First Quarter Report 2009

Raiffeisen INTERNATIONAL
Member of RZB Group

Survey of key data

Raiffeisen International Group Monetary values in € million	2009	Change	2008
Income statement	**1/1-31/3**		**1/1-31/3**
Net interest income	767	7.9 %	711
Provisioning for impairment losses	(445)	378.5 %	(93)
Net fee and commission income	294	(11.2) %	331
Net trading income	46	21.3 %	38
General administrative expenses	(574)	(1.9) %	(584)
Profit before tax	84	(77.4) %	370
Profit after tax	64	(77.2) %	279
Consolidated profit (after minorities)	56	(77.9) %	254
Balance sheet	**31/3**		**31/12**
Loans and advances to banks	7,012	(22.4) %	9,038
Loans and advances to customers	55,662	(3.9) %	57,902
Deposits from banks	24,965	(4.8) %	26,213
Deposits from customers	40,936	(7.4) %	44,206
Equity (including minorities and profit)	6,216	(4.6) %	6,518
Balance sheet total	79,883	(6.5) %	85,397
Key ratios	**1/1-31/3**		**1/1-31/3**
Return on equity before tax	5.3 %	(17.2) PP	22.5 %
Return on equity after tax	4.1 %	(13.0) PP	17.0 %
Consolidated return on equity (after minorities)	4.2 %	(13.5) PP	17.7 %
Cost/income ratio	51.7 %	(2.1) PP	53.8 %
Return on assets before tax	0.40 %	(1.59) PP	1.99 %
Net provisioning ratio (average risk-weighted assets)	3.01 %	2.27 PP	0.74 %
Risk/earnings ratio	58.0 %	45.0 PP	13.1 %
Bank-specific information[1]	**31/3**		**31/12**
Risk-weighted assets (credit risk)	58,068	(3.8) %	60,388
Total own funds	6,608	(5.5) %	6,992
Total own funds requirement	5,582	(3.2) %	5,767
Excess cover	18.4 %	(2.8) PP	21.2 %
Core capital ratio (Tier 1), credit risk	9.2 %	(0.5) PP	9.7 %
Core capital ratio (Tier 1), including market and operational risk	7.7 %	(0.4) PP	8.1 %
Own funds ratio	9.5 %	(0.2) PP	9.7 %
Stock data	**31/3**		**31/3**
Earnings per share in €	0.37	(1.28) €	1.65
Price in €	21.21	(75.4) %	86.35
High (closing price) in €	25.00	(75.6) %	102.31
Low (closing price) in €	13.00	(82.4) %	74.00
Number of shares in millions	154.67	–	154.67
Market capitalization	3,280	(75.4) %	13,356
Resources	**31/3**		**31/12**
Number of employees as of reporting date	61,891	(2.3) %	63,376
Number of business outlets	3,208	(0.7) %	3,231

[1] Calculated according to the Austrian Banking Act (Bankwesengesetz, BWG). Raiffeisen International is a part of the RZB Group and thus not subject to the Austrian Banking Act.

Contents

Overview of Raiffeisen International

At the end of the first quarter of 2009, Raiffeisen International comprised 15 banks and many other financial service enterprises. With a total of 3,208 business outlets, the group has occupied a leading position in Central and Eastern Europe for years. That is also evidenced by the top market positions held by some of its network banks. In 7 markets, Raiffeisen International network banks rank among the top three in the country, measured in terms of balance sheet totals. As of 31 March 2009, the group had about 62,000 employees serving 14.9 million customers.

Raiffeisen International's markets

Data as of 31 March 2009	*Balance sheet total in € million*	*Change*[1]	*Business outlets*	*Number of employees*
Albania	*1,891*	*(7.7) %*	*103*	*1,431*
Belarus	*1,478*	*(10.2) %*	*100*	*2,158*
Bosnia and Herzegovina	*2,407*	*0.5 %*	*104*	*1,744*
Bulgaria	*4,330*	*(9.1) %*	*198*	*3,456*
Croatia	*5,761*	*(3.7) %*	*79*	*2,306*
Czech Republic	*6,809*	*(5.4) %*	*110*	*2,715*
Hungary	*8,769*	*(8.4) %*	*178*	*3,805*
Kazakhstan	*98*	*0.9 %*	*1*	*23*
Kosovo	*594*	*(0.7) %*	*50*	*729*
Poland	*6,475*	*(8.9) %*	*121*	*3,217*
Romania (including Moldova)	*6,785*	*3.4 %*	*562*	*6,762*
Russia	*14,126*	*(5.5) %*	*235*	*9,900*
Serbia	*2,678*	*(8.1) %*	*104*	*2,171*
Slovakia	*9,302*	*(15.2) %*	*160*	*3,846*
Slovenia	*1,476*	*(2.2) %*	*16*	*347*
Ukraine	*6,141*	*(2.3) %*	*1,087*	*16,920*
Subtotal	***79,118***	***(6.5) %***	***3,208***	***61,530***
Other/consolidation	*765*	*–*	*–*	*361*
Total, Raiffeisen International	***79,883***	***(6.5) %***	***3,208***	***61,891***

[1] *Change of balance sheet total versus 31 December 2008. Growth in local currencies differs due to fluctuating euro exchange rates.*

Raiffeisen International has been listed on the Vienna Stock Exchange since 25 April 2005. It is included in Austria's ATX stock index and various Dow Jones indices such as the DJ Euro Stoxx Banks. With a stake of about 70 per cent, Raiffeisen Zentralbank Österreich AG (RZB) is Raiffeisen International's largest shareholder. The remaining shares are in free float. With a balance sheet total of € 157 billion as of 31 December 2008, RZB is Austria's third-largest bank and the central institution of the Raiffeisen Banking Group, the country's largest banking group.

Raiffeisen International stock

Significant losses on the world's stock exchanges

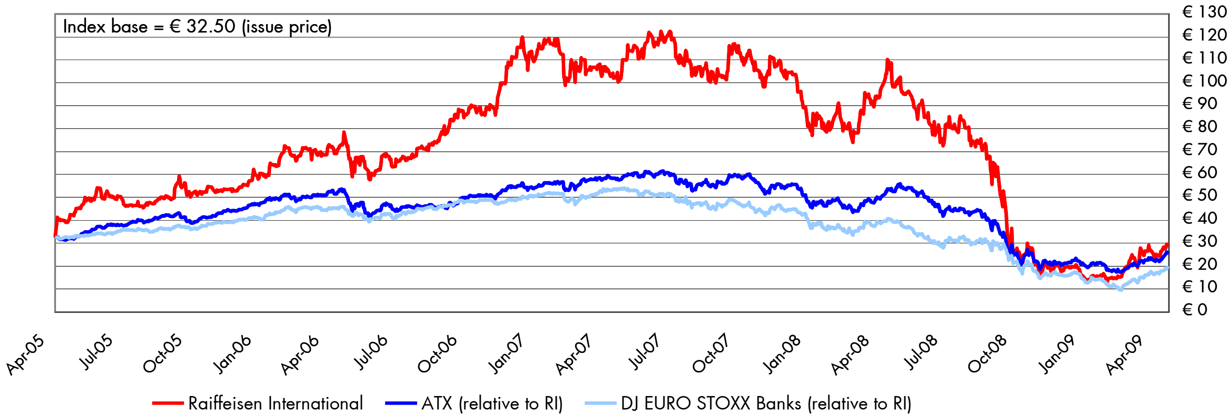
The beginning of 2009 saw a continuing downtrend on international stock exchanges. The financial crisis that started in 2007, and has meanwhile spread to the real economies of many countries, caused prices on the world's stock exchanges to fall again significantly in the first three months of this year. The DJ Euro Stoxx Banks index lost another 18 per cent in the first quarter of 2009. Even the refinancing rate cuts by the ECB to a level of 1.25 per cent in the first quarter 2009 have had hardly any positive influence on the European markets. Instead, poor economic data, rising unemployment figures, and nationalization plans, especially in the United States, have adversely affected financial markets worldwide.

Announcements of an extensive economic stimulus packages in many countries and of private sector participation in the US government's purchase of toxic bank assets in March triggered a slight market recovery. The pledge by the G20 group of important industrialized and emerging countries to free banks of such receivables likewise had a positive effect in mid-February. As a result, stock prices rallied visibly toward the end of the first quarter of 2009, fueling hopes here and there that the bottom might have been reached.

Recovery from mid-February

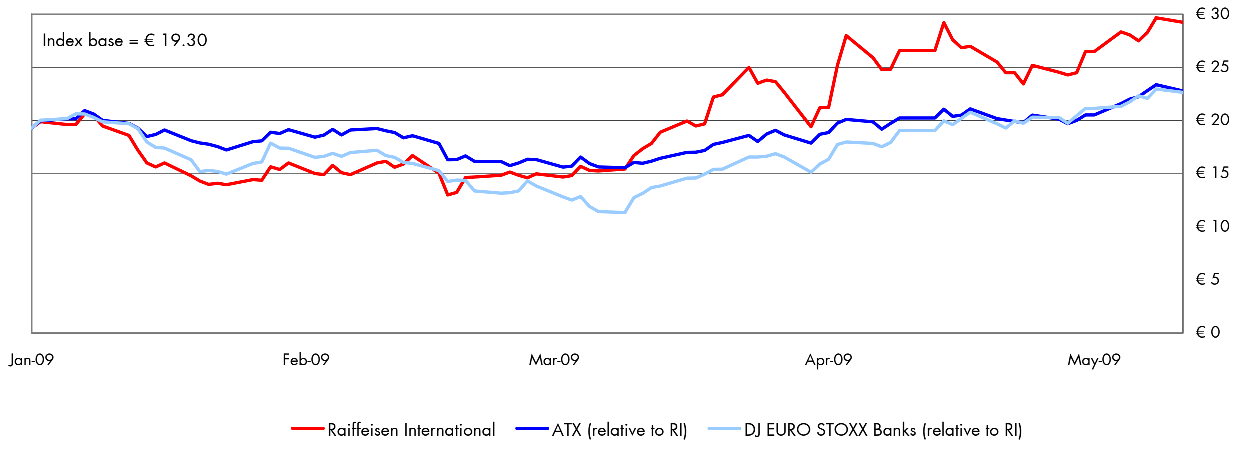
Fear of further losses at US banks pressured bank stocks heavily, and skepticism about Central and Eastern Europe additionally burdened Raiffeisen International's stock. The gas dispute between Russia and Ukraine intensified reservations about the CEE region at the beginning of the year. Accordingly, the price of Raiffeisen International stock fell roughly in line with the market to an all-time low on 17 February, when it closed at € 13. This downward trend is visible in the chart below, especially against the background of overall price performance since Raiffeisen International's initial public offering in April 2005.

Price performance since 25 April 2005 compared with the ATX and DJ Euro Stoxx Banks



On 19 February 2009 the stock had already advanced by more than 12 per cent based on the release of very positive preliminary earnings figures for the year 2008. Raiffeisen International stock continued to rise during the rest of the quarter to € 21.21 in the context of a general market rally. Compared with the beginning of the quarter, that meant an increase by 10 per cent. As of 11 May 2009, this publication's copy deadline, Raiffeisen International stock stood at € 29.50 after a further rally and was hence 53 per cent higher than at the beginning of the year. This positive development may be seen in the chart below, which shows the stock's price trend since the beginning of 2009.

