Raiffeisen Bank International

First Quarter Report 2013

Survey of key data

Raiffeisen Bank International Group

Monetary values in € million	2013	Change	2012
Income statement	**1/1-31/3**		**1/1-31/3**
Net interest income	865	(1.2)%	875
Net provisioning for impairment losses	(220)	43.7%	(153)
Net fee and commission income	375	8.3%	346
Net trading income	80	(2.0)%	82
General administrative expenses	(788)	4.6%	(753)
Profit before tax	251	(63.4)%	685
Profit after tax	174	(69.7)%	574
Consolidated profit	157	(71.0)%	541
Statement of financial position	**31/3**		**31/12**
Loans and advances to banks	20,250	(9.3)%	22,323
Loans and advances to customers	82,889	(0.5)%	83,343
Deposits from banks	27,579	(8.6)%	30,186
Deposits from customers	66,853	0.8%	66,297
Equity	11,061	1.7%	10,873
Total assets	131,932	(3.1)%	136,116
Key ratios	**1/1-31/3**		**1/1-31/3**
Return on equity before tax	9.2%	(15.9) PP	25.1%
Return on equity after tax	6.3%	(14.7) PP	21.0%
Consolidated return on equity	6.1%	(15.9) PP	22.0%
Cost/income ratio	60.5%	2.4 PP	58.2%
Return on assets before tax	0.75%	(1.10) PP	1.85%
Net interest margin (average interest-bearing assets)	2.89%	0.23 PP	2.65%
NPL ratio	9.9%	1.0 PP	8.9%
Provisioning ratio (average loans and advances to customers)	1.06%	0.31 PP	0.75%
Bank-specific information[1]	**31/3**		**31/12**
Risk-weighted assets (credit risk)	69,319	1.7%	68,136
Total own funds	12,929	0.3%	12,885
Total own funds requirement	6,699	1.1%	6,626
Excess cover ratio	93.0%	(1.5) PP	94.5%
Core tier 1 ratio, total	10.6%	0.0 PP	10.7%
Tier 1 ratio, credit risk	13.5%	(0.1) PP	13.6%
Tier 1 ratio, total	11.2%	0.0 PP	11.2%
Own funds ratio	15.4%	(0.1) PP	15.6%
Stock data	**1/1-31/3**		**1/1-31/3**
Earnings per share in €	0.55	(78.3)%	2.52
Closing price in € (31/3)	26.52	0.1%	26.50
High (closing prices) in €	33.59	15.6%	29.05
Low (closing prices) in €	26.30	41.1%	18.64
Number of shares in million (31/3)	195.51	–	195.51
Market capitalization in € million (31/3)	5,184	0.1%	5,181
Resources	**31/3**		**31/12**
Employees as of reporting date	59,231	(1.4)%	60,084
Business outlets	3,057	(1.6)%	3,106
Customers in million	14.2	0.2%	14.2

1 Calculated according to the Austrian Banking Act (Bankwesengesetz, BWG) for illustrative purposes. RBI as part of the RZB Group is as a group 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.

The calculation of the loan/deposit ratio was adapted: It is currently calculated - also for the past - disregarding claims and obligations from (reverse) repurchase agreements and securities lending/borrowing.

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

Capital markets relatively unmoved by resurgence of euro crisis

After ending the year on a positive note, several issues affected international capital markets in the first quarter of 2013. While concerns over economic development in the Eurozone initially prevailed, analysts now project a better economic environment for the second half of 2013. Meanwhile, two issues sparked considerable uncertainty among investors and depositors across Europe. On the one hand, market sentiment was dampened by the the outcome of the parliamentary elections in Italy, whose results hindered the formation of a functioning government for some time. Even after the formation, it remains unclear for the foreseeable future whether and to what extent the course of reforms initiated by the former Italian prime minister will continue. On the other hand, the turmoil surrounding the impending insolvency of Cyprus and the partial bail-in of private individuals' assets to help restructure the state budget have driven home to investors that the European debt crisis is anything but over.

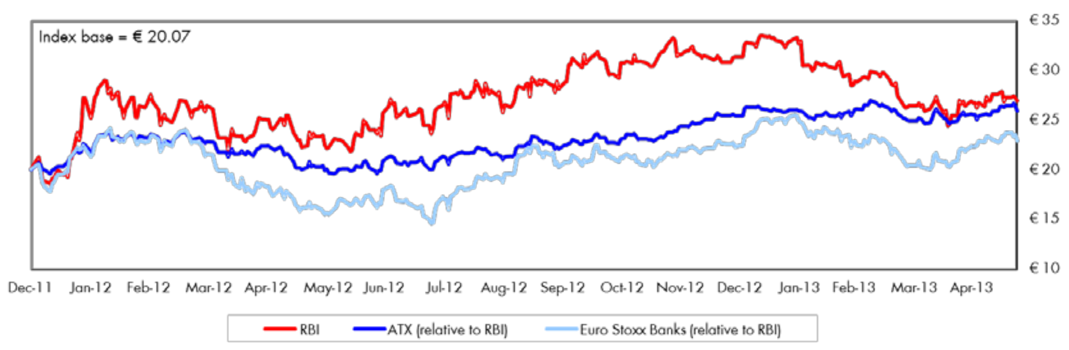
The US stock exchanges recorded significant gains and hit new all-time highs in the first quarter. Similarly, the Eurozone equity markets were only moderately affected by the resurgence of the sovereign debt crisis, broadly trending sideways amid relatively low volatility. Bond markets painted what is by now a familiar picture: Yields on 10-year Italian and Spanish government bonds rose at least temporarily in the wake of discussions surrounding Cyprus, whereas German bond yields dropped further beneath their already low levels. On an encouraging note, banks which had received financial support to cope with the euro debt crisis succeeded in repaying a portion of their borrowings from the European Central Bank (ECB) already in January (the earliest date possible), thus sending a positive signal to the capital markets.

Performance of RBI stock

RBI stock lost 15.7 per cent in the first quarter of 2013, recording a sharper drop than the ATX, which slipped 2.0 per cent over the same period. European bank shares generally saw another bout of disproportionately steep losses in the first quarter against the backdrop of the Cyprus crisis. This is also reflected in the performance of the EURO STOXX Banks index, which fell 8.3 per cent.

Having closed the year 2012 at € 31.46, the RBI share reached its highest closing price in the first quarter of 2013 at € 33.59 on 11 January. The stock subsequently lost value, mainly as a result of negative developments in Cyprus as well as of the fourth quarter 2012 results which came in below expectations. On 26 March 2013, the stock reached its lowest closing price of € 26.30 during the reporting period, subsequently closing the quarter slightly higher at € 26.52 on the last trading day. As of the editorial deadline of this report, 24 May 2013, the RBI share traded at € 26.43.

Price performance since 1 January 2012 compared with the ATX and EURO STOXX Banks



Active capital market communication

In the first quarter of 2013, RBI once again gave interested investors the opportunity to obtain first-hand information at roadshows in Amsterdam, Brussels, Copenhagen, Frankfurt, Helsinki, Milan, Paris, Stockholm, The Hague, Utrecht and Zurich. In addition to 30 equity analysts, 18 bond analysts regularly report their investment recommendations concerning RBI, meaning that more analyst firms produce regular reports on RBI than on any other company in Austria.

Following the end of the reporting period and to mark the publication of its 2012 annual results, RBI held a presentation for equity and debt investors as well as analysts from Austria on 10 April 2013. Some 100 international analysts and investors participated in the subsequent conference call. On 11 April 2013, the company held a presentation in London for analysts and institutional investors from the world's key financial centers. The event, which over the past few years has been held on the day following the annual results publication, offered the international financial community the opportunity to exchange information and opinions directly with the RBI Management Board. The subsequent question and answer session produced a highly engaged and detailed discussion and was used as a forum for an in-depth exchange of ideas among the estimated 70 participants.

RBI then participated in additional roadshows in Zürs (Austria), as well as in Milan and Paris.

RBI continuously strives to keep market participants fully informed at all times. With a view to constantly optimizing communications, RBI makes teleconference presentations and other important events available online as webcasts (such as the investor presentation on 11 April 2013). These webcasts can be viewed at www.rbinternational.com → Investor Relations → Reports & Presentations → Presentations & Webcasts.

Stock data and details

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

Share price as of 31 March 2013	€ 26.52
High/low in the first quarter of 2013 (closing prices)	€ 33.59 / € 26.30
Earnings per share from 1 January to 31 March 2013	€ 0.55
Market capitalization as of 31 March 2013	€ 5.184 billion
Average daily trading volume in the first quarter of 2013 (single count)	168,636 shares
Stock exchange turnover in the first quarter of 2013 (single count)	€ 316.2 million
Free float as of 31 March 2013	approximately 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 2013	195,505,124

Rating details

Rating agency	Long-term rating	Short-term rating	Outlook
Moody's Investors Service	A2	P-1	stable
Standard & Poor's	A	A-1	negative
Fitch Ratings	A	F1	stable

Financial calendar 2013

28 May 2013	First Quarter Report, Conference Call
26 June 2013	Annual General Meeting
03 July 2013	Ex-dividend and Dividend Payment Date
08 August 2013	Start of Quiet Period
22 August 2013	Semi-Annual Report, Conference Call
13 November 2013	Start of Quiet Period
27 November 2013	Third Quarter Report, Conference Call

Contact for equity and debt investors

E-mail: ir@rbinternational.com
Internet: www.rbinternational.com → Investor Relations
Telephone: +43-1-71 707-2089
Fax: +43-1-71 707-2138

Raiffeisen Bank International AG
Group Investor Relations
Am Stadtpark 9
1030 Vienna, Austria

Group management report

Market development

Slowdown in CEE economic growth

Economic growth in Central and Eastern Europe (CEE) slowed to 2.0 per cent in 2012, down from 3.7 per cent in the previous year. This was due to economic weakness in the Eurozone, which mainly affected small, open and export-dependent economies as well as to a slowdown in domestic demand. Although the first half of 2013 should be affected by a decrease in growth, a slow economic recovery is anticipated for the second half of the year, provided the Eurozone economy picks up steam. The economic growth for the whole CEE region in 2013 is supposed to reach 1.5 per cent.

Central Europe (CE) – the Czech Republic, Hungary, Poland, Slovakia and Slovenia – is the most economically developed region in CEE. With the exception of Poland, the CE economies are small, open and highly dependent on exports to the Eurozone. As a result, they were impacted by the economic slowdown in the Eurozone. Following 3.1 per cent growth in 2011, the region's economy expanded merely 0.5 per cent in 2012. As Poland and Slovakia continued to grow, economic output in the Czech Republic, Hungary and Slovenia declined. Prospects for 2013 are similarly subdued, although compared to Southeastern Europe and the Commonwealth of Independent States, CE stands to benefit the most from a recovering Eurozone economy in the second half of the year.

In Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Romania and Serbia – the economy contracted 0.1 per cent overall in 2012, following a growth of 1.6 per cent growth in 2011. The decline was primarily driven by Croatia, Serbia and Bosnia and Herzegovina, which all slid back into a recession. Although economic growth in Albania, Bulgaria and Romania also cooled down, all three managed to achieve a slight spurt in 2012. In view of the problems facing the southern Eurozone countries and their close trade links with the SEE economies, the region likewise offers only moderate prospects for 2013. Overall growth rates for SEE are expected to remain weak at 1.2 per cent, although recovery is projected for the second half of 2013. Croatia may even experience a renewed decline in economic output in 2013.

Compared to CE and SEE, the Commonwealth of Independent States (CIS) – Belarus, Russia and Ukraine – is significantly less impacted by events in the Eurozone. Moreover, Russia benefits from the higher price of oil. In this setting, the region has, in recent years, managed to decouple from the Eurozone's economic weakness to attain relatively strong growth rates of 4.4 per cent in 2011 and 3.1 per cent in 2012. The CIS economy is projected to grow 2.0 per cent in 2013 and thus poised to remain the strongest-growing region in CEE.

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

Region/country	2011	2012	2013f	2014f
Czech Republic	1.7	(1.2)	(0.2)	1.8
Hungary	1.6	(1.7)	0.0	1.5
Poland	4.3	1.9	1.2	2.5
Slovakia	3.2	2.0	0.9	2.5
Slovenia	0.6	(2.3)	(1.0)	1.0
CE	**3.1**	**0.5**	**0.6**	**2.1**
Albania	3.1	1.6	2.0	3.5
Bosnia and Herzegovina	1.0	(1.3)	0.5	2.0
Bulgaria	1.8	0.8	0.5	2.5
Croatia	0.0	(2.0)	(0.5)	1.0
Kosovo	4.5	3.0	3.0	3.0
Romania	2.2	0.7	2.0	2.5
Serbia	1.6	(1.7)	1.0	2.0
SEE	**1.6**	**(0.1)**	**1.2**	**2.2**
Belarus	5.3	1.5	3.0	4.0
Russia	4.3	3.4	2.0	3.0
Ukraine	5.2	0.2	1.0	3.0
CIS	**4.4**	**3.1**	**2.0**	**3.0**
CEE	**3.7**	**2.0**	**1.5**	**2.7**
Austria	**2.7**	**0.8**	**0.5**	**1.5**
Germany	**3.1**	**0.9**	**0.5**	**1.8**
Eurozone	**1.5**	**(0.5)**	**(0.7)**	**1.2**

Earnings, financial and assets position

Profit before tax

Despite the ongoing difficult market environment, RBI generated profit before tax of € 251 million in the first quarter of 2013. This is below the result of the comparable period (€ 685 million), however, last year's period had been impacted by one-off effects such as gains achieved from the sale of bonds and the repurchase of hybrid core capital totaling € 272 million. Profit before tax in the first quarter 2013 was positively impacted by a slight improvement in operating income due to higher net fee and commission income as well as better interest margin. The net valuation result from own liabilities and net provisioning for impairment losses had a negative effect, on the other hand.

Operating income

Operating income – excluding goodwill impairments totaling € 3 million in the first quarter of 2013 – increased slightly year-on-year by 1 per cent or € 6 million to € 1,302 million. This increase is mainly attributable to the € 29 million increase in net fee and commission income, which was positively influenced by price adjustments in several markets, but also by higher transaction volume.

The slight year-on-year decline in net interest income, falling € 11 million to € 865 million, was primarily attributable to subdued lending business and the lowering of market interest rates, as well as the resulting lower interest income from securities. The net interest margin (calculated on interest-bearing assets) increased 23 basis points to 2.89 per cent versus the comparable period last year, due to a lower provision of liquidity at low interest rates and through positive effects associated with repricing measures in the deposit business.

Net trading income declined € 2 million to € 80 million year-on-year, caused by lower net income from interest-based transactions at Group head office. In contrast, currency-based transactions and net income from capital guarantees at Group head office posted an increase.

General administrative expenses

Despite positive effects from ongoing cost reduction programs, general administrative expenses climbed 5 per cent or € 35 million year-on-year to € 788 million. This increase was primarily attributable to Polbank consolidation in May 2012 and its integration.

Staff expenses rose 6 per cent or € 24 million to € 406 million compared to the first quarter of 2012, mainly as a result of the Polbank consolidation as well as of salary adjustments in Russia. In contrast, cost reductions in Ukraine and Serbia as well as headcount reductions in Hungary had a positive effect. The average number of employees grew by 525 to 59,552, mostly due to Polbank consolidation.

Other administrative expenses edged up 3 per cent or € 8 million year-on-year to € 291 million. In addition to Polbank consolidation , this increase was primarily the result of higher IT expenses. Compared to the same quarter last year, the number of business outlets rose by 226 to 3,057 due to the initial Polbank consolidation. Compared to year-end 2012, however, the total number of business outlets declined by 49.

Net provisioning for impairment losses

Compared to the same quarter last year, net provisioning for impairment losses rose € 67 million to € 220 million, mainly impacted by portfolio-based loan loss provisions. In the previous year, these had included a net release of € 21 million, whereas in the first quarter of 2013, net allocations of € 27 million were made. Individual loan loss provisions were up € 18 million as a result of individual cases among corporate customers at Group head office.

Net income from derivatives and liabilities

During the reporting period, net income from derivatives and liabilities declined to minus € 121 million, following a plus of € 35 million in the comparable period. Contained therein are valuations for credit spreads on own liabilities, which – due to financial markets easing – posted a valuation loss of € 82 million, € 57 million more than in the same period last year. Moreover, the partial repurchase of hybrid bonds in the comparable period had resulted in net income of € 113 million. Net income from the valuation of derivatives entered into for hedging purposes totaled minus € 77 million.

Net income from financial investments

Net income from financial investments declined € 174 million year-on-year to € 87 million. In the previous year, the sale of government bonds from the available-for-sale securities portfolio at Group head office – undertaken to meet the capital ratio required by the European Banking Authority (EBA) – had resulted in net proceeds of € 137 million. In the first quarter of 2013, the valuation result of the fair-value portfolio of securities amounted to € 53 million, which was primarily based on valuation gains on bonds and municipal debt. Sales from this securities category led to positive result of € 6 million.

Consolidated profit

Consolidated profit after tax for the first quarter 2013 totaled € 174 million, representing a decline of 71 per cent or € 400 million. The tax rate, at 31 per cent, was 15 percentage points higher than the comparable rate last year. Profit attributable to non-controlling interests declined € 16 million to € 17 million due to the previous year's purchase of non-controlling interests at several subsidiary banks. After deducting profit attributable to non-controlling interests, consolidated profit amounted to € 157 million, a € 384 million year-on-year decline. During the reporting period, 194.9 million shares were outstanding on average, resulting in earnings per share of € 0.55 (Q1/2012: € 2.52).

Comparison of results year-on-year

In € million	1/1-31/3/2013	1/1-31/3/2012	Change absolute	Change in %
Net interest income	865	875	(11)	(1.2)%
Net fee and commission income	375	346	29	8.3%
Net trading income	80	82	(2)	(2.0)%
Other net operating income[1]	(18)	(8)	(10)	128.3%
Operating income	**1,302**	**1,295**	**6**	**0.5%**
Staff expenses[2]	(406)	(381)	(24)	6.4%
Other administrative expenses	(291)	(284)	(8)	2.7%
Depreciation	(91)	(88)	(3)	2.9%
General administrative expenses	**(788)**	**(753)**	**(35)**	**4.6%**
Operating result	**514**	**542**	**(28)**	**(5.2)%**
Net provisioning for impairment losses	(220)	(153)	(67)	43.7%
Other results[3]	(43)	296	(339)	–
Profit before tax	**251**	**685**	**(434)**	**(63.4)%**
Income taxes	(77)	(111)	34	(30.7)%
Profit after tax	**174**	**574**	**(400)**	**(69.7)%**
Profit attributable to non-controlling interests	(17)	(33)	16	(47.4)%
Consolidated profit	**157**	**541**	**(384)**	**(71.0)%**

1 Excluding impairment of goodwill.
2 Adaption of previous year figures due to the retrospective application of IAS 19.
3 Including impairment of goodwill.

Net interest income

In the first three months of 2013, net interest income declined 1 per cent or € 11 million to € 865 million year-on-year. At 66 per cent, it remains the largest component of operating income. The decrease in net interest income stemmed from lower interest income from loans and advances to banks. Interest income from securities also declined as a result of the previous year's sale of securities at Group head office.

The net interest margin (calculated on interest-bearing assets) rose 23 basis points year-on-year to 2.89 per cent, mainly due to a reduced provision of liquidity at low interest rates and to positive effects associated with repricing measures in the deposit business.

In the Czech Republic, net interest income decreased because of lower volume in retail and corporate customer business and due to lower margin. Net interest income in Hungary declined because of lower interest income from derivatives and lower lending volume in both local and foreign currencies. The latter was only partially offset by lower interest expense for customer deposits. Poland exhibited a contrary trend. Net interest income in fact rose; however, a different classification of interest-bearing transactions limits the comparability with the previous year. Romania's drop in net interest income is mainly attributable to lower market interest rates. In Ukraine, net interest income fell because of lower volume in retail and corporate customer business and higher expenses for customer deposits.

Net fee and commission income

Net fee and commission income rose 8 per cent or € 29 million year-on-year to € 375 million. € 18 million or 62 per cent of this increase is attributable to a significant improvement in net income from payment transfer business, which resulted primarily from higher fees in Hungary, the Polbank consolidation and higher business activity in Belarus. An increase in volume led to a € 4 million or 47 per cent rise in net income from the sale of own and third-party products, mainly in Poland and Ukraine. Higher volume from the management of investment and pension funds – mainly in Slovakia and Croatia – contributed another € 3 million or 59 per cent to the rise in net income. Net income from the securities business also edged up € 3 million or 9 per cent due to higher volume and better margin, particularly in Romania and Hungary. Besides Poland, the Czech Republic also posted a € 2 million increase in net income from the foreign currency, notes/coins and precious metals business thanks to higher margin.

