First Quarter Report 2012

Raiffeisen Bank International

Survey of key data

Raiffeisen Bank International Group Monetary values in € million	2012	Change	2011
Income statement	**1/1-31/3**		**1/1-31/3**
Net interest income	875	(1.0)%	884
Net provisioning for impairment losses	(153)	(26.5)%	(208)
Net fee and commission income	346	(3.1)%	357
Net trading income	82	(33.6)%	123
General administrative expenses	(753)	0.0%	(753)
Profit before tax	685	69.1%	405
Profit after tax	574	87.9%	305
Consolidated profit	541	100.4%	270
Statement of financial position	**31/3**		**31/12**
Loans and advances to banks	24,626	(4.4)%	25,748
Loans and advances to customers	82,478	1.1%	81,576
Deposits from banks	39,318	3.5%	37,992
Deposits from customers	67,749	1.5%	66,747
Equity	11,474	4.9%	10,936
Total assets	148,798	1.2%	146,985
Key ratios	**1/1-31/3**		**1/1-31/3**
Return on equity before tax	25.1%	9.5 PP	15.6%
Return on equity after tax	21.0%	9.3 PP	11.8%
Consolidated return on equity	22.0%	10.4 PP	11.6%
Cost/income ratio	58.2%	2.0 PP	56.2%
Return on assets before tax	1.85%	0.65 PP	1.20%
Net interest margin	2.37%	(0.25) PP	2.61%
NPL ratio	8.9%	0.2 PP	8.6%
Net provisioning ratio (average risk-weighted assets, credit risk)	0.81%	(0.34) PP	1.16%
Bank-specific information[1]	**31/3**		**31/12**
Risk-weighted assets (credit risk)	71,051	(7.9)%	77,150
Total own funds	12,657	(1.6)%	12,858
Total own funds requirement	6,898	(9.5)%	7,624
Excess cover ratio	83.5%	14.8 PP	68.6%
Core tier 1 ratio, total	10.2%	1.2 PP	9.0%
Tier 1 ratio, credit risk	13.0%	0.8 PP	12.2%
Tier 1 ratio, total	10.7%	0.8 PP	9.9%
Own funds ratio	14.7%	1.2 PP	13.5%
Stock data	**31/3**		**31/3**
Earnings per share in €	2.52	123.0%	1.13
Price in €	26.50	(32.3)%	39.16
High (closing prices) in €	29.05	(35.6)%	45.10
Low (closing prices) in €	18.64	(51.2)%	38.16
Number of shares in million	195.51	–	195.51
Market capitalization in € million	5,181	(32.3)%	7,656
Resources	**31/3**		**31/12**
Number of employees as of reporting date	58,366	(1.5)%	59,261
Business outlets	2,831	(3.3)%	2,928

[1] Calculated according to the Austrian Banking Act (Bankwesengesetz, BWG) for illustrative purpose. RBI as part of the RZB Group is not subject to the Austrian Banking Act.

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

Rising yields

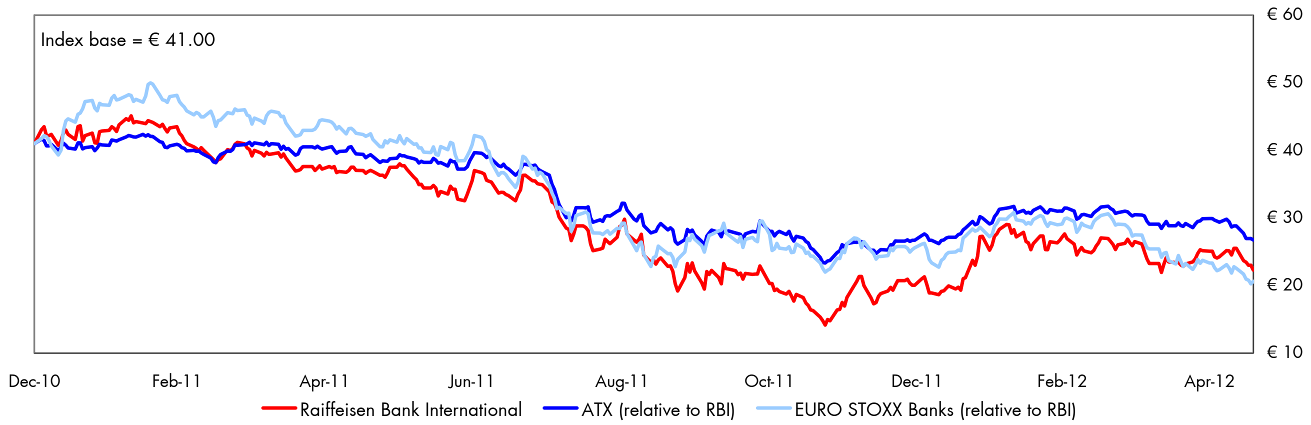
With economic data exceeding expectations worldwide, central banks operating an expansive monetary policy and providing large amounts of liquidity, and the European sovereign debt crisis easing, a clear boost was delivered to the markets in the first quarter of 2012. On the global stock markets, this trend was reflected in significant price gains since the beginning of the year. At the same time, yields on the bond markets from first-class issuers recovered from their lows and increased significantly.

Development of the RBI share

RBI shares also performed positively in this environment: the highest closing price in the past quarter was € 29.05 on 6 February, with the lowest recorded on 9 January at € 18.64.

With closing prices of € 20.07 on 29 December 2011 and € 26.50 on 30 March 2012, RBI shares gained 32.1 per cent overall in the first quarter of 2012. The EURO STOXX Banks and the ATX rose by 14.1 per cent and 8.6 per cent respectively over the same period. However, after 30 March, RBI shares lost ground again. On 18 May, the editorial deadline for this report, shares were trading at € 22.31.

Price performance since 1 January 2011 compared with the ATX and EURO STOXX Banks



Active capital market communication

During the first few months of 2012, the Investor Relations team participated in roadshows in Copenhagen, Helsinki, Hong Kong, London, New York, Singapore, Stockholm, Tallinn and Zürs (Austria), providing a wide range of interested investors and analysts with a personal update on RBI and current developments. Vienna played host to an investor lunch and an analyst conference.

In connection with the announcement of the results for the 2011 financial year, RBI held a presentation in London in the presence of more than 100 analysts and institutional investors from the world's leading financial centers. This event, held on the day after the publication of the annual financial figures in

Vienna, also gave the international financial community the opportunity for a direct exchange of information and ideas with the RBI Management Board. Among the participants at this Investor Presentation were analysts who cover both the equity and debt capital of RBI, as well as equity and debt investors and representatives of rating agencies.

With a successful senior benchmark bond issue of € 500 million with a three-year maturity, which was four times subscribed within a short time, RBI has underlined its status as an attractive issuer on the bond market in the first quarter of 2012.

In March, RBI issued its first bond in Chinese currency for 750 million renminbi (CNH). This bond with a two-year maturity was twice subscribed.

RBI strives to continuously keep market participants fully informed. In the interest of the ongoing optimization of its communications, it makes teleconference presentations and other important events available as online webcasts. These can be viewed at any time at www.rbinternational.com → Investor Relations → Reports & Presentations → Presentations & Webcast.

Stock data and details

RBI has been listed on the Vienna Stock Exchange since 25 April 2005. It is represented in several leading national and international indices, including the ATX and the EURO STOXX Banks. Raiffeisen Zentralbank Österreich AG (RZB) holds 78.5 per cent of RBI's shares, with the remaining shares in free float.

Price as of 31 March 2012	*€ 26.50*
High/low (closing prices) in first quarter 2012	*€ 29.05 / € 18.64*
Earnings per share from 1 January to 31 March 2012	*€ 2.52*
Market capitalization as of 31 March 2012	*€ 5.181 billion*
Avg. daily volume (single counting) in first quarter 2012	*285,523 shares*
Stock exchange trading (single counting) in first quarter 2012	*€ 458 million*
Free float as of 31 March 2012	*21.5%*
ISIN	*AT0000606306*
Ticker symbols	*RBI (Vienna Stock Exchange)*
	RBI AV (Bloomberg)
	RBIV.VI (Reuters)
Market segment	*Prime Market*
Number of shares issued as of 31 March 2012	*195,505,124*

Rating details

Rating agency	Long-term rating	Short-term rating	Outlook
Moody's Investors Service	A1	P-1	Rating under review for downgrade
Standard & Poor's	A	A-1	negative
Fitch Ratings	A	F1	stable

Financial calendar 2012

24 May 2012	First Quarter Report, Conference Call
20 June 2012	Annual General Meeting
27 June 2012	Ex-Dividend and Dividend Payment Date
15 August 2012	Start of Quiet Period
29 August 2012	Semi-Annual Report, Conference Call
14 November 2012	Start of Quiet Period
28 November 2012	Third Quarter Report, Conference Call

Group Investor Relations

Contact for equity and debt investors

E-mail: ir@rbinternational.com
Internet: www.rbinternational.com → Investor Relations
Phone: +43-1-71707 2089
Fax: +43-1-71707 2138
Raiffeisen Bank International AG
Group Investor Relations
Am Stadtpark 9
1030 Vienna, Austria

Group management report

Market development

CEE growth 2012 again well above the Eurozone

Economic growth in Central and Eastern Europe (CEE) in 2011 remained virtually unchanged year-on-year: Central Europe (CE) posted robust growth of 3.1 per cent, and Southeastern Europe (SEE) was also able to emerge from recession and advance by 1.9 per cent. The sharpest growth was again recorded in the Commonwealth of Independent States (CIS), where a 4.4 per cent increase was achieved in 2011 due to high oil and commodity prices. However, in view of the weaker data being released by the Eurozone in particular, economic growth is expected to be weighed down slightly in the first half of 2012. This will mainly affect the CE and SEE regions, while only a slight moderation of the uptrend is anticipated for the CIS. The economy is expected to show signs of recovery again as early as the second half of the year.

Economic growth in the CE region (Czech Republic, Hungary, Poland, Slovakia and Slovenia) was virtually unchanged in 2011 compared to 2010, though with some striking regional differences. Growth in the Czech Republic fell to 1.7 per cent due to strict austerity measures, Slovenia slipped back into recession with minus 0.2 per cent growth. On the other hand, regional results were boosted by stronger growth in Poland at 4.3 per cent and in Hungary at 1.7 per cent. It is probable that the recession expected in the Eurozone (minus 0.3 per cent for 2012) will dampen the export sector as a key growth driver in CE. While it is expected that the majority of the region's economies will stagnate or even contract slightly in 2012, Poland should post growth of 2.8 per cent due to more robust domestic demand. Slovenia will likely be the weakest market at minus 1 per cent. However, economic growth of 2.5 per cent is forecast again in the CE region for 2013.

The SEE region (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia) emerged from recession in 2011. With the exception of Croatia, where economic output stagnated at 0.0 per cent, the SEE countries generated real economic growth of between 1.7 per cent and 4.0 per cent. For 2012, a decline in economic growth is expected due to weaker growth in the Eurozone as well as falling exports, particularly in Southern Europe. Only Albania and Bulgaria are forecast to see a slight improvement. For Croatia, in fact, a sharper decline in economic output of minus 1.0 per cent is expected. In 2013, growth in the region should at least be back to the same level as in 2011, namely roughly 2 per cent.

The Commonwealth of Independent States (Belarus, Russia and Ukraine) demonstrated robust economic growth of 4.4 per cent in 2011. This region is less dependent on developments in the Eurozone and benefited from the improved global situation, which increased oil and commodity prices. A slight decline in economic growth is expected for 2012, but a 4.0 per cent rise in GDP is forecast again for as early as 2013 due to the improved outlook for the Eurozone.

Annual real GDP growth in per cent compared to the previous year

Region/country	2010	2011	2012e	2013e
Czech Republic	2.7	1.7	(0.2)	1.0
Hungary	1.3	1.7	(0.5)	1.0
Poland	3.9	4.3	2.8	3.7
Slovakia	4.0	3.3	2.4	2.0
Slovenia	1.4	(0.2)	(1.0)	1.5
CE	**3.2**	**3.1**	**1.5**	**2.5**
Albania	3.9	3.1	2.5	3.5
Bosnia and Herzegovina	0.7	1.9	0.0	2.0
Bulgaria	0.4	1.7	1.0	2.5
Croatia	(1.2)	0.0	(1.0)	1.0
Kosovo	3.9	4.0	3.0	4.0
Romania	(1.6)	2.5	0.5	2.5
Serbia	1.0	2.0	0.0	1.0
SEE	**(0.7)**	**1.9**	**0.3**	**2.1**
Belarus	7.6	5.3	3.0	3.0
Russia	4.3	4.3	3.7	4.0
Ukraine	4.2	5.2	3.5	4.0
CIS	**4.4**	**4.4**	**3.7**	**4.0**
CEE	**3.5**	**3.7**	**2.7**	**3.3**
Austria	**2.3**	**3.0**	**0.7**	**1.3**
Germany	**3.6**	**3.1**	**0.5**	**1.1**
Eurozone	**1.8**	**1.5**	**(0.3)**	**0.8**

Effects on the banking sector

In the CEE markets, the uptrend in non-performing loans eased considerably in 2011. In the Czech Republic, Poland, Russia and Slovakia these even declined in absolute terms. However, in view of higher local refinancing demands and new regulatory requirements, the CEE banking sector is currently going through a period of upheaval. While lending volumes and bank assets advanced significantly between 2005 and 2008, they either stagnated or declined slightly in 2009. By 2010, however, they had begun to recover and continued to do so in 2011, particularly in the CEE banking markets (like the Czech Republic, Poland, Russia, Serbia or Slovakia) which from a fundamental perspective still show considerable growth potential. In 2011, growth in lending in CEE was virtually unchanged year-on-year (2011: 12.2 per cent, 2010: 13.7 per cent), which is clear evidence that there is no “credit crunch.” In the long term, too, the banking sector is expected to grow roughly to the same extent.

Performance and financials

RBI's comprehensive income developed positively despite a slight decrease in operating income in the first quarter of 2012. On the one hand, this was due to significantly lower net provisioning for impairment losses as well as positive movements in the market. On the other hand, two one-off effects in connection with the requirements of the European Banking Authority (EBA) to achieve a total core tier 1 ratio of 9 per cent resulted in positive contributions to earnings: Pre-tax earnings of € 159 million from further sales of the Group headquarters' securities portfolio were realized. In addition, a profit before tax of € 113 million was earned on the buyback of € 358 million of hybrid bonds (hybrid tier 1 capital).

Comparison of results year-on-year

In € million	1/1-31/3/2012	1/1-31/3/2011	Change absolute	Change in %
Net interest income	875	884	(9)	(1.0)%
Net fee and commission income	346	357	(11)	(3.1)%
Net trading income	82	123	(41)	(33.6)%
Other net operating income	(8)	(24)	16	(66.7)%
Operating income	**1,295**	**1,341**	**(46)**	**(3.4)%**
Staff expenses	(381)	(380)	(2)	0.4%
Other administrative expenses	(284)	(287)	3	(1.2)%
Depreciation	(88)	(86)	(2)	2.4%
General administrative expenses	**(753)**	**(753)**	**0**	**0.0%**
Operating result	**542**	**588**	**(46)**	**(7.8)%**
Net provisioning for impairment losses	(153)	(208)	55	(26.5)%
Other results	296	25	270	>500.0%
Profit before tax	**685**	**405**	**280**	**69.1%**
Income taxes	(111)	(100)	(11)	11.3%
Profit after tax	**574**	**305**	**269**	**87.9%**
Profit attributable to non-controlling interests	(33)	(35)	3	(7.1)%
Consolidated profit	**541**	**270**	**271**	**100.4%**

Net interest income

Although the net interest income for the first three months of 2012 was down compared with the previous year's first quarter by 1 per cent (€ 9 million) to € 875 million, it nevertheless made the most important contribution to operating income (68 per cent, up by two percentage points). Net interest income at Group headquarters declined due to sales in securities as well as to the placement of excess liquidity. In Hungary it decreased mainly due to the early redemption of foreign currency mortgage loans to private clients in connection with the "Home Protection Plan".

The key driver of this trend was the net interest margin (the ratio of net interest income to average total assets), which fell by 25 basis points to 2.37 per cent year-on year. This decrease was caused mainly by the development in Central Europe, where the interest margin dropped from 3.36 per cent to 2.82 per cent. The biggest decline was posted in Hungary (down by 89 basis points to 3.03 per cent), due to a reduction in a large part of the foreign currency mortgage loan portfolio. Poland (down 69 basis points to 2.28 per cent) and the Czech Republic (down 61 basis points to 2.96 per cent) also saw a decrease, mainly as a result of higher interest expense on client deposits. In contrast, the interest margin in the CIS Other segment (up by 70 basis points to 6.46 per cent) rose because of solid new business with corporate clients. In Russia it also grew significantly by 60 basis points to 5.01 per cent, mainly due to improved margins in new business and higher interest income from derivatives.

Net fee and commission income

Net fee and commission income decreased compared to the first quarter of 2011 by 3 per cent or € 11 million to € 346 million. The net income from the loan and guarantee business showed a particularly sharp decline, decreasing by 19 per cent or € 14 million to € 60 million. This was mainly attributable to lower credit fees in Romania. At 43 per cent or € 150 million, the largest component of the net fee and commission income continued to be the net income from payment transfer business, which, chiefly because of increased volumes in Russia, was up € 9 million year-on-year.

Net trading income

Net trading income declined by 34 per cent or € 41 million to € 82 million year-on-year. The key factor here was the valuation income from capital guarantees which made a negative contribution of € 6 million due to the decline in long-term interest rates, compared to € 25 million in the first quarter of 2011. Net income from currency-based transactions slipped by € 8 million to € 34 million. In Belarus, net income fell by € 10 million to minus € 5 million due to the application of IAS 29 Financial Reporting in Hyperinflationary Economies. In addition, net income in Austria fell because of lower valuation income from derivatives transactions. In Russia, on the other hand, net income from the valuation of foreign currency swaps rose by € 11 million. Net income from interest-based transactions increased from € 8 million to € 56 million, principally as a result of valuation gains from interest rate swaps and rising bond prices in Austria.

Other net operating income

Other net operating income improved from minus € 24 million in the first quarter 2011 to minus € 8 million in the reporting period. The increase of € 9 million in other net operating income resulted from the capitalization of internally developed assets (software systems) in Austria. In contrast to the previous year, there was a net release of other provisions in the first quarter of 2012, particularly in Croatia, Romania and Ukraine. This improved net income by € 5 million.

General administrative expenses

At € 753 million, general administrative expenses remained at exactly the same level as in the comparable period of the previous year. Lower income, however, meant that the cost/income ratio increased by 2.0 percentage points to 58.2 per cent.

The largest item under general administrative expenses was staff expenses which accounted for 51 per cent and which rose slightly overall by € 2 million to € 381 million. While it increased in Russia, Ukraine and Austria, it declined in Hungary, the Czech Republic and Romania.

The average number of staff decreased by 815 to 59,027 year-on-year. The most significant declines were posted in Ukraine (minus 326), Hungary (minus 283), Romania (minus 232), Russia (minus 227) and Croatia (minus 113) as a result of staff reductions. This contrasts with growth in Poland (plus 120) and Slovakia (plus 108).

Other administrative expenses remained virtually stable, falling by 1 per cent or € 3 million to € 284 million.

Depreciation of intangible and tangible fixed assets rose by 2 per cent or € 2 million to € 88 million. This was largely due to the implementation of new software, particularly core bank and analysis systems, in the Ukraine.

Net provisioning for impairment losses

Net provisioning for impairment losses further decreased compared to the previous year, by 27 per cent or € 55 million to € 153 million, as the situation improved particularly in the CIS Other and Group Corporates segments. In the Ukraine, the provisions for retail customers in particular were reduced significantly because of the improved quality of the portfolio and higher income from the collection of collateral. In the Group Corporates segment, provisions were released specifically in the Group headquarters' corporate customer business. In the other segments, allocations to provisioning also fell slightly or remained at the same level as in 2011.

Individual loan loss provisions declined by 19 per cent or € 41 million, while the releases of portfolio-based loan loss provisions went up by € 15 million to € 21 million compared with the first quarter of the previous year. The first of these developments was due to a number of factors including improved default rates, better credit ratings and lower exposures. The net provisioning ratio fell by 34 basis points to 0.81 per cent, well below the 1 per cent mark.

Other results

Other results, which consist of the items net income from derivatives and liabilities, net income from financial investments and net income from disposal of group assets, increased in the first three months of 2012, by € 270 million compared with the first quarter of 2011 to € 296 million. Net income from financial investments showed the strongest growth, rising by € 236 million to € 261 million. This was largely due to the sale of government bonds and other securities with a nominal value totaling € 1,680 million at Group headquarters, which had started in the fourth quarter of 2011 and produced a pre-tax gain of € 137 million. In addition, further sales of securities from the Group headquarters' fair value-based portfolio generated € 22 million. Valuation gains from securities also rose by € 80 million, primarily in Austria.

Net income from derivatives and liabilities rose by € 32 million to € 35 million. On the one hand, the repurchase of hybrid bonds resulted in a € 113 million pre-tax gain and the € 64 million improvement in the valuation of Group headquarters' interest rate swaps made a positive impact. On the other hand, a loss of € 76 million was generated by net income from liabilities designated at fair value (fair value option). This valuation of RBI's own issues decreased largely because of falling long-term interest rates, while the impact of RBI's credit spread amounted to only € 11 million. In the previous year's comparable period, it had generated a net income of € 80 million.

Net income from disposal of Group assets was € 0 million (Q1/2011: minus € 2 million).

Income taxes
Tax expenses amounted to € 111 million in the reporting period, compared with € 100 million in the first quarter of 2011. This was the result of the income-related rise in current taxes from € 19 million to € 84 million. In contrast, deferred taxes fell by € 8 million to € 27 million, mainly due to the change in the net valuations of liabilities. The tax rate was 16 per cent (Q1/2011: 25 per cent).

Earnings per share
Profit after tax for the first quarter of 2012 amounted to € 574 million. After deduction of non-controlling interests, this resulted in a consolidated profit of € 541 million, double that of the comparable period in 2011. Based on the average number of 194.7 million shares, this resulted in earnings per share of € 2.52 (Q1/2011: € 1.13).