Price performance since 1 January 2009 compared with the ATX and DJ Euro Stoxx Banks



Active capital market communication

To avoid preferential treatment of individual investors or analysts, Raiffeisen International observes a four-week quiet period before releasing its financial reports, during which no talks are held with investors or analysts. Nevertheless, the company assigns great importance to active capital market communication, especially in a difficult market environment. It therefore published a preliminary result for 2008 in mid-February during the quiet period in view of the uncertain market situation.

On the day of its annual report's publication, 26 March 2009, Raiffeisen International held a conference with analysts in the morning. In the afternoon, almost 120 members of the financial community also took the opportunity during a conference call to get detailed information and answers to their questions directly from the Managing Board.

Also in March, Raiffeisen International participated in one of the largest investor conferences in London. The Chief Financial Officer not only held a presentation followed by a question-and-answer session for over 350 participants, but also led several small group talks with about 45 investors altogether.

After the publication of the 2008 annual report, 24 per cent of the analysts from 22 firms covering Raiffeisen International recommended buying the stock, and 29 per cent recommended holding. The remaining analysts were for selling.

Stock data

Price on 31 March 2009	*€ 21.21*
High/low (closing prices) in Q1 2009	*€ 25.00 / € 13.00*
Earnings per share for Q1 2009	*€ 0.37*
Market capitalization as of 31 March 2009	*€ 3.28 billion*
Avg. daily trading volume (single counting) in Q1 2009	*439,066 shares*
Stock exchange turnover (single counting) in Q1 2009	*€ 458 million*
Free float as of 31 March 2009	*About 30 %*

Stock details

ISIN	*AT0000606306*
Ticker symbols	*RIBH (Vienna Stock Exchange)*
	RIBH AV (Bloomberg)
	RIBH.VI (Reuters)
Market segment	*Prime Market*
Issue price per share as of IPO (25 April 2005)	*€ 32.50*
Issue price per share as of capital increase (5 October 2007)	*€ 104.00*
Number of shares issues as of 31 March 2009	*154,667,500*

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Business development

General economic environment

Global recession reaches Central and Eastern Europe

The real economic effects of the global financial crisis reached their high point for now in the first quarter of 2009. The real gross domestic product (GDP) of the euro area is likely to have shrunk in the first three months of 2009 by about 4 per cent year-on-year. A decline of 1.4 per cent was already registered for the fourth quarter of 2008, and growth of only 0.7 per cent for the full year. On the other hand, the euro area's real GDP still grew by 2.6 per cent in 2007. The global recession also arrived in the national economies of Central and Eastern Europe in the first quarter of 2009. Demand for exports from those countries weakened greatly, direct investment fell, and industrial production plunged in some cases by more than 20 per cent year-on-year. Credit growth also slowed severely, and refinancing of short-term foreign debt posed great challenges to the countries. The region's GDP is now expected to decline to a similar extent as the euro area's, with the outlook varying considerably from country to country. Suffering particularly from the slump of commodity prices and steel demand, Ukraine and Russia seem to have been hit very hard by the economic downswing, as well as Hungary due to its high budget deficit.

International economic environment heavily disinflationary

The current economic environment, a global recession, is having a strong disinflationary effect. Average inflation rates began to decline in most Central and Eastern European countries in the first few months of the year. That was true especially in the new Central European members of the European Union (EU) and in the Southeastern countries. On the other hand, currency devaluation still prevented a stronger decline of inflation rates in Russia and Ukraine in the beginning of the year.

Support from IMF and EU stabilizes the financial markets

Speculation and capital flight forced Hungary and Ukraine already in 2008 to avail themselves of assistance from the International Monetary Fund (IMF). In the case of Hungary, the EU provided financial assistance in addition to the IMF package. This confirms that the EU is willing and able to help the more vulnerable new member states in a financial emergency. Quick and pragmatic support of a growing number of CEE countries by the IMF, the EU, and international financial institutions like the World Bank, the European Bank for Reconstruction and Development (EBRD), and the European Investment Bank (EIB) have had a very stabilizing effect on the region's financial markets. In particular, the stabilization of currencies that emerged toward the end of the first quarter of 2009 is an essential precondition of preventing further worsening of the crisis.

Financial sector also faced with a challenging starting position

Falling production and rising unemployment will also lead to an increase of provisioning for impairment, primarily because of the combination of currency devaluation and a high proportion of foreign currency loans in countries like Ukraine, Romania, and Hungary. On the other hand, countries like Poland, the Czech Republic, and Slovakia will probably do much better. The total assets of banks decreased significantly in the second half of 2008. This trend is likely to have continued and in some cases even worsened in the first quarter of 2009 due to the continuing scarcity and high cost of external financing. Banks' restraint in granting foreign currency loans is also contributing to this. The decline of credit growth in 2008 was less pronounced in countries where the relationship between loans and deposits was balanced or in favor of deposits. Consequently, deposit-taking business, though less a focus of attention in the past years, has gained increasingly in importance.

Performance and financials

Profit from operating activities rises by 7 per cent despite crisis

Despite a generally negative environment, profit from operating activities rose by 7 per cent on the comparable period last year, but was significantly below the third and fourth quarters of 2008 (minus 7 and minus 16 per cent, respectively). The critical factor in this development was significantly higher costs of funding, influenced by increased efforts to lock in customer deposits, on the one hand, and higher costs of long-term institutional funding, on the other. On a euro basis, net interest income therefore only grew on the previous year by 8 per cent, or € 56 million. The currency fluctuations had the consequence that commission-generating volume in foreign exchange transactions and in domestic and foreign payment transfers stagnated. Fees and commissions from securities transactions fell by almost half due to low demand. Net fee and commission income therefore declined by 11 per cent, or € 37 million.

Net profit affected by high provisioning for impairment losses

In the wake of the economic downswing and the currency situation, there was a significant increase of overdue loans in the first quarter of 2009, especially in the case of foreign currency loans, which meant provisioning had to be raised sharply. New allocations to provisions for impairment losses rose by 379 per cent, or € 352 million, to € 445 million. The non-performing loans mainly concerned Ukraine, Russia, Hungary, and Serbia. The non-performing loan ratio rose by 1.7 percentage points from the end of the year 2008 to 4.8 per cent.

The development of provisions for impairment losses was the main reason for the decline of consolidated profit (after tax and minorities) from € 254 million in the first quarter of 2008 to € 56 million in the reporting period.

The situation is similar in all regions in which Raiffeisen International operates, and the decline is therefore significant in all segments. Because of a huge currency devaluation in Ukraine, the largest decline was registered in the CIS other segment, with the result that it shows a slight loss after minorities. There were also large declines in Russia (minus 73 per cent), Central Europe (minus 66 per cent), and Southeastern Europe (minus 54 per cent).

Cost/income ratio below 52 per cent

The cost-cutting program, which was intensified when the crisis began, began to show effects by March, although the figures are influenced to some extent by exchange rates. General administrative expenses declined by 2 per cent, or € 11 million, on the comparable period last year to € 574 million.

The number of employees declined by 1,485 persons compared with the end of 2008 to 61,891. The decrease in number of employees occurred particularly in Ukraine (448), Russia (376), and Bulgaria (252), whereby in Russia and Bulgaria vacancies caused by the natural departure of employees were not subsequently filled. On the other hand, the average number of employees increased by 6 per cent compared with the first quarter of last year.

Because of the slight increase of operating income by 2 per cent, the cost/income ratio came to 51.7 per cent, which represents an improvement by 2.1 percentage points on the comparable period last year. The ratio for the full year 2008 was 54.0 per cent.

Return on equity just above 5 per cent

The sharply decreased result is also reflected in the return on equity before tax, which came to 5.3 per cent and was thus significantly below the comparable period's level (22.5 per cent). The average equity underlying the calculation decreased by 3 per cent to € 6.3 billion due to currency differences.

At 4.2 per cent, the consolidated return on equity (after minorities) was likewise far below past levels, after having still amounted to 17.7 per cent at the end of March 2008. Earnings per share for the period from the beginning of January to the end of March 2009 also fell by € 1.28 to € 0.37.

Balance sheet total falls by more than 6 per cent

Currency devaluations since the end of the third quarter of 2008 have also had a great impact on the development of Raiffeisen International's balance sheet total. It has shrunk since the beginning of the year by more than 6 per cent, or € 5.5 billion, to € 79.9 billion. About two-thirds of the decline is due to currency effects.

Besides the currency effects, however, measures to reduce and stabilize loan portfolios also had an effect. Loans and advances to customers (minus 4 per cent, or € 2.2 billion) and loans and advances to banks (minus 22 per cent, or € 2.0 billion) saw the largest declines due to a slight easing of the liquidity situation in respect to short-term borrowings.

On the liability side, deposits from customers were down 7 per cent, or € 3.3 billion, primarily due to currency devaluations except in a few group units. Competition for customer deposits and poorer economic development in the CEE countries were the main reasons for the outflow of deposits. In Slovakia, the transition to the euro was a special factor responsible for a high level of deposits at the end of 2008. Deposits from banks fell by 5 per cent, or € 1.2 billion, which is connected to the above-mentioned liquidity situation.

Currency-driven burdens on equity

The turmoil on world markets triggered by the international financial crisis initially resulted in considerable devaluation of some CEE currencies in the fourth quarter of 2008. This affected Raiffeisen International last year by way of valuation losses charged to equity. Declines of exchange rates for the Russian rouble, Polish złoty, and Hungarian forint burdened Raiffeisen International's equity in the first quarter of 2009 by about € 370 million. The devaluation's momentum diminished at the end of the first quarter. At the beginning of the second quarter, some currencies recovered and this positive trend continued until the copy deadline of this report.

Detailed review of items in the income statement

Profit from operating activities in year-on-year comparison

In € million	1/1-3/3 2009	Change	1/1-31/3 2008	1/1-31/3 2007
Net interest income	767	7.9 %	711	505
Net fee and commission income	294	(11.2) %	331	275
Net trading income	46	21.3 %	38	36
Other net operating income	4	(35.7) %	6	17
Operating income	**1,110**	**2.3 %**	**1,086**	**833**
Staff expenses	(275)	(6.9) %	(294)	(234)
Other administrative expenses	(238)	2.3 %	(234)	(191)
Depreciation/amortization/write-downs	(61)	7.0 %	(57)	(51)
General administrative expenses	**(574)**	**(1.8) %**	**(585)**	**(477)**
Profit from operating activities	**536**	**7.1 %**	**501**	**356**

Operating income

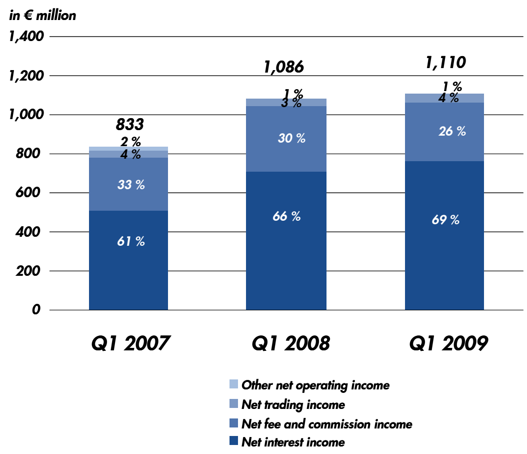
Operating income rose by 2 per cent, or € 24 million, on the comparable period last year to € 1.1 billion. This relatively small increase was due not only to currency influences, but also to several effects of the global financial crisis, including considerably increased funding costs. Changes in the scope of consolidation had no significant impact in the period under review.