Net trading income

Net trading income remained nearly unchanged year-on-year, decreasing marginally by € 2 million or 2 per cent to € 80 million. Due to valuation losses on derivatives, Group head office posted a € 42 million decline in interest-based transactions. However, this decrease was practically offset by improved net income from currency-based transactions, credit derivatives business and other transactions. Reduced interest-based transactions were another reason for the slight decline in net income; valuation losses caused a € 10 million contraction, primarily in Russia. In Romania, currency-based transactions improved € 2 million thanks to currency appreciation.

Other net operating income

Other net operating income fell from minus € 8 million in the comparable period to minus € 18 million in the period under review. This decline was primarily attributable to higher bank levies in Austria and Slovakia as well as to the newly introduced financial transaction tax in Hungary, which was, however, offset by higher fee and commission income.

General administrative expenses

General administrative expenses rose € 35 million to € 788 million compared to the same period last year. The cost/income ratio thus climbed 2.4 percentage points to 60.5 per cent.

Staff expenses, at 52 per cent the largest component in general administrative expenses, increased by 6 per cent or € 24 million to € 406 million. This increase mainly stemmed from the Polbank consolidation and salary adjustments in Russia. In contrast, cost reductions in Ukraine and Serbia as well as headcount reductions in Hungary had a positive effect.

The average number of employees (full-time equivalents) grew by 525 to 59,552 year-on-year. Polbank consolidation resulted in an increase in Poland (up 3,101). The largest reductions occurred in Ukraine (down 1,301), Romania (down 526), Russia (down 220), Hungary (down 114) and Bulgaria (down 159).

Other administrative expenses rose 3 per cent or € 8 million to € 291 million. Although several countries posted considerable reductions, the Polbank consolidation and the outsourcing of IT activities at Group head office resulted in an overall increase.

Depreciation of tangible and intangible fixed assets edged up 3 per cent or € 3 million to € 91 million, and is largely attributable to the Polbank consolidation.

Net provisioning for impairment losses

Net provisioning for impairment losses rose € 67 million to € 220 million compared to the same period last year, mainly impacted by portfolio-based loan loss provisions. In the previous year, the results included a net release of € 21 million (mainly at Group head office and in Russia), whereas in the first quarter of 2013, net allocations of € 27 million were made.

Net allocations to individual loan loss provisions were also up € 18 million to € 194 million, relating primarily to several large customers of Group head office and in China. In contrast, net allocations remained unchanged year-on-year in the Central Europe and CIS Other segments. In Southeastern Europe, net allocations declined € 7 million, and in the first quarter, Russia even recorded net releases of individual loan loss provisions totaling € 15 million due to the sale of receivables and updated collateral valuations.

The provisioning ratio, based on average volume of loans and advances to customers, increased 31 basis points to 1.06 per cent.

Other results

Other results, which consist of net income from derivatives and liabilities, net income from financial investments and net income from the disposal of Group assets, declined € 339 million, falling from € 296 million in the same period last year to minus € 43 million.

Net income from financial investments decreased 67 per cent or € 174 million to € 87 million. In the previous year, the sale of government bonds from the available-for-sale securities portfolio at Group head office – undertaken to meet the capital ratio required by the European Banking Authority (EBA) – had resulted in net proceeds of € 137 million. In the first quarter of 2013, the valuation of the fair-value portfolio of securities provided an additional gain of € 53 million, which was primarily based on valuation gains on bonds in Ukraine and municipal bonds in Hungary. Sales from this securities category led to an additional gain of € 6 million.

Net income from derivatives and liabilities dropped from € 35 million in the previous year to minus € 121 million. Contained therein are valuations for credit spreads on own liabilities, which posted an increased valuation loss of € 82 million in the period under review. Moreover, the partial repurchase of hybrid bonds in the comparable period had resulted in net income of € 113 million. Net income from the valuation of derivatives entered into for hedging purposes totaled minus € 77 million.

Income taxes

Income tax expense fell € 34 million to € 77 million versus the previous year's period, which was attributable to the reduction in current taxes caused by the decline in profit. Current taxes decreased 25 per cent or € 21 million to minus € 63 million. Deferred taxes decreased 48 per cent or € 13 million to minus € 14 million primarily stems from the change in valuation result from liabilities. The tax rate was therefore 31 per cent. In the previous year, it had stood at 16 per cent.

Comparison of results with the previous quarter

In € million	Q1/2013	Q4/2012	Change absolute	Change in %
Net interest income	865	876	(11)	(1.3)%
Net fee and commission income	375	396	(21)	(5.4)%
Net trading income	80	(6)	86	–
Other net operating income[1]	(18)	(12)	(6)	54.2%
Operating income	**1,302**	**1,255**	**47**	**3.7%**
Staff expenses[2]	(406)	(422)	16	(3.8)%
Other administrative expenses	(291)	(373)	82	(22.0)%
Depreciation	(91)	(126)	35	(28.1)%
General administrative expenses	**(788)**	**(921)**	**134**	**(14.5)%**
Operating result	**514**	**333**	**180**	**54.1%**
Net provisioning for impairment losses	(220)	(385)	166	(43.0)%
Other results[3]	(43)	(25)	(18)	71.1%
Profit/loss before tax	**251**	**(77)**	**328**	**–**
Income taxes	(77)	(59)	(18)	29.6%
Profit/loss after tax	**174**	**(137)**	**311**	**–**
Profit attributable to non-controlling interests	(17)	24	(42)	–
Consolidated profit/loss	**157**	**(112)**	**269**	**–**

1 Excluding impairment of goodwill.
2 Adaption of previous year figures due to the retrospective application of IAS 19.
3 Including impairment of goodwill.

Net interest income

Compared to the fourth quarter of 2012, net interest income fell 1 per cent or € 11 million to € 865 million in the first quarter of 2013. The net interest margin (calculated on interest-bearing assets) improved 12 basis points quarter-on-quarter to 2.89 per cent. Optimization of the Group's liquidity position was the primary factor contributing to this improvement.

Net fee and commission income

Compared to the fourth quarter of 2012, net fee and commission income declined € 21 million to € 375 million. Payment transfer business contracted the most with a € 9 million decline as a result of lower volume; followed by net income from other banking services (e.g. collections business), which declined € 8 million. Net income from foreign currency, notes/coins and precious metals business decreased € 3 million, and net income from securities business decreased € 2 million.

Net trading income

Compared to the previous quarter, net trading income improved € 86 million to € 80 million, triggered by improved interest-based transactions in Russia, Hungary and at Group head office. In the fourth quarter of 2012, a revised assessment of the probability of counterparty credit risk had adversely impacted valuation result from interest-based transactions by € 30 million. Furthermore, valuation gains from foreign exchange swaps in Russia and Hungary made a further positive contribution.

Other net operating income

Other net operating income in the first quarter of 2013 amounted to minus € 18 million, € 6 million below the previous quarter's result. The decline was mainly attributable to the introduction of a transaction tax in Hungary, which was, however, offset by higher fee and commission income.

General administrative expenses

At € 788 million, general administrative expenses in the first quarter of 2013 were € 134 million lower than the € 921 million posted in the previous quarter. Taking the year as whole, however, the fourth quarter generally is the one with the highest expenses.

Staff expenses declined 4 per cent or € 16 million to € 406 million. The largest reductions occurred in Poland due to recording a restructuring provision in the fourth quarter of 2012 as well as in Slovakia and at Group head office.

Other administrative expenses also decreased € 82 million to € 291 million quarter-on-quarter with the largest declines recorded in legal, advisory and consulting expenses as well as in advertising, PR and promotional expenses.

Depreciation of tangible and intangible fixed assets fell 28 per cent or € 35 million to € 91 million quarter-on-quarter. This decline is largely attributable to software systems impairment in Ukraine and in Czech Republic in the fourth quarter of 2012.

Net provisioning for impairment losses

Net provisioning for impairment losses amounted to € 220 million, € 166 million below the previous quarter in which several large corporate customer defaults had been posted, most notably in Hungary and at Group head office. In addition, lower net allocations quarter-on-quarter were established in the Czech Republic, Poland and Slovenia. Russia even recorded net releases of € 15 million.

The portfolio of non-performing loans (NPL) to non-banks increased € 47 million in the first quarter (thereof currency effects: minus € 8 million). On a currency-adjusted basis, increases were posted in Southeastern Europe (up € 85 million) and at Group head office (up € 20 million), while Central Europe (down € 33 million) and Russia (down € 14 million) posted decreases. The NPL ratio rose 0.1 percentage points to 9.9 per cent quarter-on-quarter, NPL coverage ratio increased 0.5 percentage points to 67.5 per cent.

Other results

Other results fell € 18 million to minus € 43 million quarter-on-quarter.

Compared to the previous quarter, net income from financial investments increased € 68 million to € 87 million, primarily influenced by valuation gains from securities at fair value.

However, net income from derivatives and liabilities deteriorated € 101 million to minus € 121 million compared to the fourth quarter of 2012. Lower positive net income from other derivatives (down € 98 million) was the primary reason for this deline, as was a higher valuation loss from liabilities at fair value (up € 11 million to minus € 55 million).

Income taxes

Tax expense rose to € 77 million in the first quarter (Q4/2012: € 59 million). Current tax expense increased € 23 million, while deferred tax expense decreased from € 19 million in the fourth quarter 2012 to € 14 million in the first quarter 2013.

Statement of financial position

As of 31 March 2013, RBI's total assets amounted to € 131.9 billion, which represents a decline of 3 per cent or € 4.2 billion since the end of 2012 and a year-on-year decrease of 11 per cent or € 16.9 billion. This drop in total assets is primarily attributable to the ongoing reduction of excess liquidity.

Assets

In € million	31/3/2013	Share	31/12/2012	Share
Loans and advances to banks (less impairment losses)	20,108	15.2%	22,166	16.3%
Loans and advances to customers (less impairment losses)	77,336	58.6%	77,859	57.2%
Financial investments	18,447	14.0%	16,357	12.0%
Other assets	16,041	12.2%	19,734	14.5%
Total assets	**131,932**	**100.0%**	**136,116**	**100.0%**

Due to a reduction in interbank business (down € 3.5 billion), loans and advances to banks after deduction of loan loss provisions decreased € 2.1 billion to € 20.1 billion since year-end 2012. This is attributable to lower loans from repurchase and securities lending transactions (down € 1.9 billion). In contrast, short-term loans from the clearing business increased € 1.4 billion.

Loans and advances to customers after deduction of loan loss provisions fell € 0.5 billion to € 77.3 billion. Representing 59 per cent of total assets (plus 2 percentage points), they still dominate the asset side. Once more, loans from repurchase agreements, at € 0.8 billion, were responsible for the decline. In contrast, retail business in Russia increased € 0.3 billion.

Purchases of highly liquid securities at Group head office led to an increase in the securities portfolio. Consequently, the item financial investments rose € 2.1 billion to € 18.4 billion. Other assets declined € 3.7 billion to € 16.0 billion, primarily due to a reduction in the cash reserve and trading assets.

Equity and liabilities

In € million	31/3/2013	Share	31/12/2012	Share
Deposits from banks	27,579	20.9%	30,186	22.2%
Deposits from customers	66,853	50.7%	66,297	48.7%
Own funds	14,978	11.4%	14,810	10.9%
Other liabilities	22,522	17.1%	24,822	18.2%
Total equity and liabilities	**131,932**	**100.0%**	**136,116**	**100.0%**

Refinancing volume via banks (predominantly commercial banks) decreased € 2.6 billion to € 27.6 billion since year-end 2012 due to withdrawals of liquidity reserves in short-term deposits. In contrast, deposits from customers were € 0.6 billion higher at € 66.9 billion. While short-term deposits from corporate customers (in Russia and at Group head office) grew € 0.5 billion, those from retail customers declined € 0.2 billion. The largest declines occurred in the Czech Republic (down € 0.4 billion) and in Hungary (down € 0.2 billion) because of currency effects.

Own funds, consisting of equity and subordinated capital, remained virtually unchanged at € 15.0 billion. Other liabilities decreased € 2.3 billion to € 22.5 billion. This decrease included a net reduction in debt securities issued by € 0.8 billion to € 12.5 billion, while trading liabilities were reduced by € 1.7 billion, primarily at Group head office.

Funding structure

In € million	31/3/2013	Share	31/12/2012	Share
Customer deposits	66,853	60.3%	66,297	58.3%
Medium- and long-term refinancing	21,103	19.0%	23,097	20.3%
Short-term refinancing	18,946	17.1%	20,379	17.9%
Subordinated liabilities	3,917	3.5%	3,937	3.5%
Total	**110,819**	**100.0%**	**113,711**	**100.0%**

Despite geopolitical uncertainties and the repeated flare-up of volatility, RBI actively utilized the opportunities on the money and capital markets, enabling the Group to cover its refinancing need in the first quarter by more than planned. Most of this need was fulfilled via medium-term private placements, since they allow for a better distribution of funding as well as of later maturities.

Equity

RBI's equity on the statement of financial position, consisting of consolidated equity, consolidated profit and the capital of the non-controlling interests, rose 2 per cent or € 188 million to € 11,061 million compared to year-end 2012. Total comprehensive income was € 168 million and – in addition to profit after tax amounting to € 174 million – consists primarily of the net income from the available-for-sale portfolio of securities totaling minus € 25 million, which was caused essentially by the reclassification of realized gains on the income statement. Total comprehensive income also includes net income from the application of hyperinflation accounting totaling € 13 million. At plus € 5 million, currency trends were stable, although the performance of individual currencies varied considerably: The Russian rouble and the Ukrainian hryvnia caused equity increases of € 35 million and € 25 million, respectively, while the Polish zloty caused a decrease of € 38 million.

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 since it is part of RZB credit institution group. The consolidated values shown below have been calculated in accordance with the provisions of the BWG and are assumed in calculation figures of the RZB credit institution group.

As of 31 March 2013, consolidated own funds of RBI pursuant to BWG amounted to € 12,929 million. This figure, with a slight increase of € 44 million, largely corresponds to the balance at the end of 2012. Currency trends had a positive overall impact of € 6 million: While the Ukrainian hryvnia and the Russian rouble performed, the depreciation of the Polish zloty reduced the increase significantly. Additional own funds declined € 56 million to € 3,283 million due to maturing issues, while in contrast, short-term subordinated capital increased slightly by € 6 million to € 308 million.

Own funds stood in contrast to own funds requirement of € 6,699 million, an increase of € 73 million. This rise primarily results from an increase in the own funds requirement for credit risk by € 95 million to € 5,545 million. The requirement for the position risk in bonds, equities and commodities rose € 12 million to € 285 million and the requirement for open currency positions increased € 9 million to € 65 million. In contrast, the own funds requirement for operational risk declined € 42 million to € 803 million.

Excess cover ratio decreased 1.5 percentage points to 93.0 per cent, resulting in excess cover of € 6,230 million. Based on total risk, the core tier 1 ratio was 10.6 per cent with a tier 1 ratio of 11.2 per cent. The own funds ratio declined to 15.4 per cent.

Risk management

Active risk management is a core competence for RBI. In order to effectively identify, measure and manage risks, the Group utilizes comprehensive risk management and controlling. This is an integral part of the overall bank management and is continuously being developed. RBI's risk control is primarily aimed at ensuring the conscientious handling and professional management of credit and country risks, market and liquidity risks, as well as participation and operational risks.

Loan portfolio strategy

At RBI, several dedicated credit portfolio committees are responsible for the active management of the loan portfolio. These committees determine the credit portfolio strategy for the various customer segments. Analyses of internal research departments and portfolio management form the basis for the definition of the loan portfolio's lending guidelines and limits. Credit portfolio strategies are regularly adapted to new market outlooks.

In light of the ongoing uncertainty regarding several European countries, loans and advances to governments, municipalities and banks from these countries were one of the main focal points of portfolio management in the past quarters. Existing debts were constantly reassessed and – when necessary – limits were reduced. Besides regulatory requirements in RBI's home market, government securities mainly serve to strengthen RBI's liquidity buffer.

Management of non-performing loans was once again one of risk management's main points of emphasis in the period under review. Targets and measures were aimed at improved early recognition of potential problem cases as well as a quick and efficient reduction of the non-performing loans portfolio.

Liquidity position

Thanks to its good liquidity position, RBI was hardly affected by the tensions on the international financial markets in previous periods. This high level of stability was maintained in the first quarter of 2013. In order to manage liquidity risk, RBI uses a long-established and proven limit model that requires high excess liquidity for short-term maturities based on contractual and historically observed cash inflows and outflows. Limits have also been established for medium and long-term maturities, which, in turn, reduce the effect of a possible refinancing cost increase on RBI's financial results. In addition to the limit model, liquidity stress tests routinely evaluate the impact of potential market and name crisis scenarios.

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

Regulatory environment – Basel II and III

In the current business year, RBI continues to deal intensively with regulatory developments. A major part of the changes arises from the Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation (CRR) proposed by the EU Commission. The potential impact of the new and amended legal regulations on RBI has been thoroughly analyzed and relevant internal guidelines have also been implemented. Besides the preparations already initiated in connection with the new Basel III regulations, risk management remains focused on the ongoing implementation of the advanced Basel II approach over as broad an area as possible. RBI uses these specially developed parameters and findings also for internal management information purposes and control measures. In addition, it continues to invest in the improvement of its risk management systems.

Outlook

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

In 2013, we plan to slightly increase loans and advances to customers. Given the outlook for interest rates, we aim to maintain the net interest margin at the level of the previous year. 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.

In light of the economic prospects, the situation remains tense in several of our markets. In 2013, we therefore expect a similar net provisioning requirement as in the previous year.

In 2013, we will once again pay increased attention to cost development. We expect a flat or slightly increasing cost base, particularly due to the first-time full year consolidation of Polbank.

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.

Events after the reporting date

On 24 May 2013, Herbert Stepic informed Walter Rothensteiner, Chairman of the RBI Supervisory Board, that he is offering to resign his position as CEO of RBI due to personal reasons. The responsible committees at RBI promptly started to consider his proposal. Herbert Stepic will continue in his function as CEO of RBI until the committees reach a final decision.

Segment reports

Division of segments

As a rule, RBI's internal management reporting is based on the current organizational structure. This means that each member of the Management Board is responsible for both the 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. This is why these reporting criteria are an essential component in the decision-making process. Thus, the division into segments was also undertaken in accordance with IFRS 8. The reconciliation contains mainly amounts resulting from intra-group results elimination and consolidation between the segments.

The following segments result thereof:

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

Segment overview

Despite the ongoing difficult market environment, RBI generated profit before tax of € 251 million in the first quarter of 2013. Although this represents a decline of 63 per cent or € 434 million year-on-year, the comparable period had been significantly impacted by one-off effects (€ 272 million). Growth varied considerably among the individual segments: In the Russia segment, for example, profit before tax rose 26 per cent to € 198 million. CIS Other segment improved significantly as well. In contrast, profit before tax in the Central Europe and Southeastern Europe segments was considerably lower than in the same period last year. Profits in the functional segments likewise declined year-on-year.

In Central Europe, profit before tax decreased from € 87 million to € 57 million due to a decline in operating result and lower income from financial investments. The Polbank consolidation resulted in an increase in total assets by 9 per cent to € 39.4 billion year-on-year.

Profit before tax from Southeastern Europe region dropped 17 per cent to € 95 million compared to the same period last year. Despite reduction in general administrative expenses, net profit was negatively impacted by declines in net interest income and net income from financial investments. Total assets in the segment decreased 7 per cent year-on-year to € 21.4 billion.

The Russia segment made the largest regional contribution to earnings, posting profit before tax of € 198 million. The 26 per cent increase was primarily the result of better net income from financial investments and release of provisions for impairment losses. Total assets in the segment rose 7 per cent year-on-year to € 16.2 billion.

In the CIS Other segment, profit before tax increased 118 per cent to € 54 million, mainly due to improved net income from financial investments. Total assets in the segment decreased 1 per cent year-on-year to € 6.3 billion.

Profit before tax in the Group Corporates segment fell 68 per cent to € 39 million versus the comparable period. The main reason for this decline was a need for higher provision for loans and advances. Total assets in the segment decreased 3 per cent year-on-year to € 21.4 billion.

Profit before tax in the Group Markets segment decreased 86 per cent to € 25 million compared to the same period last year. The main reason for this drop was lower net income from financial investments. Total assets in the segment decreased 35 per cent year-on-year to € 19.4 billion.

The Corporate Center segment posted a loss before tax of € 208 million due to decline in other results. Total assets in the segment decreased 16 per cent year-on-year to € 43.6 billion.