ROE before tax
Return on equity before tax which is crucial for an assessment of business performance rose by 9.5 percentage points to 25.1 per cent, mainly because of the higher profit.

Comparison of results with the previous quarter

In € million	Q1/2012	Q4/2011	Change absolute	Change in %
Net interest income	875	943	(68)	(7.2)%
Net fee and commission income	346	365	(20)	(5.3)%
Net trading income	82	70	12	16.7%
Other net operating income[1]	(8)	(3)	(5)	172.1%
Operating income	**1,295**	**1,376**	**(81)**	**(5.9)%**
Staff expenses	(381)	(399)	17	(4.4)%
Other administrative expenses	(284)	(325)	41	(12.7)%
Depreciation	(88)	(110)	22	(19.9)%
General administrative expenses	**(753)**	**(834)**	**80**	**(9.6)%**
Operating result	**542**	**542**	**0**	**(0.1)%**
Net provisioning for impairment losses	(153)	(282)	129	(45.8)%
Other results[2]	296	81	215	264.8%
Profit before tax	**685**	**342**	**343**	**100.5%**
Income taxes	(111)	(127)	16	(12.8)%
Profit after tax	**574**	**214**	**360**	**167.8%**
Profit attributable to non-controlling interests	(33)	8	(41)	–
Consolidated profit	**541**	**222**	**319**	**143.5%**

[1] Excl. impairment of goodwill
[2] Incl. impairment of goodwill

Net interest income

Net interest income declined by 7 per cent or € 68 million in comparison with the previous quarter. Also, the net interest margin dropped by 19 basis points to 2.37 per cent in comparison with the fourth quarter of 2011. This decrease, which was mainly incurred at Group headquarters, was due to the investment of excess liquidity of the Group at currently low market interest rates and to the erosion of interest after the sale of securities. In addition, the net interest income from Hungary declined further due to the reduction in the loan portfolio, while net interest income in Russia increased significantly due to improved margins in new business and higher interest income from derivatives. A 5 per cent higher average total assets level, primarily due to increased cash in hand, led to the lower net interest income.

Net fee and commission income

Net fee and commission income fell in comparison with the previous quarter by 5 per cent or € 20 million to € 346 million. Profits from the payment transfer business dropped by € 9 million. The majority of this decrease was due to Romania, Ukraine and Hungary. Profits from the foreign currency, notes/coins and precious-metals business dropped by € 7 million to € 80 million due to the seasonally increased volume in the fourth quarter of 2011.

Net trading income

Net trading income improved by 17 per cent or € 12 million to € 82 million. Net income from currency-based transactions grew by € 89 million to € 34 million, mainly due to the development in Belarus and Russia, after the retroactive application of accounting principles for hyperinflation countries in Belarus in the fourth quarter of 2011 had negatively affected the net trading income. In the first quarter of 2012 Group headquarters generated a valuation gain on interest rate swaps. Net income from other business which consisted entirely of capital guarantees, was negative and fell by € 97 million. Due to the adjustment of the valuation methodology to the amended legal framework in the fourth quarter of 2011, there was a positive one-off effect of € 81 million.

Other net operating income

In the first quarter of 2012 other net operating income was minus € 8 million and was therefore € 5 million below the previous quarter.

The banking levy amounted to € 35 million, after € 2 million in the fourth quarter of 2011. The increase is a result of the lower banking levy in the fourth quarter of 2011 in Hungary due to the reduction related to the "Home Protection Plan" and of the recently introduced banking levy in Slovakia.

Other net operating income was positively affected in the first quarter of 2012 by net income from non-banking activities of € 13 million as a result of higher intercompany charges and lower expenditure as well as net releases of provisions of € 2 million. In the previous quarter this had accounted for minus € 11 million.

General administrative expenses

At € 753 million, the general administrative expenses in the first quarter of 2012 were € 80 million below the level of the previous quarter of € 834 million, which was due to a seasonal spike in the fourth quarter of 2011.

Staff expenses dropped by € 17 million to € 381 million. The largest reductions occurred in Hungary, the Czech Republic and Poland.

The largest decline was in other administrative expenses which fell by € 41 million to € 284 million. The decrease was mainly caused by legal, advisory and consulting expenses (minus € 24 million), advertising, PR and promotional expenses (minus € 14 million) and IT expenses (minus € 8 million).

Depreciation of tangible and intangible fixed assets fell by € 22 million to € 88 million quarter-on-quarter. This was due mainly to higher depreciation in the fourth quarter of 2011, in particular for a building in Russia.

Net provisioning for impairment losses

In comparison with the previous quarter, net provisioning for impairment losses fell significantly by 46 per cent or € 129 million. This was on the one hand the result of some larger individual cases in corporate banking in the fourth quarter of 2011, while in the first quarter of 2012 there were only very few such cases; in Group headquarters (Group Corporates segment) even some releases were possible. On the other hand, net provisioning in Hungary fell significantly. In total, the highest decreases were in the Central Europe segment by 54 per cent or € 87 million as well as in the Group Corporates segment by 99 per cent or € 79 million. In Russia in the fourth quarter of 2011 there had been high net releases for portfolio-based provisions due to the application of the updated historical default rate.

Non-performing loans to non-banks increased by € 283 million to € 7,338 million in the first quarter of 2012, with € 71 million due to foreign exchange movements. By country, the growth is mostly split between Hungary, Southeastern Europe and Austria. Therefore, the NPL ratio increased by 25 basis points to 8.90 per cent. The coverage ratio fell by 1.6 percentage points to 66.8 per cent due to a high level of well-collateralized non-performing loans in Southeastern Europe and Austria.

Other results

Other results increased by € 215 million to € 296 million in comparison with the previous quarter.

Net income from derivatives and liabilities decreased by € 229 million to € 35 million. There were several components responsible for this: while the buyback of hybrid bonds generated a profit of € 113 million, liabilities designated at fair value through profit and loss offset this and declined by € 209 million to minus € 76 million, mainly due to lower long-term interest. Net income from other derivatives, mainly comprised of fixed interest rate swaps at Group headquarters, fell by € 71 million to € 88 million.

Net income from financial investments improved by € 257 million due to the more favorable market environment and the related valuation gains (plus € 118 million) as well as further sales of securities by Group headquarters (plus € 88 million). This sale of sovereign bonds and other securities which had already begun in the fourth quarter of 2011 accounted for a profit before tax of € 137 million for the quarter under report. Additionally, € 22 million was realized by the further sale of securities from the fair value portfolio by Group headquarters. Furthermore, gains on fair value adjustments for securities primarily in Austria increased by € 118 million to € 89 million.

Other results had been affected negatively in the fourth quarter of 2011 by goodwill impairments of € 183 million in Ukraine.

Income taxes

Tax expenses in the first quarter of 2012 amounted to € 111 million compared to € 127 million in the fourth quarter of 2011; the current income tax expenses fell by € 12 million. The tax rate was 16 per cent whereas it had been 37 per cent in the fourth quarter of 2011 due to several one-off effects.

Consolidated profit

The consolidated profit increased in comparison with the previous quarter by 144 per cent or € 319 million to € 541 million. This is due both to sales of the securities portfolio and to the buyback of hybrid bonds. Moreover, net income from other operating income improved, while in the fourth quarter of 2011 it was affected by the aforementioned goodwill impairment.

Statement of financial position

As of 31 March 2012, the total assets of RBI amounted to € 148.8 billion, up 1 per cent or € 1.8 billion on the end of 2011. Only a very small part of this was due to currency effects. The increase in assets resulted from higher loans and advances to customers and the higher cash reserve, while an increase in deposits from banks and customers led to an increase in liabilities.

Assets

Assets in € million	*31/3/2012*	*Share*	*31/12/2011*	*Share*
Loans and advances to banks (after provisions)	*24,398*	*16.4%*	*25,493*	*17.3%*
Loans and advances to customers (after provisions)	*77,629*	*52.2%*	*76,778*	*52.2%*
Securities, equity investments	*25,490*	*17.1%*	*27,157*	*18.5%*
Other assets	*21,280*	*14.3%*	*17,557*	*11.9%*
Total assets	***148,798***	***100.0%***	***146,985***	***100.0%***

On the assets side, the balance sheet structure changed only slightly. Essentially, the securities portfolio was reduced due to sales amounting to € 2.1 billion net, while short-term loans including the cash reserve rose by around € 2 billion. Loans and advances to customers accounted for the largest share of assets. These came to 52 per cent of total assets and rose by 1 per cent to € 82.5 billion, specifically due to higher loans and advances to the public sector at Group headquarters and growth in the credit business in Russia. Further sales of securities reduced financial investments by 13 per cent to € 14.4 billion. Liquid assets remain high: the cash reserve, which consists mainly of call deposits at central banks, rose further by 28 per cent to € 14.6 billion.

Liabilities

Total equity and liabilities in € million	*31/3/2012*	*Share*	*31/12/2011*	*Share*
Deposits from banks	*39,318*	*26.4%*	*37,992*	*25.8%*
Deposits from customers	*67,749*	*45.5%*	*66,747*	*45.4%*
Own funds	*15,273*	*10.3%*	*15,087*	*10.3%*
Other liabilities	*26,459*	*17.8%*	*27,159*	*18.5%*
Total equity and liabilities	***148,798***	***100.0%***	***146,985***	***100.0%***

Liabilities were characterized by higher deposits from banks (an increase of 4 per cent or € 1.3 billion) and from customers (an increase of 2 per cent or € 1.0 billion). In contrast, debt securities issued fell by 6 per cent or € 0.9 billion, particularly due to the € 1.25 billion redemption in February 2012 of the second of three state-guaranteed bonds issued in 2009.

Customer deposits from retail customers increased by € 0.9 billion to € 30.1 billion; the largest growth came from Central Europe and Russia. Deposits from corporate customers fell by € 0.3 billion to € 35.3 billion, with the biggest decline at Group headquarters in Vienna. The loan/deposit ratio remained virtually unchanged at 122 per cent because both deposits and loans and advances increased almost on par with each other. Subordinated capital fell by € 0.4 billion to € 3.8 billion, mainly due to the buyback of hybrid tier 1 capital.

Funding structure

In € million	31/3/2012	Share	31/12/2011	Share
Customer deposits	67,749	54.5%	66,747	54.2%
Medium- and long-term refinancing	22,435	18.0%	23,903	19.4%
Short-term refinancing	30,369	24.4%	28,456	23.1%
Subordinated liabilities	3,799	3.1%	4,151	3.4%
Total	**124,352**	**100.0%**	**123,257**	**100.0%**

In the first quarter of 2012, more than half the budgeted and drawn wholesale funding of network banks came from sources outside the Group, continuing the ongoing trend and in line with the strategic objective of diversifying financing sources.

At the end of February 2012, RBI AG successfully placed a € 500 million benchmark issue on the international capital market which was subscribed four times within a short time. The bond matures in three years and has a coupon of 2.875 per cent.

Also in February, a new securitization transaction of PLN 500 million was successfully placed with private investors for the Polish leasing company.

Supranational institutions continue to play an important role for RBI and account for a significant share of network banks' external financing sources. This leads to stable funding for these banks.

Equity

RBI's balance sheet equity, consisting of consolidated equity, consolidated profit and the capital of the non-controlling interests, increased by 5 per cent or € 538 million to € 11,474 million compared to the end of 2011. The major part of this growth comes from comprehensive income of € 687 million, which in addition to profit after tax for the period amounting to € 574 million consists of exchange differences of € 198 million and losses on the AFS (available-for-sale) portfolio of € 93 million after tax, essentially due to the reclassification of realized gains to the income statement. This was partly offset by a reduction of € 142 million due to the purchase of a non-controlling interest of 13 per cent in Tatra banka, a.s.

Own funds pursuant to the Austrian Banking Act (BWG)

RBI does not form an independent credit institution group (Kreditinstitutsgruppe) as defined by the Austrian Banking Act (BWG) and therefore is not subject to the regulatory provisions on a consolidated basis, as it is part of the RZB Group. The following consolidated values have been determined according to the provisions of the BWG and are assumed in the calculation of the RZB credit institution group.

Consolidated own funds pursuant to BWG amounted to € 12,657 million as of 31 March 2012, which represents a decrease of 2 per cent or € 201 million. The decline results mainly from the lower core capital of € 9,240 million (minus 2 per cent or € 194 million), following a reduction by € 142 million due to RBI's acquisition of a 13 per cent share in Tatra banka. The buyback of hybrid tier 1 capital from external investors increased the core tier 1 capital by € 113 million, but reduced the total core capital by € 245 million. The upward revaluation of the Russian rouble, the Hungarian forint and the Polish zloty also had a positive impact on RBI's own funds. At € 3,332 million, additional own funds were slightly (€ 36 million) below the year-end figure. The short-term subordinated capital increased by € 8 million to € 117 million.

Own funds compared with a lower own funds requirement of € 6,898 million, a reduction of € 726 million. This drop principally resulted from the own funds requirement for credit risk, which fell by € 488 million to € 5,684 million. In addition to decreasing volumes in some markets, measures introduced in connection with the EBA requirements to optimize capital requirements by "capital clean-up" projects were responsible for the lower figure. The requirement for the position risk in bonds, equities and commodities also fell by € 218 million to € 302 million, partly because of the project to reduce the non-core business with a focus on market risk positions against the background of the EBA requirements, and partly because the internal model was updated. The requirement for open currency positions decreased as a result by € 51 million to € 89 million. The own funds requirement for operational risk came to € 823 million, compared to € 792 million at the year-end.

In total, this results in an excess cover ratio of 83.5 per cent or € 5,759 million, an improvement of 14.8 percentage points. Based on total risk, the core tier 1 ratio was 10.2 per cent, with a tier 1 ratio of 10.7 per cent. The own funds ratio increased to 14.7 per cent.

Risk Management

Active risk management constitutes a core competence for RBI. In order to be able to effectively recognize, classify and contain risks, the company utilizes comprehensive risk management and risk controlling. This forms an integral part of the overall bank management and is constantly being developed. The risk control of RBI is primarily aimed at ensuring the conscientious handling and professional management of credit and country risks, market and liquidity risks, participation risks and operational risks.

Loan portfolio strategies adjusted to reflect market conditions

At RBI, there are several credit portfolio committees responsible for active control of the loan portfolio, which determine the credit portfolio strategy for the various customer segments. The basis for the definition of lending guidelines and limits for the loan portfolio is built on analyses of internal research departments and portfolio management. In the course of the quarterly committee meetings the loan portfolio strategies for the period under review were adjusted to reflect the changes in the market outlook.

In light of the recurring uncertainty regarding the European peripheral states (Greece, Ireland, Italy, Portugal and Spain), loans and advances to countries and municipalities were one of the main focus points of portfolio management in the past quarters. Existing debts were constantly evaluated and limits were reduced, particularly in the first quarter of 2012. Alongside regulatory requirements in RBI's core markets, government securities mainly serve to strengthen the conservative liquidity buffer of the RBI Group.

The management of non-performing loans was once again one of the main focuses of risk management in the period under review. Targets and measures related to the improved early recognition of potential problem cases, to reporting on progress made on restructuring management at a Group level as well as to a swift and efficient reduction in the portfolio of non-performing loans.

Continued strong liquidity reserves

Thanks to its good liquidity position, RBI was scarcely affected by the tensions on the international financial markets in 2011. This stability was not only continued in the first quarter, it was strengthened by the further expansion of the liquidity position. In order to control liquidity risk, RBI has used a long established and proven limit model based on contractual and historically observed cash inflows and outflows that requires a high excess liquidity for short-term maturities. For medium and long-term maturities limits are also in place which in turn reduce the effect of a possible increase in refinancing cost on the results of RBI.

The liquidity position of RBI is subject to regular monitoring and is included in the weekly report of the RZB Group to the Austrian banking supervisory authority.

Capital adequacy

The European Banking Authority (EBA) audited the adequacy of capitalization of European financial institutions in the business year 2011. Given the volatile market environment, it established a capital requirement for banks to reach a core capital ratio of 9 per cent. In order to protect financial market stability and to make European financial institutions more resistant to potential negative economic developments, banks must achieve this ratio by the end of June 2012. RBI was not directly considered in the EBA analysis, as RZB acts as the superordinate credit institution. However, RBI, as part of RZB, has worked on several initiatives to achieve the stipulated ratio.

The implementation of these measures formed a special focus for the risk management of the RBI Group in the first quarter of 2012. The main point of attention was on achieving the mandatory capital ratio while at the same time protecting the core business of RBI.

Regulatory environment – Basel II and III

In this business year RBI is continuing to deal intensively with the imminent regulatory developments. A major part of the expected changes arises from the EU directive CRD III and the ongoing CRD IV/CRR decree proposed by the EU Commission. The potential impact of the new and amended legal regulations on RBI has already been thoroughly analyzed in 2011 and relevant internal guidelines have also already been implemented. Alongside the existing preparations related to the new Basel III regulations, the extensive implementation of the advanced Basel II approach was again a focus of risk management in the first quarter of 2012. RBI uses specially developed parameters and findings for internal management information purposes and control measures. Additionally, it continues to invest in the improvement of risk management systems.

Outlook

In the context of expected overall economic developments, particularly in CEE, we are aiming, with the inclusion of the acquisition of Polbank, for a return on equity before tax of around 15 per cent in the medium term. This is excluding future acquisitions, any capital increases, as well as unexpected regulatory requirements from today's perspective.

In 2012, we expect a stable business volume due to the economic environment and restrictive regulatory requirements. From the customer standpoint, we plan to retain our Corporate Customers division as the backbone of our business and in the medium term to expand the proportion of business volume accounted for by our Retail Customers division.

Against the backdrop of a permanently changing regulatory environment and further strengthening of our balance sheet structure we are continuously evaluating the level and structure of our regulatory capital to be able to act promptly and flexibly. Depending on market developments, a capital increase also continues to be a possible option.

Despite the cautious economic growth forecast, we expect to see a stabilization of the net provisioning ratio along with only a marginal increase in non-performing loan volumes. Due to current developments on the economic and political fronts, it is not possible to accurately predict when we will reach a turning point as far as non-performing loans are concerned.

In 2012, we expect higher bank levies than in the previous year. In Austria and CEE this will presumably result in a negative earnings effect of some € 160 million (of which approximately € 100 million in Austria, € 40 million in Hungary and € 20 million in Slovakia).

We plan to raise around € 4.6 billion in long-term wholesale funding (maturity of more than one year) for the RBI Group in 2012. In the capital markets we intend to raise € 2.1 billion in wholesale funding, of which around € 1.9 billion had already been placed as of mid-May.

In 2012 we will once again pay increased attention to cost development. Therefore, we have implemented Group-wide cost efficiency programs in order to achieve a flat cost development. The number of Group outlets is to remain fairly stable in 2012 (excluding Polbank), although there may continue to be some optimization of our network in some countries.

Events after the balance sheet date

Acquisition of Polbank

Following the completion of all regulatory requirements, RBI announced the formal closing of the acquisition of a 70 per cent share in Polish Polbank EFG S.A. (Polbank) on 30 April 2012. RBI paid an upfront provisional cash consideration of € 460 million for the 70 per cent stake at the closing of the deal. The implied price/book multiple for 100 per cent amounts to 1.5. This calculation already takes into account an agreed indirect further reduction in price and may become lower, depending on Polbank's equity per closing statements. The pricing of the transaction is based on a guaranteed minimum equity of € 400 million for Polbank and € 750 million for Raiffeisen Bank Polska S.A. (RBPL). Amounts exceeding the guaranteed minimum equity will be refunded on a 1:1–basis, i.e. without a premium.

Also as part of the transaction arrangement, the parties had entered into a shareholder agreement which includes the granting of a put option to Eurobank EFG to dispose of its stake in the combined entity of RBPL, including Polbank, to RBI at any time at a valuation based on business performance, but no less than € 175 million (plus interest) and RBI a respective call-option. Eurobank EFG has executed its option immediately after the closing, making RBI the sole shareholder of the combined bank. This part of the transaction is still subject to a renewed merger approval by the EU anti-trust authorities. The merger of RBPL and Polbank will conclude the transaction.

The acquisition will combine the pure retail footprint of Polbank with the strong position of RBPL in the corporate and SME segment. Besides the excellent business position, strong deposit generating capabilities due to Polbank's broad branch network as well as considerable cost synergies after the operational merger are expected.

Polbank will be consolidated into the RBI Group from 1 May 2012; first consolidated figures will be available at the publication date of RBI's results for the first half of 2012 on 29 August.

Segment report

Division of the segments

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. The division into segments is also in accordance with IFRS 8. The reconciliation basically includes the amounts resulting from the elimination of intercompany results and from cross-segment consolidation.

The Group comprises the following segments:

- Central Europe
- Southeastern Europe
- Russia
- CIS Other
- Group Corporates
- Group Markets
- Corporate Center

Segment overview

Profit before tax rose by 69 per cent year-on-year to € 685 million. With the exception of Central Europe, all regional and functional segments registered an increase in their results.

In Central Europe, profit before tax declined by 8 per cent to € 87 million, primarily as a result of lower operating income in several countries. Balance sheet assets increased by 5 per cent year-on-year to € 36.0 billion.

During the first quarter of 2012, Southeastern Europe saw profit before tax rise to € 114 million, an increase of 23 per cent compared to the same period of the previous year. This was largely driven by an increase in other results. Balance sheet assets in the segment rose by 4 per cent year-on-year to € 23.1 billion.

With profit before tax of € 158 million, Russia made the largest regional contribution to earnings. The increase of 67 per cent was the result of higher operating income. Balance sheet assets in this segment rose by 22 per cent year-on-year to € 15.2 billion.

In the CIS Other segment, profit before tax rose by 32 per cent to € 25 million, mainly due to lower net provisioning for impairment losses. Balance sheet assets in the segment declined by 7 per cent year-on-year to € 6.4 billion.

The Group Corporates segment registered a 24 per cent rise in profit before tax during the first quarter of 2012, to € 125 million, compared to the same period of the previous year. This increase was largely attributable to higher operating income and a lower level of net provisioning for impairment losses. Balance sheet assets rose year-on-year by 7 per cent to € 22.0 billion.