Net interest income has remained the most important income component in 2009, with growth by 8 per cent on the comparable period last year from € 711 million to € 767 million. Because of higher funding costs, this was below the 11 per cent increase of the average balance sheet total. After a long period of growth, the group's net interest margin therefore fell for the first time by 12 basis points on the comparable period in 2008 to 3.71 per cent.

The treasury division registered the strongest change in operating income, a decline of 45 per cent to € 57 million due to market-driven additional costs of funding and asset/liability management. On the other hand, the corporate customer division posted a positive change, with an increase of 2 per cent to € 685 million. From the standpoint of regional segments, Russia showed the largest increase at 40 per cent, while below-average values were achieved in Southeastern Europe (plus 2 per cent) and Central Europe (minus 3 per cent). In those segments, stiffer competition led to distortions in respect to terms for customer deposits.

The economic downswing and currency fluctuations also weighed on net fee and commission income, which fell by 11 per cent to € 294 million. Lower volumes of foreign exchange transactions (in Slovakia, Hungary, and Poland) and payment transfer business (especially in Ukraine, Russia, and Poland) led to lower fee and commission income. The introduction of the euro in Slovakia added another special effect. The declines of income from payment transfer business amounted to 13 per cent, and from foreign exchange and notes/coins business to 8 per cent. Revenue declines in securities business due to the market situation stood out even more significantly at minus 45 per cent, and came primarily from Central Europe. The fall of income from management of investment and pension funds was the largest at 51 per cent, and especially pronounced in Slovakia and Croatia. At 15 per cent, the decrease of net fee and commission income in the corporate customer division was greater than the minus in the retail customer division of 10 per cent.

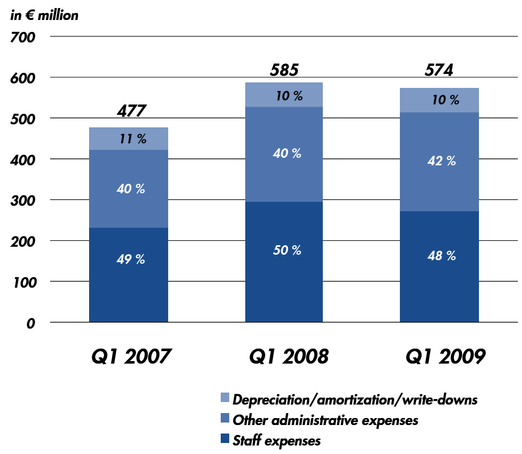
Structure of operating income



Net trading income developed better and, at € 46 million, was 21 per cent above the comparable period last year. Particularly in interest-related business, the valuation losses that led to lower book values at the end of 2008 due to interest rate fluctuations were made up in part. Income from that business rose from minus € 11 million in the first quarter of 2008 to € 36 million. The increase was especially strong in Russia (plus € 18 million) and Slovakia (plus € 16 million). In contrast, net income from currency-related business fell by € 43 million to € 11 million. On the other hand, Belarus and Romania achieved significant net income increases from currency-related business.

Other net operating income was down by € 2 million to € 4 million. The decline was primarily due to a special effect last year related to the integration of a Romanian subsidiary, with € 4 million in initial consolidation effects being included because of the release of negative goodwill through the income statement. Contributions to net income from operating leasing, mainly from Southeastern Europe, grew by € 2 million to € 11 million. On the other hand, net income from non-banking activities fell by € 2 million.

Structure of general administrative expenses



General administrative expenses

General administrative expenses fell by € 11 million, or 2 per cent, on the comparable period last year to € 574 million, while operating income rose by 2 per cent. The cost/income ratio therefore improved by 2.1 percentage points to 51.7 per cent.

Staff expenses accounted for 48 per cent and hence the largest part of general administrative expenses. They fell by 7 per cent, or € 20 million, on the comparable period last year to € 275 million. They consisted of 76 per cent wages and salaries, 21 per cent social security costs required by law, and 3 per cent voluntary personnel expense. Because of the huge currency devaluations in the CEE region, general administrative expenses showed a slight decline on the comparable period last year. In comparison to the first quarter of 2008 the Ukrainian hryvnia fell by 34 per cent, the Polish złoty by 26 per cent, the Russian rouble by 22 per cent, the Hungarian forint by 13 per cent, and the Romanian leu and Serbian dinar by 13 per cent each.

The average number of employees in the first quarter of 2009 came to 62,880. That meant an increase of 6 per cent, or 3,445 employees, on the comparable period last year. Southeastern Europe registered the largest plus at 1,994 employees, or 12 per cent. In Central Europe, the average number grew by 1,036, or 8 per cent. In Russia, it rose by 859, or 9 per cent, and declined in the region of CIS other by 501, or 3 per cent.

In contrast to staff expenses, other administrative expenses registered an increase of 2 per cent, or € 5 million, to € 238 million. The largest expense items were premises at € 81 million (plus 23 per cent), information technology at € 34 million (plus 14 per cent), and legal/consulting costs at € 20 million (minus 9 per cent). At 28 per cent, the strongest increase of other administrative expenses was in Russia and was due to higher rents.

The number of business outlets was 3,208 at the end of the quarter. This means a net increase of 174 compared with the same period in 2008. The new outlets were opened primarily in Southeastern Europe (195), and particularly in Romania (109) and Bulgaria (39). In the CIS other segment, the number fell by 50 because of further optimization measures. In the process, 63 outlets were closed in Ukraine. Since the beginning of 2009, a net total of 23 outlets has been closed in Raiffeisen International as a result of efficiency-enhancing measures.

Depreciation/amortization/write-downs on tangible and intangible assets rose by 7 per cent to € 61 million, of which tangible assets accounted for € 38 million, intangible assets for € 16 million, and assets from operating leasing business for € 7 million. Capital investments totaling € 97 million were made in the reporting period. The share of capital investments in own tangible assets came to 70 per cent (€ 68 million), and in intangible assets, including software systems, to 19 per cent (€ 18 million). Assets from operating leasing business accounted for the rest.

Consolidated profit

Development of consolidated profit year-on-year

In € million	*1/1-31/3 2009*	*Change*	*1/1-31/3 2008*	*1/1-31/3 2007*
Profit from operating activities	***536***	***7.1 %***	***501***	***356***
Provisioning for impairment losses	*(445)*	*378.5 %*	*(93)*	*(76)*
Other profit/loss	*(8)*	*(79.9) %*	*(38)*	*12*
Profit before tax	***84***	***(77.4) %***	***370***	***292***
Income taxes	*(20)*	*(77.9) %*	*(90)*	*(62)*
Profit after tax	***64***	***(77.2) %***	***279***	***231***
Minority interests in profit	*(8)*	*(69.9) %*	*(25)*	*(38)*
Consolidated profit	***56***	***(77.9) %***	***254***	***193***

New allocations to provisions for impairment losses rose by 379 per cent, or € 352 million, on the same period last year to € 445 million. In Central Europe, net allocations to individual provisions came to € 81 million, which represents an increase of 152 per cent. The largest allocations were made in Hungary and amounted to € 37 million. New provisions of € 91 million were formed in the CIS other segment, and there were new allocations in Russia of € 51 million. While retail business was the main source of the increase in the CIS other segment, the new allocations in Russia concerned both retail and large customers. In Southeastern Europe, provisions of € 78 million were formed in the first quarter of 2009. That is primarily due to new allocations in retail customer business in Romania, and in corporate customer business in Croatia.

The allocation of portfolio-related provisions came to a net € 145 million, of which Russia, Ukraine, and Hungary registered the largest allocations.

The Group's risk/earnings ratio amounted to 58.0 per cent, which represents an increase of 33.9 percentage points on last year. Two-thirds of all provisions were formed for retail customers, and the rest were in the corporate customer division.

Other profit/loss of minus € 8 million consisted of net result from derivatives (minus € 5 million) and net result from financial investments (minus € 3 million). Net income from derivatives improved by € 32 million compared with the first quarter of 2008. The reason for that was the use of cash flow hedge accounting at the Russian network bank. Interest rate swaps were used to hedge the interest rate risk from variable-rate liabilities, and changes in their market value were recorded in equity without affecting income, since only the ineffective part of the cash flow hedge is charged to the income statement.

Net income from financial investments remained nearly unchanged compared with the same period last year. This item includes valuation results and net income from disposal of securities held to maturity and from securities measured at fair value through the income statement, which amounted to minus € 3 million.

Income taxes developed analogously to profit before tax. They fell by 78 per cent, or € 70 million, to € 20 million. The tax rate was therefore 23.8 per cent, the same level as in the comparable period last year.

Profit after tax amounted to € 64 million, which meant a decline of € 216 million. Minority interests in profit represent the net amount attributable to minority shareholders in various group units. They accounted for € 8 million of profit after tax in the period under review.

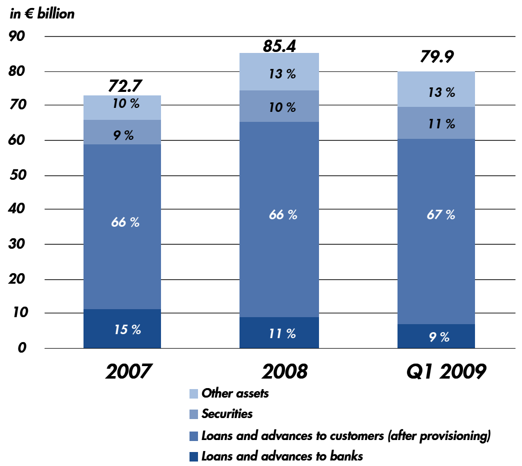
The share of consolidated profit attributable to Raiffeisen International shareholders fell by 78 per cent, or € 198 million, to € 56 million. Divided by the average number of outstanding shares, that yields earnings per share of € 0.37, which means a decline of € 1.28 compared with the same period last year.

Balance sheet development

The balance sheet total as of 31 March 2009 amounted to € 79.9 billion and was thus 6.5 per cent, or € 5.5 billion, below the level at the end of 2008. The decline was largely due to currency devaluation. The huge devaluations already registered in the fourth quarter of 2008 continued in a weakened form in the first quarter of 2009. The currencies mainly affected were the Hungarian forint (minus 16 per cent), the Polish złoty (minus 13 per cent), and the Russian rouble (minus 9 per cent). About two-thirds of the balance sheet total's decline is attributable to currency effects. Changes in the scope of consolidation had no significant impact on the development of the balance sheet total.

Assets

Structure of assets



On the asset side, loans and advances to customers continued to dominate Raiffeisen International's balance sheet total. Although they fell by 4 per cent, or € 2.2 billion, compared with the end of last year, they still accounted for 67 per cent (plus 1 percentage point) of balance sheet assets after provisioning. Lending to corporate customers was responsible for € 1.6 billion of the decline, and lending to personal customers for € 0.7 billion. Set against that was a slight increase in lending to the public sector. The ratio of customer loans to customer deposits rose by 5 percentage points to 136 per cent.

The total amount of provisioning for impairment losses stood at € 2.0 billion on 31 March 2009. Due to continuing unfavorable economic conditions, new allocations of € 0.4 billion were made throughout the Group in the first quarter. Provisions for loan defaults thus increased by 22 per cent compared with the end of 2008.