Central Europe

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	384	366	4.8%	384	412	(6.8)%
General administrative expenses	(259)	(222)	16.9%	(259)	(314)	(17.3)%
Operating result	**124**	**144**	**(13.8)%**	**124**	**98**	**26.7%**
Net provisioning for impairment losses	(74)	(75)	(2.3)%	(74)	(224)	(67.2)%
Other results	7	19	(63.9)%	7	27	(75.3)%
Profit/loss before tax	**57**	**87**	**(34.5)%**	**57**	**(99)**	**–**
Assets	39,432	36,024	9.5%	39,432	40,787	(3.3)%
Net interest margin (average interest-bearing assets)	2.77%	2.99%	(0.22) PP	2.77%	2.81%	(0.03) PP
Return on equity before tax	**7.1%**	**12.1%**	**(5.0) PP**	**7.1%**	**–**	**–**

In Central Europe, profit before tax contracted 35 per cent year-on-year to € 57 million. Several countries in the region were responsible for this decline, with Polbank consolidation in Poland having the strongest effect. Return on equity before tax decreased 5.0 percentage points to 7.1 per cent.

Operating income

The region's net interest income increased 4 per cent compared to the same period last year, reaching € 260 million. Due to Polbank consolidation, net interest income in Poland increased 75 per cent or € 32 million, which fully offset decline in the segment's other countries. The largest reduction occurred in Hungary, where lower interest income was posted due to lending volume decline and lower interest income from derivatives. In Slovakia, lower market interest rates and the subsequent decrease in income from securities led to a reduction in net interest income. In Czech Republic, lower income from securities was likewise a reason for the decline, but a reduction in retail and corporate business also played a role. Net interest margin sank 22 basis points to 2.77 per cent. Total assets rose 10 per cent or € 3.4 billion year-on-year to € 39.4 billion due to Polbank consolidation. Credit risk-weighted assets increased as well rising 6 per cent from € 20.4 billion to € 21.7 billion.

Net fee and commission income in the segment climbed 15 per cent or € 16 million to € 128 million year-on-year. Net income from payment transfer business was up 18 per cent, rising to € 55 million. The increase was attributable primarily to Hungary, where higher fees in connection with the newly introduced transaction tax were charged to customers. Net income from the foreign currency, notes/coins and precious metals business rose 11 per cent year-on-year to € 37 million, primarily due to developments in Poland.

Net trading income in the Central Europe segment remained unchanged year-on-year at € 12 million. Net income from currency-based transactions halved to € 6 million. Especially Hungary posted here a significant drop due to the valuation of derivatives, primarily related to cross-currency interest rate swaps (CCIRS). In contrast, net income from interest-based transactions improved to plus € 6 million compared to the same period last year. This increase was caused by net income from the valuation of interest-based derivatives in Hungary as well as Polbank consolidation.

Other net operating income in the region decreased from minus € 7 million to minus € 17 million. The bank levy in Slovakia, which was increased in the second half of 2012, and the newly introduced transaction tax in Hungary resulted in an extra € 25 million negative impact on profit.

General administrative expenses

General administrative expenses in the Central Europe segment increased 17 per cent to € 259 million year-on-year. This trend is primarily attributable to the Polbank consolidation and its ongoing operational merger with Raiffeisen Bank Polska S.A. Expenses for deferred bonus payments in the Czech Republic led to an additional increase in staff expenses. The segment’s other countries, however, posted cost reductions. The strongest decline was recorded in Slovakia due to savings in other administrative expenses. The segment’s number of business outlets increased by 253 locations to 805 year-on-year, likewise primarily due to the inclusion of Polbank business outlets. The region's cost/income ratio rose 7.0 percentage points to 67.7 per cent.

Net provisioning for impairment losses

The segment's net provisioning for impairment losses remained relatively stable at € 74 million. Net allocations to individual loan loss provisions totaling € 79 million stood in contrast to releases of portfolio-based loan loss provisions of € 5 million. Trends varied by country: In Hungary, releases of portfolio-based loan loss provisions were partially offset by a higher need for individual loan loss provisions. Improvements in credit ratings led to lower individual loan loss provisions in Slovakia. Poland, in contrast, recorded a higher need for loan loss provisions due to individual cases in the corporate customer business. Net allocations to impairment losses in Slovenia increased in both the corporate and the retail customer business. Share of non-performing loans to non-banks in the loan portfolio of the Central Europe segment amounted to 11.4 per cent at the end of the period under review (up 1.4 percentage points year-on-year).

Other results and taxes

Compared to the same period last year, other results in the Central Europe segment declined 64 per cent or € 12 million to € 7 million. Net income from financial investments decreased in Slovakia and the Czech Republic, while valuation gains from municipal bonds increased considerably in Hungary.

Net income from derivatives in the region contracted as well, specifically due to valuation losses from various hedging transactions concluded to adjust the currency and interest-rate structure in Poland and Czech Republic.

The segment's income taxes declined 9 per cent to € 22 million. However, the income tax rate increased to 39 per cent. As in the comparable period, this was due to the situation in Hungary, where incurred losses could not be fully deducted for tax purposes through the recognition of corresponding tax loss carry-forwards. In addition, tax loss carry-forwards in connection with Polbank consolidation could likewise not be fully utilized due to tax restrictions.

Detailed results of individual countries:

Czech Republic

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	60	66	(9.2)%	60	60	(0.4)%
Net fee and commission income	31	30	5.5%	31	33	(5.5)%
Net trading income	0	2	(79.2)%	0	0	166.4%
Other net operating income	2	2	17.8%	2	4	(42.5)%
Operating income	**94**	**100**	**(6.0)%**	**94**	**97**	**(3.5)%**
General administrative expenses	(58)	(55)	5.3%	(58)	(69)	(15.6)%
Operating result	**36**	**45**	**(19.9)%**	**36**	**28**	**25.7%**
Net provisioning for impairment losses	(7)	(6)	9.0%	(7)	(40)	(82.5)%
Other results	1	6	(83.1)%	1	2	(38.6)%
Profit/loss before tax	**30**	**44**	**(32.6)%**	**30**	**(10)**	**–**
Income taxes	(6)	(10)	(34.2)%	(6)	3	–
Profit/loss after tax	**23**	**34**	**(32.1)%**	**23**	**(7)**	**–**
Assets	8,510	8,988	(5.3)%	8,510	8,938	(4.8)%
Loans and advances to customers	6,353	6,771	(6.2)%	6,353	6,380	(0.4)%
hereof corporate %	45.3%	43.2%	2.1 PP	45.3%	44.0%	1.3 PP
hereof retail %	54.6%	56.7%	(2.1) PP	54.6%	55.8%	(1.3) PP
hereof foreign currency %	8.7%	6.7%	2.1 PP	8.7%	7.1%	1.6 PP
Deposits from customers	5,950	6,151	(3.3)%	5,950	6,319	(5.8)%
Loan/deposit ratio	106.8%	110.1%	(3.3) PP	106.8%	101.0%	5.8 PP
Return on equity before tax	17.3%	29.0%	(11.7) PP	17.3%	–	–
Return on equity after tax	13.6%	22.5%	(9.0) PP	13.6%	–	–
Cost/income ratio	61.8%	55.3%	6.6 PP	61.8%	70.7%	(8.9) PP
Net interest margin (average interest-bearing assets)	3.00%	3.14%	(0.14) PP	3.00%	3.00%	0.00 PP
Employees as of reporting date	3,037	3,018	0.6%	3,037	3,066	(0.9)%
Business outlets	129	130	(0.8)%	129	132	(2.3)%
Customers	484,650	478,474	1.3%	484,650	486,261	(0.3)%

Hungary

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	47	57	(17.3)%	47	62	(24.3)%
Net fee and commission income	26	19	37.7%	26	20	30.5%
Net trading income	(4)	(3)	29.8%	(4)	(17)	(78.3)%
Other net operating income	(20)	(10)	91.2%	(20)	(11)	88.2%
Operating income	**49**	**62**	**(21.1)%**	**49**	**54**	**(9.7)%**
General administrative expenses	(47)	(48)	(2.4)%	(47)	(53)	(11.9)%
Operating result	**2**	**14**	**(83.3)%**	**2**	**1**	**74.3%**
Net provisioning for impairment losses	(36)	(46)	(23.4)%	(36)	(94)	(62.2)%
Other results	17	8	114.3%	17	24	(26.5)%
Loss before tax	**(16)**	**(24)**	**(34.2)%**	**(16)**	**(69)**	**(77.3)%**
Income taxes	(4)	0	–	(4)	(8)	(46.8)%
Loss after tax	**(20)**	**(24)**	**(15.6)%**	**(20)**	**(77)**	**(74.1)%**
Assets	6,802	7,639	(11.0)%	6,802	7,155	(4.9)%
Loans and advances to customers	5,121	5,530	(7.4)%	5,121	5,231	(2.1)%
hereof corporate %	56.8%	54.6%	2.2 PP	56.8%	55.8%	1.0 PP
hereof retail %	37.2%	40.3%	(3.1) PP	37.2%	37.9%	(0.7) PP
hereof foreign currency %	64.9%	76.3%	(11.4) PP	64.9%	63.3%	1.6 PP
Deposits from customers	4,700	5,020	(6.4)%	4,700	4,927	(4.6)%
Loan/deposit ratio	109.2%	111.0%	(1.8) PP	109.2%	106.5%	2.7 PP
Return on equity before tax	–	–	–	–	–	–
Return on equity after tax	–	–	–	–	–	–
Cost/income ratio	95.1%	76.8%	18.3 PP	95.1%	97.4%	(2.4) PP
Net interest margin (average interest-bearing assets)	2.85%	3.22%	(0.37) PP	2.85%	3.58%	(0.73) PP
Employees as of reporting date	2,820	2,932	(3.8)%	2,820	2,865	(1.6)%
Business outlets	125	134	(6.7)%	125	125	0.0%
Customers	615,660	640,019	(3.8)%	615,660	622,990	(1.2)%

Poland

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	76	43	74.9%	76	83	(9.1)%
Net fee and commission income	38	31	24.0%	38	42	(9.8)%
Net trading income	15	10	46.3%	15	1	>500.0%
Other net operating income	3	3	15.3%	3	13	(74.6)%
Operating income	**132**	**87**	**51.6%**	**132**	**139**	**(5.3)%**
General administrative expenses	(90)	(50)	79.5%	(90)	(115)	(21.5)%
Operating result	**42**	**37**	**13.5%**	**42**	**24**	**71.1%**
Net provisioning for impairment losses	(16)	(8)	111.2%	(16)	(50)	(67.3)%
Other results	(13)	0	–	(13)	2	–
Profit/loss before tax	**13**	**29**	**(56.4)%**	**13**	**(23)**	**–**
Income taxes	(4)	(6)	(40.5)%	(4)	2	–
Profit/loss after tax	**9**	**23**	**(60.3)%**	**9**	**(21)**	**–**
Assets	13,068	7,750	68.6%	13,068	13,428	(2.7)%
Loans and advances to customers	10,057	5,569	80.6%	10,057	10,451	(3.8)%
hereof corporate %	32.4%	62.1%	(29.7) PP	32.4%	32.3%	0.1 PP
hereof retail %	67.5%	37.7%	29.8 PP	67.5%	67.6%	(0.1) PP
hereof foreign currency %	54.8%	38.2%	16.6 PP	54.8%	54.0%	0.7 PP
Deposits from customers	7,731	4,574	69.0%	7,731	7,901	(2.2)%
Loan/deposit ratio	130.5%	121.8%	8.7 PP	130.5%	132.3%	(1.8) PP
Return on equity before tax	3.6%	16.3%	(12.8) PP	3.6%	–	–
Return on equity after tax	2.6%	13.1%	(10.5) PP	2.6%	–	–
Cost/income ratio	68.4%	57.7%	10.6 PP	68.4%	82.5%	(14.1) PP
Net interest margin (average interest-bearing assets)	2.40%	2.42%	(0.02) PP	2.40%	2.58%	(0.18) PP
Employees as of reporting date	6,134	3,183	92.7%	6,134	6,656	(7.8)%
Business outlets	371	116	219.8%	371	416	(10.8)%
Customers	847,807	241,015	251.8%	847,807	871,102	(2.7)%

Slovakia

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	73	77	(6.3)%	73	74	(1.8)%
Net fee and commission income	31	31	1.5%	31	36	(11.7)%
Net trading income	1	2	(73.9)%	1	0	22.4%
Other net operating income	(3)	(2)	71.4%	(3)	4	–
Operating income	**102**	**109**	**(6.6)%**	**102**	**114**	**(10.3)%**
General administrative expenses	(59)	(63)	(6.0)%	(59)	(72)	(17.8)%
Operating result	**42**	**46**	**(7.3)%**	**42**	**41**	**2.8%**
Net provisioning for impairment losses	(9)	(13)	(27.1)%	(9)	(16)	(43.1)%
Other results	0	4	(99.8)%	0	0	–
Profit before tax	**33**	**37**	**(11.1)%**	**33**	**25**	**34.6%**
Income taxes	(8)	(9)	(10.2)%	(8)	(3)	173.4%
Profit after tax	**25**	**28**	**(11.4)%**	**25**	**22**	**15.4%**
Assets	9,594	10,008	(4.1)%	9,594	9,667	(0.8)%
Loans and advances to customers	6,732	6,687	0.7%	6,732	6,645	1.3%
hereof corporate %	48.8%	51.1%	(2.3) PP	48.8%	49.3%	(0.5) PP
hereof retail %	51.0%	48.7%	2.3 PP	51.0%	50.5%	0.5 PP
hereof foreign currency %	0.8%	0.9%	(0.2) PP	0.8%	0.9%	(0.1) PP
Deposits from customers	7,191	7,589	(5.2)%	7,191	7,233	(0.6)%
Loan/deposit ratio	93.6%	88.1%	5.5 PP	93.6%	91.9%	1.7 PP
Return on equity before tax	13.0%	15.2%	(2.2) PP	13.0%	10.2%	2.8 PP
Return on equity after tax	9.8%	11.5%	(1.7) PP	9.8%	9.0%	0.9 PP
Cost/income ratio	58.3%	57.9%	0.3 PP	58.3%	63.6%	(5.3) PP
Net interest margin (average interest-bearing assets)	3.23%	3.36%	(0.13) PP	3.23%	3.25%	(0.02) PP
Employees as of reporting date	3,845	3,815	0.8%	3,845	3,827	0.5%
Business outlets	163	155	5.2%	163	163	0.0%
Customers	859,019	800,581	7.3%	859,019	840,728	2.2%

Slovenia

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	5	6	(16.7)%	5	6	(14.8)%
Net fee and commission income	2	2	4.3%	2	2	(9.3)%
Net trading income	0	0	18.1%	0	0	(48.5)%
Other net operating income	0	0	(81.7)%	0	0	(23.8)%
Operating income	**7**	**8**	**(12.4)%**	**7**	**9**	**(14.5)%**
General administrative expenses	(6)	(6)	(7.4)%	(6)	(6)	(5.1)%
Operating result	**2**	**2**	**(25.7)%**	**2**	**3**	**(35.6)%**
Net provisioning for impairment losses	(6)	(2)	143.4%	(6)	(25)	(76.9)%
Other results	0	0	4.5%	0	0	(43.5)%
Profit/loss before tax	**(4)**	**0**	**–**	**(4)**	**(22)**	**(82.3)%**
Income taxes	0	0	(45.9)%	0	(1)	–
Profit/loss after tax	**(4)**	**0**	**–**	**(4)**	**(23)**	**(83.3)%**
Assets	1,468	1,660	(11.6)%	1,468	1,612	(8.9)%
Loans and advances to customers	1,208	1,295	(6.7)%	1,208	1,225	(1.4)%
hereof corporate %	62.6%	62.1%	0.5 PP	62.6%	62.4%	0.2 PP
hereof retail %	30.9%	31.7%	(0.8) PP	30.9%	31.2%	(0.3) PP
hereof foreign currency %	4.7%	6.9%	(2.2) PP	4.7%	4.9%	(0.2) PP
Deposits from customers	380	465	(18.4)%	380	495	(23.3)%
Loan/deposit ratio	318.3%	278.3%	40.0 PP	318.3%	247.6%	70.7 PP
Return on equity before tax	–	0.4%	–	–	–	–
Return on equity after tax	–	0.7%	–	–	–	–
Cost/income ratio	76.7%	72.6%	4.2 PP	76.7%	69.1%	7.6 PP
Net interest margin (average interest-bearing assets)	1.45%	1.54%	(0.09) PP	1.45%	1.60%	(0.15) PP
Employees as of reporting date	276	319	(13.5)%	276	310	(11.0)%
Business outlets	17	17	0.0%	17	17	0.0%
Customers	66,404	67,720	(1.9)%	66,404	68,593	(3.2)%

Southeastern Europe

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	312	330	(5.5)%	312	316	(1.4)%
General administrative expenses	(166)	(177)	(6.0)%	(166)	(185)	(10.3)%
Operating result	**145**	**153**	**(5.0)%**	**145**	**131**	**11.3%**
Net provisioning for impairment losses	(63)	(60)	3.9%	(63)	(87)	(28.3)%
Other results	12	21	(44.3)%	12	(2)	–
Profit before tax	**95**	**114**	**(17.1)%**	**95**	**41**	**129.8%**
Assets	21,411	23,097	(7.3)%	21,411	21,346	0.3%
Net interest margin (average interest-bearing assets)	4.20%	4.34%	(0.14) PP	4.20%	4.27%	(0.07) PP
Return on equity before tax	**17.3%**	**21.2%**	**(4.0) PP**	**17.3%**	**8.0%**	**9.2 PP**

In Southeastern Europe, where economy remained weak, profit before tax declined 17 per cent year-on-year to € 95 million. Decreases in net interest income and net income from financial investments had a negative effect on profit which could not be offset by reductions in general administrative expenses. The return on equity before tax decreased 4.0 percentage points to 17.3 per cent.

Operating income

The segment's net interest income fell 9 per cent to € 207 million year-on-year which was attributable to declines in almost all the region's countries, particularly Romania and Bulgaria. In Romania, reasons were lower interest income from securities and decline in market interest rates, although operating income development has been fairly stable over the past three quarters. In Bulgaria, maturing of portions of the corporate loan portfolio and considerably lower market interest rates resulted in a decrease in net interest income. The segment's net interest margin declined 14 basis points to 4.20 per cent. Total assets decreased from € 23.1 billion to € 21.4 billion year-on-year, credit risk-weighted assets were down by 7 per cent to € 13.0 billion.

Net fee and commission income rose 6 per cent to € 79 million versus the comparable period last year. Income from payment transfer business increased 4 per cent year-on-year and, at € 43 million, continued to provide the largest contribution. Income from loan and guarantee business remained stable at € 6 million. This was positively impacted by developments in Romania, where repricing measures were successfully implemented. Income from foreign exchange, notes/coins and precious metals business rose 7 per cent year-on-year to € 16 million, also primarily because of business in Romania.

Net trading income for the Southeastern Europe segment declined 10 per cent year-on-year to € 15 million. A decline in income from interest-based transactions totaling € 3 million was partially offset by higher net income from currency-based transactions. This reduction in income from interest-based transactions was mainly the result of the performance in Croatia, where lower spreads had led to higher valuation income from bonds in the trading portfolio in the previous year. During the reporting period, changes in the market environment caused the Group to pursue a more defensive strategy. In Romania, currency-based transactions improved € 2 million due to currency appreciation.

Other net operating income remained unchanged at € 10 million year-on-year.

General administrative expenses

The segment's general administrative expenses fell 6 per cent to € 166 million compared to the same period last year. Staff expenses decreased € 2 million, primarily due to lower bonus payments and severance expenses in Serbia. Other administrative expenses declined € 7 million to € 71 million, with the largest savings achieved from office space and communication expenses. Furthermore, IT costs in Romania were reduced. Depreciation expenses in the region also decreased, down 8 per cent to € 22 million, mainly due to lower depreciation on tangible fixed and leased assets in Croatia. At 53.3 per cent, the cost/income ratio was slightly lower year-on-year.

Net provisioning for impairment losses

Net provisioning for impairment losses in the Southeastern Europe segment increased 4 per cent to € 63 million compared to the same period last year. Net allocations to portfolio-based loan loss provisions increased to € 2 million, with Group units in Serbia and Bulgaria primarily responsible for this development. Individual loan loss provisions declined € 7 million during the reporting period, whereby net releases in several of the region's countries offset higher net allocations for mortgage loans in Croatia. The share of non-performing loans to non-banks in the segment's loan portfolio increased 1.2 percentage points to 13.2 per cent.

Other results and taxes

Other results in the segment fell from € 21 million to € 12 million year-on-year. This was the result of lower gains from valuation of government bonds in Romania, where a decline in yields occurred, as well as of lower gains from sale of shares in equity participations in Serbia and Croatia. Following a loss of € 1 million in the previous year's period, net income from derivatives reported plus € 2 million in the first quarter of 2013.

Income taxes for the region declined 13 per cent year-on-year to € 13 million. Tax rate increased 1 percentage point to 14 per cent.