Profit before tax in the Group Markets segment rose year-on-year by 31 per cent to € 185 million. The main driver for this development was an increase in other results and a decline in net provisioning for impairment losses. Balance sheet assets increased by 2 per cent year-on-year to € 29.7 billion.

In the Corporate Center segment, profit before tax rose from minus € 85 million to € 128 million, due to an improvement in other results. Balance sheet assets rose year-on-year by 25 per cent to € 52.2 billion.

Central Europe

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	366	413	(11.3)%	366	450	(18.7)%
General administrative expenses	(222)	(236)	(6.1)%	(222)	(230)	(3.5)%
Operating result	**144**	**176**	**(18.4)%**	**144**	**220**	**(34.6)%**
Net provisioning for impairment losses	(75)	(79)	(4.4)%	(75)	(162)	(53.5)%
Other results	19	(3)	–	19	(38)	–
Profit before tax	**87**	**95**	**(7.9)%**	**87**	**20**	**337.0%**
Assets	36,024	34,393	4.7%	36,024	34,852	3.4%
Net interest margin	2.82%	3.36%	(0.55) PP	2.82%	2.89%	(0.07) PP
Return on equity before tax	**12.1%**	**13.1%**	**(1.0) PP**	**12.1%**	**2.9%**	**9.2 PP**

In Central Europe, profit before tax during amounted to € 87 million in the first quarter 2012, down 8 per cent on the previous year. A decline in operating income of 11 per cent was partially offset by higher other results as well as lower general administrative expenses. The return on equity before tax decreased by 1 percentage point to 12.1 per cent.

Operating income

Net interest income in the segment declined by 13 per cent to € 249 million, primarily as a result of early repayment of foreign currency loans in Hungary. In the other countries within the segment, apart from Slovakia, net interest income was also down. Due to an expanded customer portfolio which led to higher income from loans to corporate and private customers, Slovakia registered a 5 per cent increase in net interest income year-on-year. The net interest margin in the region fell by 55 basis points to 2.82 per cent, while the balance sheet assets increased by 5 per cent year-on-year to € 36.0 billion. Credit risk-weighted assets declined by 6 per cent, from € 23.2 billion to € 20.4 billion, mainly due to improved ratings for corporate customers in Slovakia as well as a lower level of exposure among the Corporate Customers and Financial Institutions divisions in Hungary. In the Czech Republic, the increase in equities approved by regulatory bodies and improved ratings led to a decline in credit risk-weighted assets.

Net fee and commission income in the segment was down by a total of 6 per cent or € 7 million, to € 112 million, year-on-year. Net income from the payment transfer business remained unchanged at € 47 million. Net income from the loan and guarantee business declined by 20 per cent to € 15 million mainly in Hungary due to lower business volumes in project financing. The 6 per cent drop in income from the foreign currency, notes/coins and precious-metals business to € 33 million was primarily a result of declining customer margins from the foreign currency business in Poland.

Net trading income in Central Europe was unchanged year-on-year at € 12 million. It was almost entirely comprised of net income from currency-based transactions in the amount of € 12 million, where net valuations from a variety of foreign currency financing instruments in Poland made the largest contribution.

Other net operating income in the region was down in the first quarter of 2012, from minus € 5 million to minus € 7 million, which was mostly due to increased expenses of € 4 million for the newly introduced bank levy in Slovakia.

General administrative expenses

General administrative expenses in the segment declined by 6 per cent year-on-year to € 222 million, largely as a consequence of the development in staff and other administrative expenses. The decrease in staff expenses was achieved primarily as a result of staff reductions in Hungary as well as a reduction of sales commissions in the Czech Republic. The 3 per cent cut in other administrative expenses to € 94 million was mostly due to declining legal, advisory and consulting expenses, as well as lower advertising, PR and promotional expenses. General administrative expenses connected to the business activities of ZUNO direct bank in the Czech Republic and Slovakia remained unchanged year-on-year, at € 8 million. Depreciation was also stable at € 24 million. The number of business outlets in the segment rose by four, to 552, year-on-year. As a result of lower operating income, the regional cost/income ratio rose by 3.4 percentage points to reach 60.7 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses declined by 4 per cent to € 75 million. Net allocations to individual loan loss provisions increased year-on-year by 6 per cent to € 75 million, mainly the result of a large provision made in connection with one individual customer in Slovakia. By contrast, in Hungary net provisioning for impairment losses was down from the relatively high level of the previous year. Portfolio-based loan loss provisions in the region amounted to less than € 1 million in the reporting period, an improvement of € 8 million in total on the previous year. The highest net allocations to portfolio-based loan loss provisions occurred in the Czech Republic, mainly in connection with the retail and corporate customer portfolio. The share of non-performing loans in the Central European segment's loan portfolio amounted to 10.0 per cent at the end of the period under review (an increase of 1.5 percentage points year-on-year).

Other results and taxes

Other results in the Central Europe segment rose from minus € 3 million to € 19 million. Net income from financial investments was up, due to net valuation gains, from minus € 4 million to € 15 million. In Hungary, net valuation gains on municipal bonds made a positive contribution of € 8 million. In Slovakia, it was net valuation gains on government bonds that boosted income most. Net income from derivatives rose year-on-year by € 3 million to € 4 million, mainly due to net valuation gains on a variety of hedging transactions in the Czech Republic which were made in order to adjust the currency and interest rate structure.

Income taxes for the segment rose by 29 per cent to € 25 million. The tax rate rose by 8 percentage points to 28 per cent, due to non-recognizable tax loss carry-forwards in Hungary as well as higher non-deductible expenses in Slovakia. Profit after non-controlling interests amounted to € 43 million.

Below please find the detailed results of the individual countries:

Czech Republic

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	66	73	(9.5)%	66	65	1.8%
Net fee and commission income	30	30	(1.4)%	30	31	(4.4)%
Net trading income	2	2	16.5%	2	3	(20.2)%
Other net operating income	2	1	84.8%	2	8	(77.5)%
Operating income	**100**	**106**	**(5.8)%**	**100**	**107**	**(6.5)%**
General administrative expenses	(55)	(59)	(6.5)%	(55)	(55)	(0.4)%
Operating result	**45**	**47**	**(5.0)%**	**45**	**51**	**(13.2)%**
Net provisioning for impairment losses	(6)	(15)	(57.9)%	(6)	(22)	(70.4)%
Other results	6	1	>500.0%	6	(2)	–
Profit before tax	**44**	**33**	**35.4%**	**44**	**28**	**60.1%**
Income taxes	(10)	(7)	37.0%	(10)	(6)	65.7%
Profit after tax	**34**	**26**	**34.9%**	**34**	**22**	**58.5%**
Profit attributable to non-controlling interests	(19)	(14)	32.9%	(19)	(8)	119.1%
Profit after non-controlling interests	**16**	**12**	**37.4%**	**16**	**13**	**19.6%**
Assets	8,988	8,358	7.5%	8,988	8,789	2.3%
Loans and advances to customers	6,771	6,831	(0.9)%	6,771	6,538	3.6%
hereof corporate %	43.2%	43.4%	(0.2) PP	43.2%	42.3%	1.0 PP
hereof retail %	56.7%	56.4%	0.3 PP	56.7%	57.6%	(1.0) PP
hereof foreign currency %	6.7%	7.0%	(0.3) PP	6.7%	6.9%	(0.2) PP
Deposits from customers	6,151	5,141	19.6%	6,151	6,039	1.9%
Loan/deposit ratio	110.1%	132.9%	(22.8) PP	110.1%	108.2%	1.8 PP
Return on equity before tax	29.0%	22.6%	6.3 PP	29.0%	19.6%	9.4 PP
Return on equity after tax	22.5%	17.7%	4.9 PP	22.5%	15.4%	7.2 PP
Cost/income ratio	55.3%	55.7%	(0.4) PP	55.3%	51.8%	3.4 PP
Number of employees as of reporting date	3,018	2,988	1.0%	3,018	3,012	0.2%
Business outlets	130	114	14.0%	130	129	0.8%
Number of customers	478,474	432,215	10.7%	478,474	470,666	1.7%

Hungary

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	57	84	(32.6)%	57	61	(7.8)%
Net fee and commission income	19	22	(16.3)%	19	22	(14.9)%
Net trading income	(3)	4	–	(3)	28	–
Other net operating income	(10)	(16)	(34.4)%	(10)	(2)	323.8%
Operating income	**62**	**95**	**(34.3)%**	**62**	**109**	**(43.0)%**
General administrative expenses	(48)	(57)	(16.8)%	(48)	(52)	(8.2)%
Operating result	**14**	**37**	**(61.3)%**	**14**	**57**	**(74.8)%**
Net provisioning for impairment losses	(46)	(47)	(2.2)%	(46)	(104)	(55.5)%
Other results	8	(3)	–	8	(28)	–
Loss before tax	**(24)**	**(14)**	**75.8%**	**(24)**	**(75)**	**(68.4)%**
Income taxes	0	3	(94.4)%	0	7	(97.9)%
Loss after tax	**(24)**	**(11)**	**115.6%**	**(24)**	**(69)**	**(65.5)%**
Profit attributable to non-controlling interests	4	1	194.8%	4	(71)	–
Loss after non-controlling interests	**(20)**	**(10)**	**104.7%**	**(20)**	**(140)**	**(85.8)%**
Assets	7,639	8,603	(11.2)%	7,639	7,320	4.4%
Loans and advances to customers	5,530	6,041	(8.5)%	5,530	5,564	(0.6)%
hereof corporate %	54.6%	51.7%	1.6 PP	54.6%	53.2%	1.4 PP
hereof retail %	40.3%	45.2%	(2.6) PP	40.3%	42.5%	(2.2) PP
hereof foreign currency %	76.3%	67.7%	3.3 PP	76.3%	75.9%	0.5 PP
Deposits from customers	5,020	4,994	0.5%	5,020	4,578	9.6%
Loan/deposit ratio	110.2%	121.0%	(10.8) PP	110.2%	121.5%	(11.4) PP
Return on equity before tax	–	–	–	–	–	–
Return on equity after tax	–	–	–	–	–	–
Cost/income ratio	76.8%	60.6%	16.2 PP	76.8%	47.6%	29.2 PP
Number of employees as of reporting date	2,932	3,262	(10.1)%	2,932	2,977	(1.5)%
Business outlets	134	144	(6.9)%	134	134	0.0%
Number of customers	640,019	642,768	(0.4)%	640,019	643,257	(0.5)%

Poland

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	43	49	(11.8)%	43	44	(2.1)%
Net fee and commission income	31	34	(10.2)%	31	36	(14.5)%
Net trading income	10	6	82.0%	10	15	(33.7)%
Other net operating income	3	9	(67.2)%	3	5	(43.1)%
Operating income	**87**	**97**	**(10.8)%**	**87**	**100**	**(13.4)%**
General administrative expenses	(50)	(49)	1.9%	(50)	(58)	(12.8)%
Operating result	**37**	**48**	**(23.8)%**	**37**	**43**	**(14.3)%**
Net provisioning for impairment losses	(8)	(13)	(42.3)%	(8)	(22)	(65.2)%
Other results	0	0	–	0	0	132.0%
Profit before tax	**29**	**35**	**(15.8)%**	**29**	**21**	**40.7%**
Income taxes	(6)	(6)	(4.7)%	(6)	(5)	28.5%
Profit after tax	**23**	**29**	**(18.2)%**	**23**	**16**	**44.1%**
Profit attributable to non-controlling interests	(1)	(2)	(26.2)%	(1)	(1)	88.6%
Profit after non-controlling interests	**22**	**27**	**(17.6)%**	**22**	**16**	**41.9%**
Assets	7,750	6,832	13.4%	7,750	7,368	5.2%
Loans and advances to customers	5,569	5,189	7.3%	5,569	5,340	4.3%
hereof corporate %	62.1%	57.9%	4.6 PP	62.1%	61.8%	0.3 PP
hereof retail %	37.7%	41.2%	(4.3) PP	37.7%	37.6%	0.1 PP
hereof foreign currency %	38.2%	35.5%	3.6 PP	38.2%	39.8%	(1.6) PP
Deposits from customers	4,574	3,668	24.7%	4,574	4,356	5.0%
Loan/deposit ratio	121.8%	141.5%	(19.7) PP	121.8%	122.6%	(0.9) PP
Return on equity before tax	16.3%	18.9%	(2.5) PP	16.3%	13.0%	3.4 PP
Return on equity after tax	13.1%	15.5%	(2.5) PP	13.1%	10.1%	2.9 PP
Cost/income ratio	57.7%	50.5%	7.2 PP	57.7%	57.3%	0.4 PP
Number of employees as of reporting date	3,183	3,153	1.0%	3,183	3,169	0.4%
Business outlets	116	116	0.0%	116	116	0.0%
Number of customers	241,015	248,826	(3.1)%	241,015	246,586	(2.3)%

Slovakia

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	77	73	5.3%	77	76	1.5%
Net fee and commission income	31	31	1.1%	31	32	(3.8)%
Net trading income	2	1	65.7%	2	(1)	–
Other net operating income	(2)	1	–	(2)	18	–
Operating income	**109**	**106**	**2.7%**	**109**	**125**	**(12.9)%**
General administrative expenses	(63)	(64)	(1.7)%	(63)	(61)	4.1%
Operating result	**46**	**42**	**9.6%**	**46**	**64**	**(28.9)%**
Net provisioning for impairment losses	(13)	(1)	>500.0%	(13)	(12)	5.5%
Other results	4	(1)	–	4	(5)	–
Profit before tax	**37**	**40**	**(5.7)%**	**37**	**48**	**(21.3)%**
Income taxes	(9)	(8)	13.9%	(9)	(8)	19.5%
Profit after tax	**28**	**32**	**(10.7)%**	**28**	**40**	**(29.1)%**
Profit attributable to non-controlling interests	(11)	(13)	(13.2)%	(11)	(9)	22.6%
Profit after non-controlling interests	**17**	**19**	**(9.0)%**	**17**	**31**	**(44.0)%**
Assets	10,008	8,940	12.0%	10,008	9,682	3.4%
Loans and advances to customers	6,687	6,073	10.1%	6,687	6,636	0.8%
hereof corporate %	51.1%	53.3%	(1.3) PP	51.1%	52.0%	(0.9) PP
hereof retail %	48.7%	46.4%	1.4 PP	48.7%	47.8%	0.9 PP
hereof foreign currency %	0.9%	1.4%	(0.6) PP	0.9%	0.9%	0.0 PP
Deposits from customers	7,589	6,691	13.4%	7,589	7,207	5.3%
Loan/deposit ratio	88.1%	90.8%	(2.6) PP	88.1%	92.1%	(3.9) PP
Return on equity before tax	15.2%	18.7%	(3.5) PP	15.2%	21.0%	(5.8) PP
Return on equity after tax	11.5%	14.9%	(3.5) PP	11.5%	17.6%	(6.1) PP
Cost/income ratio	57.9%	60.6%	(2.6) PP	57.9%	48.5%	9.4 PP
Number of employees as of reporting date	3,815	3,769	1.2%	3,815	3,805	0.3%
Business outlets	155	157	(1.3)%	155	156	(0.6)%
Number of customers	800,581	747,832	7.1%	800,581	788,215	1.6%

Slovenia

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	6	8	(20.1)%	6	7	(16.6)%
Net fee and commission income	2	2	1.1%	2	2	1.8%
Net trading income	0	0	–	0	0	112.6%
Other net operating income	0	0	(41.1)%	0	0	–
Operating income	**8**	**10**	**(15.1)%**	**8**	**9**	**(6.5)%**
General administrative expenses	(6)	(7)	(11.1)%	(6)	(5)	13.9%
Operating result	**2**	**3**	**(24.2)%**	**2**	**4**	**(36.5)%**
Net provisioning for impairment losses	(2)	(2)	4.0%	(2)	(2)	12.5%
Other results	0	0	(63.2)%	0	(2)	–
Profit/loss before tax	**0**	**1**	**(92.5)%**	**0**	**(1)**	**–**
Income taxes	0	0	–	0	0	(88.3)%
Profit after tax	**0**	**1**	**(83.3)%**	**0**	**0**	**–**
Profit attributable to non-controlling interests	0	0	(52.0)%	0	0	–
Profit after non-controlling interests	**0**	**1**	**(87.0)%**	**0**	**0**	**–**
Assets	1,660	1,685	(1.5)%	1,660	1,732	(4.1)%
Loans and advances to customers	1,295	1,331	(2.7)%	1,295	1,303	(0.6)%
hereof corporate %	62.1%	68.8%	(7.4) PP	62.1%	61.7%	0.4 PP
hereof retail %	31.7%	30.4%	2.1 PP	31.7%	32.1%	(0.4) PP
hereof foreign currency %	6.9%	7.8%	(2.7) PP	6.9%	6.9%	0.0 PP
Deposits from customers	465	528	(11.8)%	465	464	0.4%
Loan/deposit ratio	278.3%	252.3%	25.9 PP	278.3%	281.0%	(2.7) PP
Return on equity before tax	0.4%	5.4%	(5.0) PP	0.4%	–	–
Return on equity after tax	0.7%	4.0%	(3.3) PP	0.7%	–	–
Cost/income ratio	72.6%	69.3%	3.3 PP	72.6%	59.6%	13.0 PP
Number of employees as of reporting date	319	353	(9.6)%	319	323	(1.2)%
Business outlets	17	17	0.0%	17	17	0.0%
Number of customers	67,720	67,040	1.0%	67,720	67,526	0.3%

Southeastern Europe

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	330	330	0.1%	330	350	(5.7)%
General administrative expenses	(177)	(182)	(2.9)%	(177)	(192)	(7.9)%
Operating result	**153**	**148**	**3.7%**	**153**	**158**	**(3.1)%**
Net provisioning for impairment losses	(60)	(60)	0.1%	(60)	(64)	(5.7)%
Other results	21	5	304.0%	21	(2)	–
Profit before tax	**114**	**93**	**23.2%**	**114**	**91**	**25.5%**
Assets	23,097	22,247	3.8%	23,097	22,827	1.2%
Net interest margin	3.98%	3.94%	0.04 PP	3.98%	4.04%	(0.06) PP
Return on equity before tax	**21.2%**	**17.5%**	**3.8 PP**	**21.2%**	**18.1%**	**3.1 PP**

In Southeastern Europe, profit before tax increased by 23 per cent compared to the first quarter of 2011 to € 114 million. This was the result of a rise in net income from financial investments, while net provisioning for impairment losses and operating income remained virtually unchanged. Return on equity before tax improved by 3.8 percentage points to 21.2 per cent.

Operating income

Net interest income in the segment rose by 3 per cent to € 228 million, mainly as a result of the development in Romania, where despite the high pressure on margins, there was a significant increase in lending volumes for large corporate customers and private customers. Balance sheet assets rose from € 22.2 billion to € 23.1 billion year-on-year, while credit risk-weighted assets went down 14 per cent to € 14.0 billion. The main reason for this was Croatia, where commitments to the public sector received a lower weighting due to the country's imminent accession to the EU.

Net fee and commission income declined by 15 per cent year-on-year to € 75 million. The payment transfer business continued to be the biggest contributor with € 41 million and remained nearly unchanged year-on-year, while income from the loan and guarantee business fell by 68 per cent to € 6 million. The main reason for this was the bank's performance in Romania, where lower prices, particularly in the retail business, resulted in a decline. Income from foreign currency, notes/coins, and precious-metals business, which for the most part came from Croatia and Romania, remained unchanged year-on-year at € 15 million.

Net trading income for the Southeastern Europe segment rose year-on-year by 21 per cent to € 17 million. Income from currency-based transactions declined by 16 per cent to € 5 million, mostly attributable to the net valuations of forward- and swap transactions in Romania. A 52 per cent increase in net income to € 12 million was reported for interest-based transactions. In Croatia, revaluation gains on government bonds were higher than in the same period in the previous year, as did revaluation gains on interest-bearing instruments in the trading portfolio for Romania.

Other net operating income rose year-on-year by 42 per cent to € 10 million. The release of other provisions in several countries in the region had a positive impact on results.

General administrative expenses

The segment's general administrative expenses declined year-on-year by a total of 3 per cent to € 177 million. Staff expenses were lower primarily in Romania due to personnel cuts. Other administrative expenses remained nearly unchanged at € 78 million. Office space and IT expenses of € 35 million represented the largest item. The depreciation for the segment went down 9 per cent to € 24 million, mainly due to leased assets in Romania and Croatia. The combination of unchanged operating income and lower general administrative expenses caused the cost/income ratio to go down by 1.6 percentage points to 53.6 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses in this segment remained unchanged year-on-year at € 60 million. Net allocations to individual loan loss provisions fell by 14 per cent or € 12 million to € 68 million. The main reason for this was Croatia, where the private customer loan portfolio improved. Bulgaria and Serbia also saw lower net provisioning for impairment losses. Net releases of portfolio-based loan loss provisions declined to € 8 million year-on-year, since net allocations to loan loss provisions, in particular in Romania, were significantly higher than in the previous year. Net releases of portfolio-based loan loss provisions in Bulgaria on the other hand, were significantly higher due to adaptation to re-calculated default rates. The percentage of non-performing loans in the loan portfolio for the segment rose year-on-year by 2.9 percentage points to 12.0 per cent, which was primarily attributable to well collateralized larger individual cases in the corporate customer business in Bulgaria as well as in Bosnia and Herzegovina.

Other results and taxes

Other results for the Southeastern Europe segment rose year-on-year by € 16 million to € 21 million. Net income from financial investments went up from minus € 2 million to € 23 million mainly due to revaluation gains on government bonds in Romania, which saw a decline in yields. Net income from derivative financial instruments was down year-on-year by € 8 million to minus € 1 million due to valuation losses in Croatia.

Income taxes for the region increased by 21 per cent year-on-year to € 15 million. The tax rate remained almost unchanged at 13 per cent. Profit after non-controlling interests rose by 25 per cent to € 91 million.