Loans and advances to banks amounted to € 7.0 billion at the end of the quarter, which meant a decline of 22 per cent, or € 2.0 billion, compared with the level at the end of 2008. While deposits with central banks were reduced sharply by 62 per cent, or € 2.3 billion, particularly in Central Europe, investments at internationally operating commercial banks rose by 5 per cent, or € 0.3 billion. This item's share of balance sheet assets decreased by 2 percentage points to 9 per cent.

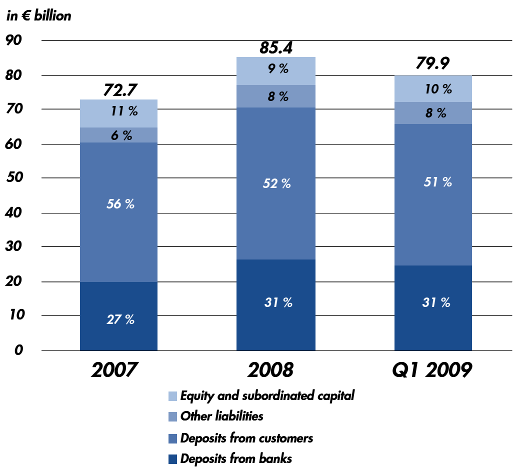
The total amount of securities stood at € 8.8 billion and was thus nearly unchanged compared with the end of 2008. Eighty-one per cent, or € 7.1 billion, of this portfolio was invested in fixed-income securities. However, the share of the balance sheet total due to securities rose to 11 per cent.

Other assets amounted to € 10.4 billion. At 13 per cent, their share remained at last year's level.

Liabilities

The structure of the group's liabilities as of 31 March 2009 showed an almost unchanged picture compared with the end of 2008. Deposits from customers dominated with a share of 51 per cent, which represents a decline of 1 percentage point. Deposits from banks remained constant at 31 per cent, while own funds (10 per cent) and other liabilities (8 per cent) accounted for the rest.

Structure of liabilities



Deposits from customers fell by 7 per cent, or € 3.3 billion, compared with the end of 2008 to € 40.9 billion. All CEE regions were affected by the declines, the highest of which was in corporate customer business at minus 15 per cent, or € 2.8 billion. In contrast, retail business amounted to € 23.2 billion and thus remained at the year-end level of 2008. Time and sight deposits fell by 8 per cent and 7 per cent, respectively, to € 40.0 billion. Savings deposits increased slightly with a plus of 2 per cent.

Deposits from banks fell by 5 per cent, or € 1.2 billion, compared with the beginning of the year to € 25.0 billion. Long-term financing transactions accounted for the most of the decline at € 0.9 billion.

Liabilities evidenced by paper, which comprise funding from the capital market in the framework of debt security issues, declined by 13 per cent, or € 0.4 billion, as a result of redemptions.

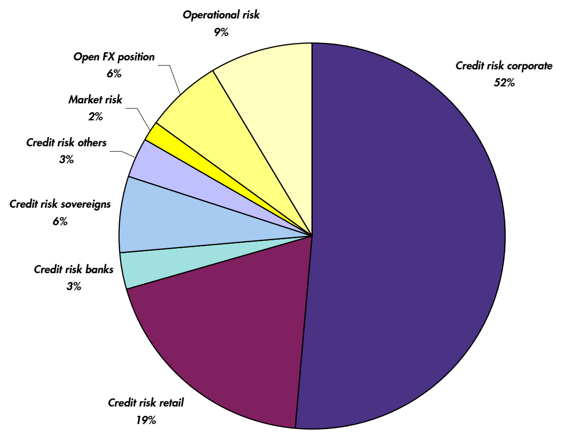
The share of the balance sheet total due to own funds, which consist of equity and subordinated capital, went up slightly to 10 per cent (plus 1 percentage point). Subordinated capital increased by 2 per cent on the end of 2008, while equity decreased by 5 per cent, or € 0.3 billion.

Equity

Raiffeisen International is not a separate banking group within the meaning of the Austrian Banking Act (BWG) and therefore is not itself subject as a group to the regulatory provisions for banks.

Raiffeisen International's balance sheet equity, including consolidated profit and minority interests, amounted to € 6,216 million as of 31 March 2009. It was thus € 302 million below the level at the end of 2008. Charges of € 370 million were made to equity because of currency devaluations. The strongest effects were due to the devaluations in Hungary, Poland, and Russia.

Composition of the own funds requirement



The dividend proposed for 2008 of € 0.93 per share, which means a total payout of € 144 million, was not deducted from equity in the first quarter because the proposal still needs the approval of Raiffeisen International's Annual General Meeting of on 9 June 2009.

Pro forma regulatory own funds decreased by 5 per cent, or € 384 million, to € 6,608 million. That does not include the reporting period's current profit, because Austrian law prohibits that from being taken into account yet. Core capital (Tier 1) fell by € 479 million to € 5,381 million, mainly because of the currency devaluations in Hungary, Poland, and Russia.

Additional own funds (Tier 2) increased by € 118 million to € 1,164 million due to the extension of terms for subordinated capital made available to the Ukrainian network bank by the *International Finance Corporation* and subordinated capital subscribed by RZB to the Raiffeisen Bank in Hungary. Eligible short-term subordinated capital (Tier 3) fell by € 22 million to € 90 million because of redemptions.

Set against existing own funds is a pro forma regulatory own funds requirement of € 5,582 million, which represents a decline of € 185 million. That results in excess cover of 18 per cent, or € 1,027 million.

In particular, the own funds requirement consists of requirements for credit risk (€ 4,646 million), for market risk (€ 106 million), for operational risk (€ 474 million), and for open foreign exchange positions (€ 356 million).

The core capital ratio based on credit risk fell by 0.5 percentage points compared with the end of last year to 9.2 per cent. The ratio based on total risk amounted to 7.7 per cent, compared with 8.1 per cent at the end of 2008. The own funds ratio decreased by 0.2 percentage points to 9.5 per cent.

Risk management

Being an active player in the world's financial markets means taking risks. For this reason, Raiffeisen International's ability to identify and measure risks, as well as to monitor and manage them in a timely manner, is a decisive competitive factor. To ensure the long-term success of Raiffeisen International and permit selective growth in the targeted markets, the Group's risk management activities are designed to ensure careful handling and professional management of credit, country, market, liquidity, and operational risks.

Raiffeisen International is exposed to all of these types of risk as part of its business operations and in connection with launching and subsequently distributing financial products and services in Central and Eastern Europe. Several countries in the CEE region have reacted far more strongly to the deterioration in the global economic climate than advanced economies have, which was partly due to local problems and currency devaluations in a number of countries in the region. For Raiffeisen International, this caused higher impairment losses and differences arising from the translation of the equity of fully consolidated companies.

Thanks to ongoing portfolio analyses and stress tests, Raiffeisen International's risk management is well prepared for the effects of the expected economic slowdown in Central and Eastern Europe. As a result of these tests, lending guidelines have been further adapted, and the Group has focused in its credit policy on reducing unsecured lines, decreasing loan-to-value ratios, raising minimum loan repayment requirements, and generally stepping up the control and monitoring processes that accompany lending activities.

Consistent, Group–wide application of Basel II remained one of the most important risk management projects in the reporting period. As a subsidiary of RZB, Raiffeisen International is not itself subject to those rules, but the regulations apply individually to several of its banking subsidiaries. Moreover, because they are consolidated into the results of the RZB Group, they are used for internal control and information purposes.

To calculate regulatory equity requirements for credit risks, the bank primarily uses the standardized approach. The network banks in Slovakia, the Czech Republic, and Hungary were granted permission by the respective regulatory authorities to calculate the credit risk of corporates, banks, and sovereigns according to the internal ratings-based approach (IRB) in 2008. For Raiffeisen International, using the IRB approach has the advantage that portfolio risks can be quantified even more accurately and the risk can be managed more effectively. The banking regulators generally reward this approach with lower capital requirements compared with the standardized approach. The own funds requirement according to Basel II for risk-weighted assets in the non-retail segment is calculated centrally in Vienna. In this centralized group solution, the regulatory capital requirement is calculated for all group units of Raiffeisen International by means of standardized risk management software. For that purpose, the various options of the respective local legislatures and national regulators are parameterized and applied accordingly.

In the retail area, these concepts are also developed in the head office. Calculations, however, are performed in the local group units, and the results are then transmitted to the central data warehouse in Vienna.

The own funds requirement for the trading book is calculated using the standardized approach. Interest-rate risk in the banking book is quantified by simulating the present value effect of an interest-rate shift as a percentage of own funds in line with the requirements of the national banking regulator. Maturity assumptions needed in this analysis are defined as specified by supervisory authorities or based on internal statistics and empirical values.

Raiffeisen International currently calculates regulatory capital requirements for operational risks according to the Basel II framework by combining for a limited period the standardized approach with the basic indicator approach. From 1 January 2009 onward, *Raiffeisenbank Austria,* Zagreb, is applying the standardized approach. The basic indicator approach is thus mainly used by *Raiffeisen Bank Aval,* Ukraine. It is running through the same implementation plan as other members of Raiffeisen International have already, which will take several years due to the size of the bank.

Outlook

Against the background of the current financial and economic crisis, concerns have arisen in recent months about the economic stability and credit rating of some of the countries in the CEE region, as well as the financial institutions operating there. Due to the considerable currency fluctuations of some currencies against the euro, these concerns further deepened and have had a considerable impact on our business operations. Nevertheless, the countries of Central and Eastern Europe offer financial institutions interesting perspectives and attractive long-term business opportunities, which result from their catch-up potential with the countries of Western Europe. We continue to be convinced of this potential, and continue to regard the CEE region as our core market. As in the past, not all markets will develop at the same pace, and we therefore consider our presence in 17 markets in CEE, where we have a large network of branch offices, to be a strength.

We expect business with corporate customers to make the largest contribution to profit before tax again in 2009. This year we plan to continue our business model, which is based on integrated service and advisory solutions for our main bank customers, in the corporate customer division. Non-interest-bearing business, e.g. the further expansion of our leading position in cash management, will be one emphasis of our activities.

In the retail customer division we will continue to take advantage of our large branch network. Despite the difficult market conditions, we plan to further develop our product portfolio and division specific value propositions particularly with respect to insurance, fee based liability products and affluent banking. We also plan to increase investment in customer relationship management technology in order to increase product penetration for all our key customer groups.

After a strong growth in lending to customers over the last several years, the focus this year will be on enhancing our active credit portfolio and risk management. We expect lending to customers in 2009 to be at the same level as the year before. In view of the unfavorable overall conditions for other forms of refinancing, the focus has shifted increasingly in the direction of customer deposits. Against this background, we will continue our efforts to gain customer deposits during the 2009 business year.

Moreover, we took a number of measures for the year 2009 that will moderate the increase in costs that was the result of our growth in recent years. Administrative expenses should therefore be at the level of the previous year. The number of branch offices will remain on balance at the same level as in the business year 2008. In this context improvements in profitability will be given increasing attention.

Segment reports

Regional segments

Individual Central and Eastern European countries constitute the smallest cash generating units (CGU). Countries that expect a similar long-term economic development and exhibit a similar economic profile are grouped together as regional segments. Four regional segments have been defined in consideration of the threshold values required by IFRS 8, thus allowing transparent and well-organized reporting. The threshold values set forth in IFRS 8 are 10 per cent of certain parameters, and those are operating income, profit after tax, and segment assets.