Detailed results of individual countries:

Albania

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	18	21	(15.0)%	18	19	(2.0)%
Net fee and commission income	2	2	32.5%	2	2	6.2%
Net trading income	5	4	12.8%	5	5	1.5%
Other net operating income	1	0	–	1	0	–
Operating income	**26**	**28**	**(5.5)%**	**26**	**25**	**2.5%**
General administrative expenses	(9)	(9)	(0.2)%	(9)	(13)	(33.8)%
Operating result	**17**	**19**	**(8.0)%**	**17**	**12**	**40.5%**
Net provisioning for impairment losses	(4)	(4)	(1.6)%	(4)	(8)	(50.0)%
Other results	0	0	–	0	0	–
Profit before tax	**13**	**15**	**(9.7)%**	**13**	**4**	**206.0%**
Income taxes	(1)	(2)	(12.2)%	(1)	1	–
Profit after tax	**12**	**13**	**(9.4)%**	**12**	**5**	**143.3%**
Assets	2,238	2,287	(2.1)%	2,238	2,289	(2.3)%
Loans and advances to customers	955	978	(2.4)%	955	974	(2.0)%
hereof corporate %	69.0%	66.6%	2.4 PP	69.0%	68.7%	0.3 PP
hereof retail %	31.0%	33.4%	(2.4) PP	31.0%	31.3%	(0.3) PP
hereof foreign currency %	65.2%	57.2%	8.0 PP	65.2%	64.6%	0.6 PP
Deposits from customers	1,970	2,013	(2.1)%	1,970	2,037	(3.3)%
Loan/deposit ratio	48.5%	48.6%	(0.1) PP	48.5%	47.8%	0.7 PP
Return on equity before tax	25.7%	32.3%	(6.6) PP	25.7%	9.2%	16.5 PP
Return on equity after tax	23.1%	28.9%	(5.8) PP	23.1%	10.4%	12.7 PP
Cost/income ratio	33.0%	31.3%	1.8 PP	33.0%	51.1%	(18.1) PP
Net interest margin (average interest-bearing assets)	3.84%	4.33%	(0.48) PP	3.84%	3.76%	0.08 PP
Employees as of reporting date	1,394	1,420	(1.8)%	1,394	1,388	0.4%
Business outlets	105	105	0.0%	105	105	0.0%
Customers	710,610	669,632	6.1%	710,610	712,875	(0.3)%

Bosnia and Herzegovina

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	17	18	(3.9)%	17	18	(2.0)%
Net fee and commission income	8	7	12.9%	8	8	(5.2)%
Net trading income	0	0	44.0%	0	0	15.5%
Other net operating income	1	1	50.8%	1	0	–
Operating income	**26**	**26**	**2.2%**	**26**	**26**	**0.9%**
General administrative expenses	(14)	(15)	(4.2)%	(14)	(18)	(21.6)%
Operating result	**12**	**11**	**10.4%**	**12**	**8**	**49.3%**
Net provisioning for impairment losses	(3)	(6)	(56.1)%	(3)	(5)	(50.7)%
Other results	0	2	(92.3)%	0	0	–
Profit before tax	**10**	**7**	**36.3%**	**10**	**3**	**241.7%**
Income taxes	(1)	(1)	41.0%	(1)	(1)	(23.6)%
Profit after tax	**9**	**7**	**35.7%**	**9**	**2**	**458.4%**
Assets	1,959	2,069	(5.3)%	1,959	1,983	(1.2)%
Loans and advances to customers	1,245	1,330	(6.4)%	1,245	1,259	(1.1)%
hereof corporate %	38.9%	42.7%	(3.8) PP	38.9%	39.5%	(0.7) PP
hereof retail %	60.2%	56.8%	3.5 PP	60.2%	59.8%	0.4 PP
hereof foreign currency %	74.3%	75.8%	(1.5) PP	74.3%	73.5%	0.8 PP
Deposits from customers	1,506	1,564	(3.7)%	1,506	1,526	(1.4)%
Loan/deposit ratio	82.7%	85.1%	(2.4) PP	82.7%	82.5%	0.2 PP
Return on equity before tax	15.9%	11.5%	4.4 PP	15.9%	4.8%	11.1 PP
Return on equity after tax	14.3%	10.4%	3.9 PP	14.3%	2.6%	11.7 PP
Cost/income ratio	53.1%	56.6%	(3.5) PP	53.1%	68.3%	(15.2) PP
Net interest margin (average interest-bearing assets)	3.78%	3.61%	0.17 PP	3.78%	3.80%	(0.02) PP
Employees as of reporting date	1,511	1,550	(2.5)%	1,511	1,561	(3.2)%
Business outlets	98	98	0.0%	98	98	0.0%
Customers	490,460	593,325	(17.3)%	490,460	496,107	(1.1)%

Bulgaria

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	30	37	(17.4)%	30	33	(9.0)%
Net fee and commission income	9	9	2.6%	9	10	(8.3)%
Net trading income	1	1	(39.4)%	1	1	(43.8)%
Other net operating income	0	0	–	0	0	–
Operating income	**40**	**46**	**(13.2)%**	**40**	**44**	**(8.6)%**
General administrative expenses	(22)	(23)	(4.8)%	(22)	(24)	(7.4)%
Operating result	**18**	**23**	**(21.6)%**	**18**	**20**	**(10.0)%**
Net provisioning for impairment losses	(15)	(15)	1.7%	(15)	(24)	(38.9)%
Other results	0	0	>500.0%	0	0	–
Profit/loss before tax	**3**	**9**	**(64.1)%**	**3**	**(4)**	**–**
Income taxes	0	(1)	(61.9)%	0	1	–
Profit/loss after tax	**3**	**8**	**(64.3)%**	**3**	**(3)**	**–**
Assets	3,464	3,610	(4.0)%	3,464	3,486	(0.6)%
Loans and advances to customers	2,812	2,924	(3.8)%	2,812	2,883	(2.4)%
hereof corporate %	45.7%	44.5%	1.2 PP	45.7%	45.9%	(0.2) PP
hereof retail %	53.7%	54.9%	(1.2) PP	53.7%	53.5%	0.2 PP
hereof foreign currency %	74.7%	79.6%	(4.9) PP	74.7%	75.0%	(0.2) PP
Deposits from customers	2,152	2,124	1.3%	2,152	2,156	(0.2)%
Loan/deposit ratio	130.7%	137.7%	(7.0) PP	130.7%	133.7%	(3.1) PP
Return on equity before tax	2.5%	6.9%	(4.4) PP	2.5%	–	–
Return on equity after tax	2.2%	6.2%	(4.0) PP	2.2%	–	–
Cost/income ratio	55.0%	50.2%	4.8 PP	55.0%	54.3%	0.7 PP
Net interest margin (average interest-bearing assets)	3.66%	4.25%	(0.59) PP	3.66%	3.94%	(0.29) PP
Employees as of reporting date	3,034	3,202	(5.2)%	3,034	3,119	(2.7)%
Business outlets	182	184	(1.1)%	182	183	(0.5)%
Customers	795,039	780,136	1.9%	795,039	791,751	0.4%

Croatia

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	36	39	(7.9)%	36	38	(6.7)%
Net fee and commission income	14	14	(1.0)%	14	13	1.0%
Net trading income	2	6	(71.1)%	2	0	>500.0%
Other net operating income	7	9	(24.9)%	7	6	17.6%
Operating income	**58**	**67**	**(14.2)%**	**58**	**57**	**0.4%**
General administrative expenses	(33)	(38)	(11.1)%	(33)	(33)	2.3%
Operating result	**24**	**30**	**(18.2)%**	**24**	**25**	**(2.1)%**
Net provisioning for impairment losses	(15)	(5)	220.6%	(15)	(18)	(16.0)%
Other results	1	3	(49.2)%	1	(5)	–
Profit before tax	**11**	**27**	**(61.6)%**	**11**	**2**	**351.7%**
Income taxes	(2)	(5)	(61.3)%	(2)	(1)	213.8%
Profit after tax	**8**	**22**	**(61.6)%**	**8**	**2**	**407.4%**
Assets	4,948	6,333	(21.9)%	4,948	5,097	(2.9)%
Loans and advances to customers	3,498	3,854	(9.2)%	3,498	3,525	(0.8)%
hereof corporate %	39.6%	40.7%	(1.1) PP	39.6%	39.7%	0.0 PP
hereof retail %	49.5%	47.5%	2.0 PP	49.5%	49.4%	0.0 PP
hereof foreign currency %	62.1%	67.0%	(4.9) PP	62.1%	61.2%	0.8 PP
Deposits from customers	2,870	3,057	(6.1)%	2,870	3,040	(5.6)%
Loan/deposit ratio	121.6%	126.1%	(4.4) PP	121.6%	116.1%	5.5 PP
Return on equity before tax	5.7%	14.2%	(8.4) PP	5.7%	1.3%	4.5 PP
Return on equity after tax	4.6%	11.4%	(6.8) PP	4.6%	0.9%	3.7 PP
Cost/income ratio	58.0%	56.0%	2.0 PP	58.0%	57.0%	1.1 PP
Net interest margin (average interest-bearing assets)	3.28%	3.11%	0.16 PP	3.28%	3.30%	(0.02) PP
Employees as of reporting date	2,063	2,080	(0.8)%	2,063	2,066	(0.1)%
Business outlets	79	81	(2.5)%	79	79	0.0%
Customers	475,925	513,973	(7.4)%	475,925	479,399	(0.7)%

Kosovo

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	9	10	(8.7)%	9	9	1.7%
Net fee and commission income	2	2	(5.8)%	2	2	(7.2)%
Net trading income	0	0	>500.0%	0	0	>500.0%
Other net operating income	0	0	>500.0%	0	0	(38.4)%
Operating income	**11**	**12**	**(7.6)%**	**11**	**11**	**1.8%**
General administrative expenses	(6)	(7)	(13.3)%	(6)	(7)	(17.4)%
Operating result	**5**	**5**	**(0.1)%**	**5**	**4**	**38.5%**
Net provisioning for impairment losses	(1)	(1)	(12.8)%	(1)	(1)	116.6%
Other results	0	1	(78.9)%	0	0	–
Profit before tax	**4**	**4**	**(6.6)%**	**4**	**3**	**37.8%**
Income taxes	0	0	(4.3)%	0	0	32.4%
Profit after tax	**4**	**4**	**(6.8)%**	**4**	**3**	**38.5%**
Assets	628	650	(3.3)%	628	629	(0.1)%
Loans and advances to customers	444	423	5.1%	444	428	3.8%
hereof corporate %	39.0%	34.2%	4.8 PP	39.0%	37.7%	1.3 PP
hereof retail %	61.0%	65.8%	(4.8) PP	61.0%	62.3%	(1.3) PP
hereof foreign currency %	0.0%	0.0%	0.0 PP	0.0%	0.0%	0.0 PP
Deposits from customers	508	524	(3.0)%	508	514	(1.1)%
Loan/deposit ratio	87.5%	80.8%	6.7 PP	87.5%	83.3%	4.1 PP
Return on equity before tax	17.1%	18.4%	(1.3) PP	17.1%	13.3%	3.8 PP
Return on equity after tax	15.4%	16.6%	(1.2) PP	15.4%	11.9%	3.4 PP
Cost/income ratio	53.3%	56.8%	(3.5) PP	53.3%	65.7%	(12.4) PP
Net interest margin (average interest-bearing assets)	5.87%	6.13%	(0.27) PP	5.87%	5.73%	0.14 PP
Employees as of reporting date	698	714	(2.2)%	698	688	1.5%
Business outlets	52	54	(3.7)%	52	52	0.0%
Customers	258,799	257,216	0.6%	258,799	273,486	(5.4)%

Romania

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	72	80	(10.5)%	72	73	(2.3)%
Net fee and commission income	36	33	9.3%	36	34	8.0%
Net trading income	6	5	26.1%	6	3	131.4%
Other net operating income	1	0	81.0%	1	1	(45.7)%
Operating income	**115**	**119**	**(3.1)%**	**115**	**111**	**3.6%**
General administrative expenses	(65)	(67)	(2.9)%	(65)	(70)	(7.5)%
Operating result	**51**	**52**	**(3.3)%**	**51**	**41**	**22.4%**
Net provisioning for impairment losses	(21)	(27)	(23.1)%	(21)	(25)	(15.8)%
Other results	6	11	(44.3)%	6	0	>500.0%
Profit before tax	**36**	**36**	**(0.9)%**	**36**	**17**	**116.0%**
Income taxes	(6)	(5)	14.3%	(6)	(3)	104.3%
Profit after tax	**30**	**31**	**(3.4)%**	**30**	**14**	**118.3%**
Assets	6,370	6,263	1.7%	6,370	5,982	6.5%
Loans and advances to customers	4,195	4,339	(3.3)%	4,195	4,226	(0.7)%
hereof corporate %	34.6%	36.5%	(1.8) PP	34.6%	35.3%	(0.6) PP
hereof retail %	62.6%	61.5%	1.1 PP	62.6%	61.9%	0.7 PP
hereof foreign currency %	54.1%	52.1%	2.1 PP	54.1%	51.8%	2.3 PP
Deposits from customers	3,995	3,872	3.2%	3,995	3,781	5.7%
Loan/deposit ratio	105.0%	112.1%	(7.1) PP	105.0%	111.8%	(6.8) PP
Return on equity before tax	25.0%	27.8%	(2.7) PP	25.0%	13.3%	11.7 PP
Return on equity after tax	21.0%	23.9%	(2.9) PP	21.0%	11.0%	10.0 PP
Cost/income ratio	56.0%	56.0%	0.1 PP	56.0%	62.8%	(6.7) PP
Net interest margin (average interest-bearing assets)	4.83%	5.31%	(0.49) PP	4.83%	5.07%	(0.24) PP
Employees as of reporting date	5,393	5,880	(8.3)%	5,393	5,486	(1.7)%
Business outlets	526	540	(2.6)%	526	527	(0.2)%
Customers	1,981,086	1,932,098	2.5%	1,981,086	1,974,315	0.3%

Serbia

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	25	23	6.4%	25	24	1.3%
Net fee and commission income	8	8	(1.3)%	8	9	(10.0)%
Net trading income	1	0	162.8%	1	1	14.6%
Other net operating income	2	1	123.4%	2	1	29.5%
Operating income	**36**	**33**	**9.2%**	**36**	**36**	**(0.2)%**
General administrative expenses	(18)	(20)	(8.7)%	(18)	(22)	(15.8)%
Operating result	**18**	**13**	**37.0%**	**18**	**14**	**23.4%**
Net provisioning for impairment losses	(4)	(2)	85.1%	(4)	(6)	(39.0)%
Other results	4	5	(13.8)%	4	2	95.9%
Profit before tax	**18**	**16**	**14.1%**	**18**	**10**	**80.3%**
Income taxes	(2)	(1)	92.9%	(2)	0	353.1%
Profit after tax	**16**	**15**	**8.0%**	**16**	**9**	**66.5%**
Assets	1,849	1,969	(6.1)%	1,849	1,883	(1.8)%
Loans and advances to customers	1,195	1,309	(8.7)%	1,195	1,204	(0.8)%
hereof corporate %	51.2%	56.9%	(5.7) PP	51.2%	53.1%	(1.9) PP
hereof retail %	45.8%	39.9%	5.9 PP	45.8%	44.4%	1.4 PP
hereof foreign currency %	72.0%	67.3%	4.6 PP	72.0%	66.6%	5.3 PP
Deposits from customers	1,097	1,042	5.3%	1,097	1,139	(3.7)%
Loan/deposit ratio	109.0%	125.6%	(16.7) PP	109.0%	105.7%	3.2 PP
Return on equity before tax	15.1%	13.3%	1.8 PP	15.1%	8.9%	6.1 PP
Return on equity after tax	13.3%	12.3%	1.0 PP	13.3%	8.5%	4.8 PP
Cost/income ratio	50.8%	60.8%	(10.0) PP	50.8%	60.2%	(9.4) PP
Net interest margin (average interest-bearing assets)	5.60%	4.60%	1.00 PP	5.60%	5.34%	0.27 PP
Employees as of reporting date	1,757	1,763	(0.3)%	1,757	1,769	(0.7)%
Business outlets	86	85	1.2%	86	85	1.2%
Customers	561,702	510,594	10.0%	561,702	550,790	2.0%

Russia

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	283	289	(2.1)%	283	264	7.1%
General administrative expenses	(125)	(122)	2.3%	(125)	(151)	(17.2)%
Operating result	**158**	**167**	**(5.4)%**	**158**	**113**	**39.2%**
Net provisioning for impairment losses	15	1	>500.0%	15	2	484.4%
Other results	26	(10)	-	26	(3)	-
Profit before tax	**198**	**158**	**25.9%**	**198**	**113**	**74.9%**
Assets	16,187	15,195	6.5%	16,187	15,635	3.5%
Net interest margin (average interest-bearing assets)	5.12%	5.71%	(0.59) PP	5.12%	5.45%	(0.33) PP
Return on equity before tax	**48.1%**	**40.3%**	**7.8 PP**	**48.1%**	**29.9%**	**18.2 PP**

Despite an increase in general administrative expenses and lower operating income, profit before tax in Russia rose 26 per cent to € 198 million year-on-year, primarily due to a rise in net income from financial investments. Return on equity before tax improved 7.8 percentage points to 48.1 per cent.

Operating income

Net interest income in Russia declined 1 per cent or € 3 million year-on-year to € 182 million. Although there was an increase due to lending volume expansion, this was negatively offset by considerably lower interest income from derivatives used for foreign currency denominated loans exposure hedges. The segment posted a year-on-year decline in its net interest margin of 59 basis points to 5.12 per cent, and its total assets rose 7 per cent to € 16.2 billion. Credit risk-weighted assets remained stable at € 10.6 billion.

The segment's net fee and commission income increased 9 per cent or € 6 million to € 69 million year-on-year. Income from payment transfer business was 13 per cent higher than in the first quarter of 2012. At € 27 million, it continues to provide the largest contribution to net fee and commission income. Income from the loan and guarantee business climbed 33 per cent or € 5 million to € 20 million due to increased volume. Income from foreign currency, notes/coins, and precious metals business contributed another € 13 million. However, it was lower overall due to a decline in transaction volume.

Net trading income was down 26 per cent year-on-year to € 31 million. Net income from interest-based transactions declined € 10 million to € 4 million due to valuation losses. Net income from currency-based transactions remained virtually unchanged at € 26 million. The segment's other net operating income improved to € 1 million.

General administrative expenses

The segment's general administrative expenses rose 2 per cent to € 125 million, attributable primarily to a rise in staff expenses due to salary increases at year-end 2012. In contrast, other administrative expenses were lower due to a reduction in office space expenses. The number of business outlets decreased by a marginal 3 locations to 189 versus the previous year. The decline in operating income and the rise in general administrative expenses led to an increase of 1.9 percentage points in cost/income ratio to 44.1 per cent.

Net provisioning for impairment losses

As in the same period last year, there was a net release of provisions for impairment losses, which at € 15 million, however, was € 14 million higher than the first quarter of 2012. The releases were related to individual loan loss provisions, which had largely been established in connection with retail customers. In portfolio-based loan loss provisions, a net allocation of € 1 million was posted. The share of non-performing loans in the loan portfolio decreased 1.2 percentage points year-on-year to 4.8 per cent.

Other results and taxes

Compared to the same period last year, other results in the Russia segment recovered from minus € 10 million to plus € 26 million. Net income from financial investments, resulting primarily from sale of the VISA shares, grew to € 26 million. Likewise, net income from derivatives also improved from minus € 10 million to minus € 1 million, primarily due to valuation gains on interest rate swap transactions used to mitigate interest rate structure risk.

The segment's income taxes rose 13 per cent to € 43 million, while the tax rate declined 2 percentage points to 21 per cent.

Russia

The table below provides an overview of the country results for Russia. Any discrepancies with regard to values specified for the Russia segment are the result of equity being allocated differently: The figures in the country overview are based on equity reported on the statement of financial position, while at the segment level equity is based on the actual equity used.