Below please find the detailed results of the individual countries in the segment:

Albania

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	21	22	(3.2)%	21	22	(0.5)%
Net fee and commission income	2	2	(10.5)%	2	2	4.3%
Net trading income	4	3	30.2%	4	4	10.9%
Other net operating income	0	0	–	0	(1)	(95.6)%
Operating income	**28**	**28**	**0.0%**	**28**	**26**	**4.7%**
General administrative expenses	(9)	(9)	(1.5)%	(9)	(11)	(24.7)%
Operating result	**19**	**19**	**0.8%**	**19**	**15**	**27.2%**
Net provisioning for impairment losses	(4)	(3)	44.3%	(4)	3	–
Other results	0	0	–	0	0	–
Profit before tax	**15**	**16**	**(6.9)%**	**15**	**18**	**(17.1)%**
Income taxes	(2)	(2)	(27.4)%	(2)	(2)	(5.4)%
Profit after tax	**13**	**14**	**(3.8)%**	**13**	**16**	**(18.3)%**
Profit attributable to non-controlling interests	0	0	92.3%	0	0	(53.3)%
Profit after non-controlling interests	**13**	**14**	**(3.9)%**	**13**	**16**	**(18.2)%**
Assets	2,287	2,008	13.9%	2,287	2,330	(1.8)%
Loans and advances to customers	978	784	24.7%	978	972	0.7%
hereof corporate %	66.6%	61.8%	4.7 PP	66.6%	65.6%	1.0 PP
hereof retail %	33.4%	38.2%	(4.7) PP	33.4%	34.4%	(1.0) PP
hereof foreign currency %	57.2%	64.0%	(6.8) PP	57.2%	57.6%	(0.4) PP
Deposits from customers	2,013	1,706	18.0%	2,013	2,005	0.4%
Loan/deposit ratio	48.6%	46.0%	2.6 PP	48.6%	48.5%	0.1 PP
Return on equity before tax	32.3%	31.2%	1.1 PP	32.3%	43.5%	(11.3) PP
Return on equity after tax	28.9%	27.0%	1.9 PP	28.9%	39.6%	(10.6) PP
Cost/income ratio	31.3%	31.7%	(0.5) PP	31.3%	43.4%	(12.2) PP
Number of employees as of reporting date	1,420	1,355	4.8%	1,420	1,427	(0.5)%
Business outlets	105	103	1.9%	105	105	0.0%
Number of customers	669,632	654,340	2.3%	669,632	692,142	(3.3)%

Bosnia and Herzegovina

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	18	19	(5.9)%	18	19	(5.5)%
Net fee and commission income	7	7	(4.5)%	7	8	(18.3)%
Net trading income	0	0	15.9%	0	0	(45.4)%
Other net operating income	1	0	65.5%	1	0	35.0%
Operating income	**26**	**27**	**(4.5)%**	**26**	**28**	**(9.1)%**
General administrative expenses	(15)	(15)	(4.2)%	(15)	(19)	(23.5)%
Operating result	**11**	**12**	**(4.9)%**	**11**	**9**	**20.4%**
Net provisioning for impairment losses	(6)	(3)	112.5%	(6)	(7)	(18.2)%
Other results	2	(1)	–	2	(1)	–
Profit before tax	**7**	**8**	**(10.9)%**	**7**	**1**	**>500.0%**
Income taxes	(1)	(1)	12.3%	(1)	(2)	(70.8)%
Profit/loss after tax	**7**	**7**	**(12.8)%**	**7**	**(1)**	**–**
Profit attributable to non-controlling interests	0	0	–	0	0	–
Profit/loss after non-controlling interests	**6**	**8**	**(15.8)%**	**6**	**(1)**	**–**
Assets	2,069	2,143	(3.5)%	2,069	2,170	(4.7)%
Loans and advances to customers	1,330	1,366	(2.6)%	1,330	1,358	(2.1)%
hereof corporate %	42.7%	43.4%	(0.7) PP	42.7%	42.8%	(0.1) PP
hereof retail %	56.8%	55.2%	1.5 PP	56.8%	56.2%	0.5 PP
hereof foreign currency %	75.8%	66.0%	9.8 PP	75.8%	74.2%	1.6 PP
Deposits from customers	1,564	1,605	(2.6)%	1,564	1,660	(5.8)%
Loan/deposit ratio	85.1%	85.1%	0.0 PP	85.1%	81.8%	3.2 PP
Return on equity before tax	11.5%	13.4%	(1.9) PP	11.5%	1.7%	9.8 PP
Return on equity after tax	10.4%	12.3%	(2.0) PP	10.4%	–	–
Cost/income ratio	56.6%	56.4%	0.2 PP	56.6%	67.2%	(10.6) PP
Number of employees as of reporting date	1,550	1,606	(3.5)%	1,550	1,569	(1.2)%
Business outlets	98	98	0.0%	98	98	0.0%
Number of customers	593,325	644,800	(8.0)%	593,325	591,507	0.3%

Bulgaria

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	37	43	(13.9)%	37	41	(10.5)%
Net fee and commission income	9	9	1.4%	9	10	(10.2)%
Net trading income	1	2	(34.6)%	1	1	(16.2)%
Other net operating income	0	0	–	0	1	–
Operating income	**46**	**53**	**(13.1)%**	**46**	**53**	**(12.4)%**
General administrative expenses	(23)	(24)	(2.8)%	(23)	(25)	(6.1)%
Operating result	**23**	**29**	**(21.4)%**	**23**	**28**	**(18.0)%**
Net provisioning for impairment losses	(15)	(13)	12.0%	(15)	(29)	(49.2)%
Other results	0	0	–	0	0	8.0%
Profit before tax	**9**	**16**	**(48.3)%**	**9**	**0**	**–**
Income taxes	(1)	(2)	(47.2)%	(1)	0	–
Profit after tax	**8**	**15**	**(48.4)%**	**8**	**0**	**–**
Profit attributable to non-controlling interests	(1)	(1)	25.0%	(1)	0	–
Profit after non-controlling interests	**7**	**14**	**(52.1)%**	**7**	**0**	**–**
Assets	3,610	3,668	(1.6)%	3,610	3,681	(1.9)%
Loans and advances to customers	2,924	2,809	4.1%	2,924	2,974	(1.7)%
hereof corporate %	44.5%	42.7%	1.9 PP	44.5%	44.2%	0.3 PP
hereof retail %	54.9%	56.9%	(1.9) PP	54.9%	55.3%	(0.3) PP
hereof foreign currency %	79.6%	80.2%	(0.6) PP	79.6%	78.3%	1.3 PP
Deposits from customers	2,124	2,024	4.9%	2,124	2,171	(2.2)%
Loan/deposit ratio	137.7%	138.8%	(1.1) PP	137.7%	137.0%	0.7 PP
Return on equity before tax	6.9%	13.5%	(6.6) PP	6.9%	–	–
Return on equity after tax	6.2%	12.2%	(6.0) PP	6.2%	–	–
Cost/income ratio	50.2%	44.9%	5.3 PP	50.2%	46.8%	3.4 PP
Number of employees as of reporting date	3,202	3,223	(0.7)%	3,202	3,271	(2.1)%
Business outlets	184	190	(3.2)%	184	187	(1.6)%
Number of customers	780,136	743,896	4.9%	780,136	775,580	0.6%

Croatia

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	39	42	(8.7)%	39	41	(6.5)%
Net fee and commission income	14	15	(11.6)%	14	16	(13.1)%
Net trading income	6	3	82.8%	6	4	53.6%
Other net operating income	9	8	17.2%	9	7	36.8%
Operating income	**67**	**69**	**(2.3)%**	**67**	**67**	**(0.5)%**
General administrative expenses	(38)	(38)	(1.9)%	(38)	(36)	5.5%
Operating result	**30**	**30**	**(2.7)%**	**30**	**32**	**(7.2)%**
Net provisioning for impairment losses	(5)	(16)	(70.8)%	(5)	(8)	(43.6)%
Other results	3	6	(59.1)%	3	(7)	–
Profit before tax	**27**	**21**	**32.7%**	**27**	**16**	**68.8%**
Income taxes	(5)	(4)	30.1%	(5)	(3)	87.3%
Profit after tax	**22**	**16**	**33.4%**	**22**	**13**	**64.8%**
Profit attributable to non-controlling interests	(6)	(4)	44.8%	(6)	(4)	57.5%
Profit after non-controlling interests	**16**	**12**	**29.3%**	**16**	**9**	**68.0%**
Assets	6,333	5,577	13.6%	6,333	5,465	15.9%
Loans and advances to customers	3,854	3,929	(1.9)%	3,854	3,830	0.6%
hereof corporate %	40.7%	39.1%	1.6 PP	40.7%	39.9%	0.8 PP
hereof retail %	47.5%	47.4%	0.1 PP	47.5%	48.6%	(1.1) PP
hereof foreign currency %	67.0%	68.8%	(1.8) PP	67.0%	67.4%	(0.4) PP
Deposits from customers	3,057	2,973	2.8%	3,057	3,121	(2.1)%
Loan/deposit ratio	126.1%	132.2%	(6.1) PP	126.1%	122.7%	3.4 PP
Return on equity before tax	14.2%	10.1%	4.0 PP	14.2%	8.6%	5.6 PP
Return on equity after tax	11.4%	8.1%	3.3 PP	11.4%	7.1%	4.3 PP
Cost/income ratio	56.0%	55.8%	0.2 PP	56.0%	52.8%	3.2 PP
Number of employees as of reporting date	2,080	2,174	(4.3)%	2,080	2,083	(0.1)%
Business outlets	81	84	(3.6)%	81	81	0.0%
Number of customers	513,973	542,413	(5.2)%	513,973	538,817	(4.6)%

Kosovo

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	10	9	15.4%	10	10	(1.7)%
Net fee and commission income	2	2	7.2%	2	2	(14.1)%
Net trading income	0	0	–	0	0	–
Other net operating income	0	0	(98.8)%	0	0	–
Operating income	**12**	**10**	**14.6%**	**12**	**12**	**(4.6)%**
General administrative expenses	(7)	(6)	12.4%	(7)	(7)	(9.8)%
Operating result	**5**	**4**	**17.5%**	**5**	**5**	**3.3%**
Net provisioning for impairment losses	(1)	(1)	127.2%	(1)	(3)	(50.4)%
Other results	1	0	40.8%	1	0	–
Profit before tax	**4**	**4**	**2.9%**	**4**	**2**	**138.4%**
Income taxes	0	0	38.9%	0	0	81.8%
Profit after tax	**4**	**4**	**0.1%**	**4**	**2**	**146.8%**
Profit attributable to non-controlling interests	0	0	59.9%	0	0	354.8%
Profit after non-controlling interests	**4**	**4**	**(0.1)%**	**4**	**2**	**148.8%**
Assets	650	703	(7.6)%	650	680	(4.5)%
Loans and advances to customers	423	389	8.7%	423	428	(1.3)%
hereof corporate %	34.2%	30.4%	3.8 PP	34.2%	33.8%	0.3 PP
hereof retail %	65.8%	69.6%	(3.8) PP	65.8%	66.2%	(0.3) PP
hereof foreign currency %	0.0%	0.0%	0.0 PP	0.0%	0.0%	0.0 PP
Deposits from customers	524	568	(7.8)%	524	557	(6.1)%
Loan/deposit ratio	80.8%	68.5%	12.3 PP	80.8%	76.9%	3.9 PP
Return on equity before tax	18.4%	18.1%	0.3 PP	18.4%	8.3%	10.1 PP
Return on equity after tax	16.6%	16.8%	(0.2) PP	16.6%	7.2%	9.4 PP
Cost/income ratio	56.8%	57.9%	(1.1) PP	56.8%	60.1%	(3.3) PP
Number of employees as of reporting date	714	702	1.7%	714	720	(0.8)%
Business outlets	54	52	3.8%	54	54	0.0%
Number of customers	257,216	231,193	11.3%	257,216	252,343	1.9%

Romania

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	80	59	35.0%	80	72	10.5%
Net fee and commission income	33	45	(25.6)%	33	45	(26.5)%
Net trading income	5	4	17.4%	5	4	17.7%
Other net operating income	0	(1)	–	0	5	(91.3)%
Operating income	**119**	**107**	**10.9%**	**119**	**127**	**(6.3)%**
General administrative expenses	(67)	(71)	(5.8)%	(67)	(73)	(8.3)%
Operating result	**52**	**37**	**43.2%**	**52**	**54**	**(3.7)%**
Net provisioning for impairment losses	(27)	(16)	67.0%	(27)	(17)	64.8%
Other results	11	(2)	–	11	4	166.4%
Profit before tax	**36**	**18**	**96.3%**	**36**	**42**	**(13.9)%**
Income taxes	(5)	(3)	83.0%	(5)	(8)	(35.3)%
Profit after tax	**31**	**16**	**98.7%**	**31**	**34**	**(9.0)%**
Profit attributable to non-controlling interests	0	0	–	0	0	–
Profit after non-controlling interests	**31**	**15**	**106.3%**	**31**	**34**	**(7.3)%**
Assets	6,263	6,120	2.3%	6,263	6,359	(1.5)%
Loans and advances to customers	4,339	4,205	3.2%	4,339	4,428	(2.0)%
hereof corporate %	36.5%	33.2%	3.3 PP	36.5%	37.1%	(0.6) PP
hereof retail %	61.5%	61.2%	0.3 PP	61.5%	60.8%	0.7 PP
hereof foreign currency %	52.1%	52.1%	0.0 PP	52.1%	52.1%	0.0 PP
Deposits from customers	3,872	3,420	13.2%	3,872	3,904	(0.8)%
Loan/deposit ratio	112.1%	122.9%	(10.9) PP	112.1%	113.4%	(1.4) PP
Return on equity before tax	27.8%	14.8%	12.9 PP	27.8%	35.8%	(8.0) PP
Return on equity after tax	23.9%	12.6%	11.3 PP	23.9%	29.1%	(5.3) PP
Cost/income ratio	56.0%	65.9%	(9.9) PP	56.0%	57.2%	(1.2) PP
Number of employees as of reporting date	5,880	6,154	(4.5)%	5,880	6,030	(2.5)%
Business outlets	540	545	(0.9)%	540	551	(2.0)%
Number of customers	1,932,098	1,905,035	1.4%	1,932,098	1,913,601	1.0%

Serbia

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	23	27	(13.1)%	23	24	(2.8)%
Net fee and commission income	8	8	9.8%	8	9	(11.5)%
Net trading income	0	1	(65.8)%	0	1	(65.1)%
Other net operating income	1	0	78.1%	1	1	(16.5)%
Operating income	**33**	**36**	**(9.2)%**	**33**	**35**	**(7.8)%**
General administrative expenses	(20)	(19)	3.1%	(20)	(21)	(7.3)%
Operating result	**13**	**17**	**(23.2)%**	**13**	**14**	**(8.7)%**
Net provisioning for impairment losses	(2)	(9)	(75.2)%	(2)	(4)	(40.1)%
Other results	5	1	>500.0%	5	2	151.7%
Profit before tax	**16**	**9**	**77.3%**	**16**	**12**	**26.3%**
Income taxes	(1)	(1)	19.8%	(1)	(1)	82.8%
Profit after tax	**15**	**8**	**84.0%**	**15**	**12**	**23.3%**
Profit attributable to non-controlling interests	0	0	(75.4)%	0	0	–
Profit after non-controlling interests	**15**	**8**	**92.6%**	**15**	**12**	**20.4%**
Assets	1,969	2,060	(4.4)%	1,969	2,207	(10.8)%
Loans and advances to customers	1,309	1,341	(2.4)%	1,309	1,331	(1.7)%
hereof corporate %	56.9%	54.5%	2.4 PP	56.9%	53.8%	3.1 PP
hereof retail %	39.9%	42.3%	(2.5) PP	39.9%	43.1%	(3.2) PP
hereof foreign currency %	67.3%	67.7%	(0.4) PP	67.3%	66.2%	1.1 PP
Deposits from customers	1,042	1,009	3.2%	1,042	1,176	(11.4)%
Loan/deposit ratio	125.6%	132.9%	(7.3) PP	125.6%	113.1%	12.5 PP
Return on equity before tax	13.3%	7.2%	6.0 PP	13.3%	10.0%	3.3 PP
Return on equity after tax	12.3%	6.5%	5.8 PP	12.3%	9.5%	2.8 PP
Cost/income ratio	60.8%	53.6%	7.2 PP	60.8%	60.4%	0.4 PP
Number of employees as of reporting date	1,763	1,792	(1.6)%	1,763	1,765	(0.1)%
Business outlets	85	84	1.2%	85	85	0.0%
Number of customers	510,594	494,809	3.2%	510,594	508,503	0.4%

Russia

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	289	218	32.5%	289	213	35.6%
General administrative expenses	(122)	(113)	8.2%	(122)	(153)	(20.3)%
Operating result	**167**	**105**	**58.4%**	**167**	**61**	**173.6%**
Net provisioning for impairment losses	1	(2)	–	1	63	(99.1)%
Other results	(10)	(9)	7.6%	(10)	23	–
Profit before tax	**158**	**94**	**67.0%**	**158**	**147**	**7.2%**
Assets	15,195	12,464	21.9%	15,195	14,218	6.9%
Net interest margin	5.01%	4.41%	0.60 PP	5.01%	4.50%	0.51 PP
Return on equity before tax	**40.3%**	**30.6%**	**9.7 PP**	**40.3%**	**46.4%**	**(6.1) PP**

Profit before tax for the Russia segment rose by 67 per cent to € 158 million. As a result of loan volume growth that was above the average for the Group, Russia gained in profitability and increased its operating income by nearly 33 per cent year-on-year. This was accompanied by growth-related increases in administrative expenses. However, since administrative expenses went up proportionally less, the cost/income ratio also improved by 9.5 percentage points year-on-year. Return on equity before tax rose by 9.7 percentage points to 40.3 per cent.

Operating income

Net interest income in Russia rose by 36 per cent or € 48 million to € 184 million year-on-year. This increase was primarily attributable to the expansion of the loan portfolio for corporate and retail customers, which went up by 23 per cent due to strong demand for loans and a strengthening of the Russian rouble. The significant rise in interest income from derivative financial instruments, mainly resulting from a higher number of transactions and larger transaction volumes, also made a positive contribution to net interest income to the amount of € 31 million. The segment showed a year-on-year increase in the net interest margin of 60 basis points to 5.01 per cent. Adjusted for the effect of derivative financial instruments, however, the interest margin remained more or less unchanged. Balance sheet assets increased by 22 per cent to € 15.2 billion. Credit risk-weighted assets increased by 20 per cent to € 10.6 billion as a result of a significant rise in project financing and approved credit lines.

The segment's net fee and commission income rose by 22 per cent or € 11 million year-on-year, to € 63 million. Income from the payment transfer business went up 46 per cent, mainly due to accruals for expected income in the comparable period of the previous year, and at € 24 million continued to make the largest contribution to net fee and commission income. Income from foreign currency, notes/coins and precious-metals business as well as net income from the loan and guarantee business contributed a further € 15 million each to net fee and commission income.

Net trading income increased from € 32 million to € 41 million year-on-year. Net income from currency-based transactions rose by € 11 million to € 27 million, primarily due to the higher valuations of foreign exchange positions and currency swaps held for proprietary trading. Net income from interest-based transactions remained unchanged year-on-year at € 14 million.

Other net operating income in the segment came in at minus € 0.2 million, an improvement of € 1 million primarily due to lower other taxes.

General administrative expenses

The segment's general administrative expenses climbed by a total of 8 per cent to € 122 million. Increased staff expenses due to salary rises at the end of the previous year were responsible for this. Other administrative expenses and depreciation remained largely unchanged at € 57 million. The number of business outlets fell by four to 192. Due to the significant rise in operating income, the cost/income ratio improved year-on-year by 9.5 percentage points to 42.2 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses came to € 1 million, representing a € 2 million improvement over the same period in the previous year. On the one hand, net allocations to individual loan loss provisions for large companies and private customers increased and normalized at relatively low levels. Due to higher repayment rates for overdue loans as well as the sale of loans the figure had been positive in the previous year. On the other hand, a net release of portfolio-based loan loss provisions brought the figure to € 13 million, a € 20 million increase year-on-year. The reason for this was an improvement in the historical default rates used for the calculation of portfolio-based loan loss provisions. The ratio of non-performing loans in the loan portfolio decreased by 2.4 percentage points year-on-year, to 6.0 per cent.

Other results and taxes

Other results for the Russia segment remained almost unchanged year-on-year at a total of minus € 10 million. Net income from derivatives was minus € 9 million, due primarily to net income from revaluation from interest swap transactions concluded in order to mitigate interest rate structural risk.

Income taxes increased year-on-year to € 38 million. The tax rate was down by 1 percentage point to 24 per cent. Profit after non-controlling interests rose by 69 per cent to € 117 million.

Russia

The table below provides an overview of the country results for Russia. Any discrepancies with the values for the Russia segment are the result of equity being allocated differently. The income figures in the country overview are based on the balance sheet equity; at segment level, the equity used in the calculation is based on actual equity used.