The following group segments existed as of 31 March 2009. The location of the respective business outlets served as the criterion for segment assignment:

- ***Central Europe***
  This segment contains the five countries that joined the European Union on 1 May 2004, the Czech Republic, Hungary, Poland, Slovakia, and Slovenia. They represent not only the most developed banking markets in Central and Eastern Europe, but also the markets in which Raiffeisen International was present earliest.
- ***Southeastern Europe***
  Southeastern Europe includes Albania, Bosnia and Herzegovina, Croatia, Kosovo, Moldova, Serbia, as well as Bulgaria and Romania, which joined the EU on 1 January 2007. Moldova has been included in this segment due to its close economic ties to Romania and the respective management structures within the Group.
- ***Russia***
  This segment includes the assets and performance for the Raiffeisen International companies active in the Russian Federation. The group is represented in Russia by a bank, a leasing company, and a capital management company.
- ***CIS other***
  This segment contains Belarus, Kazakhstan, and Ukraine among the countries of the Commonwealth of Independent States (CIS).

The figures stated in the segment report are derived from the financial statements according to International Financial Reporting Standards (IFRS) that are drawn on in the preparation of the consolidated financial statements. Divergences from locally published data are possible, since they may be based on different valuation rules or divergent reporting deadlines.

Segment overview

All segments of Raiffeisen International registered earnings declines in the first quarter, which were mainly a result of higher allocations to provisions for impairment losses. That increase was primarily due to the deteriorated credit environment in all regions.

Southeastern Europe achieved the highest profit before tax of all segments at € 56 million. That result was based on slightly increased net interest income and good net trading income. Higher provisions for impairment losses weighed considerably on earnings, however. Balance sheet assets grew by 6 per cent year-on-year. The region contributed 45 per cent to total profit before tax and was thus 12 percentage points above the level in the comparable period.

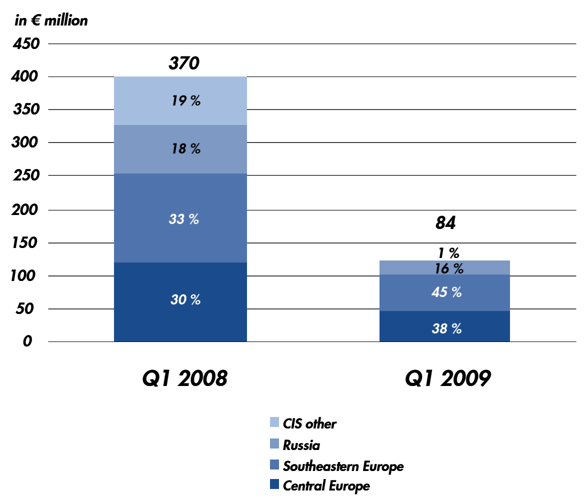
Central Europe achieved the second-highest profit before tax at € 46 million. Increased net trading income contributed positively to the overall result. The development of net interest income was at last year's level, while net fee and commission income declined. The region's contribution to profit before tax amounted to 38 per cent and was thus 8 percentage points above the level in the comparable period. Balance sheet assets grew by 8 per cent year-on-year.

In Russia, profit before tax fell to € 20 million despite strong increases in net interest income. This was influenced both by higher provisions for impairment losses and by negative net trading income. The segment's earnings contribution thus fell slightly by 2 percentage points to 16 per cent. Its balance sheet assets rose by 3 per cent year-on-year.

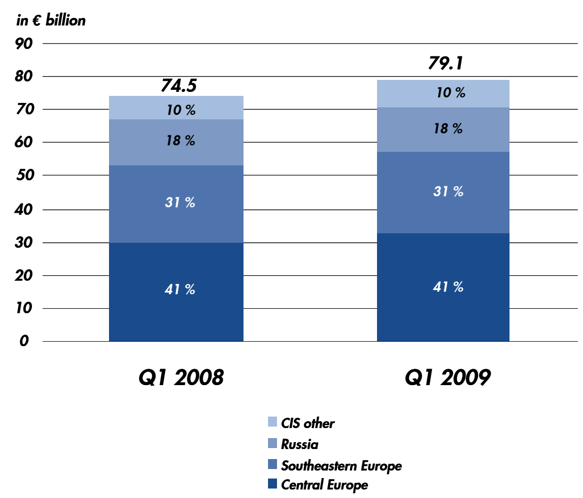
In the CIS other region, profit before tax declined to € 1 million, though it was positively influenced by increases in net interest income and net trading income. The segment's earnings contribution fell by 18 percentage points to 1 per cent. The more than proportionate reduction of the segment's share was due to allocations of € 126 million to provisions for impairment losses. The segment's balance sheet assets rose by 6 per cent year-on-year.

Central Europe continued to dominate consolidated assets with a share of 41 per cent. The second-largest share was contributed by the Southeastern Europe segment with 31 per cent, followed by Russia with 18 per cent and CIS other with 10 per cent.

Segment shares of profit before tax



Segment shares of assets



Central Europe

In € million	1/1-31/3 2009	Change	1/1-31/3 2008
Net interest income	231	(2.6) %	237
of which current income from associates	–	–	1
Provisioning for impairment losses	(105)	155.3 %	(41)
Net interest income after provisioning	**126**	**(35.8) %**	**196**
Net fee and commission income	100	(25.9) %	135
Net trading income	32	>500.0 %	4
Net income from derivatives	1	–	(2)
Net income from financial investments	(10)	–	2
General administrative expenses	(203)	(5.7) %	(215)
of which staff expenses	(97)	(9.2) %	(107)
of which other administrative expenses	(86)	(0.8) %	(87)
of which depreciation/amortization/write-downs	(19)	(8.1) %	(21)
Other net operating income	1	–	(4)
Profit before tax	**46**	**(60.2) %**	**116**
Income taxes	(11)	(56.4) %	(25)
Profit after tax	**35**	**(61.2) %**	**91**
Minority interests in profit	(12)	(47.6) %	(24)
Consolidated profit	**23**	**(66.0) %**	**68**
Share of profit before tax	38 %	8 PP	30 %
Share of profit after tax	37 %	7 PP	30 %
Risk-weighted assets (credit risk)[1]	22,322	(2.2) %	22,814
Total own funds requirement[1]	2,025	(2.6) %	2,080
Total assets[1]	32,805	8.2%	30,320
Liabilities[1]	30,523	8.3 %	28,186
Risk/earnings ratio	45.5 %	28.2 PP	17.4 %
Cost/income ratio	55.7 %	(2.0) PP	57.7 %
Average equity	2,434	(10.4) %	2,717
Return on equity before tax	**7.6 %**	**(9.5) PP**	**17.1 %**
Average number of employees	14,079	7.9 %	13,043
Business outlets[1]	584	7.2 %	545

[1] Reporting date values as of 31 March

Central Europe's earnings fell in the reporting period significantly below the level of the comparable period. Profit before tax was down by 60 per cent, or € 70 million, to € 46 million. Increased allocations to provisions for impairment losses and lower net fee and commission income were responsible for this earnings decline. Consequently, the return on equity before tax for Central Europe dropped by 9.5 percentage points to 7.6 per cent.

Net interest income fell by 3 per cent to € 231 million. Increased funding costs, primarily in the Polish Group unit, led to this decline. Group assets in Central Europe grew by 8 per cent. The net interest margin narrowed significantly, by 53 basis points on the comparable period, to 2.68 per cent. Credit risk-weighted assets fell by 2 per cent from € 22.8 billion to € 22.3 billion. Besides currency effects, the partial introduction of the internal ratings-based approach in Hungary, Slovakia, and the Czech Republic in December 2008 was responsible for this decline.

New allocations to provisions for impairment losses rose by 155 per cent to € 105 million, mainly due to allocations in Hungary. Allocation of portfolio related provisions went up significantly, for which the Hungarian Group units were primarily responsible. Individual provisions were increased in all countries of the region to a similar extent. The risk/earnings ratio worsened by 28.2 percentage points on the comparable period to 45.5 per cent. The share of the loan portfolio attributable to non-performing loans rose by 127 basis points to 3.94 per cent.

Net fee and commission income in the region dropped by 26 per cent, or € 35 million, to € 100 million. Foreign exchange and notes/coins business shrank by 38 per cent to € 36 million and thus had a substantial part in the decline. The main reasons for this were reduced customer margins in foreign exchange business because of the euro's introduction in Slovakia and lower income because of reduced new business, primarily in foreign currency. Net income from payment transfer and account services business fell in almost all countries of the region. The Central Europe segment's earnings were down overall by 15 per cent to € 41 million.

The region's net trading income came to € 32 million and was thus significantly above the comparable period's value. Currency-related business generated net income of € 18 million, to which Hungary contributed substantially. The region registered a profit of € 13 million in interest-related business, which arose mainly from valuation gains on interest rate swap transactions in Slovakia.

Net income from financial investments amounted to minus € 10 million, which was primarily due to valuation losses on securities in the Czech Republic.

General administrative expenses fell by 6 per cent, or € 12 million, on the comparable period in 2008 to € 203 million. This resulted mainly from a significant decrease of staff costs to € 97 million (minus 9 per cent) due to the absence of variable salary components and currency effects. The average number of employees rose by 8 per cent to 14,079. Other administrative expense amounted to € 86 million and thus remained nearly unchanged on the comparable period. Deprecition/amortization/write-downs fell by € 2 million to € 19 million. The number of business outlets increased by 7 per cent, or 39, year-on-year to 584. This growth occurred largely in Hungary (plus 20 outlets). The region's cost/income ratio improved by 2.0 percentage points to 55.7 per cent.

Other net operating income amounted to € 0.9 million and consisted mainly of other tax expenses not dependent on income in the Hungarian and Slovakian Group units. Operating leasing business made a positive contribution of € 2 million.

Income taxes fell by 56 per cent on the comparable period to € 11 million. Profit after tax and minorities amounted to € 23 million.

Southeastern Europe

In € million	1/1-31/3 2009	Change	1/1-31/3 2008
Net interest income	217	1.6 %	214
Provisioning for impairment losses	(112)	300.8 %	(28)
Net interest income after provisioning	**105**	**(43.5) %**	**186**
Net fee and commission income	100	(1.3) %	101
Net trading income	24	169.7 %	9
Net income from derivatives	(3)	281.2 %	(1)
Net income from financial investments	2	–	(3)
General administrative expenses	(180)	4.8 %	(171)
of which staff expenses	(79)	2.7 %	(77)
of which other administrative expenses	(76)	2.7 %	(74)
of which depreciation/amortization/write-downs	(24)	20.4 %	(20)
Other net operating income	8	(20.8) %	10
Profit before tax	**56**	**(57.1) %**	**130**
Income taxes	(10)	(51.8) %	(21)
Profit after tax	**46**	**(58.1) %**	**109**
Minority interests in profit	2	–	(5)
Consolidated profit	**48**	**(54.4) %**	**104**
Share of profit before tax	45 %	12 PP	33 %
Share of profit after tax	48 %	12 PP	36 %
Risk-weighted assets (credit risk)[1]	18,410	10.4 %	16,679
Total own funds requirement[1]	1,653	11.1 %	1,488
Total assets[1]	24,421	5.6 %	23,119
Liabilities[1]	21,726	4.8 %	20,740
Risk/earnings ratio	51.6 %	38.5 PP	13.1 %
Cost/income ratio	51.6 %	0.2 PP	51.4 %
Average equity	1,982	(3.5) %	2,054
Return on equity before tax	**11.3 %**	**(14.0) PP**	**25.3 %**
Average number of employees	19,123	11.6 %	17,129
Business outlets[1]	1,200	19.4 %	1,005

[1] Reporting date values as of 31 March

In Southeastern Europe, profit before tax amounted to € 56 million and was thus 57 per cent below the level of € 130 million in the comparable period of 2008. Higher allocations for impairment losses contributed substantially to that decline. As a result, the return on equity before tax fell by 14.0 percentage points to 11.3 per cent.