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	182	184	(1.4)%	182	198	(8.2)%
Net fee and commission income	69	63	9.3%	69	74	(6.5)%
Net trading income	31	41	(26.0)%	31	5	>500.0%
Other net operating income	1	0	–	1	(12)	–
Operating income	**283**	**289**	**(2.1)%**	**283**	**264**	**7.1%**
General administrative expenses	(125)	(122)	2.3%	(125)	(151)	(17.2)%
Operating result	**158**	**167**	**(5.4)%**	**158**	**113**	**39.2%**
Net provisioning for impairment losses	15	1	>500.0%	15	2	484.4%
Other results	26	(10)	–	26	(3)	–
Profit before tax	**198**	**158**	**25.9%**	**198**	**113**	**74.9%**
Income taxes	(43)	(38)	13.1%	(43)	(23)	84.7%
Profit after tax	**156**	**120**	**29.9%**	**156**	**90**	**72.4%**
Assets	16,187	15,195	6.5%	16,187	15,635	3.5%
Loans and advances to customers	10,101	9,485	6.5%	10,101	9,669	4.5%
hereof corporate %	62.7%	69.6%	(6.8) PP	62.7%	64.1%	(1.3) PP
hereof retail %	37.2%	30.4%	6.9 PP	37.2%	35.9%	1.3 PP
hereof foreign currency %	42.2%	46.4%	(4.2) PP	42.2%	44.2%	(2.0) PP
Deposits from customers	10,447	10,064	3.8%	10,447	9,609	8.7%
Loan/deposit ratio	96.7%	94.3%	2.4 PP	96.7%	100.6%	(3.9) PP
Return on equity before tax	35.5%	31.7%	3.8 PP	35.5%	22.8%	12.7 PP
Return on equity after tax	27.9%	24.2%	3.7 PP	27.9%	18.2%	9.7 PP
Cost/income ratio	44.1%	42.2%	1.9 PP	44.1%	57.0%	(12.9) PP
Net interest margin (average interest-bearing assets)	5.12%	5.71%	(0.59) PP	5.12%	5.45%	(0.33) PP
Employees as of reporting date	8,200	8,257	(0.7)%	8,200	8,155	0.6%
Business outlets	189	192	(1.6)%	189	186	1.6%
Customers	2,335,420	2,379,581	(1.9)%	2,335,420	2,288,175	2.1%

CIS Other

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	137	145	(5.5)%	137	140	(2.1)%
General administrative expenses	(90)	(90)	(0.3)%	(90)	(106)	(14.6)%
Operating result	**47**	**54**	**(14.1)%**	**47**	**34**	**36.7%**
Net provisioning for impairment losses	(25)	(24)	7.7%	(25)	(13)	95.8%
Other results	32	(6)	–	32	5	>500.0%
Profit before tax	**54**	**25**	**118.2%**	**54**	**26**	**102.7%**
Assets	6,349	6,415	(1.0)%	6,349	6,324	0.4%
Net interest margin (average interest-bearing assets)	6.59%	7.16%	(0.58) PP	6.59%	6.96%	(0.38) PP
Return on equity before tax	**25.1%**	**12.6%**	**12.6 PP**	**25.1%**	**13.5%**	**11.6 PP**

In the CIS Other segment, profit before tax rose 118 per cent year-on-year to € 54 million mainly due to higher income from financial investments. The segment's return on equity before tax doubled to 25.1 per cent.

Operating income

At € 93 million, the segment's net interest income was 13 per cent below the amount posted in the same period last year. Net interest income in Ukraine declined 19 per cent to € 72 million due to lower lending volume with retail and corporate customers, higher expenses for customer deposits as well as a decrease in interest income from securities. In Belarus, in contrast, higher lending volume and margin led to a surge of 33 per cent in net interest income to € 20 million. The segment's total assets decreased slightly to € 6.3 billion, whereas credit risk-weighted assets rose 5 per cent to € 5.5 billion. The segment's net interest margin dropped 58 basis points to 6.59 per cent.

Net fee and commission income climbed 9 per cent year-on-year to € 49 million, with income from the payment transfer business, which increased 12 per cent to € 36 million, still making the largest contribution to the overall total. This increase was achieved through a higher number of transactions in Ukraine and Belarus.

Net trading income in the region improved from minus € 6 million to minus € 4 million compared to the same period last year. In Ukraine, valuation gains from bonds led to € 2 million additional net income from interest-based transactions.

The segment's other net operating income declined year-on-year to minus € 1 million due to several smaller expense and income items.

General administrative expenses

Compared to the same period last year, general administrative expenses remained stable at € 90 million. Ukraine achieved cost reductions of € 4 million, which primarily stemmed from lower staff expenses as a result of headcount reduction as well as from lower depreciation on tangible assets due to reduced IT investment. In contrast, general administrative expenses in Belarus were up € 4 million. While nearly all expense positions were affected, the largest growth was in index-based staff expenses, which rose due to salary increases conducted in the previous year. Lower operating income combined with unchanged cost levels led to an increase in the cost/income ratio of 3.4 percentage points to 65.9 per cent.

Net provisioning for impairment losses

The region's net provisioning for impairment losses climbed 8 per cent year-on-year to € 25 million. At € 27 million, the need for loan loss provisions in Ukraine was € 4 million higher than in the same period last year. This increase was primarily because of retail customers' collateral value being lower. In Belarus, the need for loan loss provisions, at € 25 million, was slightly higher year-on-year due to greater net allocations to portfolio-based loan loss provisions. The share of non-performing loans in the total loan portfolio of the segment was 28.2 per cent (down 2.0 percentage points year-on-year), and thus remains the highest among all segments.

Other results and taxes

Other results recovered year-on-year from minus € 6 million to plus € 32 million, primarily due to net income from financial investments. In particular, valuation gains resulted from the portfolio of fixed-income Ukrainian government bonds measured at fair value.

The segment's income taxes climbed to € 11 million. The tax rate, however, fell 13 percentage points to 20 per cent.

Detailed results of individual countries:

Belarus

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	20	15	32.9%	20	15	33.6%
Net fee and commission income	15	12	22.3%	15	16	(5.3)%
Net trading income	(6)	(5)	21.4%	(6)	(16)	(60.2)%
Other net operating income	(1)	0	102.1%	(1)	(2)	(77.9)%
Operating income	**28**	**22**	**28.9%**	**28**	**13**	**123.7%**
General administrative expenses	(18)	(14)	26.5%	(18)	(19)	(6.6)%
Operating result	**11**	**8**	**33.0%**	**11**	**(6)**	**–**
Net provisioning for impairment losses	0	(1)	–	0	20	(99.1)%
Other results	0	0	–	0	0	–
Profit before tax	**11**	**7**	**53.7%**	**11**	**14**	**(21.9)%**
Income taxes	(2)	(3)	(43.2)%	(2)	(8)	(76.9)%
Profit after tax	**9**	**4**	**132.0%**	**9**	**6**	**47.7%**
Assets	1,472	1,214	21.2%	1,472	1,355	8.6%
Loans and advances to customers	1,010	767	31.6%	1,010	869	16.2%
hereof corporate %	76.8%	73.8%	3.0 PP	76.8%	73.8%	3.0 PP
hereof retail %	23.2%	26.2%	(3.0) PP	23.2%	26.2%	(3.0) PP
hereof foreign currency %	73.0%	66.5%	6.5 PP	73.0%	70.9%	2.1 PP
Deposits from customers	926	718	29.0%	926	872	6.2%
Loan/deposit ratio	109.0%	106.8%	2.2 PP	109.0%	99.6%	9.4 PP
Return on equity before tax	21.6%	16.5%	5.0 PP	21.6%	29.7%	(8.1) PP
Return on equity after tax	18.0%	9.1%	8.9 PP	18.0%	13.1%	4.9 PP
Cost/income ratio	62.6%	63.8%	(1.2) PP	62.6%	150.1%	(87.4) PP
Net interest margin (average interest-bearing assets)	6.39%	5.39%	1.00 PP	6.39%	4.94%	1.44 PP
Employees as of reporting date	2,201	2,198	0.1%	2,201	2,190	0.5%
Business outlets	100	98	2.0%	100	100	0.0%
Customers	695,067	683,134	1.7%	695,067	691,925	0.5%

Ukraine

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Net interest income	72	89	(19.0)%	72	84	(14.6)%
Net fee and commission income	34	32	3.7%	34	41	(17.7)%
Net trading income	2	1	164.2%	2	2	17.2%
Other net operating income	(1)	0	–	(1)	(1)	14.9%
Operating income	**107**	**123**	**(12.6)%**	**107**	**126**	**(15.3)%**
General administrative expenses	(72)	(76)	(5.3)%	(72)	(86)	(16.3)%
Operating result	**35**	**46**	**(24.5)%**	**35**	**40**	**(13.1)%**
Net provisioning for impairment losses	(27)	(22)	19.3%	(27)	(33)	(20.2)%
Other results	32	(6)	–	32	5	>500.0%
Profit before tax	**41**	**18**	**130.1%**	**41**	**12**	**238.2%**
Income taxes	(9)	(5)	73.7%	(9)	(13)	(33.0)%
Profit/loss after tax	**32**	**13**	**151.9%**	**32**	**(1)**	**–**
Assets	4,832	5,131	(5.8)%	4,832	4,922	(1.8)%
Loans and advances to customers	3,806	4,032	(5.6)%	3,806	3,715	2.5%
hereof corporate %	51.9%	52.6%	(0.7) PP	51.9%	52.0%	(0.1) PP
hereof retail %	48.1%	47.4%	0.7 PP	48.1%	48.0%	0.1 PP
hereof foreign currency %	50.8%	59.9%	(9.0) PP	50.8%	51.6%	(0.7) PP
Deposits from customers	2,835	2,569	10.4%	2,835	2,646	7.2%
Loan/deposit ratio	134.2%	156.9%	(22.7) PP	134.2%	140.4%	(6.2) PP
Return on equity before tax	19.6%	8.6%	11.0 PP	19.6%	5.8%	13.8 PP
Return on equity after tax	15.5%	6.2%	9.3 PP	15.5%	–	–
Cost/income ratio	67.4%	62.2%	5.2 PP	67.4%	68.2%	(0.8) PP
Net interest margin (average interest-bearing assets)	6.66%	7.51%	(0.84) PP	6.66%	7.51%	(0.85) PP
Employees as of reporting date	13,787	14,971	(7.9)%	13,787	13,849	(0.4)%
Business outlets	822	828	(0.7)%	822	825	(0.4)%
Customers	3,023,416	3,361,826	(10.1)%	3,023,416	3,029,424	(0.2)%

Group Corporates

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	156	159	(1.8)%	156	142	10.2%
General administrative expenses	(44)	(35)	25.4%	(44)	(47)	(5.3)%
Operating result	**112**	**124**	**(9.6)%**	**112**	**95**	**17.9%**
Net provisioning for impairment losses	(73)	(1)	>500.0%	(73)	(61)	20.3%
Other results	0	2	(74.9)%	0	(3)	–
Profit before tax	**39**	**125**	**(68.4)%**	**39**	**31**	**26.4%**
Assets	21,380	21,980	(2.7)%	21,380	18,997	12.5%
Net interest margin (average interest-bearing assets)	2.17%	1.94%	0.23 PP	2.17%	1.96%	0.21 PP
Return on equity before tax	**8.3%**	**26.2%**	**(17.9) PP**	**8.3%**	**35.5%**	**(27.3) PP**

Profit before tax for the Group Corporates segment fell 68 per cent to € 39 million versus the same period last year. The main reason for this decline was a higher need for loan loss provisions for loans and advances to large customers. The segment's return on equity before tax decreased 17.9 percentage points to 8.3 per cent.

Operating income

The segment's net interest income increased 1 per cent year-on-year to € 109 million. At Group head office and in the Corporate Customers profit center (Austrian and multinational corporate customers serviced from Vienna), net interest income improved slightly to € 44 million thanks to margin increase on assets and despite a lower lending volume. In the Network Corporate Customers & Support profit center (international corporate customers with a CEE relationship), net interest income grew 4 per cent to € 21 million. The Maltese subsidiary, however, posted an 11 per cent decline to € 13 million due to margin compression and volume decline. In the business outlets in Asia, net interest income also decreased, as a result of lower lending volume. The segment's net interest margin climbed 23 basis points to 2.17 per cent, while its total assets shrank 3 per cent or € 0.6 billion to € 21.4 billion year-on-year, because of lending volume reduction. Credit risk-weighted assets were stable with € 14.6 billion.

Net fee and commission income rose 12 per cent or € 5 million to € 43 million year-on-year. Income from payment transfer business – which is mostly generated at Group head office and represents the largest component of the segment's net fee and commission income – increased 21 per cent to € 36 million. This income related predominantly to lead-arranger activities associated with bond issuance by Austrian and international customers, as well as to the loan and project financing business, which was particularly strong. In contrast, business outlets in Asia and the Maltese subsidiary posted declines in their net fee and commission income.

The segment's net trading income decreased 76 per cent to € 3 million. Two main reasons contributed to this decline. Firstly, valuation gains from interest-based financial instruments transactions booked in Group head office were reduced by € 2 million. Secondly, the valuation of an option to purchase shares had resulted in a gain of € 7 million in the comparable period last year.

The segment's other net operating income remained unchanged year-on-year at € 2 million.

General administrative expenses

The segment's general administrative expenses increased 25 per cent year-on-year to € 44 million which was primarily the result of a cost allocation optimization process at Group head office in 2012 and of a portion allocation in the overhead costs to the segment. The segment consisted of eight business outlets at the end of the reporting period. The cost/income ratio rose 6.2 percentage points to 28.4 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses totaled € 73 million. Compared to the same period last year, net provisioning for impairment losses was higher due mainly to two new large customer cases as well as to additional allocations posted with regard to existing cases at Group head office and in China. The share of non-performing loans in the loan portfolio of the segment grew 1.1 percentage points to 4.4 per cent.

Other results and taxes

The segment's other results declined € 1 million year-on-year because of lower net income from the valuation of securities held-to-maturity.

Income taxes declined 59 per cent to € 13 million compared to the same period last year. However, income tax rate increased 7 percentage points to 33 per cent.

Group Markets

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	76	100	(24.4)%	76	80	(5.8)%
General administrative expenses	(61)	(57)	6.0%	(61)	(64)	(5.1)%
Operating result	**15**	**43**	**(65.1)%**	**15**	**16**	**(8.2)%**
Net provisioning for impairment losses	(1)	5	–	(1)	1	–
Other results	11	138	(92.1)%	11	3	275.1%
Profit before tax	**25**	**185**	**(86.3)%**	**25**	**20**	**24.2%**
Assets	19,438	29,681	(34.5)%	19,438	20,243	(4.0)%
Net interest margin (average interest-bearing assets)	0.84%	0.79%	0.05 PP	0.84%	0.81%	0.03 PP
Return on equity before tax	**8.9%**	**44.7%**	**(35.7) PP**	**8.9%**	**7.4%**	**1.5 PP**

Profit before tax for the Group Markets segment fell 86 per cent to € 25 million compared to the same period last year. The main reason for this decline was lower net income from financial investments. The segment’s return on equity before tax decreased 35.7 percentage points to 8.9 per cent.

Operating income

Net interest income in the segment fell 30 per cent to € 32 million compared to the same period last year. The main reasons for this decline were lower bond business volume from financial institutions, due to reduced investment activities, as well as ongoing cautious risk positioning. The segment's total assets decreased 34 per cent year-on-year to € 19.4 billion, while net interest margin rose 5 basis points to 0.84 per cent. Credit risk-weighted assets declined as well, falling 20 per cent to € 3.8 billion.

Group Markets’ net fee and commission income increased 4 per cent to € 26 million versus the same period last year. Net fee and commission income from the Financial Institutions profit center remained unchanged owing to solid net income from services in cash management and guarantees in export/foreign trade business. The Private Banking and Asset Management division of subsidiary Kathrein Privatbank AG in Vienna provided an improved contribution of € 3 million from its securities business.

The segment's net trading income dropped 42 per cent to € 15 million in the first quarter due to lower trading volume and negative valuation result from interest rate swaps. Compared to the same period last year, loss from valuation of capital guarantees issued at Group head office remained nearly unchanged at about € 4 million.

General administrative expenses

The Group Markets segment’s general administrative expenses increased 6 per cent to € 61 million year-on-year. The simultaneous decline in operating income led to an increase in the cost/income ratio by 23.0 percentage points to 80.2 per cent.

Net provisioning for impairment losses

Net provisioning for impairment losses increased € 5 million to € 1 million, primarily due to higher net allocations to individual loan loss provisions at Group head office in connection with financial institutions. A net release of € 5 million was posted in the same period last year. Non-performing loans accounted for 1.3 per cent of the segment’s total credit exposure.

Other results and taxes

The segment's other results fell from € 138 million to € 11 million year-on-year. Net income from financial investments decreased significantly due to the previous year's sale of the high-quality securities portfolio at Group head office as well as of other financial instruments. In contrast, net income from derivatives improved year-on-year, primarily because of valuation result at Group head office.

Income taxes in the segment declined from € 50 million to € 2 million, resulting in a considerable decrease in tax rate to 9 per cent.

Corporate Center

In € million	1/1-31/3 2013	1/1-31/3 2012	Change	Q1/2013	Q4/2012	Change
Operating income	(21)	100	–	(21)	2	–
General administrative expenses	(72)	(80)	(10.7)%	(72)	(95)	(24.5)%
Operating result	**(93)**	**19**	**–**	**(93)**	**(93)**	**(0.2)%**
Net provisioning for impairment losses	1	2	(49.3)%	1	(4)	–
Other results	(116)	107	–	(116)	(458)	(74.7)%
Profit/loss before tax	**(208)**	**128**	**–**	**(208)**	**(555)**	**(62.5)%**
Assets	43,580	52,161	(16.5)%	43,580	47,341	(7.9)%
Net interest margin (average interest-bearing assets)	–	–	–	–	–	–
Return on equity before tax	**–**	**22.0%**	**–**	**–**	**–**	**–**

The Corporate Center segment reported a loss before tax of € 208 million due to the decline in other results.

Operating income

Net interest income from the segment fell to minus € 12 million compared to the same period last year. Both intra-Group dividend income as well as income from internal financing within the RBI network decreased year-on-year. The € 13 million in interest expenses for RBI AG's subordinated capital weighed operating income further down. The segment's assets shrank 16 per cent to € 43.6 billion specifically a result of liquidity buffer reduction. Credit risk-weighted assets contracted 3 per cent to € 16.7 billion.

Net fee and commission income dropped 66 per cent to minus € 11 million year-on-year, which is mainly attributable to higher commission payments for transaction settlements at Group head office.

The segment's net trading income decreased 30 per cent to minus € 9 million. This decline was primarily caused by valuation of various foreign currency and interest-rate-based instruments held for management purposes.

Other net operating income also decreased, from € 20 million to € 11 million. The bank levy totaling € 26 million had a negative impact on net income that was € 5 million higher than in the previous year. In contrast, commodity trading of F.J. Elsner Trading GmbH resulted in a positive contribution of € 2 million.

General administrative expenses

General administrative expenses in the segment declined 11 per cent or € 8 million year-on-year to € 72 million. The only business outlet reported in this segment is Group head office.

Net provisioning for impairment losses

Net provisioning for impairment losses generally plays a minor role in this segment due to the intra-Group nature of its business activities. During the reporting period, there was a net release of provisions for impairment losses of € 1 million.

Other results and taxes

Other results fell € 223 million to minus € 116 million compared to the same period last year. Valuation losses on own issues (€ 82 million) and lower valuation of other derivatives had a negative effect on net income. In the previous year, the repurchase of portions of the hybrid capital had resulted in a € 113 million net gain.

During the reporting period, tax income totaling € 27 million was posted in the Corporate Center segment, less than the comparable period. This decline was attributable primarily to valuation results reported in this segment, particularly relating to liabilities measured at fair value.