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	184	136	35.6%	184	159	16.2%
Net fee and commission income	63	52	21.8%	63	64	(0.8)%
Net trading income	41	32	30.6%	41	1	>500.0%
Other net operating income	0	(3)	(92.8)%	0	(10)	(98.1)%
Operating income	**289**	**217**	**33.1%**	**289**	**213**	**35.3%**
General administrative expenses	(122)	(113)	8.2%	(122)	(153)	(20.1)%
Operating result	**167**	**104**	**59.9%**	**167**	**61**	**174.1%**
Net provisioning for impairment losses	1	(2)	–	1	63	(99.1)%
Other results	(10)	(8)	20.7%	(10)	23	–
Profit before tax	**158**	**94**	**67.0%**	**158**	**147**	**7.1%**
Income taxes	(38)	(24)	57.3%	(38)	(36)	5.5%
Profit after tax	**120**	**70**	**70.3%**	**120**	**111**	**7.6%**
Profit attributable to non-controlling interests	(3)	0	>500.0%	(3)	(2)	51.0%
Profit after non-controlling interests	**117**	**70**	**66.4%**	**117**	**109**	**6.7%**
Assets	15,195	12,464	21.9%	15,195	14,476	5.0%
Loans and advances to customers	9,485	7,734	22.6%	9,485	9,073	4.6%
hereof corporate %	69.6%	71.9%	(2.3) PP	69.6%	70.2%	(0.6) PP
hereof retail %	30.4%	27.5%	2.8 PP	30.4%	29.7%	0.6 PP
hereof foreign currency %	46.4%	42.4%	4.0 PP	46.4%	48.5%	(2.1) PP
Deposits from customers	10,064	7,362	36.7%	10,064	9,320	8.0%
Loan/deposit ratio	94.3%	105.0%	(10.8) PP	94.3%	97.3%	(3.1) PP
Return on equity before tax	31.7%	19.8%	12.0 PP	31.7%	55.4%	(23.7) PP
Return on equity after tax	24.2%	14.8%	9.4 PP	24.2%	42.0%	(17.8) PP
Cost/income ratio	42.2%	51.9%	(9.7) PP	42.2%	71.5%	(29.3) PP
Number of employees as of reporting date	8,257	8,638	(4.4)%	8,257	8,475	(2.6)%
Business outlets	192	196	(2.0)%	192	191	0.5%
Number of customers	2,379,581	1,839,731	29.3%	2,379,581	2,135,551	11.4%

CIS Other

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	145	149	(3.0)%	145	86	68.3%
General administrative expenses	(90)	(85)	6.0%	(90)	(88)	2.7%
Operating result	**54**	**64**	**(15.0)%**	**54**	**(1)**	**–**
Net provisioning for impairment losses	(24)	(51)	(53.5)%	(24)	(29)	(18.8)%
Other results	(6)	5	–	(6)	(7)	(11.1)%
Profit/loss before tax	**25**	**19**	**31.7%**	**25**	**(37)**	**–**
Assets	6,415	6,864	(6.5)%	6,415	6,761	(5.1)%
Net interest margin	6.46%	5.76%	0.70 PP	6.46%	5.91%	0.55 PP
Return on equity before tax	**12.6%**	**9.9%**	**2.7 PP**	**12.6%**	**–**	**–**

Profit before tax in the CIS Other segment increased by 32 per cent to € 25 million in the first quarter of 2012 due to the positive performance of the customer business in Ukraine. However, despite the decline in net provisioning for impairment losses, the unstable currency situation and the resulting introduction of hyperinflation accounting in Belarus in the fourth quarter 2011 reduced the figure for the first quarter 2012 by € 5 million. Return on equity before tax in the segment nonetheless rose by 2.7 percentage points to 12.6 per cent.

Operating income

Net interest income for the segment rose by 6 per cent or € 6 million year-on-year to € 106 million. Net interest income in Ukraine increased by 14 per cent due to a reduction in interest expense for deposits from banks as well as higher income from customer loans. By contrast, net interest income in Belarus decreased year-on-year, influenced by the currency development coupled with the increased share of net interest income in local currency and restricted lending. Balance sheet assets in this segment declined by 7 per cent year-on-year to € 6.4 billion. On the one hand, currency devaluation in Belarus had a negative impact despite credit expansion in the local currency. On the other hand, the rise in lending to large corporate customers led to an increase in Ukraine. The net interest margin in the segment was up 70 basis points overall to 6.46 per cent. Credit risk-weighted assets declined by 5 per cent year-on-year to € 5.2 billion owing to a drop in retail customer business in Ukraine.

The segment's net fee and commission income increased by 5 per cent year-on-year to € 45 million, with the considerably higher income from payment transfer business again making the largest contribution (€ 32 million). The net income improvement in Ukraine was attributable to the increase in the number of accounts and transactions with retail and corporate customers. At € 9 million, net income from foreign currency, notes/coins and precious-metals business was up 2 per cent year-on-year due to the expansion of the corporate customers business in Ukraine. The net income contribution from the loan and guarantee business remained unchanged compared with the same period the previous year, at € 2 million.

Net trading income in the region declined from € 7 million in the first quarter of 2011 to minus € 6 million in the first quarter of 2012, with the application of hyperinflation accounting in Belarus making up € 5 million of this decrease. The net income from currency-based transactions also declined by a total of € 5 million to minus € 6 million. The valuation loss on a strategic currency position taken to hedge equity amounted to minus € 2 million (Q1/2011: € 3 million). Net income from interest-based transactions declined by € 2 million to minus € 0.3 million. In Ukraine incurred a loss on fixed-income securities and bonds.

The segment's other net operating income, which comprised a number of smaller income and expense items, improved by € 1 million year-on-year to minus € 0.1 million, mainly due to the release of other provisions.

General administrative expenses

General administrative expenses rose year-on-year by 6 per cent to € 90 million. Despite the reduced number of staff in the segment, staff expenses increased as a result of the salary increases in Ukraine. There was also an increase in depreciation, mainly due to IT investment in the new core banking system and the write-off of the simultaneously decommissioned systems in Ukraine. In Belarus currency devaluation led to lower administrative expenses. As a result of the decline in operating income together with the overall rise in general administrative expenses, the cost/income ratio rose by 5.3 percentage points to 62.5 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses halved year-on-year to € 24 million. This improvement resulted from a € 33 million decline in net allocations to individual loan loss provisions mainly in Ukraine, where the general improvement in portfolio quality for private individuals was noticeable. As in the first quarter of 2011, there was a net release of portfolio-based loan loss provisions, but this was € 6 million lower year-on-year at € 0.4 million due to higher allocations to these provisions resulting from the difficult economic situation in Belarus. The ratio of non-performing loans in the total loan portfolio stood at 30.2 per cent (up 3.9 percentage points year-on-year), and continued to be the highest of all segments, even though there were substantial regional differences (Belarus: 1.9 per cent, Ukraine: 35.8 per cent).

Other results and taxes

Other results fell by € 11 million year-on-year to minus € 6 million, due mainly to a valuation loss of € 7 million on financial investments compared with a valuation gain of € 5 million the previous year. Valuation gains on the fixed income portfolio of Ukrainian government bonds recognized at fair value fell below the previous year's level owing to the ongoing uncertainties caused by the macroeconomic situation.

Income taxes for the segment rose to € 8 million. The tax rate declined by 7 percentage points to 33 per cent, largely as a result of the lower corporate tax rate in the Ukraine. Profit after non-controlling interests fell by 67 per cent to € 15 million.

Below please find the detailed results of the individual countries in the segment, whereby Kazakhstan is not listed as it is of minor significance with regards to total volumes.

Belarus

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	15	21	(28.7)%	15	6	136.3%
Net fee and commission income	12	14	(10.1)%	12	8	47.9%
Net trading income	(5)	5	–	(5)	(52)	(90.0)%
Other net operating income	0	0	67.3%	0	(1)	(79.9)%
Operating income	**22**	**40**	**(44.2)%**	**22**	**(39)**	**–**
General administrative expenses	(14)	(17)	(15.3)%	(14)	(11)	26.2%
Operating result	**8**	**23**	**(65.2)%**	**8**	**(50)**	**–**
Net provisioning for impairment losses	(1)	(12)	(92.0)%	(1)	2	–
Other results	0	0	–	0	0	(96.6)%
Profit/loss before tax	**7**	**11**	**(35.2)%**	**7**	**(47)**	**–**
Income taxes	(3)	(2)	28.3%	(3)	(8)	(60.8)%
Profit/loss after tax	**4**	**8**	**(53.8)%**	**4**	**(55)**	**–**
Profit attributable to non-controlling interests	(1)	(3)	(66.4)%	(1)	7	–
Profit/loss after non-controlling interests	**3**	**6**	**(48.1)%**	**3**	**(49)**	**–**
Assets	1,214	1,566	(22.4)%	1,214	1,223	(0.7)%
Loans and advances to customers	767	1,156	(33.7)%	767	772	(0.6)%
hereof corporate %	73.8%	55.2%	18.6 PP	73.8%	72.2%	1.6 PP
hereof retail %	26.2%	44.8%	(18.6) PP	26.2%	27.8%	(1.6) PP
hereof foreign currency %	66.5%	49.3%	17.3 PP	66.5%	66.1%	0.4 PP
Deposits from customers	718	910	(21.0)%	718	668	7.6%
Loan/deposit ratio	106.8%	127.1%	(20.3) PP	106.8%	115.6%	(8.8) PP
Return on equity before tax	16.5%	20.8%	(4.2) PP	16.5%	–	–
Return on equity after tax	9.1%	16.1%	(6.9) PP	9.1%	–	–
Cost/income ratio	63.8%	42.0%	21.8 PP	63.8%	–	–
Number of employees as of reporting date	2,198	2,217	(0.9)%	2,198	2,210	(0.5)%
Business outlets	98	98	0.0%	98	101	(3.0)%
Number of customers	683,134	825,064	(17.2)%	683,134	790,811	(13.6)%

Ukraine

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Net interest income	89	78	13.8%	89	92	(3.6)%
Net fee and commission income	32	29	12.0%	32	36	(10.0)%
Net trading income	1	4	(76.8)%	1	(1)	–
Other net operating income	0	(1)	–	0	(4)	–
Operating income	**123**	**109**	**12.0%**	**123**	**124**	**(0.8)%**
General administrative expenses	(76)	(69)	11.2%	(76)	(76)	0.1%
Operating result	**46**	**41**	**13.2%**	**46**	**47**	**(2.3)%**
Net provisioning for impairment losses	(22)	(38)	(41.9)%	(22)	(30)	(26.2)%
Other results	(6)	5	–	(6)	(7)	(7.9)%
Profit before tax	**18**	**8**	**134.7%**	**18**	**10**	**72.7%**
Income taxes	(5)	(5)	3.8%	(5)	(6)	(13.8)%
Profit after tax	**13**	**3**	**359.2%**	**13**	**4**	**182.6%**
Profit attributable to non-controlling interests	0	0	262.1%	0	9	–
Profit after non-controlling interests	**13**	**3**	**361.1%**	**13**	**14**	**(9.4)%**
Assets	5,131	5,226	(1.8)%	5,131	5,467	(6.1)%
Loans and advances to customers	4,032	3,883	3.8%	4,032	4,248	(5.1)%
hereof corporate %	52.6%	46.7%	5.9 PP	52.6%	51.3%	1.3 PP
hereof retail %	47.4%	53.3%	(5.9) PP	47.4%	48.7%	(1.3) PP
hereof foreign currency %	59.9%	64.1%	(4.2) PP	59.9%	56.8%	3.1 PP
Deposits from customers	2,569	2,395	7.2%	2,569	2,631	(2.4)%
Loan/deposit ratio	157.0%	162.1%	(5.1) PP	157.0%	161.5%	(4.5) PP
Return on equity before tax	8.6%	3.9%	4.7 PP	8.6%	5.1%	3.4 PP
Return on equity after tax	6.2%	1.4%	4.8 PP	6.2%	2.3%	3.9 PP
Cost/income ratio	62.2%	62.6%	(0.4) PP	62.2%	61.6%	0.6 PP
Number of employees as of reporting date	14,971	15,478	(3.3)%	14,971	15,267	(1.9)%
Business outlets	828	920	(10.0)%	828	909	(8.9)%
Number of customers	3,361,826	3,907,875	(14.0)%	3,361,826	3,380,743	(0.6)%

Group Corporates

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	159	143	11.5%	159	182	(12.5)%
General administrative expenses	(35)	(33)	7.6%	(35)	(39)	(9.2)%
Operating result	**124**	**110**	**12.7%**	**124**	**143**	**(13.5)%**
Net provisioning for impairment losses	(1)	(11)	(94.5)%	(1)	(79)	(99.2)%
Other results	2	2	(4.6)%	2	2	(12.4)%
Profit before tax	**125**	**101**	**24.2%**	**125**	**66**	**89.2%**
Assets	21,980	20,602	6.7%	21,980	22,843	(3.8)%
Net interest margin	1.93%	1.75%	0.17 PP	1.93%	2.16%	(0.23) PP
Return on equity before tax	**26.2%**	**22.8%**	**3.4 PP**	**26.2%**	**15.8%**	**10.4 PP**

Profit before tax for this segment rose by 24 per cent in the first quarter of 2012 to € 125 million compared to the same period in the previous year. This was attributable to the higher operating income resulting from the rise in net interest income, as well as lower net provisioning for impairment losses. Return on equity before tax rose by 3.4 percentage points to 26.2 per cent.

Operating income

Net interest income for the segment rose by 12 per cent, or € 11 million, to € 108 million. This increase was a result of improved asset-side margins and a rise in business volume. By expanding their business activities, Asian business outlets likewise increased their contribution to net interest income, by € 12 million to € 37 million. Net interest income at the Maltese subsidiary was up by 38 per cent to € 8 million due to an increase in business volume and improved margins. In total, the net interest margin in the Group Corporates segment increased by 17 basis points to 1.93 per cent. Balance sheet assets gained 7 per cent year-on-year or € 1.4 billion to € 22.0 billion. Despite the increased business volume, credit risk-weighted assets declined by 7 per cent to € 14.6 billion due to a higher level of collateralization and improved customer ratings at Group headquarters.

Net fee and commission income declined by 7 per cent or € 3 million to € 38 million. The income generated by Group headquarters was based on a further increase in sales of capital and funding light products. While net fee and commission income both from standard loans and from project and structured financing declined year-on-year at Group headquarters, income from lead arranger activities for bond issues of Austrian and international customers increased. Net fee and commission income at the Maltese subsidiary declined by 28 per cent to € 2 million. Net fee and commission income in the Group unit in the USA also declined, falling 27 per cent to € 3 million.

Net trading income virtually doubled year-on-year to € 11 million. Valuation gains on currency and interest-based transactions in a range of financial instruments in the profit center of Group headquarters declined marginally, however.

General administrative expenses

The segment's general administrative expenses increased by € 3 million to € 35 million year-on-year, mainly due to an increase in several smaller expense items at Group headquarters. This segment consisted of eight business outlets at the end of the reporting period. The cost/income ratio improved by 0.9 percentage points to 22.2 per cent, but remained well below the cost/income ratio of RBI as a whole.

Net provisioning for impairment losses

Net provisioning for impairment losses improved by € 10 million to € 1 million, mainly due to the improved economic environment resulting in lower net allocations for loans and advances to corporate customers at Group headquarters. Business outlets in Asia also posted a decline in net provisioning for impairment losses, despite a significant rise in business volumes. The share of non-performing loans in the loan portfolio declined by 1 percentage point and, at 3.3 per cent at the end of the reporting period, was relatively low compared to the other segments.

Other results and taxes

At € 2 million, the segment's other results were unchanged year-on-year. This item largely consisted of positive results from mark-to-market corporate bond valuations.

Income taxes increased by 39 per cent year-on-year to € 32 million, with the tax rate up 3 percentage points to 26 per cent. Profit after non-controlling interests rose by 20 per cent to € 93 million.

Group Markets

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	100	159	(36.8)%	100	174	(42.3)%
General administrative expenses	(57)	(62)	(7.4)%	(57)	(66)	(13.2)%
Operating result	**43**	**97**	**(55.6)%**	**43**	**108**	**(60.2)%**
Net provisioning for impairment losses	5	(6)	–	5	(6)	–
Other results	138	50	172.8%	138	62	122.1%
Profit before tax	**185**	**142**	**30.8%**	**185**	**164**	**13.0%**
Assets	29,681	29,196	1.7%	29,681	25,732	15.3%
Net interest margin	0.67%	0.71%	(0.04) PP	0.67%	0.86%	(0.19) PP
Return on equity before tax	**44.7%**	**38.9%**	**5.7 PP**	**44.7%**	**46.3%**	**(1.6) PP**

Profit before tax for the Group Markets segment rose by 31 per cent to € 185 million year-on-year. This was the result of higher net income from financial investments and lower net provisioning for impairment losses. The return on equity before tax rose by 5.7 percentage points to 44.7 per cent.

Operating income

Net interest income for the segment fell by 8 per cent to € 46 million compared to the same period last year. A significant cause of this decline was the maturity and sale of parts of the so-called high-quality securities portfolio; consequently, its income declined by € 15 million to € 7 million year-on-year. In addition, net interest income decreased as a result of the decline in total business volume of highly liquid bonds from financial institutions, the further reduction in various risk positions, and selective transaction choices. Moreover, a restriction on market risk trading limits and a flattening of the yield curve contributed to the decline in net interest income. Balance sheet assets in the segment rose by 2 per cent year-on-year to € 29.7 billion. An increase in the volume of repo transactions at Group headquarters and the reduction in the high-quality securities portfolio led to a decline in the segment's net interest margin of 4 basis points to 0.67 per cent. Credit risk-weighted assets decreased by 2 per cent to € 4.7 billion.

The segment's net fee and commission income fell by 20 per cent year-on-year to € 25 million. On the one hand, the Financial Institutions profit center recorded an increase primarily because of higher profits from service contracts in cash management and the shift of the "Insurance Companies" customer unit to this segment. On the other hand, fee and commission income from the Capital Markets profit center fell because of lower business volumes. The Private Banking and Asset Management division of subsidiary Kathrein Privatbank AG in Vienna made a stable contribution of € 3 million from its securities business. The Mergers & Acquisitions division contributed € 1 million to net fee and commission income. By contrast, net fee and commission income of Raiffeisen Centrobank Group declined to € 2 million due to lower income from advisory services provided to corporate customers for primary market transactions.

The segment's net trading income decreased by 64 per cent to € 26 million in the first quarter of 2012. Raiffeisen Centrobank contributed a substantial € 13 million of this total. This contribution consisted primarily of a positive valuation result on certificates issued within the scope of equity and index-linked transactions and structured bonds. Group headquarters' contribution from proprietary trading mainly in fixed income securities as well as from structured products was significantly lower than in the comparable period last year due to a reduction in risk positions. The valuation of capital guarantees issued resulted in a net loss of € 5 million, following a profit of € 21 million in the comparable period of the previous year.

Other net operating income fell by half to € 3 million compared to the previous year, including a reduction in income from Raiffeisen Centrobank Group to € 2 million related to turbulences in the commodities markets and came mainly from commodity trading of special purpose vehicles in the USA and Germany.

General administrative expenses

General administrative expenses of the Group Markets segment declined year-on-year by 7 per cent to € 57 million. This decline resulted predominately from lower unit overhead costs, which were in line with the overall level of business activity. The segment comprised four business outlets at the end of the reporting period. The drop in operating income led to an increase in the cost/income ratio, up 18.1 percentage points to 57.1 per cent.

Net provisioning for impairment losses

The net releases of loan loss provisions, which occurred almost exclusively in the Financial Institutions & Sovereigns profit center at Group headquarters, totaled € 5 million and were connected to portfolio-based loan loss provisions. Non-performing loans made up 0.9 per cent of the segment's total credit exposure.

Other results and taxes

Other results rose from € 50 million to € 138 million year-on-year. Net income from financial investments increased significantly due to the sale of portions of the Group headquarters' high-quality securities portfolio. In contrast, net income from derivatives at Group headquarters came in lower than in the previous year, attributable to close-out payments in connection with the sale of parts of the securities portfolio. The intra-group hedging relationships established at Group headquarters between the profit centers Capital Markets and Treasury, which were initiated to hedge the interest rate structure and to manage the interest rate risk of the securities portfolio, resulted in costs of € 57 million in this segment. The corresponding € 57 million gain was shown in the Corporate Center segment.

Income taxes climbed to € 50 million in the segment. The tax rate was 27 per cent, up 2 percentage points year-on-year. Profit after non-controlling interests rose by 27 per cent to € 135 million.

Corporate Center

In € million	1/1-31/3 2012	1/1-31/3 2011	Change	Q1/2012	Q4/2011	Change
Operating income	100	10	>500.0%	100	(20)	–
General administrative expenses	(80)	(69)	16.8%	(80)	(113)	(28.9)%
Operating result	**19**	**(59)**	**–**	**19**	**(133)**	**–**
Net provisioning for impairment losses	2	0	>500.0%	2	(5)	–
Other results	107	(26)	–	107	(251)	–
Profit/loss before tax	**128**	**(85)**	**–**	**128**	**(389)**	**–**
Assets	52,161	41,809	24.8%	52,161	53,835	(3.1)%
Net interest margin	0.71%	0.64%	0.07 PP	0.71%	0.10%	0.61 PP
Return on equity before tax	**22.0%**	**–**	**–**	**22.0%**	**–**	**–**

Profit before tax in the Corporate Center segment amounted to € 128 million. The year-on-year increase of € 212 million was primarily due to an increase in other results. The return on equity before tax was 22.0 per cent.

Operating income

The segment's net interest income gained 57 per cent compared to the same period last year, reaching € 94 million. Intra-group dividend income increased by 13 per cent. Moreover, the income from internal financing within the RBI network contributed to the growth in net interest income. This income was offset by expenses for own issues from the Treasury profit center at Group headquarters. In addition, RBI's liquidity reserves were increased significantly, which also lowered net interest income. The € 9 million in interest expenses for RBI AG's subordinated capital is also reported in this segment. The segment's assets grew by 25 per cent year-on-year, reaching € 52.2 billion, particularly as a result of the increase in excess liquidity. Credit risk-weighted assets decreased by 3 per cent to € 17.2 billion, which was predominately attributable to a lower risk weighting of new business volume.

Net fee and commission income improved from minus € 12 million to minus € 7 million compared to the same period last year. This increase was particularly attributable to lower commission payments by Group headquarters for country risk insurance policies in connection with financing abroad.

The segment's net trading income gained € 19 million, resulting in minus € 7 million. This improvement was primarily generated in the Treasury department at Group headquarters and resulted from liquidity management and proprietary trading in the context of balance sheet structure management. Valuation gains on various foreign currency and interest-related financial instruments entered into for steering purposes were another contributory factor.

The segment's other net operating income amounted to a profit of € 20 million, compared with a loss of € 12 million in the previous year. The main reason for this increase was higher internal charges by Group headquarters to various Group units. The commodity trading of F.J. Elsner Trading GmbH contributed an additional € 3 million. The special bank levy in Austria, however, had a negative impact on net income totaling € 21 million.

General administrative expenses

General administrative expenses rose by 17 per cent or € 12 million to € 80 million, which was primarily attributable to a lower expense allocation to other functional segments. The only business outlet recognized in this segment is Group headquarters.