Net interest income in the region increased by 2 per cent, or € 3 million, to € 217 million, while balance sheet assets rose by 6 per cent to € 24.4 billion. The net interest margin narrowed by 24 basis points to 3.50 per cent. Credit risk-weighted assets increased by 10 per cent from € 16.7 billion to € 18.4 billion.

Allocations to provisions for impairment losses were up by € 84 million from a very low level to € 112 million. That was primarily because of new allocations to individual provisions, which rose mainly due to allocations for loans to private individuals of the Romanian Group unit and for some corporate customers in Croatia. Portfolio-related provisions were formed in nearly all Group units in the region. The risk/earnings ratio rose to 51.6 per cent (plus 38.5 percentage points). The share of the loan portfolio attributable to non-performing loans increased by 250 basis points year-on-year to 4.16 per cent.

Net fee and commission income at € 100 million remained near the previous year's level. Payment transfers generated € 35 million of that, while foreign exchange and notes/coins business contributed € 21 million. Credit and guarantee business supplied another € 21 million. The relatively largest decline in the region was registered by the Group units in Romania and Serbia.

The region of Southeastern Europe shows a positive development of net trading income, which rose overall by € 15 million to € 24 million. Currency-related business came to € 22 million and was thus significantly above the comparable period of 2008. A profit of € 3 million was booked in interest-related business, but a loss of € 1 million resulted in equity-related business, specifically due to positions in Croatia and in Bosnia and Herzegovina.

Net income from derivatives was negative in the amount of € 3 million due to valuation losses on hedging transactions using other derivatives not recognized by IFRS and made to minimize the interest rate risk of the Kosovo Group unit's loan portfolio, which means that the valuation changes are to be recognized in the income statement.

Net income from financial investments amounted to € 2 million. After a negative result in the comparable period, this increase was brought about by gains on the valuation of securities in Romania.

General administrative expenses rose altogether by 5 per cent to € 180 million. Staff expenses grew slightly, by € 2 million, to € 79 million. The average number of employees increased by 12 per cent, or 1,994, on the comparable period to 19,123. Despite expansion of the business outlet network, other administrative expenses came to € 76 million and were thus only 3 per cent higher than in the comparable period. Depreciation/amortization/write-downs, mostly for capital investments in branches, increased to € 24 million. Starting from 1,005 at the end of the comparable period, the number of business outlets rose by 19 per cent to 1,200. Southeastern Europe thus registered the largest increase of all segments, primarily because of strong branch network expansion in Romania. The cost/income ratio went up slightly, by 0.2 percentage points, to 51.6 per cent.

Other net operating income fell by € 2 million on the comparable period last year to € 8 million. Besides smaller expense items, income from operating leasing business made the main contribution which amounted to € 9 million in the period under review.

Income taxes fell by 52 per cent on the comparable period to € 10 million. Consolidated after tax and minorities was € 48 million.

Russia

In € million	1/1-31/3 2009	Change	1/1-31/3 2008
Net interest income	209	40.3 %	149
Provisioning for impairment losses	(110)	>500.0 %	(16)
Net interest income after provisioning	**100**	**(25.1) %**	**133**
Net fee and commission income	51	17.6 %	43
Net trading income	(28)	–	24
Net income from derivatives	(4)	(89.7) %	(34)
Net income from financial investments	2	–	–
General administrative expenses	(100)	7.6 %	(93)
of which staff expenses	(44)	(11.0) %	(49)
of which other administrative expenses	(48)	27.7 %	(38)
of which depreciation/amortization/write-downs	(8)	33.4 %	(6)
Other net operating income	(1)	(65.9) %	(2)
Profit before tax	**20**	**(71.7) %**	**70**
Income taxes	(6)	(67.1) %	(19)
Profit after tax	**14**	**(73.5) %**	**51**
Minority interests in profit	0	–	0
Consolidated profit	**14**	**(73.1) %**	**51**
Share of profit before tax	16 %	(2) PP	18 %
Share of profit after tax	14 %	(3) PP	17 %
Risk-weighted assets (credit risk)[1]	10,003	6.7 %	9,372
Total own funds requirement[1]	906	5.1 %	861
Total assets[1]	14,126	3.0 %	13,714
Liabilities[1]	12,676	1.1 %	12,536
Risk/earnings ratio	52.5 %	41.5 PP	11.0 %
Cost/income ratio	43.1 %	(0.2) PP	43.3 %
Average equity	1,038	(11.2) %	1,169
Return on equity before tax	**7.7 %**	**(16.4) PP**	**24.1 %**
Average number of employees	10,091	9.3 %	9,232
Business outlets[1]	236	(4.1) %	246

[1] Reporting date values as of 31 March

In Russia, profit before tax fell by 72 per cent, or € 51 million, in the period under review to € 20 million. Despite a higher increase of net interest income (substantially higher compared with the rest of the Group), provisioning for impairment losses weighed heavily on earnings. The return on equity before tax consequently declined by 16.4 percentage points to 7.7 per cent.

With a plus of 40 per cent, or € 60 million, to € 209 million, the region's net interest income developed much more dynamically than its balance sheet assets, which increased by 3 per cent, or € 0.4 billion, to € 14.1 billion. A significantly improved net interest margin, which rose by 115 basis points to 5.76 per cent, contributed substantially to this.

Credit risk-weighted assets increased by 7 per cent to € 10.0 billion and hence somewhat more strongly than balance sheet assets. The main reason for that was a significant rise of off-balance sheet items.

Allocations to provisions for impairment losses rose from € 16 million in the comparable period to € 110 million in the period under review. This increase was due to portfolio-related provisions of € 57 million. The rise of individual provisions was largely connected with loans to corporate customers. The risk/earnings ratio went up by 41.5 percentage points to 52.5 per cent. The share of the loan portfolio attributable to non-performing loans rose by 117 basis points to 3.34 per cent.

Net fee and commission income registered an increase of 18 per cent, or € 8 million, to € 51 million. Payment transfers contributed € 18 million. Foreign exchange and notes/coins business doubled on the comparable period in 2008 and contributed € 20 million.

Net trading income fell from € 24 million in the comparable period to minus € 28 million in the first quarter of 2009. This was primarily a result of US dollar positions that had been used for macro hedging purposes. On the other hand, interest-related business brought a profit of € 20 million, largely derived from valuation gains on fixed-income securities, for which the downward interest rate trend had been responsible.

Net income from derivatives amounted to minus € 4 million in the period under review. This was based mainly on a valuation gain from interest rate swaps used to reduce yield curve risk.

Net income from financial investments in Russia came to € 2 million. A loss of € 2 million resulted from the redemption of held-to-maturity securities. On the other hand, valuation gains of € 4 million on the portfolio of marked-to-market securities had a positive effect.

General administrative expenses rose by 8 per cent, or € 7 million, to € 100 million. Staff expenses declined by 11 per cent, or € 5 million, to € 44 million. The average number of employees in the region grew by 9 per cent, or 859, on the comparable period to 10,091. Other administrative expenses rose by 28 per cent, or € 10 million, to € 48 million, for which a significant increase of rent expenses was mainly responsible. Depreciation/amortization/write-downs rose by € 2 million to € 8 million. The region's cost/income ratio remained almost unchanged at 43.1 per cent.

The segment's other net operating income came to minus € 1 million and was thus above the comparable period of 2008. Expenses for taxes not dependent on income were mainly responsible for this result.

Income taxes fell by 67 per cent on the comparable period to € 6 million. Earnings after tax and minorities came to € 14 million, which meant a decline of 75 per cent.

CIS other

In € million	1/1-31/3 2009	Change	1/1-31/3 2008
Net interest income	126	6.8 %	118
Provisioning for impairment losses	(118)	>500.0 %	(7)
Net interest income after provisioning	**8**	**(92.9) %**	**110**
Net fee and commission income	43	(12.9) %	50
Net trading income	23	>500.0 %	3
Net income from derivatives	0	–	0
Net income from financial investments	4	–	0
General administrative expenses	(78)	(14.2) %	(91)
of which staff expenses	(43)	(13.7) %	(50)
of which other administrative expenses	(26)	(17.5) %	(31)
of which depreciation/amortization/write-downs	(9)	(5.5) %	(10)
Other net operating income	1	19.0 %	1
Profit before tax	**1**	**(98.5) %**	**73**
Income taxes	0	(98.4) %	(22)
Profit after tax	**1**	**(98.5) %**	**51**
Minority interests in profit	(4)	(1.9) %	(4)
Consolidated profit	**(3)**	**–**	**47**
Share of profit before tax	1 %	(18) PP	19 %
Share of profit after tax	1 %	(16) PP	17 %
Risk-weighted assets (credit risk)[1]	7,500	6.3 %	7,055
Total own funds requirement[1]	668	5.4 %	634
Total assets[1]	7,715	5.5 %	7,310
Liabilities[1]	6,724	5.4 %	6,378
Risk/earnings ratio	93.8 %	87.6 PP	6.2 %
Cost/income ratio	40.4 %	(12.7) PP	53.1 %
Average equity	850	4.7 %	812
Return on equity before tax	**0.5 %**	**(35.4) PP**	**35.9 %**
Average number of employees	19,279	(2.5) %	19,780
Business outlets[1]	1,188	(4.0) %	1,238

[1] Reporting date values as of 31 March

Profit before tax in this segment declined by € 72 million in the reporting period to € 1 million because of very high allocations to provisions for impairment losses. Currency fluctuations (huge devaluation of the Ukrainian hryvnia by 34 per cent in the average rate) had an especially heavy impact in this segment. The return on equity consequently fell by 35.4 percentage points to 0.5 per cent.

Net interest income in the CIS other segment grew by 7 per cent, or € 8 million, to € 126 million. Its balance sheet assets increased by 6 per cent, or € 0.4 billion, year-on-year to € 7.7 billion. The net interest margin narrowed slightly, by 3 basis points to 6.38 per cent.

Credit risk-weighted assets increased in line with balance sheet assets by 6 per cent to € 7.5 billion.

Allocations to provisions for impairment losses rose from € 7 million in the comparable period to € 118 million in the period under review. This increase concerned both extensive individual provisions in connection with loans to private individuals in Ukraine and portfolio-related provisions. The risk/earnings ratio went up by 87.6 percentage points to 93.8 per cent. The share of the loan portfolio attributable to non-performing loans rose by 740 basis points to 10.5 per cent.

Net fee and commission income registered a currency-driven decline by € 7 million to € 43 million. Payment transfers made the largest contribution, which amounted to € 27 million. Foreign exchange and notes/coins business contributed € 16 million.

Net trading income grew from € 3 million to € 23 million. The result derived almost entirely from currency-related business. The majority of that resulted from valuation gains on a strategic currency position in Belarus. Interest-related business yielded income of € 1 million.

Net income from financial investments amounted to € 4 million. Valuation gains on the portfolio of marked-to-market securities had a positive effect, primarily at the Group's Ukrainian subsidiary.