Interim consolidated financial statements

(Interim report as of 31 March 2013)

Statement of comprehensive income

Income statement

In € million	Notes	1/1-31/3/2013	1/1-31/3/2012[1]	Change
Interest income		1,490	1,660	(10.2)%
Interest expenses		(626)	(785)	(20.2)%
Net interest income	**[2]**	**865**	**875**	**(1.2)%**
Net provisioning for impairment losses	[3]	(220)	(153)	43.7%
Net interest income after provisioning		**645**	**722**	**(10.7)%**
Fee and commission income		458	470	(2.7)%
Fee and commission expense		(83)	(125)	(33.2)%
Net fee and commission income	**[4]**	**375**	**346**	**8.3%**
Net trading income	[5]	80	82	(2.0)%
Income from derivatives and liabilities	[6]	(121)	35	–
Net income from financial investments	[7]	87	261	(66.6)%
General administrative expenses	[8]	(788)	(753)	4.6%
Other net operating income	[9]	(21)	(8)	162.9%
Net income from disposal of group assets		(6)	0	>500.0%
Profit before tax		**251**	**685**	**(63.4)%**
Income taxes	[10]	(77)	(111)	(30.7)%
Profit after tax		**174**	**574**	**(69.7)%**
Profit attributable to non-controlling interests		(17)	(33)	(47.4)%
Consolidated profit		**157**	**541**	**(71.0)%**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

Transition to total comprehensive income

In € million	Total 1/1-31/3 2013	Total 1/1-31/3 2012	Group equity 1/1-31/3 2013	Group equity 1/1-31/3 2012	Non-controlling interests 1/1-31/3 2013	Non-controlling interests 1/1-31/3 2012
Profit after tax	**174**	**574**	**157**	**541**	**17**	**33**
Items which are not reclassified to profit and loss	0	0	0	0	0	0
Items that may be reclassified subsequently to profit or loss	(6)	113	(3)	89	(2)	24
Exchange differences	5	198	9	174	(4)	23
hereof unrealized net gains (losses) of the period	5	198	9	174	(4)	23
Capital hedge	(1)	0	(1)	0	0	0
Hyperinflation	13	9	11	8	2	1
Net gains (losses) on derivatives hedging fluctuating cash flows	(2)	0	(2)	0	0	0
hereof unrealized net gains (losses) of the period	(2)	0	(2)	0	0	0
hereof net gains (losses) reclassified to income statement	0	0	0	0	0	0
Changes in equity of companies valued at equity	0	0	0	0	0	0
Net gains (losses) on financial assets available-for-sale	(25)	(124)	(25)	(124)	0	0
hereof unrealized net gains (losses) of the period	0	18	0	18	0	0
hereof net gains (losses) reclassified to income statement	(25)	(142)	(25)	(142)	0	0
Deferred taxes on income and expenses directly recognized in equity	5	31	5	31	0	0
hereof unrealized net gains (losses) of the period	0	(5)	0	(5)	0	0
hereof net gains (losses) reclassified to income statement	5	35	5	35	0	0
Sundry income and expenses directly recognized in equity	0	0	0	0	0	0
Other comprehensive income	**(6)**	**113**	**(3)**	**89**	**(2)**	**24**
Total comprehensive income	**168**	**687**	**153**	**630**	**15**	**57**

Earnings per share

In €	1/1-31/3/2013	1/1-31/3/2012	Change
Earnings per share	0.55	2.52	(1.97)

Earnings per share are obtained by dividing consolidated profit less dividend for participation capital by the average number of ordinary shares outstanding. As of 31 March 2013, the number of ordinary shares oustanding was 194.9 million (31 March 2012: 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	Q2/2012	Q3/2012	Q4/2012	Q1/2013
Net interest income	886	834	876	865
Net provisioning for impairment losses	(247)	(224)	(385)	(220)
Net interest income after provisioning	**639**	**611**	**491**	**645**
Net fee and commission income	375	400	396	375
Net trading income	85	54	(6)	80
Income from derivatives and liabilities	(55)	(88)	(20)	(121)
Net income from financial investments	(8)	46	19	87
General administrative expenses[1]	(764)	(818)	(921)	(788)
Other net operating income	(28)	(16)	(50)	(21)
Net income from disposal of group assets	(2)	0	14	(6)
Profit/loss before tax	**243**	**188**	**(77)**	**251**
Income taxes	(83)	(32)	(59)	(77)
Profit/loss after tax	**160**	**155**	**(137)**	**174**
Profit attributable to non-controlling interests	0	(14)	24	(17)
Consolidated profit/loss	**160**	**141**	**(112)**	**157**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

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
Income from derivatives and liabilities	38	108	264	35
Net income from financial investments	(13)	(158)	5	261
General administrative expenses[1]	(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	**474**	**153**	**341**	**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**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

Statement of financial position

Assets In € million	Notes	31/3/2013	31/12/2012	Change
Cash reserve		5,013	6,557	(23.5)%
Loans and advances to banks	[12, 34]	20,250	22,323	(9.3)%
Loans and advances to customers	[13, 34]	82,889	83,343	(0.5)%
Impairment losses on loans and advances	[14]	(5,694)	(5,642)	0.9%
Trading assets	[15, 34]	8,564	9,813	(12.7)%
Derivatives	[16, 34]	1,239	1,405	(11.8)%
Financial investments	[17, 34]	14,913	13,355	11.7%
Investments in associates	[34]	5	5	1.6%
Intangible fixed assets	[18]	1,307	1,321	(1.1)%
Tangible fixed assets	[19]	1,600	1,597	0.2%
Other assets	[20, 34]	1,846	2,038	(9.4)%
Total assets		**131,932**	**136,116**	**(3.1)%**

Equity and liabilities In € million	Notes	31/3/2013	31/12/2012[1]	Change
Deposits from banks	[21, 34]	27,579	30,186	(8.6)%
Deposits from customers	[22, 34]	66,853	66,297	0.8%
Debt securities issued	[23, 34]	12,470	13,290	(6.2)%
Provisions for liabilities and charges	[24]	706	721	(2.1)%
Trading liabilities	[25, 34]	7,100	8,824	(19.5)%
Derivatives	[26, 34]	505	472	7.0%
Other liabilities	[27, 34]	1,742	1,515	14.9%
Subordinated capital	[28, 34]	3,917	3,937	(0.5)%
Equity	[29]	11,061	10,873	1.7%
Consolidated equity		10,186	9,424	8.1%
Consolidated profit		157	730	(78.5)%
Non-controlling interests		719	719	(0.1)%
Total equity and liabilities		**131,932**	**136,116**	**(3.1)%**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

Statement of changes in equity

In € million	Subscribed capital	Participation capital	Capital reserves	Retained earnings	Consolidated profit	Non-controlling interests	Total
Equity as of 1/1/2013[1]	**595**	**2,500**	**2,574**	**3,755**	**730**	**719**	**10,873**
Capital increases	0	0	0	0	0	0	0
Transferred to retained earnings[1]	0	0	0	730	(730)	0	0
Dividend payments	0	0	0	0	0	(2)	(2)
Total comprehensive income	0	0	0	(3)	157	15	168
Own shares/share incentive program	0	0	0	0	0	0	0
Other changes	0	0	0	35	0	(13)	22
Equity as of 31/3/2013	**595**	**2,500**	**2,574**	**4,517**	**157**	**719**	**11,061**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

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**
Effects of the retrospective application of IAS 19	0	0	0	0	0	0	0
Equity as of 1/1/2012[1]	**593**	**2,500**	**2,571**	**3,161**	**967**	**1,143**	**10,936**
Capital increases	0	0	0	0	0	0	0
Transferred to retained earnings	0	0	0	967	(967)	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**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

Statement of cash flows

In € million	1/1-31/3/2013	1/1-31/3/2012
Cash and cash equivalents at the end of previous period	**6,557**	**11,402**
Net cash from operating activities	(1,624)	3,116
Net cash from investing activities	65	294
Net cash from financing activities	(18)	(237)
Effect of exchange rate changes	34	57
Cash and cash equivalents at the end of period	**5,013**	**14,631**

Segment reporting

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

The following segments result thereof:

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

1/1-31/3/2013 In € million	Central Europe	Southeastern Europe	Russia	CIS Other	Group Corporates
Net interest income	260	207	182	93	109
Net fee and commission income	128	79	69	49	43
Net trading income	12	15	31	(4)	3
Other net operating income	(17)	10	1	(1)	2
Operating income	**384**	**312**	**283**	**137**	**156**
General administrative expenses	(259)	(166)	(125)	(90)	(44)
Operating result	**124**	**145**	**158**	**47**	**112**
Net provisioning for impairment losses	(74)	(63)	15	(25)	(73)
Other results	7	12	26	32	0
Profit before tax	**57**	**95**	**198**	**54**	**39**
Income taxes	(22)	(13)	(43)	(11)	(13)
Profit after tax	**35**	**82**	**156**	**43**	**26**
Profit attributable to non-controlling interests	(11)	(10)	0	(3)	0
Profit after non-controlling interests	**23**	**72**	**155**	**40**	**27**
Share of profit before tax	22.0%	36.4%	76.2%	20.6%	15.1%
Risk-weighted assets (credit risk)	21,650	12,971	10,586	5,474	14,580
Total own funds requirement	2,022	1,257	1,037	533	1,186
Assets	39,432	21,411	16,187	6,349	21,380
Liabilities	35,705	18,348	13,553	5,237	13,928
Net interest margin (average interest-bearing assets)	2.77%	4.20%	5.12%	6.59%	2.17%
NPL ratio	11.4%	13.2%	4.8%	27.6%	4.4%
NPL coverage ratio	63.8%	61.5%	99.7%	70.9%	66.6%
Cost/income ratio	67.7%	53.3%	44.1%	65.9%	28.4%
Provisioning ratio (average loans and advances to customers)	1.46%	1.69%	(0.23)%	2.02%	0.20%
Average equity	3,232	2,192	1,649	854	1,910
Return on equity before tax	**7.1%**	**17.3%**	**48.1%**	**25.1%**	**8.3%**
Business outlets	805	1,128	189	923	8

1/1-31/3/2013 In € million	Group Markets	Corporate Center	Reconciliation	Total
Net interest income	32	(12)	(6)	865
Net fee and commission income	26	(11)	(9)	375
Net trading income	15	(9)	18	80
Other net operating income	2	11	(29)	(21)
Operating income	**76**	**(21)**	**(27)**	**1,299**
General administrative expenses	(61)	(72)	30	(788)
Operating result	**15**	**(93)**	**3**	**511**
Net provisioning for impairment losses	(1)	1	0	(220)
Other results	11	(116)	(12)	(40)
Profit/loss before tax	**25**	**(208)**	**(10)**	**251**
Income taxes	(2)	27	0	(77)
Profit/loss after tax	**23**	**(181)**	**(10)**	**174**
Profit attributable to non-controlling interests	0	0	7	(17)
Profit/Loss after non-controlling interests	**23**	**(181)**	**(2)**	**157**
Share of profit before tax	9.8%	(80.0)%	–	100.0%
Risk-weighted assets (credit risk)	3,777	16,710	(16,430)	69,319
Total own funds requirement	418	1,320	(1,074)	6,699
Assets	19,438	43,580	(35,845)	131,932
Liabilities	19,567	31,792	(17,259)	120,871
Net interest margin (average interest-bearing assets)	0.84%	–	–	2.89%
NPL ratio	6.4%	–	–	9.9%
NPL coverage ratio	88.9%	–	–	67.5%
Cost/income ratio	80.2%	–	–	60.5%
Provisioning ratio (average loans and advances to customers)	0.82%	(0.13)%	–	1.06%
Average equity	1,137	2,482	(2,492)	10,963
Return on equity before tax	**8.9%**	**–**	**–**	**9.2%**
Business outlets	3	1	–	3,057

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[1]	(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 (average interest-bearing assets)	2.99%	4.34%	5.71%	7.16%	1.94%
NPL ratio	10.0%	12.0%	6.0%	30.2%	3.3%
NPL 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%
Provisioning ratio (average loans and advances to customers)	1.38%	1.66%	0.11%	2.81%	0.20%
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 Adaption of previous year figures due to the retrospective application of IAS 19.

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[1]	(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 (average interest-bearing assets)	0.79%	–	–	2.65%
NPL ratio	3.6%	–	–	8.9%
NPL coverage ratio	89.0%	–	–	66.8%
Cost/income ratio	57.1%	80.5%	–	58.2%
Provisioning ratio (average loans and advances to customers)	0.85%	–	–	0.75%
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 Adaption of previous year figures due to the retrospective application of IAS 19.

Notes

Principles underlying the consolidated financial statements

Policies

The condensed 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). The condensed consolidated interim financial statements as of 31 March 2013 are prepared in accordance 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 2012 consolidated financial statements (see 2012 Annual Report, page 116 ff.). Standards and interpretations to be applied in the EU from 1 January 2013 onward were accounted for in this interim report. The application of these standards had no influence on the condensed interim consolidated financial statements.

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

RBI's interim report for the first quarter of 2013 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).

Critical accounting judgements and key sources of estimation uncertainty

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

Application of new and revised standards

The amendments to IAS 1 (Presentation of items of other comprehensive income) require presentation, by using subtotals, as to whether the items of other comprehensive income are re-classifiable to profit or loss or not. Moreover, if other comprehensive income items are presented before tax then the tax related to each of the two categories has to be presented separately. Application of these amendments will have an impact on the presentation of the statement of comprehensive income. Starting with the first quarter of 2013, items that cannot be reclassified to profit or loss and items that can be reclassified to profit or loss are presented separately.

In the current financial year, IAS 19 (Employee benefits; revised 2011, IAS 19R) will be applied retroactively for the first time. The most significant change of IAS 19 relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the immediate recognition of all changes in defined benefit obligations and in fair value of plan assets when they occur. Through the elimination of the "corridor approach," all actuarial gains and losses are to be recognized immediately through other comprehensive income. As RBI did not use the "corridor approach" in the past there will be no major changes. The effects due to the retrospective application of IAS 19 can on the one hand be seen in the statement of changes in equity as of 1 January 2012 and on the other hand in the transition to total comprehensive income. The comparative figures have been adjusted accordingly.

In May 2011 the IASB published IFRS 13 "Fair Value Measurement" which establishes a single source of guidance for fair value measurements and disclosures about fair value measurements, which up until then had been included in the various IFRS. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements or demand disclosures about fair value measurements, except in specified circumstances. IFRS 13 is to be applied prospectively for annual periods beginning on or after 1 January 2013. The impact from the adoption of the valuation of assets and liabilities of RBI will not be significant. Changes are related in particular to the notes. Disclosures which were only shown in the year-end report, i.e. the information about market values of financial instruments and on the classification of financial instruments, are now shown also in the interim reports. This quantitative data is presented in the other information in (33) Fair value of financial instruments reported at fair value.

The amendments to IFRS 7 (Offsetting financial assets and liabilities) require entities to disclose information about rights to offset financial instruments and related arrangements under an enforceable master netting agreement or similar arrangement. These changes are to be applied prospectively for annual periods beginning on or after 1 January 2013. The quantitative data was not published in the first quarter of 2013, since it is irrelevant for understanding the changes that have occurred in the assets, financial and earnings position of the company since the end of the last fiscal year.

The other amendments to IFRS 1 (Government loans), IFRIC 20 (Stripping costs in the production phase of a surface mine) and the annual improvements (IFRS cycle 2009-2011) are to be applied for the first time in the current financial year. These changes have no impact on the interim consolidated financial statements of RBI.

Currencies

Rates in units per €	2013		2012	
	As of 31/3	Average 1/1-31/3	As of 31/12	Average 1/1-31/3
Albanian lek (ALL)	139.910	139.685	139.590	139.580
Belarusian rouble (BYR)	11,110.000	11,350.000	11,340.000	10,847.500
Bosnian marka (BAM)	1.956	1.956	1.956	1.956
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Croatian kuna (HRK)	7.594	7.583	7.558	7.550
Czech koruna (CZK)	25.740	25.537	25.151	25.137
Hungarian forint (HUF)	304.420	296.198	292.300	298.030
Kazakh tenge (KZT)	193.330	198.293	199.220	195.665
Malaysian Ringgit (MYR)	3.965	4.068	4.035	4.059
Polish zloty (PLN)	4.180	4.150	4.074	4.239
Romanian leu (RON)	4.419	4.402	4.445	4.349
Russian rouble (RUB)	39.762	40.238	40.330	39.971
Serbian dinar (RSD)	111.958	112.199	113.718	108.063
Singapore dollar (SGD)	1.590	1.625	1.611	1.670
Turkish lira (TRY)	2.321	2.355	2.355	2.375
Ukrainian hryvnia (UAH)	10.235	10.516	10.537	10.529
US-Dollar (USD)	1.281	1.317	1.319	1.323

Changes in consolidated group

	Fully consolidated		Equity method	
Number of units	31/3/2013	31/12/2012	31/3/2013	31/12/2012
As of beginning of period	**137**	**135**	**1**	**1**
Included for the first time in the financial period	2	15	0	0
Merged in the financial period	0	(3)	0	0
Excluded in the financial period	(4)	(10)	0	0
As of end of period	**135**	**137**	**1**	**1**

Notes to the income statement

(1) Income statement according to measurement categories

In € million	1/1-31/3/2013	1/1-31/3/2012
Net income from financial assets and liabilities held-for-trading	(25)	29
Net income from financial assets and liabilities at fair value through profit or loss	86	124
Net income from financial assets available-for-sale	28	150
Net income from loans and advances	1,047	1,268
Net income from financial assets held-to-maturity	49	73
Net income from financial liabilities measured at acquisition cost	(625)	(672)
Net income from derivatives (hedging)	15	(4)
Net revaluations from exchange differences	116	132
Other operating income/expenses	(441)	(415)
Total profit before tax from continuing operations	**251**	**685**

(2) Net interest income

In € million	1/1-31/3/2013	1/1-31/3/2012
Interest and interest-like income, total	**1,490**	**1,660**
Interest income	1,485	1,649
from balances at central banks	13	16
from loans and advances to banks	53	114
from loans and advances to customers	1,148	1,228
from financial investments	131	157
from leasing claims	48	58
from derivative financial instruments (non-trading), net	92	77
Current income	0	5
Interest-like income	5	6
Current income from associates	**0**	**0**
Interest expenses and interest-like expenses, total	**(626)**	**(785)**
Interest expenses	(612)	(774)
on deposits from central banks	(1)	0
on deposits from banks	(108)	(196)
on deposits from customers	(358)	(404)
on debt securities issued	(96)	(119)
on subordinated capital	(48)	(55)
Interest-like expenses	(14)	(10)
Total	**865**	**875**

(3) Net provisioning for impairment losses

In € million	1/1-31/3/2013	1/1-31/3/2012
Individual loan loss provisions	**(194)**	**(175)**
Allocation to provisions for impairment losses	(490)	(381)
Release of provisions for impairment losses	297	257
Direct write-downs	(14)	(64)
Income received on written-down claims	12	13
Portfolio-based loan loss provisions	**(27)**	**21**
Allocation to provisions for impairment losses	(159)	(103)
Release of provisions for impairment losses	132	124
Gains from loan termination or sale	**1**	**1**
Total	**(220)**	**(153)**

(4) Net fee and commission income

In € million	1/1-31/3/2013	1/1-31/3/2012
Payment transfer business	168	150
Loan and guarantee business	59	60
Securities business	30	28
Foreign currency, notes/coins, and precious metals business	82	80
Management of investment and pension funds	7	5
Sale of own and third party products	12	9
Credit derivatives business	0	0
Other banking services	16	15
Total	**375**	**346**

(5) Net trading income

In € million	1/1-31/3/2013	1/1-31/3/2012
Interest-based transactions	8	56
Currency-based transactions	70	34
Equity-/index-based transactions	4	10
Credit derivatives business	0	(12)
Other transactions	(2)	(6)
Total	**80**	**82**

The refinancing expenses for trading assets that are included in net trading income amounted to € 12 million (comparable period: € 19 million).

(6) Income from derivatives and liabilities

In € million	1/1-31/3/2013	1/1-31/3/2012
Net income from hedge accounting	10	(3)
Net income from credit derivatives	0	(1)
Net income from other derivatives	(77)	2
Net income from liabilities designated at fair value	(55)	(76)
Income from repurchase of liabilities	0	112
Total	**(121)**	**35**

(7) Net income from financial investments

In € million	1/1-31/3/2013	1/1-31/3/2012
Net income from securities held-to-maturity	**0**	**2**
Net valuations of securities	0	2
Net proceeds from sales of securities	0	0
Net income from equity participations	**28**	**9**
Net valuations of equity participations	0	(1)
Net proceeds from sales of equity participations	28	10
Net income from securities at fair value through profit and loss	**59**	**251**
Net valuations of securities	53	89
Net proceeds from sales of securities	6	162
Total	**87**	**261**

(8) General administrative expenses

In € million	1/1-31/3/2013	1/1-31/3/2012[1]
Staff expenses	(406)	(381)
Other administrative expenses	(291)	(284)
Depreciation of intangible and tangible fixed assets	(91)	(88)
Total	**(788)**	**(753)**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

(9) Other net operating income

In € million	1/1-31/3/2013	1/1-31/3/2012
Net income arising from non-banking activities	12	13
Sales revenues from non-banking activities	133	157
Expenses arising from non-banking activities	(122)	(144)
Net income from additional leasing services	1	(1)
Revenues from additional leasing services	18	17
Expenses from additional leasing services	(17)	(18)
Rental income from operating lease (vehicles and equipment)	8	8
Rental income from investment property incl. operating lease (real estate)	6	5
Net proceeds from disposal of tangible and intangible fixed assets	0	(1)
Other taxes	(58)	(42)
hereof bank levies	(51)	(35)
Impairment of goodwill	(3)	0
Net expense from allocation and release of other provisions	(1)	2
Sundry operating income	21	13
Sundry operating expenses	(8)	(5)
Total	**(21)**	**(8)**

(10) Income taxes

In € million	1/1-31/3/2013	1/1-31/3/2012
Current income taxes	(63)	(84)
Austria	(1)	(1)
Foreign	(62)	(83)
Deferred taxes	(14)	(27)
Total	**(77)**	**(111)**

Notes to the statement of financial position

(11) Statement of financial position according to measurement categories

Assets according to measurement categories In € million	31/3/2013	31/12/2012
Cash reserve	5,013	6,557
Trading assets	9,206	10,517
Financial assets at fair value through profit or loss	10,020	8,348
Investments in associates	5	5
Financial assets available-for-sale	467	456
Loans and advances	99,252	102,017
Financial assets held-to-maturity	4,465	4,596
Derivatives (hedging)	597	702
Other assets	2,907	2,918
Total assets	**131,932**	**136,116**

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

Equity and liabilities according to measurement categories In € million	31/3/2013	31/12/2012
Trading liabilities	7,497	9,176
Financial liabilities	109,170	111,868
Liabilities at fair value through profit and loss	3,390	3,358
Derivatives (hedging)	107	120
Provisions for liabilities and charges	706	721
Equity	11,061	10,873
Total equity and liabilities	**131,932**	**136,116**

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	31/3/2013	31/12/2012
Austria	9,013	10,046
Foreign	11,237	12,277
Total	**20,250**	**22,323**

Loans and advances to banks include € 2,777 million (31/12/2012: € 5,130 million) from repo transactions.

