	2	0
Financial investments	0	344	0	89
Other assets (incl. derivatives)	51	113	0	0
Deposits from banks	958	281	3,673	336
Deposits from customers	0	342	624	189
Debt securities issued	0	11	0	0
Provisions for liabilities and charges	0	0	0	0
Trading liabilities	0	88	13	0
Other liabilities including derivatives	0	28	0	1
Subordinated capital	0	0	0	0
Guarantees given	0	254	1	9
Guarantees received	793	342	178	37

(40) Capital management and total capital according to CCR/CRD IV and Austrian Banking Act (BWG)

The total capital breaks down as follows:

in € million	31/3/2015	31/12/2014
Paid-in capital	5,884	5,883
Earned capital	1,903	1,625
Non-controlling interests	360	394
Common equity tier 1 (before deductions)	**8,147**	**7,902**
Intangible fixed assets/goodwill	(445)	(411)
Provision shortage for IRB positions	(25)	(9)
Deduction securitizations	(5)	(5)
Deduction deferred tax assets	0	0
Deduction insurance and other investments	(3)	0
Common equity tier 1 (after deductions)	**7,670**	**7,477**
Additional tier 1	309	353
Deduction securitizations	0	0
Intangible fixed assets/goodwill	(305)	(343)
Provision shortage for IRB positions	(18)	(17)
Deduction insurance and other investments	0	0
Non-controlling interests	14	7
Tier 1	**7,670**	**7,477**
Provision excess of internal rating approach positions	186	182
Hidden reserve	201	201
Long-term subordinated capital	3,194	3,132
Deduction securitizations	0	0
Deduction insurance and other investments	0	0
Non-controlling interests	19	12
Tier 2 (after deductions)	**3,601**	**3,527**
Total capital	**11,271**	**11,003**
Total capital requirement	**5,879**	**5,498**
Common equity tier 1 ratio (transitional)	10.4%	10.9%
Tier 1 ratio (transitional)	10.4%	10.9%
Total capital ratio (transitional)	15.3%	16.0%

Excluding the transitional provisions as defined within the CRR, the common equity tier 1 ratio (fully loaded) amounted to 9.9 per cent and the total capital ratio (fully loaded) amounted to 15.2 per cent.

The total capital requirement is composed as follows:

in € million	31/3/2015	31/12/2014
Risk-weighted assets (total RWA)	**73,482**	**68,721**
Total capital requirement for credit risk	4,760	4,564
Internal rating approach	2,732	2,658
Standardized approach	1,989	1,866
CVA risk	40	40
Total capital requirement for position risk in bonds, equities, commodities and open currency positions	403	254
Own funds requirement for operational risk	716	680
Total capital requirement	**5,879**	**5,498**

Risk-weighted assets for the credit risk according to asset classes break down as follows:

in € million	31/3/2015	31/12/2014
Risk-weighted assets according to standardized approach	**24,851**	**23,322**
Central governments and central banks	2,048	1,538
Regional governments	59	35
Public administration and non-profit organizations	12	9
Multilateral development banks	0	0
Banks	488	325
Corporate customers	10,220	9,925
Retail customers	8,508	7,998
Equity exposures	383	455
Covered bonds	0	9
Mutual funds	12	0
Securitization position	0	0
Other positions	3,121	3,026
Risk-weighted assets according to internal rating approach	**34,148**	**33,220**
Central governments and central banks	231	266
Banks	2,616	2,496
Corporate customers	26,551	25,412
Retail customers	4,434	4,686
Equity exposures	106	105
Securitization position	210	254
CVA risk	**498**	**506**
Total	**59,498**	**57,048**

(41) Average number of staff

The average number of staff employed during the reporting period (full-time equivalents) breaks down as follows:

Full-time equivalents	1/1-31/3/2015	1/1-31/3/2014
Austria	2,678	2,646
Foreign	52,365	55,197
Total	**55,043**	**57,843**

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