General administrative expenses declined overall by 14 per cent, or € 13 million, to € 78 million. Staff costs fell by 14 per cent, or € 7 million, to € 43 million. The number of employees in the region averaged 19,279 and was thus down by 3 per cent, or 501 employees, on the comparable period. Other administrative expenses declined by 18 per cent, or € 5 million, to € 26 million, in connection with the reduction of business outlets in Ukraine (minus 63 outlets). Depreciation/amortization/write-downs came to € 9 million and thus remained at the comparable period's level. The region's cost/income ratio improved significantly, by 12.7 percentage points to 40.4 per cent.

The segment's other net operating income remained unchanged on the comparable period at € 1 million.

Income taxes declined by 98 per cent on the comparable period, analogously to the decline of profit, and amounted to € 0.3 million. The result after tax and minorities fell to minus € 3 million.

Business divisions

In addition to its regional segmentation, Raiffeisen International is structured into business divisions that reflect its internal organization and reporting patterns. The group's business is classified into the following divisions:

- Corporate customers
- Retail customers
- Treasury
- Participations and other

The corporate customer division includes local and international businesses of medium and large scale. The retail customer division covers private individuals and small businesses with sales of up to € 5 million. The treasury division comprises the proprietary trading of the treasury and the business of investment banking, which is conducted only in some Group units. The participations and other division is concerned with the management of participations in addition to non-banking activities. Other cross-divisional activities are also involved, including some performed by parent company Raiffeisen International Bank-Holding AG.

Business division overview

1/1-31/3/2009 In € million	Corporate customers	Retail customers	Treasury	Participations and other	Total
Net interest income	275	428	10	54	767
Provisioning for impairment losses	(151)	(295)	(0)	1	(445)
Net interest income after provisioning	**124**	**133**	**10**	**54**	**321.9**
Net fee and commission income	99	192	(0)	3	294
Net trading income	0	0	47	(2)	46
Net income from derivatives	–	–	(5)	–	(5)
Net income from financial investments	(1)	–	(2)	0	(3)
General administrative expenses	(113)	(409)	(23)	(29)	(574)
Other net operating income	11	3	–	(10)	4
Net income from disposal of group assets	–	–	–	0	0
Profit before tax	**121**	**(80)**	**28**	**15**	**84**
Risk-weighted assets (credit risk)	30,098	17,828	6,240	3,903	58,068
Total own funds requirement	2,573	1,692	986	331	5,582
Average number of employees	9,881	49,223	1,586	2,190	62,880
Cost/income ratio	29.2 %	65.6 %	39.8 %	66.7 %	51.7 %
Average equity	3,249	1,958	696	383	6,287
Return on equity before tax	**14.9 %**	**(16.4) %**	**15.8 %**	**16.0 %**	**5.3 %**

1/1-31/3/2008 In € million	Corporate customers	Retail customers	Treasury	Participations and other	Total
Net interest income	252	404	65	(11)	711
Provisioning for impairment losses	(26)	(67)	(0)	(0)	(93)
Net interest income after provisioning	**226**	**338**	**65**	**(11.0)**	**618**
Net fee and commission income	116	212	2	1	331
Net trading income	2	1	36	(1)	38
Net income from derivatives	0	(9)	(28)	–	(37)
Net income from financial investments	(1)	–	(1)	1	(1)
General administrative expenses	(122)	(412)	(26)	(24)	(584)
Other net operating income	7	3	(0)	(4)	6
Net income from disposal of group assets	–	–	–	–	–
Profit before tax	**227**	**132**	**49**	**(39)**	**370**
Risk-weighted assets (credit risk)	30,154	15,241	6,011	4,219	55,625
Total own funds requirement	2,565	1,469	893	331	5,257
Average number of employees	9,163	46,902	1,446	1,924	59,435
Cost/income ratio	32.4 %	66.5 %	25.3 %	–	53.8 %
Average equity	3,292	2,052	717	511	6,572
Return on equity before tax	**27.6 %**	**25.8 %**	**27.2 %**	**–**	**22.5 %**

Corporate customers

The corporate customer division registered an earnings decline in the period under review. Profit before tax fell by 47 per cent to € 121 million.

Operating business continued to develop positively. Altogether, the division's operating income increased by 2 per cent from € 377 million to € 385 million. Net interest income rose by 9 per cent on the comparable period to € 275 million, while net fee and commission income fell by 15 per cent to € 99 million.

General administrative expenses decreased by 8 per cent to € 113 million, which caused the cost/income ratio to improve by 3 percentage points to 29.2 per cent. Other net operating income rose by 49 per cent to € 11 million, with the operating leasing business area contributing the most at € 5 million.

Provisions for impairment losses grew significantly to € 151 million. The increase is primarily due to allocations in Russia.

Credit risk-weighted assets came to € 30.1 billion, which means a slight decline of 0.2 per cent on the amount in the comparable period of 2008.

The return on equity before tax fell by 12.7 percentage points to 14.9 per cent due to the decline of earnings.

Retail customers

Profit before tax in the retail customer division turned negative versus the comparable period and amounted to minus € 80 million. In the previous year, a positive result of € 133 million was achieved.

Operating income from this division amounted to € 623 million and thus remained at the level of the comparable period. Net interest income rose by 6 per cent to € 428 million. Net fee and commission income declined by 10 per cent to € 192 million.

General administrative expenses fell slightly, by 1 per cent. The cost/income ratio improved by 1 percentage point to 65.6 per cent.

A marked increase of allocations to provisions for impairment losses to € 295 million, which was due to individual provisions formed in Ukraine, was responsible for the decline earnings.

Credit risk-weighted assets rose by 17 per cent year-on-year and amounted to € 17.8 billion at the end of the reporting period.

The return on equity before tax was negative because of the loss.

Treasury

The treasury division achieved profit before tax of € 28 million (minus 44 per cent). The result was achieved despite lower net interest income thanks to a 30 per cent improvement of net trading income and the reduction of general administrative expenses. Net income from derivatives amounted to minus 5 million.

A loss of € 2 million was made on financial investments and resulted from valuation losses on securities.

General administrative expenses developed positively, falling by 13 per cent year-on-year. Operating income developed negatively, declining by 45 per cent to € 57 million. The cost/income ratio therefore increased by 14.6 percentage points to 39.8 per cent.

Credit risk-weighted assets rose by 4 per cent to € 6.2 billion.

Because of the profit decline, the division's return on equity before tax decreased by 11.4 percentage points to 15.8 per cent.

Participations and other

Profit before tax in the participations and other division improved on the comparable period to € 15 million. The main reason that the result is strongly positive is that it contains the computational results from the investment of equity, which rose sharply in the reporting period due to the high level of interest rates in the CEE region.

Besides net income from participations and non-banking activities, the division also includes the costs of central Group management. Those remain in the division and are not distributed to the other divisions.

Consolidated financial statements

(Interim report as of 31 March 2009)

Income statement

In € million	Notes	1/1-31/3 2009	Change	1/1-31/3 2008
Interest income		1,546.0	14.7 %	1,347.5
Current income from associates		0.3	(36.4) %	0.5
Interest expenses		(779.2)	22.3 %	(636.9)
Net interest income	(2)	**767.1**	**7.9 %**	**711.1**
Provisioning for impairment losses	(3)	(445.2)	378.5 %	(93.0)
Net interest income after provisioning		**321.9**	**(47.9) %**	**618.1**
Fee and commission income		348.4	(9.7) %	386.0
Fee and commission expense		(54.7)	(0.9) %	(55.2)
Net fee and commission income	(4)	**293.7**	**(11.2) %**	**330.8**
Net trading income	(5)	45.6	21.3 %	37.5
Net income from derivatives	(6)	(4.9)	(86.7) %	(36.7)
Net income from financial investments	(7)	(2.9)	88.8 %	(1.5)
General administrative expenses	(8)	(573.6)	(1.9) %	(584.4)
Other net operating income	(9)	3.7	(35.7) %	5.8
Net income from disposal of group assets		0.1	–	–
Profit before tax		**83.6**	**(77.4) %**	**369.6**
Income taxes		(19.9)	(77.9) %	(90.2)
Profit after tax		**63.7**	**(77.2) %**	**279.4**
Minority interests in profit		(7.5)	(69.9) %	(24.9)
Consolidated profit		**56.2**	**(77.9) %**	**254.4**

In €	1/1-31/3 2009	Change	1/1-31/3 2008
Earnings per share	**0.37**	**(1.28)**	**1.65**

Earnings per share are obtained by dividing consolidated profit by the average number of common shares outstanding. As of 31 March 2009, the number of common shares outstanding was 153.6 million compared with 153.9 million as of 31 March 2008.

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

Profit development

Quarterly results

In € million	Q2/2008	Q3/2008	Q4/2008	Q1/2009
Net interest income	786.5	844.1	890.3	767.1
Provisioning for impairment losses	(108.3)	(164.2)	(414.8)	(445.2)
Net interest income after provisioning	**678.1**	**679.9**	**475.6**	**321.9**
Net fee and commission income	372.0	394.9	398.6	293.7
Net trading income	54.6	35.2	40.3	45.6
Net income from derivatives	44.1	(6.3)	(21.0)	(4.9)
Net income from financial investments	0.9	10.8	(35.8)	(2.9)
General administrative expenses	(665.5)	(689.7)	(693.5)	(573.6)
Other net operating income	(17.0)	(6.4)	1.8	3.7
Net income from disposal of group assets	5.8	(0.2)	2.2	0.1
Profit before tax	**473.1**	**418.3**	**168.1**	**83.6**
Income taxes	(106.0)	(99.3)	(55.3)	(19.9)
Profit after tax	**367.1**	**319.0**	**112.8**	**63.7**
Minority interests in profit	(55.8)	(23.2)	7.7	(7.5)
Consolidated profit	**311.3**	**295.8**	**120.5**	**56.2**

In € million	Q2/2007	Q3/2007	Q4/2007	Q1/2008
Net interest income	573.8	625.0	715.1	711.1
Provisioning for impairment losses	(77.3)	(88.8)	(114.9)	(93.0)
Net interest income after provisioning	**496.4**	**536.2**	**600.2**	**618.1**
Net fee and commission income	297.2	322.8	354.8	330.8
Net trading income	43.7	41.4	7.1	37.5
Net income from derivatives	6.8	(26.3)	(8.0)	(36.7)
Net income from financial investments	(8.0)	(2.9)	0.8	(1.5)
General administrative expenses	(526.2)	(535.0)	(646.3)	(584.4)
Other net operating income	3.9	(2.5)	(23.5)	5.8
Net income from disposal of group assets	0.2	13.1	(0.9)	–
Profit before tax	**314.1**	**346.8**	**284.2**	**369.6**
Income taxes	(67.9)	(87.2)	(47.4)	(90.2)
Profit after tax	**246.3**	**259.6**	**236.8**	**279.4**
Minority interests in profit	(37.4)	(35.3)	(21.3)	(24.9)
Consolidated profit	**208.8**	**224.3**	**215.6**	**254.4**

Balance sheet

Assets In € million	**Notes**	**31/3 2009**	**Change**	**31/12 2008**
Cash reserve		6,507	(8.7) %	7,130
Loans and advances to banks	(11,30)	7,012	(22.4) %	9,038
Loans and advances to customers	(12,30)	55,662	(3.9) %	57,902
Provisioning for impairment losses	(13)	(2,007)	22.3 %	(1,641)
Trading assets	(14,30)	3,505	(6.9) %	3,763
Derivatives	(15,30)	808	(6.6) %	865
Financial investments	(16,30)	5,280	2.8 %	5,137
Investments in associates	(30)	3	18.7 %	3
Intangible fixed assets	(17)	934	(1.9) %	952
Tangible fixed assets	(18)	1,241	(1.8) %	1,264
Other assets	(19,30)	938	(4.7) %	985
Total assets		**79,883**	**(6.5) %**	**85,397**