Net provisioning for impairment losses

Net provisioning for impairment losses generally plays a minor role due to the intra-Group nature of the segment's business activities. However, there was a net release of impairment loss provisions established in connection with several customers of the Special Customers profit center at Group headquarters in previous periods totaling € 2 million.

Other results and taxes

Other results rose year-on-year from minus € 26 million to € 107 million. Net income from financial investments included in this figure increased from a loss of € 13 million to a profit of € 12 million, largely due to valuation gains on securities. Net income from derivatives also rose significantly from minus € 12 million to plus € 94 million. On the one hand, interest rate hedging transactions concluded with the Capital Markets profit center (Group Markets segment) totaling € 57 million increased income, while, on the other hand, the result was also improved by the net gain of € 113 million from the buyback of a portion of the hybrid tier 1 capital.

Income taxes amounted to € 61 million, compared to € 22 million in the same period last year. This increase was primarily attributable to the segment's higher reported dividend income, which is not included in the tax base. Moreover, the increase was based on lower deferred tax expense on net valuation results, which were primarily realized in relation to liabilities measured at fair value. Profit after non-controlling interests rose by € 252 million to € 188 million.

Interim consolidated financial statements

(Interim report as of 31 March 2012)

Statement of comprehensive income

Income statement

In € million	Notes	1/1-31/3/2012	1/1-31/3/2011	Change
Interest income		1,660	1,568	5.8%
Interest expenses		(785)	(684)	14.7%
Net interest income	**[2]**	**875**	**884**	**(1.0)%**
Net provisioning for impairment losses	[3]	(153)	(208)	(26.5)%
Net interest income after provisioning		**722**	**676**	**6.8%**
Fee and commission income		470	428	10.0%
Fee and commission expense		(125)	(71)	76.4%
Net fee and commission income	**[4]**	**346**	**357**	**(3.1)%**
Net trading income	[5]	82	123	(33.6)%
Net income from derivatives and liabilities	[6]	35	3	>500.0%
Net income from financial investments	[7]	261	25	>500.0%
General administrative expenses	[8]	(753)	(753)	0.0%
Other net operating income	[9]	(8)	(24)	(66.7)%
Net income from disposal of group assets		0	(3)	(97.4)%
Profit before tax		**685**	**405**	**69.1%**
Income taxes	[10]	(111)	(100)	11.3%
Profit after tax		**574**	**305**	**87.9%**
Profit attributable to non-controlling interests		(33)	(35)	(7.1)%
Consolidated profit		**541**	**270**	**100.4%**

Transition to total comprehensive income

In € million	Total 1/1-31/3 2012	Total 1/1-31/3 2011	Group equity 1/1-31/3 2012	Group equity 1/1-31/3 2011	Non-controlling interests 1/1-31/3 2012	Non-controlling interests 1/1-31/3 2011
Consolidated profit	**574**	**305**	**541**	**270**	**33**	**35**
Exchange differences	198	2	174	(8)	23	11
hereof unrealized net gains (losses) of the period	198	2	174	(8)	23	11
Capital hedge	0	3	0	3	0	0
Hyperinflation	9	0	8	0	1	0
Net gains (losses) on derivatives hedging fluctuating cash flows	0	(48)	0	(48)	0	0
hereof unrealized net gains (losses) of the period	0	(48)	0	(48)	0	0
Net gains (losses) on financial assets available-for-sale	(124)	(2)	(124)	(2)	0	0
hereof unrealized net gains (losses) of the period	18	(2)	18	(2)	0	0
hereof net gains (losses) reclassified to income statement	(142)	0	(142)	0	0	0
Deferred taxes on income and expenses directly recognized in equity	31	12	31	12	0	0
hereof unrealized net gains (losses) of the period	(5)	12	(5)	12	0	0
hereof net gains (losses) reclassified to income statement	35	0	35	0	0	0
Other comprehensive income	**113**	**(32)**	**89**	**(43)**	**24**	**11**
Total comprehensive income	**687**	**273**	**630**	**227**	**57**	**46**

Earnings per share

In €	1/1-31/3/2012	1/1-31/3/2011	Change
Earnings per share	2.52	1.13	1.39

Earnings per share are obtained by dividing consolidated profit less compensation for participation capital by the average number of ordinary shares outstanding. As of 31 March 2012, the number of ordinary shares oustanding remained unchanged with 194.7 million.

There were no conversion rights or options oustanding, so undiluted earnings per share are equal to diluted earnings per share.

Quarterly results

In € million	Q2/2011	Q3/2011	Q4/2011	Q1/2012
Net interest income	897	943	943	875
Net provisioning for impairment losses	(197)	(377)	(282)	(153)
Net interest income after provisioning	**700**	**566**	**661**	**722**
Net fee and commission income	380	388	365	346
Net trading income	133	37	70	82
Net income from derivatives and liabilities	38	108	264	35
Net income from financial investments	(13)	(158)	5	261
General administrative expenses	(761)	(772)	(834)	(753)
Other net operating income	(3)	(15)	(190)	(8)
Net income from disposal of group assets	0	0	0	0
Profit before tax	**473**	**153**	**342**	**685**
Income taxes	(101)	(71)	(127)	(111)
Profit after tax	**372**	**82**	**214**	**574**
Profit attributable to non-controlling interests	(27)	48	8	(33)
Consolidated profit	**345**	**130**	**222**	**541**

In € million	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Net interest income	921	927	871	884
Net provisioning for impairment losses	(283)	(306)	(281)	(208)
Net interest income after provisioning	**639**	**621**	**590**	**676**
Net fee and commission income	378	373	403	357
Net trading income	66	66	70	123
Net income from derivatives and liabilities	(86)	5	43	3
Net income from financial investments	(88)	84	1	25
General administrative expenses	(725)	(728)	(827)	(753)
Other net operating income	3	(3)	11	(24)
Net income from disposal of group assets	0	0	0	(2)
Profit before tax	**187**	**418**	**290**	**405**
Income taxes	(31)	(80)	34	(100)
Profit after tax	**157**	**337**	**324**	**305**
Profit attributable to non-controlling interests	(18)	(26)	(20)	(35)
Consolidated profit	**138**	**311**	**304**	**270**

Statement of financial position

Assets In € million	Notes	31/3/2012	31/12/2011	Change
Cash reserve		14,631	11,402	28.3%
Loans and advances to banks	[12, 33]	24,626	25,748	(4.4)%
Loans and advances to customers	[13, 33]	82,478	81,576	1.1%
Impairment losses on loans and advances	[14]	(5,077)	(5,053)	0.5%
Trading assets	[15, 33]	11,075	10,617	4.3%
Derivatives	[16, 33]	1,195	1,405	(15.0)%
Financial investments	[17, 33]	14,410	16,535	(12.8)%
Investments in associates	[33]	5	5	(0.6)%
Intangible fixed assets	[18]	1,083	1,066	1.6%
Tangible fixed assets	[19]	1,502	1,511	(0.6)%
Other assets	[20, 33]	2,869	2,174	32.0%
Total assets		**148,798**	**146,985**	**1.2%**

Equity and liabilities In € million	Notes	31/3/2012	31/12/2011	Change
Deposits from banks	[21, 33]	39,318	37,992	3.5%
Deposits from customers	[22, 33]	67,749	66,747	1.5%
Debt securities issued	[23, 33]	13,486	14,367	(6.1)%
Provisions for liabilities and charges	[24, 33]	757	771	(1.9)%
Trading liabilities	[25, 33]	9,678	9,715	(0.4)%
Derivatives	[26, 33]	519	792	(34.4)%
Other liabilities	[27, 33]	2,019	1,515	33.3%
Subordinated capital	[28]	3,799	4,151	(8.5)%
Equity	[29]	11,474	10,936	4.9%
Consolidated equity		9,869	8,825	11.8%
Consolidated profit		541	968	(44.1)%
Non-controlling interests		1,063	1,143	(7.0)%
Total equity and liabilities		**148,798**	**146,985**	**1.2%**

Statement of changes in equity

In € million	Subscribed capital	Participation capital	Capital reserves	Retained earnings	Consolidated profit	Non-controlling interests	Total
Equity as of 1/1/2012	**593**	**2,500**	**2,571**	**3,161**	**968**	**1,143**	**10,936**
Capital increases	0	0	0	0	0	0	0
Transferred to retained earnings	0	0	0	968	(968)	0	0
Dividend payments	0	0	0	0	0	(2)	(2)
Total comprehensive income	0	0	0	89	541	57	687
Own shares/share incentive program	2	0	6	0	0	0	8
Other changes	0	0	0	(21)	0	(135)	(156)
Equity as of 31/3/2012	**596**	**2,500**	**2,577**	**4,197**	**541**	**1,063**	**11,474**

In € million	Subscribed capital	Participation capital	Capital reserves	Retained earnings	Consolidated profit	Non-controlling interests	Total
Equity as of 1/1/2011	**593**	**2,500**	**2,568**	**2,590**	**1,087**	**1,066**	**10,404**
Capital increases	0	0	0	0	0	(2)	(2)
Transferred to retained earnings	0	0	0	1,087	(1,087)	0	0
Dividend payments	0	0	0	0	0	(3)	(3)
Total comprehensive income	0	0	0	(43)	270	46	273
Own shares/share incentive program	0	0	0	0	0	0	0
Other changes	0	0	0	1	0	(1)	0
Equity as of 31/3/2011	**593**	**2,500**	**2,568**	**3,635**	**270**	**1,105**	**10,672**

Statement of cash flows

In € million	1/1-31/3/2012	1/1-31/3/2011
Cash and cash equivalents at the end of previous period	**11,402**	**4,807**
Net cash from operating activities	3,116	(131)
Net cash from investing activities	294	239
Net cash from financing activities	(237)	0
Effect of exchange rate changes	57	21
Cash and cash equivalents at the end of period	**14,631**	**4,936**

Segment reporting

Internal management reporting at RBI is based on the current organizational structure. This is formed in a matrix structure i.e. directors are responsible both for individual countries and specific business activities ("country and functional responsibility" model). Within the Group, a cash-generating unit is either a country or a business activity. The RBI management bodies – the Managing board and Supervisory board – make decisions that determine the resources allocated to each segment in accordance with its financial strength and profitability. Consequently, the reporting criteria are an essential component in the decision-making process. The segments are also defined in accordance with IFRS 8. The reconciliation implies mainly the amounts from the elemination of intra-group results and consolidation between the segments.

The Group comprises the following segments:

- Central Europe
- Southeastern Europe
- Russia
- CIS Other
- Group Corporates
- Group Markets
- Corporate Center

1/1-31/3/2012 In € million	Central Europe	Southeastern Europe	Russia	CIS Other	Group Corporates
Net interest income	249	228	184	106	108
Net fee and commission income	112	75	63	45	38
Net trading income	12	17	41	(6)	11
Other net operating income	(7)	10	0	0	2
Operating income	**366**	**330**	**289**	**145**	**159**
General administrative expenses	(222)	(177)	(122)	(90)	(35)
Operating result	**144**	**153**	**167**	**54**	**124**
Net provisioning for impairment losses	(75)	(60)	1	(24)	(1)
Other results	19	21	(10)	(6)	2
Profit before tax	**87**	**114**	**158**	**25**	**125**
Income taxes	(25)	(15)	(38)	(8)	(32)
Profit after tax	**63**	**99**	**120**	**16**	**93**
Profit attributable to non-controlling interests	(20)	(8)	(3)	(1)	0
Profit after non-controlling interests	**43**	**91**	**117**	**15**	**93**
Share of profit before tax	10.6%	13.9%	19.2%	3.0%	15.2%
Risk-weighted assets (credit risk)	20,353	14,012	10,607	5,236	14,561
Total own funds requirement	1,882	1,336	1,047	508	1,204
Assets	36,024	23,097	15,195	6,415	21,980
Liabilities	31,798	19,830	12,135	5,724	15,378
Net interest margin	2.82%	3.98%	5.01%	6.46%	1.93%
NPL ratio	10.0%	12.0%	6.0%	30.2%	3.3%
Coverage ratio	60.8%	56.9%	97.6%	69.0%	52.5%
Cost/income ratio	60.7%	53.6%	42.2%	62.5%	22.2%
Net provisioning ratio (average risk-weighted assets, credit risk)	1.44%	1.59%	(0.02)%	1.76%	0.02%
Average equity	2,892	2,150	1,563	782	1,908
Return on equity before tax	**12.1%**	**21.2%**	**40.3%**	**12.6%**	**26.2%**
Business outlets	552	1,147	192	927	8

1/1-31/3/2012 In € million	Group Markets	Corporate Center	Reconciliation	Total
Net interest income	46	94	(141)	875
Net fee and commission income	25	(7)	(5)	346
Net trading income	26	(7)	(12)	82
Other net operating income	3	20	(36)	(8)
Operating income	**100**	**100**	**(194)**	**1,295**
General administrative expenses	(57)	(80)	31	(753)
Operating result	**43**	**19**	**(163)**	**542**
Net provisioning for impairment losses	5	2	0	(153)
Other results	138	107	26	296
Profit before tax	**185**	**128**	**(137)**	**685**
Income taxes	(50)	61	(4)	(111)
Profit after tax	**135**	**189**	**(141)**	**574**
Profit attributable to non-controlling interests	0	0	(1)	(33)
Profit after non-controlling interests	**135**	**188**	**(142)**	**541**
Share of profit before tax	22.6%	15.6%	–	100.0%
Risk-weighted assets (credit risk)	4,712	17,215	(15,645)	71,051
Total own funds requirement	1,367	1,409	(1,856)	6,898
Assets	29,681	52,161	(35,754)	148,798
Liabilities	29,358	43,819	(20,717)	137,325
Net interest margin	0.67%	0.71%	–	2.37%
NPL ratio	3.6%	–	–	8.9%
Coverage ratio	89.0%	–	–	66.8%
Cost/income ratio	57.1%	80.5%	–	58.2%
Net provisioning ratio (average risk-weighted assets, credit risk)	(0.38)%	(0.04)%	–	0.81%
Average equity	1,660	2,324	–	10,918
Return on equity before tax	**44.7%**	**22.0%**	**–**	**25.1%**
Business outlets	4	1	–	2,831

1/1-31/3/2011 In € million	Central Europe	Southeastern Europe	Russia	CIS Other	Group Corporates
Net interest income	287	221	136	101	97
Net fee and commission income	119	87	52	43	41
Net trading income	12	14	32	7	5
Other net operating income	(5)	7	(2)	(1)	0
Operating income	**413**	**330**	**218**	**149**	**143**
General administrative expenses	(236)	(182)	(113)	(85)	(33)
Operating result	**176**	**148**	**105**	**64**	**110**
Net provisioning for impairment losses	(79)	(60)	(2)	(51)	(11)
Other results	(3)	5	(9)	5	2
Profit before tax	**95**	**93**	**94**	**19**	**101**
Income taxes	(19)	(13)	(24)	(7)	(23)
Profit after tax	**76**	**80**	**70**	**11**	**78**
Profit attributable to non-controlling interests	(28)	(7)	(1)	(2)	0
Profit after non-controlling interests	**48**	**73**	**69**	**9**	**78**

Share of profit before tax	20.7%	20.2%	20.6%	4.1%	21.9%
Risk-weighted assets (credit risk)	23,151	16,269	8,834	5,532	15,664
Total own funds requirement	2,130	1,530	908	540	1,275
Assets	34,393	22,247	12,464	6,864	20,602
Liabilities	31,485	19,310	10,464	5,900	13,104
Net interest margin	3.36%	3.94%	4.41%	5.76%	1.75%
NPL ratio	8.5%	9.1%	8.4%	26.3%	4.6%
Coverage ratio	57.6%	63.0%	98.7%	72.4%	67.2%
Cost/income ratio	57.3%	55.2%	51.7%	57.2%	23.1%
Net provisioning ratio (average risk-weighted assets, credit risk)	1.86%	2.07%	0.96%	4.00%	0.86%
Average equity	2,900	2,121	1,234	753	1,766
Return on equity before tax	**13.1%**	**17.5%**	**30.6%**	**9.9%**	**22.8%**
Business outlets	548	1,156	196	1,019	8

1/1-31/3/2011 In € million	Group Markets	Corporate Center	Reconciliation	Total
Net interest income	50	60	(67)	884
Net fee and commission income	32	(12)	(5)	357
Net trading income	70	(26)	9	123
Other net operating income	7	(12)	(18)	(24)
Operating income	**159**	**10**	**(80)**	**1,341**
General administrative expenses	(62)	(69)	27	(753)
Operating result	**97**	**(59)**	**(53)**	**588**
Net provisioning for impairment losses	(6)	0	0	(208)
Other results	50	(26)	0	25
Profit/loss before tax	**142**	**(85)**	**(53)**	**405**
Income taxes	(35)	22	0	(100)
Profit/loss after tax	**106**	**(63)**	**(53)**	**305**
Profit attributable to non-controlling interests	0	(1)	5	(35)
Profit/loss after non-controlling interests	**106**	**(63)**	**(49)**	**270**
Share of profit before tax	30.9%	(18.4)%	–	100.0%
Risk-weighted assets (credit risk)	4,814	17,724	(17,001)	74,987
Total own funds requirement	1,037	1,452	(1,311)	7,560
Assets	29,196	41,809	(28,113)	139,463
Liabilities	29,701	47,768	(28,941)	128,791
Net interest margin	0.71%	0.64%	–	2.61%
NPL ratio	1.5%	–	–	8.6%
Coverage ratio	88.7%	–	–	68.3%
Cost/income ratio	39.0%	>100%	–	56.2%
Net provisioning ratio (average risk-weighted assets, credit risk)	0.43%	0.00%	–	1.16%
Average equity	1,456	1,932	(1,777)	10,385
Return on equity before tax	**38.9%**	**–**	**–**	**15.6%**
Business outlets	4	1	–	2,932

Notes

Recognition and measurement principles

The shortened interim consolidated financial statements of RBI 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).

These shortened interim consolidated financial statements as of 31 March 2012 comply with IAS 34. In the interim reporting, the same recognition and measurement principles and consolidation methods were fundamentally applied as those used in preparing the 2011 consolidated financial statements (see 2011 Annual Report, page 150 ff.). Standards and interpretations to be applied in the EU from 1 January 2011 onward were applied in the interim report. The application of these standards had no influence on the shortened interim consolidated financial statements.

There were no significant changes to the recognition and measurement principles compared with the 2011 consolidated financial statements.

In connection with the repurchase of hybrid tier 1 capital, the appendix designation (6) "Net income from derivatives and liabilities" in the Notes to the income statement has been changed to "Income from derivatives and liabilities". For the purpose of reporting income from the repurchase of hybrid tier 1 capital separately, the appendix designation has been expanded to include income from the repurchase of liabilities.

RBI's interim report for the first quarter of 2012 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).

Where estimates or assessments are necessary for the recognition and measurement according to IAS/IFRS, these comply with the respective standards. They are based on historical experience and other factors, such as forecasts and likely expectations or forecasts of future events from today's standard. This primarily affects the provisions in the credit business, the fair value and the impairment of financial instruments, as well as 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.

Currencies

Rates in units per €	2012		2011	
	As of 31/3	Average 1/1-31/3	As of 31/12	Average 1/1-31/3
Albanian lek (ALL)	140.830	139.580	138.930	139.643
Belarusian rouble (BYR)	10,750.000	10,847.500	10,800.000	4,137.405
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)	7.513	7.550	7.537	7.401
Czech koruna (CZK)	24.730	25.137	25.787	24.545
Great Britain Pound (GBP)	0.834	0.837	0.835	0.865
Hungarian forint (HUF)	294.920	298.030	314.580	272.060
Kazakh tenge (KZT)	197.130	195.665	191.720	200.843
Lithuanian litas (LTL)	3.453	3.453	3.453	3.453
Moldovan leu (MDL)	15.684	15.522	15.074	16.463
Polish zloty (PLN)	4.152	4.239	4.458	3.969
Romanian leu (RON)	4.382	4.349	4.323	4.212
Russian rouble (RUB)	39.295	39.971	41.765	40.450
Serbian dinar (RSD)	111.364	108.063	104.641	104.231
Singapore dollar (SGD)	1.678	1.670	1.682	1.754
Swedish krona (SEK)	8.846	8.866	8.912	8.877
Swiss franc (CHF)	1.205	1.208	1.216	1.281
Turkish lira (TRY)	2.377	2.375	2.443	2.168
Ukrainian hryvnia (UAH)	10.600	10.529	10.298	10.897
US dollar (USD)	1.336	1.323	1.294	1.377

Changes in consolidated group

Number of units	Fully consolidated		Equity method	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
As of beginning of period	**135**	**132**	**1**	**1**
Included for the first time in the financial period	5	8	0	0
Excluded in the financial period	(6)	(5)	0	0
As of end of period	**134**	**135**	**1**	**1**

Notes to the income statement

(1) Income statement according to measurement categories

The following table shows the income statement according to IAS 39 measurement categories:

In € million	1/1-31/3/2012	1/1-31/3/2011
Net income from financial assets and liabilities held-for-trading	29	173
Net income from financial assets and liabilities at fair value through profit or loss	124	178
Net income from financial assets available-for-sale	150	(1)
Net income from loans and advances	1,268	1,092
Net income from financial assets held-to-maturity	73	116
Net income from financial liabilities measured at acquisition cost	(672)	(680)
Net income from derivatives (hedging)	(4)	(1)
Net revaluations from exchange differences	132	(49)
Other operating income/expenses	(415)	(422)
Total profit before tax from continuing operations	**685**	**405**

(2) Net interest income

In € million	1/1-31/3/2012	1/1-31/3/2011
Interest and interest-like income, total	**1,660**	**1,568**
Interest income	1,649	1,560
from balances at central banks	16	13
from loans and advances to banks	114	105
from loans and advances to customers	1,228	1,126
from financial investments	157	186
from leasing claims	58	52
from derivative financial instruments (non-trading), net	77	78
Current income	5	1
Interest-like income	6	7
Current income from associates	**0**	**0**
Interest expenses and interest-like expenses, total	**(785)**	**(684)**
Interest expenses	(774)	(674)
on deposits from central banks	0	(4)
on deposits from banks	(196)	(152)
on deposits from customers	(404)	(305)
on debt securities issued	(119)	(166)
on subordinated capital	(55)	(48)
Interest-like expenses	(10)	(10)
Total	**875**	**884**

(3) Net provisioning for impairment losses

In € million	1/1-31/3/2012	1/1-31/3/2011
Individual loan loss provisions	**(175)**	**(217)**
Allocation to provisions for impairment losses	(381)	(387)
Release of provisions for impairment losses	257	187
Direct write-downs	(64)	(26)
Income received on written-down claims	13	9
Portfolio-based loan loss provisions	**21**	**6**
Allocation to provisions for impairment losses	(103)	(133)
Release of provisions for impairment losses	124	139
Gains from loan termination or sale	**1**	**2**
Total	**(153)**	**(208)**

(4) Net fee and commission income

In € million	1/1-31/3/2012	1/1-31/3/2011
Payment transfer business	150	141
Loan and guarantee business	60	74
Securities business	28	28
Foreign currency, notes/coins, and precious-metals business	80	77
Management of investment and pension funds	5	7
Sale of own and third party products	9	11
Credit derivatives business	0	0
Other banking services	15	20
Total	**346**	**357**

(5) Net trading income

In € million	1/1-31/3/2012	1/1-31/3/2011
Interest-based transactions	56	49
Currency-based transactions	34	41
Equity-/index-based transactions	10	15
Credit derivatives business	(12)	(6)
Other transactions	(6)	25
Total	**82**	**123**

The refinancing expenses for trading assets that are included in net trading income amounted to € 19 million (comparable period: € 21 million).