(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	31/3/2013	31/12/2012
Sovereigns	1,403	1,387
Corporate customers – large corporates	51,781	52,213
Corporate customers – mid market	3,241	3,272
Retail customers – private individuals	23,506	23,489
Retail customers – small and medium-sized entities	2,914	2,946
Other	44	37
Total	**82,889**	**83,343**

Loans and advances to customers include € 1,486 million (31/12/2012: € 2,281 million) from repo transactions.

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

In € million	31/3/2013	31/12/2012
Austria	8,390	8,399
Foreign	74,499	74,944
Total	**82,889**	**83,343**

(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	31/3/2013	31/12/2012
Banks	141	158
Sovereigns	11	11
Corporate customers – large corporates	2,927	2,836
Corporate customers – mid market	390	387
Retail customers – private individuals	1,860	1,881
Retail customers – small and medium-sized entities	365	369
Total	**5,694**	**5,642**

(15) Trading assets

In € million	31/3/2013	31/12/2012
Bonds, notes and other fixed-interest securities	3,202	2,720
Shares and other variable-yield securities	327	277
Positive fair values of derivative financial instruments	5,036	6,816
Total	**8,564**	**9,813**

(16) Derivatives

In € million	31/3/2013	31/12/2012
Positive fair values of derivatives in fair value hedges (IAS 39)	594	698
Positive fair values of derivatives in cash flow hedges (IAS 39)	3	4
Positive fair values of credit derivatives	1	1
Positive fair values of other derivatives	641	702
Total	**1,239**	**1,405**

(17) Financial investments

In € million	31/3/2013	31/12/2012
Bonds, notes and other fixed-interest securities	14,294	12,741
Shares and other variable-yield securities	153	158
Equity participations	467	456
Total	**14,913**	**13,355**

(18) Intangible fixed assets

In € million	31/3/2013	31/12/2012
Goodwill	553	558
Software	554	566
Other intangible fixed assets	200	198
Total	**1,307**	**1,321**

(19) Tangible fixed assets

In € million	31/3/2013	31/12/2012
Land and buildings used by the Group for own purpose	733	722
Other land and buildings (investment property)	159	150
Office furniture, equipment and other tangible fixed assets	410	429
Leased assets (operating lease)	299	296
Total	**1,600**	**1,597**

(20) Other assets

In € million	31/3/2013	31/12/2012
Tax assets	500	505
Current tax assets	59	52
Deferred tax assets	441	453
Receivables arising from non-banking activities	109	103
Prepayments and other deferrals	241	215
Clearing claims from securities and payment transfer business	410	553
Lease in progress	64	49
Assets held for sale (IFRS 5)	65	64
Inventories	130	138
Re-/Devaluation of portfolio-hedged underlyings	19	11
Any other business	307	399
Total	**1,846**	**2,038**

(21) Deposits from banks

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

In € million	31/3/2013	31/12/2012
Austria	14,049	13,598
Foreign	13,530	16,589
Total	**27,579**	**30,186**

Deposits from banks include € 541 million (31/12/2012: € 1,258 million) from repo transactions.

(22) Deposits from customers

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

In € million	31/3/2013	31/12/2012
Sovereigns	1,217	1,079
Corporate customers – large corporates	29,772	29,072
Corporate customers – mid market	2,246	2,495
Retail customers – private individuals	29,069	29,140
Retail customers – small and medium-sized entities	3,804	3,894
Other	745	618
Total	**66,853**	**66,297**

Deposits from customers include € 100 million (31/12/2012: € 69 million) from repo transactions.

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

In € million	31/3/2013	31/12/2012
Austria	6,548	5,578
Foreign	60,305	60,719
Total	**66,853**	**66,297**

(23) Debt securities issued

In € million	31/3/2013	31/12/2012
Bonds and notes issued	11,861	12,767
Money market instruments issued	482	368
Other debt securities issued	127	155
Total	**12,470**	**13,290**

(24) Provisions for liabilities and charges

In € million	31/3/2013	31/12/2012
Severance payments	67	66
Retirement benefits	28	28
Taxes	98	109
Current	71	83
Deferred	27	26
Contingent liabilities and commitments	127	151
Pending legal issues	54	54
Overdue vacation	56	56
Bonus payments	219	194
Restructuring	15	16
Other	43	47
Total	**706**	**721**

(25) Trading liabilities

In € million	31/3/2013	31/12/2012
Negative fair values of derivative financial instruments	**5,814**	**7,447**
Interest-based transactions	4,148	5,863
Currency-based transactions	730	732
Equity-/index-based transactions	795	835
Credit derivatives business	14	13
Other transactions	128	5
Short-selling of trading assets	**602**	**622**
Call/time deposits from trading purposes	**2**	**10**
Certificates issued	**681**	**745**
Total	**7,100**	**8,824**

(26) Derivatives

In € million	31/3/2013	31/12/2012
Negative fair values of derivatives in fair value hedges (IAS 39)	93	117
Negative fair values of derivatives in cash flow hedges (IAS 39)	14	3
Negative fair values of credit derivatives	1	1
Negative fair values of derivative financial instruments	397	351
Total	**505**	**472**

(27) Other liabilities

In € million	31/3/2013	31/12/2012
Liabilities from non-banking activities	68	96
Accruals and deferred items	243	269
Liabilities from dividends	2	1
Clearing claims from securities and payment transfer business	664	515
Re-/Devaluation of portfolio-hedged underlyings	50	48
Any other business	714	587
Total	**1,742**	**1,515**

(28) Subordinated capital

In € million	31/3/2013	31/12/2012
Hybrid tier 1 capital	450	450
Subordinated liabilities	3,162	3,183
Supplementary capital	305	304
Total	**3,917**	**3,937**

(29) Equity

In € million	31/3/2013	31/12/2012[1]
Consolidated equity	10,186	9,424
Subscribed capital	595	595
Participation capital	2,500	2,500
Capital reserves	2,574	2,574
Retained earnings	4,517	3,755
Consolidated profit	157	730
Non-controlling interests	719	719
Total	**11,061**	**10,873**

1 Adaption of previous year figures due to the retrospective application of IAS 19.

The subscribed capital of RBI AG as defined by the articles of incorporation amounts to € 596 million. After deduction of 557,295 own shares, the stated subscribed capital totaled € 595 million.

(30) Risk report

Active risk management is a core competency of RBI. In order to effectively identify, measure, and manage risks, the Group has implemented comprehensive risk management and controlling. The risk management system is an integral part of overall bank management and it is continuously being developed. 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 2012 Annual Report, pages 168 ff.

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 the economic capital attributed to the unit (return on risk-adjusted capital, RoRAC).

Risk contribution of individual risk types to economic capital:

In € million	31/3/2013	Share	31/12/2012	Share
Credit risk private individuals	2,550	26.7%	2,457	26.5%
Credit risk corporate customers	2,469	25.8%	2,384	25.7%
Credit risk sovereigns	978	10.2%	962	10.4%
Credit risk financial institutions	317	3.3%	312	3.4%
Market risk	782	8.2%	791	8.5%
Operational risk	802	8.4%	775	8.4%
Liquidity risk	334	3.5%	207	2.2%
Participation risk	147	1.5%	194	2.1%
Other tangible fixed assets	392	4.1%	411	4.4%
Macroeconomic risk	338	3.5%	338	3.6%
Risk buffer	455	4.8%	442	4.8%
Total	**9,565**	**100.0%**	**9,272**	**100.0%**

Regional allocation of economic capital according to booking Group unit:

In € million	31/3/2013	Share	31/12/2012	Share
Central Europe	3,594	37.6%	3,447	37.2%
Southeastern Europe	1,810	18.9%	1,773	19.1%
Austria	1,718	18.0%	1,794	19.4%
Russia	1,345	14.1%	1,227	13.2%
CIS Other	835	8.7%	797	8.6%
Rest of the world	264	2.8%	233	2.5%
Total	**9,565**	**100.0%**	**9,272**	**100.0%**

RBI uses a confidence level of 99.95 per cent for calculating economic capital. This confidence level is derived from the probability of default implied by the target rating. The objective of calculating economic capital is to determine the amount of capital that would be required for servicing all of the claims of customers and creditors even in the case of such an extremely rare loss event.

Credit risk

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

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

In € million	31/3/2013	31/12/2012
Cash reserve	3,089	4,272
Loans and advances to banks	20,250	22,323
Loans and advances to customers	82,889	83,343
Trading assets	8,564	9,813
Derivatives	1,239	1,405
Financial investments	14,294	12,741
Other assets	259	217
Contingent liabilities	11,113	11,707
Commitments	10,699	10,609
Revocable credit lines	16,221	16,224
Description differences	(2,429)	(2,558)
Total	**166,189**	**170,097**

Items on the statement of financial position 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 shows the total credit exposure by internal rating for corporate customers (large corporates and mid-market). When making an overall assessment of credit risk, collateral and recovery rates in the event of default must also be taken into account.

In € million		31/3/2013	Share	31/12/2012	Share
0.5	Minimal Risk	1,179	1.4%	1,185	1.5%
1.0	Excellent credit standing	8,465	10.3%	8,439	10.4%
1.5	Very good credit standing	9,364	11.4%	8,983	11.1%
2.0	Good credit standing	12,829	15.7%	12,419	15.4%
2.5	Sound credit standing	11,190	13.7%	11,745	14.5%
3.0	Acceptable credit standing	12,422	15.2%	12,451	15.4%
3.5	Marginal credit standing	11,452	14.0%	11,276	13.9%
4.0	Weak credit standing/sub-standard	5,192	6.3%	5,223	6.5%
4.5	Very weak credit standing/doubtful	3,586	4.4%	3,361	4.2%
5.0	Default	5,141	6.3%	4,926	6.1%
NR	Not rated	1,067	1.3%	887	1.1%
Total		**81,888**	**100.0%**	**80,896**	**100.0%**

Compared to year-end 2012, total credit exposure for corporate customers increased € 992 million to € 81,888 million. At the end of the first quarter, the largest segment in terms of corporate customers was Group Corporates with € 32,064 million, followed by Central Europe with € 17,771 million and Russia with € 10,968 million. The rest is divided between Southeastern Europe with € 10,267 million, Group Markets with € 5,652 million, CIS Other with € 4,001 million and Corporate Center with € 1,166 million.

The share of loans with increased credit risk or even weaker credit profiles grew slightly from 24.6 per cent to 24.7 per cent. The share of loans with good to minimum risk credit profiles rose from 38.4 per cent to 38.8 per cent. This improvement resulted on the one hand from the increased creditworthiness of existing customers leading to an increase in the internal rating, and on the other hand, it reflects the loan portfolio's active management. Based thereon, the portfolio's growth is strongly focused on economically thriving markets such as Russia, with new loans granted primarily to customers with good credit ratings and in accordance with strict lending standards. The highest rise compared to year-end 2012 was reported in the segment Russia with € 731 million. At € 691 million the increase was mainly due to corporate bonds.

The share of default loans under Basel II (rating 5.0) was 6.3 per cent of total credit exposure (€ 5,141 million).

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

In € million	31/3/2013	Share	31/12/2012	Share[1]
Central Europe	17,771	21.7%	17,986	22.2%
Austria	15,765	19.3%	15,536	19.2%
Russia	10,968	13.4%	10,237	12.7%
Western Europe	10,527	12.9%	10,343	12.8%
Southeastern Europe	10,267	12.5%	10,370	12.8%
Asia	6,723	8.2%	6,888	8.5%
CIS Other	4,001	4.9%	3,682	4.6%
Other	5,867	7.2%	5,852	7.2%
Total	**81,888**	**100.0%**	**80,896**	**100.0%**

1 Adaption of previous year figures.

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

In € million	31/3/2013	Share	31/12/2012	Share
Wholesale and retail trade	21,939	24.4%	21,051	23.6%
Manufacturing	18,779	20.9%	18,580	20.8%
Real estate	10,017	11.1%	9,838	11.0%
Financial intermediation	9,097	10.1%	9,623	10.8%
Construction	6,380	7.1%	6,787	7.6%
Transport, storage and communication	4,033	4.5%	3,747	4.2%
Other industries	19,772	22.0%	19,691	22.0%
Total	**90,016**	**100.0%**	**89,317**	**100.0%**

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

In € million		31/3/2013	Share	31/12/2012	Share
6.1	Excellent project risk profile – very low risk	3,526	43.4%	3,734	44.3%
6.2	Good project risk profile – low risk	2,554	31.4%	2,523	30.0%
6.3	Acceptable project risk profile – average risk	1,188	14.6%	1,241	14.7%
6.4	Poor project risk profile – high risk	423	5.2%	391	4.6%
6.5	Default	433	5.3%	503	6.0%
NR	Not rated	4	0.1%	29	0.3%
Total		**8,128**	**100.0%**	**8,421**	**100.0%**

The credit exposure in project finance amounted to € 8,128 million at the end of the first quarter of 2013, with the two best rating grades – Excellent project risk profile, with a very low risk and Good project risk profile, with a low risk – accounting for the highest share, at 74.8 per cent. This reflects mainly the high level of collateralization in such specialized lending transactions. Compared to year-end 2012, the share of unrated loans decreased to 0.1 per cent (€ 4 million).

Credit portfolio – Retail customers

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

In € million	31/3/2013	Share	31/12/2012[1]	Share
Retail customers – private individuals	26,048	89.1%	25,856	88.7%
Retail customers – small and medium-sized entities	3,188	10.9%	3,278	11.3%
Total	**29,236**	**100.0%**	**29,134**	**100.0%**
hereof non-performing loans	3,022	10.3%	3,054	10.5%
hereof individual loan loss provision	1,747	6.0%	1,678	5.8%
hereof portfolio-based loan loss provision	478	1.6%	572	2.0%

1 Adaption of previous year figures due to different disclosure.

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

31/3/2013 In € million	Central Europe	Southeastern Europe	Russia	CIS Other	Group Markets
Retail customers – private individuals	13,674	6,697	3,977	1,682	18
Retail customers – small and medium-sized entities	2,162	755	62	209	0
Total	**15,836**	**7,452**	**4,040**	**1,890**	**18**
hereof non-performing loans	1,509	602	186	720	1
hereof individual loan loss provision	719	372	156	495	0
hereof portfolio-based loan loss provision	375	60	19	24	0

31/12/2012 In € million	Central Europe[1]	Southeastern Europe[1]	Russia	CIS Other	Group Markets
Retail customers – private individuals	13,949	6,580	3,681	1,630	16
Retail customers – small and medium-sized entities	2,265	800	55	157	0
Total	**16,214**	**7,380**	**3,736**	**1,788**	**16**
hereof non-performing loans	1,580	585	190	692	1
hereof individual loan loss provision	684	358	161	469	0
hereof portfolio-based loan loss provision	474	60	15	22	0

1 Adaption of previous year figures due to different disclosure.

Compared to year-end 2012, the total credit exposure to retail customers rose € 101 million to € 29,236 million in the first quarter of 2013. The highest volume amounting to € 15,836 million was booked in the segment Central Europe. Compared to year-end 2012, this represents a reduction of € 378 million resulting from a decrease of loans to private individuals in Poland. Southeastern Europe ranks second with a credit exposure of € 7,452 million. Compared to year-end 2012, this represents a slight increase. At € 4,040 million, the segment Russia reported the highest increase in the credit exposure.

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

In € million	31/3/2013	Share	31/12/2012[1]	Share
Mortgage loans	15,811	54.1%	14,447	49.6%
Personal loans	5,628	19.2%	6,580	22.6%
Credit cards	2,232	7.6%	2,326	8.0%
Car loans	2,134	7.3%	2,457	8.4%
Overdraft	1,871	6.4%	1,990	6.8%
SME financing	1,559	5.3%	1,334	4.6%
Total	**29,236**	**100.0%**	**29,134**	**100.0%**

1 Adaption of previous year figures.

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

In € million	31/3/2013	Share	31/12/2012	Share
Swiss franc	4,943	47.7%	5,110	48.6%
Euro	4,085	39.5%	4,054	38.6%
US-Dollar	1,193	11.5%	1,199	11.4%
Other foreign currencies	132	1.3%	141	1.3%
Loans in foreign currencies	**10,354**	**100.0%**	**10,504**	**100.0%**
Share of total loans	**35.4%**		**36.1%**	

Compared to year-end 2012, foreign currency loans in Swiss francs and US-Dollars declined, while those in Euro increased slightly.

Credit portfolio – Financial institutions

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

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

In € million		31/3/2013	Share	31/12/2012	Share
A1	Excellent credit standing	241	0.9%	96	0.3%
A2	Very good credit standing	1,110	3.9%	986	3.0%
A3	Good credit standing	15,595	55.3%	19,974	61.0%
B1	Sound credit standing	6,796	24.1%	7,338	22.4%
B2	Average credit standing	1,801	6.4%	1,782	5.4%
B3	Mediocre credit standing	1,175	4.2%	1,047	3.2%
B4	Weak credit standing	678	2.4%	697	2.1%
B5	Very weak credit standing	342	1.2%	330	1.0%
C	Doubtful/high default risk	162	0.6%	157	0.5%
D	Default	246	0.9%	269	0.8%
NR	Not rated	72	0.3%	49	0.1%
Total		**28,219**	**100.0%**	**32,725**	**100.0%**

Total customer exposure amounted to € 28,219 million in the first quarter of 2013, which represents a decline of € 4,506 million compared to the year-end 2012. At € 15,595 million or 55.3 per cent, the bulk of this customer group was in the A3 rating class, which decreased € 4,379 million compared to year-end 2012. This decline resulted from a contraction in the swap, repo and money-market transactions in the segment Group Markets (€ 6,280 million). At € 22,395 million or 79.4 per cent, the segment Group Markets had the largest share of the loan portfolio with financial institutions, followed by the segment Group Corporates with € 1,801 million or 6.4 per cent.

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

In € million	31/3/2013	Share	31/12/2012	Share
Derivatives	9,120	32.3%	12,124	37.0%
Money market	8,053	28.5%	9,444	28.9%
Loans	4,494	15.9%	3,580	10.9%
Repo	3,091	11.0%	4,737	14.5%
Bonds	2,885	10.2%	2,162	6.6%
Other	576	2.0%	678	2.1%
Total	**28,219**	**100.0%**	**32,725**	**100.0%**

Credit portfolio – Sovereigns

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

In € million		31/3/2013	Share	31/12/2012	Share
A1	Excellent credit standing	1,071	5.7%	1,561	8.2%
A2	Very good credit standing	1,009	5.4%	793	4.2%
A3	Good credit standing	3,180	17.0%	3,861	20.4%
B1	Sound credit standing	3,330	17.8%	2,730	14.4%
B2	Average credit standing	732	3.9%	1,272	6.7%
B3	Mediocre credit standing	3,963	21.2%	3,415	18.0%
B4	Weak credit standing	3,687	19.7%	3,795	20.1%
B5	Very weak credit standing	1,654	8.8%	1,172	6.2%
C	Doubtful/high default risk	1	0.0%	232	1.2%
D	Default	82	0.4%	83	0.4%
NR	Not rated	8	0.0%	7	0.0%
Total		**18,718**	**100.0%**	**18,921**	**100.0%**

Compared to year-end 2012, the credit exposure to sovereigns sank € 203 million to € 18,718 million, which represents 11.0 per cent of the bank's total credit exposure.

The rating class Excellent credit standing (A1 rating) reported a decline of € 490 million. This was attributable to a decrease of deposits with the Austrian National Bank (minus € 665 million) which was only partly compensated by a portfolio increase of Austrian state bonds (plus € 162 million).

The intermediate rating classes Good credit standing (A3 rating) to Mediocre credit standing (B3 rating) accounted for the highest share with 60.0 per cent. The high level of exposure in the intermediate rating classes was mainly due to deposits of network banks in Central and Southeastern Europe at their local central banks. These are mandatory for meeting the respective minimum reserve requirements or used to manage excess liquidity on a short-term basis, and are therefore inextricably linked to the business activities in these countries. The exposure in rating classes B4 and B5 amounted to € 5,341 million or 28.5 per cent of total loans outstanding. Loans in the lower rating classes (C and D rating) declined.