(6) Net income from derivatives and liabilities

In € million	1/1-31/3/2012	1/1-31/3/2011
Net income from hedge accounting	(3)	0
Net income from credit derivatives	(1)	(15)
Net income from other derivatives	2	(62)
Net income from liabilities designated at fair value	(76)	80
Net income from repurchase of liabilities	112	0
Total	**35**	**3**

(7) Net income from financial investments

In € million	1/1-31/3/2012	1/1-31/3/2011
Net income from financial investments held-to-maturity	**2**	**1**
Net valuations of financial investments held-to-maturity	2	1
Net proceeds from sales of financial investments held-to-maturity	0	0
Net income from equity participations	**9**	**4**
Net valuations of equity participations	(1)	0
Net proceeds from sales of equity participations	10	4
Net income from securities at fair value through profit and loss	**251**	**20**
Net valuations of securities at fair value through profit and loss	89	8
Net proceeds from sales of securities at fair value through profit and loss	162	12
Total	**261**	**25**

(8) General administrative expenses

In € million	1/1-31/3/2012	1/1-31/3/2011
Staff expenses	(381)	(380)
Other administrative expenses	(284)	(287)
Depreciation of intangible and tangible fixed assets	(88)	(86)
Total	**(753)**	**(753)**

(9) Other net operating income

In € million	1/1-31/3/2012	1/1-31/3/2011
Net income arising from non-banking activities	13	10
Sales revenues from non-banking activities	157	240
Expenses arising from non-banking activities	(144)	(230)
Net income from additional leasing services	(1)	1
Revenues from additional leasing services	17	24
Expenses from additional leasing services	(18)	(23)
Rental income from operating lease (vehicles and equipment)	8	9
Rental income from investment property incl. operating lease (real estate)	5	5
Net proceeds from disposal of tangible and intangible fixed assets	(1)	(2)
Other taxes	(42)	(42)
hereof special bank levies	(35)	(34)
Net expense from allocation and release of other provisions	2	(3)
Sundry operating income	13	10
Sundry operating expenses	(5)	(12)
Total	**(8)**	**(24)**

(10) Income taxes

In € million	1/1-31/3/2012	1/1-31/3/2011
Current income taxes	(84)	(65)
Austria	(1)	(2)
Foreign	(83)	(63)
Deferred taxes	(27)	(35)
Total	**(111)**	**(100)**

Notes to the statement of financial position

(11) Statement of financial position according to measurement categories

The following table shows the carrying amounts according to IAS 39 measurement categories:

Assets according to measurement categories In € million	31/3/2012	31/12/2011
Trading assets	11,867	11,595
Financial assets at fair value through profit or loss	7,480	7,360
Financial assets available-for-sale	1,916	3,866
Investments in associates	5	5
Loans and advances	119,493	115,807
Financial assets held-to-maturity	5,049	5,348
Derivatives (hedging)	402	426
Other assets	2,585	2,577
Total assets	**148,798**	**146,985**

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 and other equity participations. 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	31/3/2012	31/12/2011
Trading liabilities	10,128	10,464
Financial liabilities	123,234	121,426
Liabilities at fair value through profit and loss	3,137	3,346
Derivatives (hedging)	69	43
Provisions for liabilities and charges	757	771
Equity	11,474	10,936
Total equity and liabilities	**148,798**	**146,985**

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

(12) Loans and advances to banks

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

In € million	31/3/2012	31/12/2011
Austria	11,528	13,127
Foreign	13,098	12,621
Total	**24,626**	**25,748**

(13) Loans and advances to customers

Loans and advances to customers break down into asset classes according to Basel II definition as follows:

In € million	31/3/2012	31/12/2011
Sovereigns	2,559	1,356
Corporate customers – large corporates	54,975	55,222
Corporate customers – mid market	3,525	3,674
Retail customers – private individuals	19,061	19,004
Retail customers – small and medium-sized entities	2,330	2,291
Other	27	28
Total	**82,478**	**81,576**

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

In € million	31/3/2012	31/12/2011
Austria	8,269	7,855
Foreign	74,210	73,721
Total	**82,478**	**81,576**

(14) Impairment losses on loans and advances

Provisions for impairment losses are allocated to the following asset classes according to the Basel II definition:

In € million	31/3/2012	31/12/2011
Banks	175	228
Sovereigns	12	6
Corporate customers – large corporates	2,652	2,619
Corporate customers – mid market	426	427
Retail customers – private individuals	1,557	1,524
Retail customers – small and medium-sized entities	254	249
Total	**5,077**	**5,053**

(15) Trading assets

In € million	31/3/2012	31/12/2011
Bonds, notes and other fixed-interest securities	3,141	3,107
Shares and other variable-yield securities	230	210
Positive fair values of derivative financial instruments	7,705	7,293
Call/time deposits from trading purposes	0	7
Total	**11,075**	**10,617**

(16) Derivatives

In € million	31/3/2012	31/12/2011
Positive fair values of derivatives in fair value hedges (IAS 39)	402	426
Positive fair values of credit derivatives	8	75
Positive fair values of other derivatives	784	904
Total	**1,195**	**1,405**

(17) Financial investments

In € million	31/3/2012	31/12/2011
Bonds, notes and other fixed-interest securities	13,696	15,837
Shares and other variable-yield securities	264	254
Equity participations	451	444
Total	**14,410**	**16,535**

(18) Intangible fixed assets

In € million	31/3/2012	31/12/2011
Goodwill	424	408
Software	532	531
Other intangible fixed assets	127	126
Total	**1,083**	**1,066**

(19) Tangible fixed assets

In € million	31/3/2012	31/12/2011
Land and buildings used by the Group for own purpose	614	610
Other land and buildings (investment property)	117	121
Office furniture, equipment and other tangible fixed assets	437	449
Leased assets (operating lease)	334	332
Total	**1,502**	**1,511**

(20) Other assets

In € million	31/3/2012	31/12/2011
Tax assets	455	418
Current tax assets	60	60
Deferred tax assets	395	358
Receivables arising from non-banking activities	100	108
Prepayments and other deferrals	243	261
Clearing claims from securities and payment transfer business	1,197	458
Lease in progress	55	51
Assets held for sale (IFRS 5)	27	27
Inventories	213	174
Re-/Devaluation of portfolio-hedged underlyings	11	7
Any other business	568	671
Total	**2,869**	**2,174**

(21) Deposits from banks

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

In € million	31/3/2012	31/12/2011
Austria	20,744	20,649
Foreign	18,574	17,343
Total	**39,318**	**37,992**

(22) Deposits from customers

Deposits from customers break down according to the Basel II definition as follows:

In € million	31/3/2012	31/12/2011
Sovereigns	1,539	1,318
Corporate customers – large corporates	33,000	33,187
Corporate customers – mid market	2,284	2,439
Retail customers – private individuals	26,435	25,422
Retail customers – small and medium-sized entities	3,658	3,723
Other	834	658
Total	**67,749**	**66,747**

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

In € million	31/3/2012	31/12/2011
Austria	6,196	6,102
Foreign	61,553	60,645
Total	**67,749**	**66,747**

(23) Debt securities issued

In € million	31/3/2012	31/12/2011
Bonds and notes issued	11,840	12,762
Money market instruments issued	863	829
Other debt securities issued	783	776
Total	**13,486**	**14,367**

(24) Provisions for liabilities and charges

In € million	31/3/2012	31/12/2011
Severance payments	61	60
Retirement benefits	23	23
Taxes	179	173
Current	137	156
Deferred	42	17
Contingent liabilities and commitments	122	151
Pending legal issues	92	90
Overdue vacation	55	52
Bonus payments	178	177
Restructuring	2	2
Other	43	42
Total	**757**	**771**

(25) Trading liabilities

In € million	31/3/2012	31/12/2011
Negative fair values of derivative financial instruments	8,348	8,406
Interest-based transactions	6,699	6,391
Currency-based transactions	888	1,367
Equity-/index-based transactions	692	566
Credit derivatives business	49	68
Other transactions	20	14
Short-selling of trading assets	590	566
Call/time deposits from trading purposes	739	743
Certificates issued	0	0
Total	**9,678**	**9,715**

(26) Derivatives

In € million	31/3/2012	31/12/2011
Negative fair values of derivatives in fair value hedges (IAS 39)	63	37
Negative fair values of derivatives in cash flow hedges (IAS 39)	5	5
Negative fair values of credit derivatives	5	13
Negative fair values of derivative financial instruments	445	736
Total	**519**	**792**

(27) Other liabilities

In € million	31/3/2012	31/12/2011
Liabilities from non-banking activities	114	124
Accruals and deferred items	370	188
Liabilities from dividends	1	0
Clearing claims from securities and payment transfer business	1,310	417
Re-/Devaluation of portfolio-hedged underlyings	32	22
Any other business	193	764
Total	**2,019**	**1,515**

(28) Subordinated capital

In € million	31/3/2012	31/12/2011
Hybrid tier 1 capital	469	819
Subordinated liabilities	2,718	2,729
Supplementary capital	612	603
Total	**3,799**	**4,151**

(29) Equity

In € million	31/3/2012	31/12/2011
Consolidated equity	9,869	8,825
Subscribed capital	596	593
Participation capital	2,500	2,500
Capital reserves	2,577	2,571
Retained earnings	4,197	3,161
Consolidated profit	541	968
Non-controlling interests	1,063	1,143
Total	**11,474**	**10,936**

The subscribed capital of RBI AG as defined by the articles of incorporation amounted to € 596 million. After deduction of 557.295 771 own shares, the stated subscribed capital totaled € 595 million.

(30) Risk report

Active risk management is one of the core competencies of RBI. In order to effectively identify, measure, and manage risks, the Group has implemented a comprehensive risk management system in the past and continues to develop it. RBI's risk management is geared toward ensuring that credit and country risks, market and liquidity risks, risks arising from holdings and operational risks are dealt with conscientiously and managed professionally.

The principles and organization of risk management are disclosed in the relevant chapters of the annual report for 2011.

Economic capital

Economic capital constitutes an important instrument in overall bank risk management. It sets the internal capital requirement for all risk categories being measured based on comparable internal models and thus allows for an aggregated 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 economic capital attributed to the unit (return on risk-adjusted capital, RoRAC). The share of individual risk types in total economic capital is shown below.

Risk contribution of individual risk types to economic capital

In € million	31/3/2012	Share	31/12/2011	Share
Credit risk corporate customers	2,576	30.7%	3,724	39.4%
Credit risk private individuals	1,748	20.8%	1,968	20.8%
Operational risk	833	9.9%	863	9.1%
Credit risk sovereigns	819	9.8%	738	7.8%
Market risk	524	6.2%	701	7.4%
Liquidity risk	519	6.2%	–	–
Risk buffer	400	4.8%	859	9.1%
Other tangible fixed assets	379	4.5%	–	–
Credit risk financial institutions	319	3.8%	566	6.0%
Participation risk	273	3.3%	29	0.3%
Total	**8,390**	**100.0%**	**9,447**	**100.0%**

Regional allocation of economic capital according to booking unit

In € million	31/3/2012	Share	31/12/2011	Share
Austria	1,764	22.1%	2,301	26.8%
Central Europe	2,381	29.8%	2,535	29.5%
Southeastern Europe	1,818	22.8%	1,668	19.4%
Russia	1,022	12.8%	1,144	13.3%
CIS Other	770	9.6%	593	6.9%
Rest of the world	235	2.9%	347	4.0%
Total	**7,990**	**100.0%**	**8,588**	**100.0%**

Advanced methods for calculating economic capital were implemented at the start of 2012. We have now introduced the explicit quantification of liquidity risk, as well as risk arising from other tangible fixed assets. A new multifactor model, in which concentration risks are also taken more fully into account now, was likewise introduced in credit risk. At the same time, we updated the calculation of investment risk, which is now also reported separately. We reduced the reserve for other risks by taking additional risks into account.

Credit risk

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

The following table translates items of the statement of financial position (banking and trading book positions) into the maximum credit exposure. 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 internal assessment of credit risks. The maximum credit exposure is used – if not explicitly stated otherwise – for showing exposures in all subsequent charts in the risk report. The main reasons for the deviation between the figures of internal portfolio management and external accounting are different scopes of consolidation (regulatory versus IFRS, i.e. corporate legal basis), different criteria for loan volume definition and different valuation methods.

In € million	31/3/2012	31/12/2011
Cash reserve	13,010	9,348
Loans and advances to banks	24,626	25,748
Loans and advances to customers	82,478	81,576
Trading assets	11,075	10,617
Derivatives	1,195	1,405
Financial investments	13,696	15,837
Other assets	240	240
Contingent liabilities	11,873	13,280
Commitments	11,635	12,625
Revocable credit lines	14,862	14,848
Valuation and disclosure differences	(1,793)	1,177
Total	**182,898**	**186,700**

Balance positions containing 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. corporates 1.5, 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 10 classes. 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 provides a breakdown of the maximum credit exposure according to the internal rating of corporates (large corporates and small business). The figures shown below refer to the credit exposure: For the overall assessment of credit risk, collaterals must also be taken into account:

In € million		31/3/2012	Share	31/12/2011	Share
0.5	Minimal Risk	1,323	1.5%	1,266	1.4%
1.0	Excellent credit standing	7,929	9.3%	7,900	8.9%
1.5	Very good credit standing	9,319	10.9%	8,939	10.0%
2.0	Good credit standing	12,002	14.0%	12,746	14.3%
2.5	Sound credit standing	14,651	17.1%	15,630	17.5%
3.0	Acceptable credit standing	13,760	16.1%	14,552	16.3%
3.5	Marginal credit standing	12,347	14.4%	12,506	14.0%
4.0	Weak credit standing/sub-standard	5,764	6.7%	6,384	7.2%
4.5	Very weak credit standing/doubtful	3,155	3.7%	3,803	4.3%
5.0	Default	4,748	5.5%	4,610	5.2%
NR	Not rated	619	0.7%	831	0.9%
Total		**85,617**	**100.0%**	**89,166**	**100.0%**

Total credit exposure for corporate clients declined by € 3,548 million compared with the year-end figure and stood at € 85,617 million in the first quarter of 2012. The largest segment is Group Corporates with € 34,719 million, followed by Central Europe with € 18,788 million and Southeastern Europe with € 10,932 million. The rest is divided between Russia with € 10,350 million, CIS Other with € 3,816 million , Group Markets with € 6,039 million and Corporate Center with € 974 million.

The share of loans with increased credit risk or even weaker credit profiles decreased from 25.5 per cent to 24.8 per cent. By contrast, the share of loans ranging from good credit profiles to minimum risk rose from 34.6 per cent to 35.7 per cent. On the one hand, this improvement resulted from the credit enhancement of existing customers, leading to an increase in the internal rating. On the other hand, it reflects the loan portfolio's active management, based on which the portfolio's growth is strongly focused on economically thriving markets such as Russia or Asia, with new loans granted primarily to customers with good credit standing and in accordance with strict lending standards.

The Group Corporates segment posted a decline of € 2,565 million, which represents the most significant reduction in exposure compared to end-2011. There was a noticeable decline in Austria and Asia. Overall, growth was achieved mainly in the sectors preferred on the basis of market assessments, whereas sectors with lending restrictions saw weaker growth.

The share of default loans under Basel II (rating 5.0) was 5.5 per cent of total credit exposure (€ 4,748 million), with the Central Europe segment hit hardest, at € 1,255 million. Nearly half of the non-rated credit exposure was attributable to small loans.

The following table provides a breakdown by country of risk of the maximum credit exposure for corporate customers structured by regions:

In € million	31/3/2012	Share	31/12/2011	Share
Central Europe	18,787	21.9%	18,649	20.9%
Western Europe	10,879	12.7%	11,658	13.1%
Southeastern Europe	10,932	12.8%	11,230	12.6%
Russia	10,350	12.1%	10,795	12.1%
Austria	16,455	19.2%	17,215	19.3%
CIS Other	3,816	4.5%	4,094	4.6%
Asia	7,861	9.2%	8,547	9.6%
Other	6,538	7.6%	6,976	7.8%
Total	**85,617**	**100.0%**	**89,166**	**100.0%**

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

In € million	31/3/2012	Share	31/12/2011	Share
Wholesale and retail trade	22,255	23.7%	23,672	24.2%
Manufacturing	20,260	21.6%	21,157	21.7%
Real estate	10,215	10.9%	10,418	10.7%
Financial intermediation	9,084	9.7%	9,300	9.5%
Construction	7,093	7.6%	7,324	7.5%
Transport, storage and communication	3,719	4.0%	3,681	3.8%
Other industries	21,099	22.5%	22,079	22.6%
Total	**93,727**	**100.0%**	**97,632**	**100.0%**

The rating model for project finance has five different grades and considers borrower specific as well as transaction specific characteristics. The exposure from project finance is shown in the table below:

In € million		31/3/2012	Share	31/12/2011	Share
6.1	Excellent project risk profile – very low risk	2,994	36.9%	2,847	33.6%
6.2	Good project risk profile – low risk	3,068	37.8%	3,265	38.6%
6.3	Acceptable project risk profile – average risk	1,239	15.3%	1,241	14.7%
6.4	Poor project risk profile – high risk	419	5.2%	676	8.0%
6.5	Default	385	4.7%	419	5.0%
NR	Not rated	5	0.1%	18	0.2%
Total		**8,109**	**100.0%**	**8,466**	**100.0%**

The credit exposure in project finance amounted to € 8,109 million as of the first quarter of 2012, with the two best rating grades – Excellent project risk profile, with a very low risk (6.1 rating) as well as Good project risk profile, with a low risk (6.2 rating) –accounting for the bulk, at over 74 per cent. This is mainly attributable to the high level of collateralization in these specialized lending transactions. The share of unrated loans decreased to 0.1 per cent (€ 5 million) compared to end-2011.

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 behavioral scoring based on account data. The table below provides a breakdown of the maximum retail credit exposure:

In € million	31/3/2012	Share	31/12/2011	Share
Retail customers – private individuals	20,904	89.1%	20,778	89.0%
Retail customers – small and medium-sized entities	2,548	10.9%	2,568	11.0%
Total	**23,452**	**100.0%**	**23,346**	**100.0%**
hereof non-performing loans	2,516	10.7%	2,452	10.5%
hereof individual loan loss provision	1,516	6.5%	1,499	6.4%
hereof portfolio based loan loss provision	295	1.3%	275	1.2%

The total credit exposure of retail customers breaks down by segments as follows:

31/3/2012 In € million	Central Europe	Southeastern Europe	Russia	CIS Other	Group Markets
Retail customers – private individuals	9,493	6,710	3,041	1,647	13
Retail customers – small and medium-sized entities	1,577	792	34	145	0
Total	**11,070**	**7,502**	**3,075**	**1,792**	**13**
hereof non-performing loans	977	594	227	712	1
hereof individual loan loss provision	473	368	198	472	0
hereof portfolio based loan loss provision	188	71	10	26	0

31/12/2011 In € million	Central Europe	Southeastern Europe	Russia	CIS Other	Group Markets
Retail customers – private individuals	9,659	6,615	2,781	1,711	12
Retail customers – small and medium-sized entities	1,528	846	48	146	0
Total	**11,187**	**7,461**	**2,829**	**1,857**	**12**
hereof non-performing loans	929	576	212	729	1
hereof individual loan loss provision	457	372	185	480	0
hereof portfolio based loan loss provision	174	65	7	28	0

Compared to end-2011, total credit exposure to retail customers turned in a stable performance in the first quarter of 2012, reaching a volume of € 23,452 million. The Central Europe segment posted the largest volume at € 11,070 million. However, performance fell slightly compared to the year-end level. Southeastern Europe was second at € 7,502 million, marking a slight increase compared to the previous year. The Russia segment recorded the most significant increase (9 per cent) in loans to private individuals.

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

In € million	31/3/2012	Share	31/12/2011	Share
Mortgage loans	10,294	44%	10,679	46%
Personal loans	6,286	27%	5,708	24%
Car loans	2,325	10%	2,149	9%
Credit cards	1,861	8%	2,036	9%
Overdraft	1,650	7%	1,754	8%
SME financing	1,036	4%	1,020	4%
Total	**23,452**	**100%**	**23,346**	**100%**

The share of foreign currency loans in retail portfolios 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	31/3/2012	Share	31/12/2011	Share
Euro	3,295	43.6%	3,322	42.3%
Swiss franc	2,722	36.0%	2,903	37.0%
US-Dollar	1,361	18.0%	1,445	18.4%
Other foreign currencies	174	2.3%	187	2.4%
Loans in foreign currencies	**7,551**	**100.0%**	**7,857**	**100.0%**
Share of total loans	**32.2%**		**33.7%**	

There was a decline in foreign currency loans not only in Swiss francs and US dollars but also in euros.