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

In € million	31/3/2013	Share	31/12/2012	Share
Bonds	12,813	68.5%	12,273	64.9%
Loans	4,854	25.9%	5,312	28.1%
Derivatives	762	4.1%	795	4.2%
Other	289	1.5%	541	2.9%
Total	**18,718**	**100.0%**	**18,921**	**100.0%**

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

In € million	31/3/2013	Share	31/12/2012	Share
Hungary	2,151	22.9%	2,234	25.7%
Romania	2,142	22.8%	1,808	20.8%
Croatia	1,177	12.5%	1,023	11.7%
Albania	1,001	10.7%	976	11.2%
Ukraine	960	10.2%	766	8.8%
Other	1,965	20.9%	1,898	21.8%
Total	**9,396**	**100.0%**	**8,704**	**100.0%**

Compared to year-end 2012, the credit exposure to non-investment grade sovereigns increased by € 692 million to € 9,396 million. It resulted mainly from deposits of Group units with the local central banks in Central and Southeastern Europe. They are used for meeting the respective minimum reserve requirements and for managing the short-term investment of excess liquidity, and are therefore inextricably linked to the business activities in these countries.

Non-performing loans and provisioning

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

	NPL		NPL ratio		NPL coverage ratio	
In € million	31/3/2013	31/12/2012	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Corporate customers	5,153	5,073	9.4%	9.1%	64.4%	63.5%
Retail customers	3,021	3,052	11.4%	11.5%	73.7%	73.7%
Sovereigns	56	57	4.0%	4.1%	19.1%	19.8%
Total nonbanks	**8,230**	**8,183**	**9.9%**	**9.8%**	**67.5%**	**67.0%**
Banks	189	202	0.9%	0.9%	74.7%	78.2%
Total	**8,419**	**8,385**	**8.2%**	**7.9%**	**67.6%**	**67.3%**

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

	NPL		NPL ratio		NPL coverage ratio	
In € million	31/3/2013	31/12/2012	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Central Europe	3,351	3,447	10.7%	10.8%	63.8%	64.0%
Southeastern Europe	1,895	1,808	11.3%	10.9%	61.6%	62.0%
Russia	482	489	3.7%	3.8%	99.7%	100.0%
CIS Other	1,340	1,307	24.8%	24.7%	70.9%	70.2%
Group Corporates	921	923	4.3%	4.7%	67.3%	60.6%
Group Markets	396	410	2.4%	2.0%	79.1%	79.8%
Corporate Center	33	0	0.4%	0.0%	59.3%	0.0%
Total	**8,419**	**8,385**	**8.2%**	**7.9%**	**67.6%**	**67.3%**

The tables below show the development of non-performing loans in the defined asset classes loans and advances to customers and loans and advances to banks (excluding items off the statement of financial position) as reported in the statement of financial position in the first quarter of 2013 and for the whole year 2012:

In € million	As of 1/1/2013	Change in consolidated group	Exchange differences	Additions	Disposals	As of 31/3/2013
Corporate customers	5,073	3	8	404	(337)	5,153
Retail customers	3,052	(3)	(15)	284	(297)	3,021
Sovereigns	57	0	(1)	14	(15)	56
Total nonbanks	**8,183**	**0**	**(8)**	**703**	**(649)**	**8,230**
Banks	202	0	1	0	(14)	189
Total	**8,385**	**0**	**(7)**	**703**	**(662)**	**8,419**

In € million	As of 1/1/2012	Change in consolidated group	Exchange differences	Additions	Disposals	As of 31/12/2012
Corporate customers	4,591	77	45	1,685	(1,325)	5,073
Retail customers	2,452	430	50	1,021	(901)	3,052
Sovereigns	12	0	0	46	(1)	57
Total nonbanks	**7,056**	**508**	**95**	**2,752**	**(2,227)**	**8,183**
Banks	241	0	(1)	6	(45)	202
Total	**7,297**	**508**	**94**	**2,758**	**(2,272)**	**8,385**

In Corporate Customers, total non-performing loans increased 1.6 per cent or € 80 million to € 5,153 million in the first quarter 2013. The ratio of non-performing loans to total credit exposure thus rose 0.2 percentage points to 9.4 per cent while the NPL coverage ratio also went up 0.8 percentage points to 64.4 per cent. In the retail porfolio, non-performing loans declined 1.0 per cent or € 32 million to € 3,021 million. The ratio of non-performing loans to total credit exposure decreased 0.1 percentage points to 11.4 per cent, while the NPL coverage ratio sank 0.1 percentage points to 73.7 per cent. Non-performing loans for financial institutions amounted to € 189 million at the end of the first quarter 2013, thus representing a decrease of € 12 million compared to year-end 2012 and the NPL coverage ratio sank 3.6 percentage points to 74.7 per cent.

In Southeastern Europe, non-performing loans increased 4.8 per cent or € 87 million to € 1,895 million. At the same time the ratio of non-performing loans to credit exposure rose 0.5 percentage points to 11.3 per cent while the NPL coverage ratio sank 0.3 percentage points to 61.6 per cent. In the segment CIS Other, non-performing loans grew 2.5 per cent or € 33 million to

€ 1,340 million. NPL ratio increased 0.1 percentage points to 24.8 per cent and the NPL coverage ratio went up 0.7 percentage points to 70.9 per cent. In Central Europe, non-performing loans sank 2.8 per cent or € 96 million to € 3,651 million. NPL ratio also sank 0.1 percentage points to 10.7 per cent and the NPL coverage ratio decreased 0.2 percentage points to 63.8 per cent.

The following table shows the development of impairment losses on loans and provisions for liabilities off the statement of financial position in the first quarter of 2013:

In € million	As of 1/1/2013	Change in consolidated group	Allocation[1]	Release	Usage [2]	Transfers, exchange differences	As of 31/3/2013
Individual loan loss provision	4,843	(32)	491	(297)	(159)	86	4,932
Portfolio-based loan loss provisions	950	(5)	159	(132)	0	(82)	889
Total	**5,793**	**(38)**	**650**	**(430)**	**(159)**	**4**	**5,821**

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 loans reflects the broad diversification of credit business in the European markets. The following table shows the regional distribution of the credit exposure of all asset classes by the borrower's home country and grouped by region:

In € million	31/3/2013	Share	31/12/2012	Share
Austria	**29,080**	**17.5%**	**30,710**	**18.1%**
Central Europe	**46,326**	**27.9%**	**47,879**	**28.1%**
Poland	14,203	8.5%	14,599	8.6%
Slovakia	11,252	6.8%	11,426	6.7%
Czech Republic	10,509	6.3%	11,090	6.5%
Hungary	8,535	5.1%	8,735	5.1%
Other	1,827	1.1%	2,030	1.2%
European Union	**20,217**	**12.2%**	**23,034**	**13.5%**
Germany	5,570	3.4%	6,198	3.6%
France	4,542	2.7%	5,262	3.1%
Great Britain	4,365	2.6%	6,932	4.1%
Netherlands	1,564	0.9%	1,436	0.8%
Other	4,176	2.5%	3,206	1.9%
Southeastern Europe	**25,178**	**15.2%**	**24,587**	**14.5%**
Romania	8,515	5.1%	8,006	4.7%
Croatia	5,763	3.5%	5,663	3.3%
Bulgaria	4,343	2.6%	4,263	2.5%
Serbia	2,107	1.3%	2,073	1.2%
Other	4,450	2.7%	4,581	2.7%
Russia	**20,426**	**12.3%**	**19,861**	**11.7%**

In € million	31/3/2013	Share	31/12/2012	Share
Asia	**9,817**	**5.9%**	**9,670**	**5.7%**
China	4,315	2.6%	4,167	2.4%
Other	5,503	3.3%	5,503	3.2%
CIS Other	**8,049**	**4.8%**	**7,409**	**4.4%**
Ukraine	6,200	3.7%	5,633	3.3%
Other	1,849	1.1%	1,776	1.0%
North America	**3,848**	**2.3%**	**3,496**	**2.1%**
Rest of the world	**3,248**	**2.0%**	**3,451**	**2.0%**
Total	**166,189**	**100.0%**	**170,097**	**100.0%**

RBI does not own any banking subsidiaries that are incorporated in the so-called European periphery countries. Nonetheless, some of the bank's loans and advances are to customers domiciled in theses countries and result from credit financing and capital markets activities. All in all, the Group has almost no exposure to government bonds in these countries (except for the Republic of Italy).

Market risk

Market risk management is based on figures from an internal model that calculates value-at-risk (VaR) for changes in the following risk factors: foreign exchange, interest rate changes, credit spreads and equity indices. The Austrian financial market authority and the Austrian national bank have approved this model, and it is used to calculate own fund requirements 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 31/3/2013	Average VaR	Minimum VaR	Maximum VaR	VaR as of 31/12/2012
Currency risk	45	52	41	74	52
Interest rate risk	16	19	11	30	17
Credit spread risk	30	26	19	32	21
Share price risk	2	2	2	2	2
Vega risk	1	1	1	1	1
Total	70	75	65	92	71

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 all items on the statement of financial position and transactions off the statement of financial position. Based on expert opinions, statistical analyses and country specifics, this calculation also incorporates estimates on the prolongation of defined assets, the so-called sediment of customer deposits, and the liquidity counterbalancing capacity (in particular, assets that are eligible for refinancing at central banks and that can be used as collateral in repo transactions).

Maturity	**31/3/2013**			**31/12/2012**		
In € million	**1 week**	**1 month**	**1 year**	**1 week**	**1 month**	**1 year**
Liquidity gap	14,320	11,374	8,673	14,823	12,225	13,467
Liquidity ratio	140%	121%	108%	135%	118%	110%

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

Additional notes

(31) Contingent liabilities and commitments

In € million	**31/3/2013**	**31/12/2012**
Contingent liabilities	**11,113**	**11,707**
Acceptances and endorsements	60	38
Credit guarantees	6,064	6,507
Other guarantees	2,216	2,375
Letters of credit (documentary business)	2,632	2,733
Other contingent liabilities	142	54
Commitments	**10,699**	**10,609**
Irrevocable credit lines and stand-by facilities	10,699	10,609
Up to 1 year	3,853	3,971
More than 1 year	6,846	6,638

(32) Derivatives

31/3/2013		Nominal amount by maturity			Fair values	
In € million	Up to 1 year	1 year to 5 years	More than 5 years	Total	Positive	Negative
Interest rate contracts	46,793	69,444	42,791	159,027	5,271	(4,520)
Foreign exchange rate and gold contracts	44,015	10,884	2,547	57,447	872	(870)
Equity/index contracts	1,745	2,163	354	4,262	90	(795)
Commodities	293	94	14	400	7	(103)
Credit derivatives	203	1,400	185	1,788	16	(14)
Precious metals contracts	36	38	19	92	0	(25)
Total	**93,083**	**84,022**	**45,910**	**223,015**	**6,257**	**(6,326)**

31/12/2012		Nominal amount by maturity			Fair values	
In € million	Up to 1 year	1 year to 5 years	More than 5 years	Total	Positive	Negative
Interest rate contracts	51,069	85,144	53,149	189,361	7,246	(6,292)
Foreign exchange rate and gold contracts	49,700	11,606	2,259	63,565	848	(774)
Equity/index contracts	1,503	1,308	345	3,156	107	(835)
Commodities	232	78	14	324	4	(2)
Credit derivatives	312	1,573	5	1,889	16	(14)
Precious metals contracts	43	36	17	96	0	(3)
Total	**102,858**	**99,745**	**55,789**	**258,392**	**8,221**	**(7,919)**

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

	31/3/2013			31/12/2012		
In € million	Level I	Level II	Level III	Level I	Level II	Level III
Trading assets	**2,718**	**6,397**	**91**	**2,118**	**8,305**	**93**
Positive fair values of derivatives[1]	86	5,500	91	100	7,327	93
Shares and other variable-yield securities	318	8	1	265	12	1
Bonds, notes and other fixed-interest securities	2,313	889	0	1,754	965	0
Call/time deposits from trading purposes	0	0	0	0	0	0
Financial assets at fair value through profit or loss	**6,673**	**3,316**	**31**	**5,099**	**3,233**	**16**
Shares and other variable-yield securities	43	104	5	48	105	5
Bonds, notes and other fixed-interest securities	6,630	3,211	26	5,051	3,128	11
Financial assets available-for-sale	**47**	**0**	**0**	**56**	**0**	**0**
Other interests[2]	47	0	0	56	0	0
Bonds, notes and other fixed-interest securities	0	0	0	0	0	0
Shares and other variable-yield securities	0	0	0	0	0	0
Derivatives (hedging)	**0**	**597**	**0**	**0**	**702**	**0**
Positive fair values of derivatives from hedge accounting	0	597	0	0	702	0

In € million	31/3/2013 Level I	Level II	Level III	31/12/2012 Level I	Level II	Level III
Trading liabilities	**770**	**6,699**	**28**	**788**	**8,361**	**28**
Negative fair values of derivatives financial instruments[1]	168	6,023	20	165	7,613	20
Call/time deposits from trading purposes	0	2	0	0	10	0
Short-selling of trading assets	602	0	0	622	0	0
Certificates issued	0	674	8	0	738	7
Liabilities at fair value through profit and loss	**0**	**3,390**	**0**	**0**	**3,358**	**0**
Debt securities issued[3]	0	2,510	0	0	2,478	0
Subordinated capital	0	880	0	0	880	0
Derivatives (hedging)	**0**	**107**	**0**	**0**	**120**	**0**
Negative fair values of derivatives from hedge accounting	0	107	0	0	120	0

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

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

Movements between Level I and Level II

Compared to year-end 2012, the share of financial assets according to Level II changed only slightly. The decrease resulted primarily from the reduction of the fair values of derivative financial instruments. Regarding bonds, notes and other fixed-interest securities, there was a slight shift from Level II to Level I, which is due to an increase in market liquidity for individual securities.

Movements in Level III of financial instruments at fair value

The following tables show the changes in the fair value of financial instruments whose valuation models are based on unobservable parameters.

In € million	As of 1/1/2013	Changes in consolidated group	Exchange differences	Purchases	Sales, repayment
Trading assets	93	0	2	0	0
Financial assets at fair value through profit or loss	16	0	0	13	(3)

In € million	Gains/loss in P/L	Gains/loss in other comprehensive income	Transfer to level III	Transfer from level III	As of 31/3/2013
Trading assets	(4)	(4)	0	0	91
Financial assets at fair value through profit or loss	0	0	5	0	31

In € million	As of 1/1/2013	Changes in consolidated group	Exchange differences	Purchases	Sales, repayment
Trading liabilities	28	0	0	0	0

In € million	Gains/loss in P/L	Gains/loss in other comprehensive income	Transfer to level III	Transfer from level III	As of 31/3/2013
Trading liabilities	0	0	0	0	28

Qualitative information for the valuation of financial instruments in Level III

Financial assets	Type	Fair value in € million	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Shares and other variable-yield securities	Closed end real estate fund	1	Net asset value	Haircuts	20 - 50%
Shares and other variable-yield securities	Shares	5	Cost of aquisition	–	–
Bonds, notes and other fixed-interest securities	Fixed coupon bonds	25	Discounted cash flow	Credit spread	10 - 20%
Bonds, notes and other fixed-interest securities	Asset backed securities	1	Broker estimate	Probability of default Loss severity Expected prepayment rate	–
Positive fair value of banking book derivatieves without hedge accounting	Forward foreign exchange contracts	91	Discounted cash flow	Interest rate	10 - 30%
Total		**123**			

Financial liabilities	Type	Fair value in € million	Valuation technique	Significant unobservable inputs	Range of unobservable inputs
Negative fair value of banking book derivatieves without hedge accounting	OTC options	20	Option model	Closing Period Currency risk LT volatility Index category	2 - 16% 0 - 5% 0 - 3% 0 - 5%
Issued certificates for trading purposes	Certificates	8	Option model	Closing period Bid-Ask Spread LT Volatility Index category	0 - 3% 0 - 3% 0 - 3% 0 - 2.5%
Total		**28**			

(34) Related parties

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

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

31/3/2013 **In € million**	**Parent companies**	**Affiliated companies**	**Companies valued at equity**	**Other interests**
Loans and advances to banks	6,491	91	703	163
Loans and advances to customers	0	915	372	249
Trading assets	0	38	14	2
Financial investments	0	338	2	129
Investments in associates	0	0	5	0
Other assets including derivatives	3	13	0	0
Deposits from banks	5,104	78	5,146	83
Deposits from customers	1	491	322	112
Debt securities issued	0	0	0	0
Provisions for liabilities and charges	1	0	0	0
Trading liabilities	0	16	0	0
Other liabilities including derivatives	2	8	0	0
Subordinated capital	53	0	0	0
Guarantees given	0	82	11	18
Guarantees received	636	1,058	170	51

31/12/2012 **In € million**	**Parent companies**	**Affiliated companies**	**Companies valued at equity**	**Other interests**
Loans and advances to banks	8,191	93	259	142
Loans and advances to customers	0	1,191	369	271
Trading assets	0	41	12	2
Financial investments	0	339	2	118
Investments in associates	0	0	5	0
Other assets including derivatives	3	15	62	0
Deposits from banks	6,125	10	5,105	224
Deposits from customers	1	336	429	179
Debt securities issued	0	0	0	0
Provisions for liabilities and charges	0	3	0	0
Trading liabilities	0	26	0	0
Other liabilities including derivatives	0	10	0	0
Subordinated capital	52	0	0	0
Guarantees given	0	80	26	21
Guarantees received	662	435	153	54

(35) Regulatory own funds

RBI does not form an independent credit institution group 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 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	31/3/2013	31/12/2012
Paid-in capital	5,669	5,669
Earned capital	3,187	3,071
Non-controlling interests	827	848
Hybrid tier 1 capital	441	441
Intangible fixed assets	(756)	(750)
Core capital (tier 1 capital)	**9,368**	**9,279**
Deductions from core capital	(16)	(14)
Eligible core capital (after deductions)	**9,353**	**9,265**
Supplementary capital according to Section 23 (1) 5 BWG	16	34
Provision excess of internal rating approach positions	238	226
Long-term subordinated capital	3,029	3,080
Additional own funds (tier 2 capital)	**3,283**	**3,340**
Deduction items: participations, securitizations	(16)	(14)
Eligible additional own funds (after deductions)	**3,268**	**3,326**
Deduction items: insurance companies	0	(8)
Tier 2 capital available to be redesignated as tier 3 capital	308	302
Total own funds	**12,929**	**12,885**
Total own funds requirement	**6,699**	**6,626**
Excess own funds	6,230	6,260
Excess cover ratio	93.0%	94.5%
Core tier 1 ratio, total	10.6%	10.7%
Tier 1 ratio, credit risk	13.5%	13.6%
Tier 1 ratio, total	11.2%	11.2%
Own funds ratio	15.4%	15.6%

The total own funds requirement breaks down as follows:

In € million	31/3/2013	31/12/2012
Risk-weighted assets according to section 22 BWG	**69,319**	**68,136**
of which 8 per cent minimum own funds for the credit risk according to Sections 22a to 22h BWG	5,545	5,451
Standardized approach	2,366	2,439
Internal rating approach	3,180	3,012
Own funds requirement for position risk in bonds, equities and commodities	285	273
Own funds requirement for open currency positions	65	56
Own funds requirement for operational risk	803	845
Total own funds requirement	**6,699**	**6,626**

(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	1/1-31/3/2013	1/1-31/3/2012
Austria	2,637	2,718
Foreign	56,915	56,309
Total	**59,552**	**59,027**

Publication details/Disclaimer

Publication details

Publisher: Raiffeisen Bank International AG, Am Stadtpark 9, 1030 Vienna, Austria
Editorial Team: Group Investor Relations
Copy deadline: 24 May 2013
Produced in Vienna
Internet: www.rbinternational.com

This report is also available in German.

Group Investor Relations inquiries:
E-mail: ir@rbinternational.com
Internet: www.rbinternational.com → Investor Relations
Phone: +43-1-71 707-2089

Public Relations inquiries:
E-mail: rbi-pr@rbinternational.com
Internet: www.rbinternational.com → Public Relations
Phone: +43-1-71 707-2828

Disclaimer

The forecasts, plans and forward-looking statements contained in this report are based on the state of knowledge and assessments of Raiffeisen Bank International AG at the time of its preparation. Like all statements addressing the future, they are subject to known and unknown risks and uncertainties that could cause actual results to differ materially. No guarantees can therefore be given that the forecasts and targeted values or the forward-looking statements will actually materialize.

This report is for information purposes only and contains neither a recommendation to buy or sell nor an offer of sale or subscription to shares nor does it constitute an invitation to make an offer to sell shares.

This report has been prepared and the data checked with the greatest possible care. Nonetheless, rounding, transmission, typesetting and printing errors cannot be ruled out. In the summing up of rounded amounts and percentages, rounding-off differences may occur. This report was prepared in German. The report in English is a translation of the original German report. The only authentic version is the German version. Raiffeisen Bank International AG is not liable for any losses or similar damages that may occur as a result of or in connection with the use of this report.

www.rbinternational.com

Raiffeisen Bank International