Credit portfolio - Financial institutions

The financial institutions asset class mainly contains exposures to 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). For assessment of credit risk collateral (e.g. financial collaterals of securities transactions) and guarantees (e.g. by central banks) must also be taken into account.

In € million		31/3/2012	Share	31/12/2011	Share
A1	Excellent credit standing	86	0.2%	85	0.2%
A2	Very good credit standing	3,592	9.8%	3,409	8.8%
A3	Good credit standing	22,677	61.6%	24,221	62.4%
B1	Sound credit standing	5,412	14.7%	5,233	13.5%
B2	Average credit standing	2,524	6.9%	2,993	7.7%
B3	Mediocre credit standing	993	2.7%	1,277	3.3%
B4	Weak credit standing	611	1.7%	621	1.6%
B5	Very weak credit standing	314	0.9%	370	1.0%
C	Doubtful/high default risk	185	0.5%	184	0.5%
D	Default	307	0.8%	352	0.9%
NR	Not rated	93	0.3%	83	0.2%
Total		**36,795**	**100.0%**	**38,830**	**100.0%**

Total customer exposure amounted to € 36,795 million in the first quarter of 2012, which represents a decline of € 2,035 million. At € 22,677 million, or 61.6 per cent, rating class A3 accounted for the bulk of this customer group. The decline in this class primarily affected the Group Markets segment. Considering all rating classes, the largest share came from the Markets group with a total of € 31,659 million, or 86 per cent, followed by the Corporates group with € 2,199 million, or 5.98 per cent.

The breakdown shows the total credit exposure of financial institutions (excluding central banks) split by products:

In € million	31/3/2012	Share	31/12/2011	Share
Money market	10,596	29%	13,127	34%
Derivatives	12,508	34%	12,464	32%
Loans	4,066	11%	4,984	13%
Bonds	3,384	9%	4,450	11%
Repo	5,064	14%	2,681	7%
Other	1,176	3%	1,123	3%
Total	**36,795**	**100%**	**38,830**	**100%**

Credit portfolio - Sovereigns

Another customer group comprises sovereigns, central banks and regional municipalities, as well as other quasi-governmental organizations. The table below provides a breakdown of the total credit exposure to sovereigns (including central banks) by internal rating:

In € million		31/3/2012	Share	31/12/2011	Share
A1	Excellent credit standing	12,017	41.5%	9,567	35.6%
A2	Very good credit standing	426	1.5%	465	1.7%
A3	Good credit standing	4,463	15.4%	4,519	16.8%
B1	Sound credit standing	1,714	5.9%	1,786	6.6%
B2	Average credit standing	765	2.6%	758	2.8%
B3	Mediocre credit standing	5,743	19.9%	5,513	20.5%
B4	Weak credit standing	2,122	7.3%	2,254	8.4%
B5	Very weak credit standing	1,343	4.6%	1,659	6.2%
C	Doubtful/high default risk	191	0.7%	156	0.6%
D	Default	86	0.3%	139	0.5%
NR	Not rated	54	0.2%	77	0.3%
Total		**28,924**	**100.0%**	**26,893**	**100.0%**

Compared to end-2011, credit exposure from sovereigns rose by € 2,031 million to reach a volume of € 28,924 million, which corresponds to a share of 16.8 per cent of total loans outstanding. The Minimal risk class (A1 rating) accounted for the highest share, at 41.5 per cent, which was attributable to increased deposits with the Austrian National Bank.

Followed by the intermediate rating classes from Good credit standing (A3 rating) through to Mediocre credit standing (B3 rating), at 43.9 per cent. The high level of exposure among the intermediate rating grades was mainly due to deposits of network banks with local central banks in Central and Southeastern Europe. Since these served to meet the minimum reserve requirements and the short-term investment of excess liquidity, they were inextricably linked to the business activities in these countries. Loans in rating class B4 amounted to € 2,122 million, or 7.3 per cent. These include primarily investments in quasi-governmental organizations in the Russia and Southeastern Europe (Albania) segments. There was a reduction in the lower rating grades (C and D rating), which was attributable in large part to the decline in municipal financing transactions in Hungary.

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

In € million	31/3/2012	Share	31/12/2011	Share
Bonds	12,131	42%	13,106	48.7%
Loans	13,313	46%	9,023	33.6%
Derivatives	998	3%	1,028	3.8%
Other	2,481	9%	3,736	13.9%
Total	**28,924**	**100%**	**26,893**	**100.0%**

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

In € million	31/3/2012	Share	31/12/2011	Share
Romania	2,184	22.9%	2,000	20.4%
Hungary	2,063	21.6%	1,912	19.5%
Croatia	1,163	12.2%	1,304	13.3%
Albania	1,159	12.1%	1,218	12.4%
Ukraine	833	8.7%	993	10.1%
Other	2,137	22.4%	2,371	24.2%
Total	**9,539**	**100.0%**	**9,798**	**100.0%**

Credit exposure to sovereigns in non-investment grade (B3 rating and below) stood at € 9,539 million, virtually unchanged from end-2011, and resulted mainly from deposits of Group units with local central banks in Central and Southeastern Europe. Since these served to meet the minimum reserve requirements and the short-term investment of excess liquidity, they were inextricably linked to the business activities in these countries.

Non-performing loans and provisioning

The table below shows the share of non-performing loans (NPL) under the loans included in the statement of financial position under the items loans and advances to customers and loans and advances to banks (excluding off-balance sheet items) and the corresponding share of provisioning.

	NPL		NPL ratio		Coverage ratio	
In € million	31/3/2012	31/12/2011	31/3/2012	31/12/2011	31/3/2012	31/12/2011
Corporate customers	4,764	4,591	8.1%	7.8%	64.6%	66.3%
Retail customers	2,516	2,452	11.8%	11.5%	72.0%	72.3%
Sovereigns	59	12	2.3%	0.9%	20.9%	48.2%
Total nonbanks	**7,338**	**7,056**	**8.9%**	**8.6%**	**66.8%**	**68.4%**
Banks	234	241	1.0%	0.9%	74.7%	94.3%
Total	**7,573**	**7,297**	**7.1%**	**6.8%**	**67.0%**	**69.3%**

The table below shows the dynamics of non-performing loans (NPL) under the loans included in the statement of financial position under the items loans and advances to customers and loans and advances to banks (excluding off-balance sheet items) in the financial year.

In € million	As of 1/1/2012	Change in consolidated group	Exchange differences	Additions	Disposals	As of 31/3/2012
Corporate customers	4,591	0	38	380	(245)	4,764
Retail customers	2,452	0	33	243	(212)	2,516
Sovereigns	12	0	1	47	(1)	59
Total nonbanks	**7,056**	**0**	**71**	**670**	**(458)**	**7,338**
Banks	241	0	(2)	8	(14)	234
Total	**7,297**	**0**	**70**	**678**	**(472)**	**7,573**

In € million	As of 1/1/2011	Change in consolidated group	Exchange differences	Additions	Disposals	As of 31/12/2011
Corporate customers	4,381	0	(88)	1,667	(1,369)	4,591
Retail customers	2,396	0	(57)	891	(779)	2,452
Sovereigns	12	0	0	4	(4)	12
Total nonbanks	**6,790**	**0**	**(145)**	**2,562**	**(2,151)**	**7,056**
Banks	268	0	2	97	(126)	241
Total	**7,058**	**0**	**(143)**	**2,660**	**(2,277)**	**7,297**

The table below shows the share of non-performing loans (NPL) under the loans included in the statement of financial position under the items loans and advances to customers and loans and advances to banks (excluding off-balance sheet items), as well as the corresponding share of provisioning by segment.

	NPL		NPL ratio		Coverage ratio	
In € million	31/3/2012	31/12/2011	31/3/2012	31/12/2011	31/3/2012	31/12/2011
Central Europe	2,588	2,480	9.4%	9.0%	60.8%	60.8%
Southeastern Europe	1,818	1,726	10.5%	9.8%	56.8%	58.5%
Russia	568	525	4.4%	4.4%	97.6%	100.1%
CIS Other	1,466	1,506	26.2%	26.4%	69.0%	68.2%
Group Corporates	713	654	3.1%	2.8%	70.0%	79.1%
Group Markets	420	405	1.8%	1.8%	78.8%	95.7%
Total	**7,573**	**7,297**	**7.1%**	**6.8%**	**67.0%**	**69.3%**

In the Corporate Customers division, total non-performing loans increased by 4 per cent, or € 172 million, to € 4,764 million in the first quarter of 2012, with particularly significant increases in Southeastern Europe, up 6 per cent, or € 73 million, and Group Corporates, up 9 per cent, or € 59 million. By contrast, CIS Other posted a decline of 3 per cent, or € 23 million. Loan loss provisions rose by 1 per cent, or € 32 million, to € 3,078 million, which represents a 1.7 percentage point lower coverage ratio of 64.6 per cent.

In Retail, non-performing loans were up 3 per cent, or € 64 million, to € 2,516 million. At 5 per cent, or € 48 million, Central Europe accounted for the bulk of the increase whereas CIS Other recorded a decline of 2 per cent, or € 17 million. The ratio of non-performing loans to credit exposure increased by 0.3 percentage points to 11.8 per cent. Total loan loss provisions for retail customers rose to € 1,811 million, resulting in a 0.3 percentage point reduction in the coverage ratio to 72.0 per cent.

The level of non-performing loans for financial institutions was € 234 million in the first quarter of 2012, for which loan loss provisions of € 175 million were made.

The following table shows the development of loan loss provisions and provisions for off-balance sheet liabilities in the financial year:

In € million	As of 1/1/2012	Change in consolidated group	Allocation[1]	Release	Usage [2]	Transfers, Exchange differences	As of 31/3/2012
Individual loan loss provision	4,441	0	432	(257)	(203)	33	4,447
Portfolio-based loan loss provisions	763	0	103	(124)	0	10	752
Total	**5,204**	**0**	**535**	**(381)**	**(203)**	**44**	**5,199**

[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

RBI'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 maximum credit exposure reflects the broad diversification in European markets. The following table shows the regional distribution of the maximum credit exposure from all asset classes by country of risk and grouped by regional segment.

In € million	31/3/2012	Share	31/12/2011[1]	Share
Austria	**42,897**	**23.5%**	**43,687**	**23.4%**
Central Europe	**42,971**	**23.5%**	**42,630**	**22.8%**
Slovakia	12,039	6.6%	11,862	6.4%
Czech Republic	11,102	6.1%	10,937	5.9%
Hungary	8,998	4.9%	8,883	4.8%
Poland	8,839	4.8%	8,808	4.7%
Other	1,992	1.1%	2,140	1.1%
Southeastern Europe	**26,084**	**14.3%**	**26,717**	**14.3%**
Romania	8,394	4.6%	8,558	4.6%
Croatia	6,074	3.3%	6,163	3.3%
Bulgaria	4,250	2.3%	4,328	2.3%
Serbia	2,389	1.3%	2,549	1.4%
Other	4,977	2.7%	5,119	2.7%
Russia	**18,294**	**10.0%**	**18,485**	**9.9%**
CIS Other	**7,427**	**4.1%**	**7,787**	**4.2%**
Ukraine	4,230	2.3%	4,657	2.5%
Other	3,198	1.7%	3,130	1.7%
European Union	**26,708**	**14.6%**	**26,501**	**14.2%**
Germany	7,335	4.0%	7,492	4.0%
Great Britain	8,181	4.5%	7,365	3.9%
France	4,609	2.5%	3,170	1.7%
Netherlands	2,305	1.3%	2,951	1.6%
Other	4,277	2.3%	5,522	3.0%

In € million	31/3/2012	Share	31/12/2011[1]	Share
Far East	**11,077**	**6.1%**	**12,278**	**6.6%**
China	5,874	3.2%	6,556	3.5%
Other	5,203	2.8%	5,722	3.1%
USA	**4,985**	**2.7%**	**5,231**	**2.8%**
Rest of the world	**2,456**	**1.3%**	**3,385**	**1.8%**
Total	**182,898**	**100.0%**	**186,700**	**100.0%**

[1] Adjustments of previous year figures due to different mapping.

RBI does not have a presence in any of the so-called peripheral European countries through subsidiary banks, but there are receivables from customers in these countries arising from credit financing and capital markets business. However, the Group holds virtually no government bonds issued by these countries (except from the Republic of Italy).

Market risk

As of January 2010, market risk management is based on figures from an internal model that calculates value-at-risk (VaR) for changes in risk factors of foreign exchange, interest rate changes, credit spreads and equity indices . The Austrian financial market authority and the Austrian national bank have approved this model such that it can be used for calculating own funds requirement for market risk.

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 of 31/3/2012	Average VaR	Minimum VaR	Maximum VaR	VaR as of 31/12/2011
Currency risk[1]	52	56	46	73	64
Interest rate risk	19	29	18	45	46
Credit spread risik	20	17	8	23	11
Share price risk	2	2	2	3	2
Total	59	60	42	72	51

[1] Exchange 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 balance sheet items and off-balance-sheet transactions. 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 repo transactions).

In € million		31/3/2012			31/12/2011	
Maturity	1 week	1 month	1 year	1 week	1 month	1 year
Liquidity gap	25,812	22,426	10,394	20,692	17,937	7,094
Liquidity ratio	206%	141%	108%	175%	130%	105%

The Group further strengthened its liquidity position as of 31 March 2012. Cash inflows expected and recoverable within one week exceeded expected outflows by € 25,812 million. The liquidity gap in this maturity band has increased by € 5,120 million (25 per cent) since the beginning of the year. A similarly significant increase in the liquidity gap was achieved for flows within one month, while the one-year maturity band also showed an increase in the liquidity gap. This will ensure that the Group has sufficient liquid resources also during crisis situations to be able to meet all short-term payment obligations.

Additional notes

(31) Contingent liabilities and commitments

In € million	31/3/2012	31/12/2011
Contingent liabilities	**11,873**	**13,280**
Acceptances and endorsements	49	44
Credit guarantees	6,315	7,418
Other guarantees	2,318	2,699
Letters of credit (documentary business)	3,135	3,072
Other contingent liabilities	56	48
Commitments	**26,497**	**12,625**
Irrevocable credit lines and stand-by facilities	11,635	12,625
Up to 1 year	4,605	4,843
More than 1 year	7,030	7,782

(32) Derivatives

The total volume of unsettled financial instruments as of 31 March 2012 breaks down as follows:

In € million	Nominal amount by maturity Up to 1 year	More than 1 year, up to 5 years	More than 5 years	Total	Fair values Positive	Negative
Interest rate contracts	63,648	130,021	76,104	269,772	7,755	(7,155)
Foreign exchange rate and gold contracts	57,497	9,409	2,394	69,300	899	(922)
Equity/index contracts	1,574	1,111	383	3,068	164	(719)
Commodities	162	75	25	263	20	(14)
Credit derivatives	1,464	1,047	867	3,378	63	(54)
Precious metals contracts	28	10	15	53	0	(6)
Total	**124,373**	**141,673**	**79,789**	**345,835**	**8,902**	**(8,871)**

The total volume of unsettled financial instruments as of 31 December 2011 breaks down as follows:

In € million	Nominal amount by maturity Up to 1 year	More than 1 year, up to 5 years	More than 5 years	Total	Fair values Positive	Negative
Interest rate contracts	67,754	132,690	79,387	279,831	7,542	(7,087)
Foreign exchange rate and gold contracts	51,887	8,972	1,895	62,753	896	(1,425)
Equity/index contracts	1,453	1,145	382	2,981	82	(591)
Commodities	155	84	25	264	13	(10)
Credit derivatives	1,017	2,127	753	3,898	164	(80)
Precious metals contracts	14	21	14	49	0	(5)
Total	**122,282**	**145,038**	**82,455**	**349,775**	**8,698**	**(9,198)**

(33) 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 Managing Board hold shares of Raiffeisen Bank International AG. This information is published on the homepage of Raiffeisen Bank International. Further business transactions, especially large banking business transactions with related parties that are natural persons, were not concluded in the reporting period.

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

31/3/2012 In € million	Parent companies	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	9,201	212	250	254
Loans and advances to customers	0	1,172	384	309
Trading assets	0	43	9	3
Financial investments	0	305	2	222
Investments in associates	0	0	5	0
Other assets including derivatives	1	10	0	0
Deposits from banks	12,074	217	5,908	57
Deposits from customers	1	686	239	504
Debt securities issued	0	0	0	0
Provisions for liabilities and charges	0	0	0	0
Trading liabilities	0	25	33	3
Other liabilities including derivatives	1	7	0	0
Subordinated capital	53	0	0	0
Guarantees given	0	67	21	20
Guarantees received	0	412	155	2

31/12/2011 In € million	Parent companies	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	11,017	223	235	214
Loans and advances to customers	0	1,237	406	356
Trading assets	0	29	17	3
Financial investments	0	292	2	301
Investments in associates	0	0	5	0
Other assets including derivatives	1	9	0	1
Deposits from banks	13,006	3	6,002	156
Deposits from customers	1	442	243	563
Debt securities issued	0[1]	0	0	0
Provisions for liabilities and charges	0	0	0	0
Trading liabilities	0	16	37	2
Other liabilities including derivatives	4	1	1	0
Subordinated capital	52[1]	0	0	0
Guarantees given	0	61	71	23
Guarantees received	0	414	146	3

[1] Adaption of previous year figures due to different allocation

(34) Fair value of financial instruments reported at fair value

In € million	31/3/2012 Level I	31/3/2012 Level II	31/3/2012 Level III	31/12/2011 Level I	31/12/2011 Level II	31/12/2011 Level III
Trading assets	**2,847**	**8,918**	**103**	**2,862**	**8,630**	**103**
Positive fair values of derivatives[1]	158	8,237	103	167	8,002	103
Shares and other variable-yield securities	217	12	0	198	12	0
Bonds, notes and other fixed-interest securities	2,472	668	0	2,497	610	0
Call/time deposits from trading purposes	0	0	0	0	7	0
Financial assets at fair value through profit or loss	**4,992**	**2,454**	**34**	**5,056**	**2,269**	**35**
Shares and other variable-yield securities	260	1	0	130	119	5
Bonds, notes and other fixed-interest securities	4,733	2,453	34	4,926	2,150	30
Financial assets available-for-sale	**1,528**	**0**	**0**	**3,487**	**0**	**0**
Other interests[2]	66	0	0	65	0	0
Bonds, notes and other fixed-interest securities	1,462	0	0	3,422	0	0
Shares and other variable-yield securities	0	0	4	0	0	0
Derivatives (hedging)	**0**	**402**	**0**	**0**	**426**	**0**
Positive fair values of derivatives from hedge accounting	0	402	0	0	426	0

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

In € million	31/3/2012 Level I	31/3/2012 Level II	31/3/2012 Level III	31/12/2011 Level I	31/12/2011 Level II	31/12/2011 Level III
Trading liabilities	**781**	**9,236**	**112**	**671**	**9,681**	**112**
Negative fair values of derivatives financial instruments[1]	190	8,552	56	105	8,992	57
Short-selling of trading assets	590	0	0	565	0	0
Certificates issued	0	683	56	0	688	55
Liabilities at fair value through profit and loss	**0**	**3,137**	**0**	**0**	**3,346**	**0**
Debt securities issued	0	3,137	0	0	3,346	0
Derivatives (hedging)	**0**	**69**	**0**	**0**	**43**	**0**
Negative fair values of derivatives from hedge accounting	0	69	0	0	43	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

(35) Regulatory own funds

RBI has no credit institution group of its own according to the Austrian Banking Act (BWG) and is thus not subject to regulatory provisions on a consolidated basis because it is part of the RZB credit institution group. The following figures are for information purposes only.

The own funds of RBI according to Austrian Banking Act (BWG) 1993/Amendment 2006 (Basel II) break down as follows:

In € million	31/3/2012	31/12/2011
Paid-in capital	4,936	4,933
Earned capital	3,325	3,031
Non-controlling interests	1,039	1,171
Hybrid tier 1 capital	441	800
Intangible fixed assets	(501)	(501)
Core capital (tier 1 capital)	**9,240**	**9,434**
Deductions from core capital	(12)	(19)
Eligible core capital (after deductions)	**9,228**	**9,415**
Supplementary capital according to Section 23 (1) 5 BWG	600	599
Provision excess of internal rating approach positions	208	234
Hidden reserves	0	0
Long-term subordinated capital	2,524	2,536
Additional own funds (tier 2 capital)	**3,332**	**3,368**
Deduction items: participations, securitizations	(12)	(19)
Eligible additional own funds (after deductions)	**3,319**	**3,349**
Deduction items: insurance companies	(7)	(7)
Tier 2 capital available to be redesignated as tier 3 capital	117	100
Total own funds	**12,657**	**12,858**
Total own funds requirement	**6,898**	**7,624**
Excess own funds	5,759	5,234
Excess cover ratio	83.5%	68.6%
Core tier 1 ratio, total	10.2%	9.0%
Tier 1 ratio, credit risk	13.0%	12.2%
Tier 1 ratio, total	10.7%	9.9%
Own funds ratio	14.7%	13.5%

The total own funds requirement breaks down as follows:

In € million	31/3/2012	31/12/2011
Risk-weighted assets according to section 22 BWG	**71,051**	**77,150**
of which 8 per cent minimum own funds for the credit risk according to Sections 22a to 22h BWG	5,684	6,172
Standardized approach	2,912	3,056
Internal rating approach	2,772	3,116
Settlement risk	2	0
Own funds requirement for position risk in bonds, equities and commodities	300	520
Own funds requirement for open currency positions	89	140
Own funds requirement for operational risk	823	792
Total own funds requirement	**6,898**	**7,624**

(36) Average number of staff

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

Full-time equivalents	1/1-31/3/2012	1/1-31/3/2011
Austria	2,718	2,673
Foreign	56,309	57,169
Total	**59,027**	**59,842**

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Group Investor Relations inquiries:
E-mail: ir@rbinternational.com
Internet: www.rbinternational.com → Investor Relations
Phone: +43-1-71707 2089

Public Relations inquiries:
E-mail: rbi-pr@rbinternational.com
Internet: www.rbinternational.com → Public Relations
Phone: +43-1-71707 2828

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