Equity and liabilities In € million	**Notes**	**31/3 2009**	**Change**	**31/12 2008**
Deposits from banks	(20,30)	24,965	(4.8) %	26,213
Deposits from customers	(21,30)	40,936	(7.4) %	44,206
Liabilities evidenced by paper	(22,30)	2,949	(13.1) %	3,393
Provisions for liabilities and charges	(23,30)	379	(13.2) %	437
Trading liabilities	(24,30)	1,161	(20.5) %	1,460
Derivatives	(25,30)	740	(11.0) %	832
Other liabilities	(26,30)	817	25.1 %	653
Subordinated capital	(27,30)	1,720	2.1 %	1,684
Equity	(28)	6,216	(4.6) %	6,518
Consolidated equity		5,263	14.1 %	4,613
Consolidated profit		56	(94.3) %	982
Minority interests		897	(2.8) %	923
Total equity and liabilities		**79,883**	**(6.5) %**	**85,397**

Statement of changes in equity

In € million	Subscribed capital	Capital reserves	Retained earnings	Consolidated profit	Minority interests	Total
Equity as of 1/1/2008	**469**	**2,588**	**1,929**	**841**	**795**	**6,622**
Capital increases	–	–	–	–	52	52
Transferred to retained earnings	–	–	841	(841)	–	–
Dividend payments	–	–	–	–	(4)	(4)
Comprehensive income	–	–	(102)	254	32	184
Own shares/share incentive program	(1)	(26)	–	–	–	(27)
Other changes	–	–	17	–	2	19
Equity as of 31/3/2008	**468**	**2,562**	**2,686**	**254**	**877**	**6,846**

In € million	Subscribed capital	Capital reserves	Retained earnings	Consolidated profit	Minority interests	Total
Equity as of 1/1/2009	**469**	**2,568**	**1,577**	**982**	**923**	**6,518**
Capital increases	–	–	982	(982)	–	–
Dividend payments	–	–	–	–	(2)	(2)
Comprehensive income	–	–	(338)	56	(24)	(306)
Own shares/share incentive program	–	(1)	–	–	–	(1)
Other changes	–	–	7	–	–	7
Equity as of 31/3/2009	**469**	**2,567**	**2,227**	**56**	**897**	**6,216**

Comprehensive income

	Group equity		Minority interests	
In € million	1/1-31/3 2009	1/1-31/3 2008	1/1-31/3 2009	1/1-31/3 2008
Consolidated profit	**56**	**254**	**8**	**25**
Exchange differences	(337)	(142)	(32)	6
Capital hedge	(1)	52	–	–
Cash flow hedge	(2)	(12)	–	1
Valuation result of available-for-sale financial assets	2	–	–	–
Comprehensive income	**(282)**	**152**	**(24)**	**32**

Cash flow statement

In € million	1/1-31/3 2009	1/1-31/3 2008
Cash and cash equivalents at the end of the previous period	**7,130**	**3,664**
Net cash from operating activities	(544)	(866)
Net cash from investing activities	304	(78)
Net cash from financing activities	33	41
Effect of exchange rate changes	(417)	(57)
Cash and cash equivalents at the end of period	**6,507**	**2,704**

Segment reporting

Raiffeisen International reports the following operating segments. The location of the respective business outlets served as the criteria for the segment assignment:

- **Central Europe**
  Czech Republic, Hungary, Poland, Slovakia, and Slovenia
- **Southeastern Europe**
  Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Romania, and Serbia
- **Russia**
- **CIS other**
  Belarus, Kazakhstan, and Ukraine

The reconciliation implies the amounts resulting from the elimination of intra-group results, the consolidation between segments and headquarters´ results. It also includes the refinancing of the participations in the holding company.

1/1-31/3/2009 In € million	Central Europe	Southeastern Europe	Russia	CIS other	Reconciliation	Total
Net interest income	231.4	217.4	209.4	125.5	(16.7)	767.1
Provisioning for impairment losses	(105.4)	(112.3)	(109.9)	(117.7)	–	(445.2)
Net interest income after provisioning	**126.1**	**105.2**	**99.5**	**7.8**	**(16.7)**	**321.9**
Net fee and commission income	99.6	99.6	50.5	43.3	0.7	293.7
Net trading income	32.1	23.5	(27.9)	23.3	(5.5)	45.6
Net income from derivatives	0.6	(2.6)	(3.6)	0.1	0.6	(4.9)
Net income from financial investments	(10.3)	2.1	1.6	3.7	0.0	(2.9)
General administrative expenses	(202.7)	(179.6)	(99.7)	(77.9)	(13.8)	(573.6)
of which staff expenses	(97.4)	(79.1)	(43.5)	(43.0)	(11.7)	(274.6)
of which other administrative expenses	(86.2)	(76.3)	(48.4)	(26.0)	(1.4)	(238.3)
of which depreciation	(19.1)	(24.2)	(7.8)	(9.0)	(0.7)	(60.7)
Other net operating income	0.9	7.6	(0.7)	0.8	(4.8)	3.7
Net income from disposal of group assets	0.1	–	–	–	–	0.1
Profit before tax	**46.3**	**55.8**	**19.9**	**1.1**	**(39.5)**	**83.6**
Income taxes	(10.9)	(10.3)	(6.3)	(0.3)	7.9	(19.9)
Profit after tax	**35.4**	**45.5**	**13.6**	**0.7**	**(31.5)**	**63.7**
Minority interests in profit	(12.5)	2.0	0.1	(4.0)	6.8	(7.5)
Consolidated profit	**23.0**	**47.5**	**13.7**	**(3.3)**	**(24.7)**	**56.2**
Share of profit before tax	37.6 %	45.3 %	16.2 %	0.9 %	–	100.0 %
Share of profit after tax	37.2 %	47.8 %	14.2 %	0.8 %	–	100.0 %
Risk-weighted assets (credit risk)[1]	22,322	18,410	10,003	7,500	(166)	58,068
Own funds requirement[1]	2,025	1,653	906	668	330	5,582
Total assets[1]	32,805	24,421	14,126	7,715	817	79,883
Liabilities[1]	30,523	21,726	12,676	6,724	2,018	73,667
Risk/earnings ratio	45.5 %	51.6%	52.5 %	93.8 %	–	58.0 %
Cost/income ratio	55.7 %	51.6%	43.1 %	40.4 %	–	51.7 %
Average equity	2,434	1,982	1,038	850	(17)	6,287
Return on equity before tax	**7.6 %**	**11.3 %**	**7.7 %**	**0.5 %**	**–**	**5.3 %**
Average number of staff	14,079	19,123	10,091	19,279	308	62,880
Business outlets[1]	584	1,200	236	1,188	–	3,208

[1] Reporting date values as of 31 March

1/1-31/3/2008 In € million	Central Europe	Southeastern Europe	Russia	CIS other	Reconciliation	Total
Net interest income	237.5	214.0	149.3	117.5	(7.3)	711.1
Provisioning for impairment losses	(41.3)	(28.0)	(16.4)	(7.2)	(0.1)	(93.0)
Net interest income after provisioning	**196.2**	**186.0**	**132.9**	**110.3**	**(7.4)**	**618.1**
Net fee and commission income	134.5	100.9	43.0	49.7	2.8	330.8
Net trading income	4.2	8.7	23.7	3.0	(2.0)	37.5
Net income from derivatives	(1.8)	(0.7)	(34.5)	–	0.2	(36.7)
Net income from financial investments	1.8	(3.3)	–	–	–	(1.5)
General administrative expenses	(215.0)	(171.3)	(92.6)	(90.8)	(14.8)	(584.4)
of which staff expenses	(107.3)	(77.0)	(48.9)	(49.8)	(11.2)	(294.1)
of which other administrative expenses	(86.9)	(74.3)	(37.9)	(31.5)	(3.0)	(233.6)
of which depreciation	(20.7)	(20.1)	(5.8)	(9.5)	(0.5)	(56.7)
Other net operating income	(3.6)	9.6	(2.0)	0.6	1.2	5.8
Profit before tax	**116.4**	**129.9**	**70.4**	**72.9**	**(20.0)**	**369.6**
Income taxes	(25.0)	(21.3)	(19.3)	(22.0)	(2.8)	(90.2)
Profit after tax	**91.4**	**108.7**	**51.1**	**50.9**	**(22.7)**	**279.4**
Minority interests in profit	(23.8)	(4.5)	(0.2)	(4.1)	7.6	(24.9)
Consolidated profit	**67.6**	**104.2**	**51.0**	**46.8**	**(15.1)**	**254.4**
Share of profit before tax	29.9 %	33.4 %	18.1 %	18.7 %	–	100.0 %
Share of profit after tax	30.2 %	36.0 %	16.9 %	16.8 %	–	100.0 %
Risk-weighted assets (credit risk)[1]	22,814	16,679	9,372	7,055	(296)	55,625
Own funds requirement[1]	2,080	1,488	861	634	194	5,257
Total assets[1]	30,320	23,119	13,714	7,310	2,009	76,472
Liabilities[1]	28,186	20,740	12,536	6,378	1,784	69,626
Risk/earnings ratio	17.4 %	13.1 %	11.0 %	6.2 %	–	13.1 %
Cost/income ratio	57.7 %	51.4 %	43.3 %	53.1 %	–	53.8 %
Average equity	2,717	2,054	1,169	812	(180)	6,572
Return on equity before tax	**17.1 %**	**25.3 %**	**24.1 %**	**35.9 %**	**–**	**22.5 %**
Average number of staff	13,043	17,129	9,232	19,780	251	59,435
Business outlets[1]	545	1,005	246	1,238	–	3,034

[1] Reporting date values as of 31 March

Notes

Accounting and measurement principles

The consolidated financial statements of Raiffeisen International are prepared in conformity 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 unaudited interim report as of 31 March 2009 is prepared in conformity with IAS 34. In the interim reporting, the same accounting and measurement principles and consolidation methods are applied as in the preparation of the consolidated financial statements of 2008.

Changes in consolidated group

	Fully consolidated		Equity method	
Number of units	31/3/2009	31/12/2008	31/3/2009	31/12/2008
As of beginning of period	131	121	1	3
Included for the first time in the financial period	3	19	–	–
Merged in the financial period	–	(7)	–	(2)
Excluded in the financial period	–	(2)	–	–
As of end of period	**134**	**131**	**1**	**1**

The following companies were firstly integrated in the consolidated financial statements:

Name	Share	Included as of	Fact
ACB Ponava, s.r.o., Prague (CZ)	34.5%	1/3	Materiality
Regional Card Processing Center s.r.o., Bratislava (SK)	63.0%	1/1	Foundation
Raiffeisen Leasing Kosovo LLC, Pristina (RS)	92.5%	1/1	Foundation

Notes to the income statement

(1) Income statement according to measurement categories

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

In € million	1/1-31/3 2009	1/1-31/3 2008
Net income from financial assets and liabilities held-for-trading	256.4	(159.5)
Net income from financial assets and liabilities at fair value through profit or loss	52.8	18.5
Net income from financial assets available-for-sale	0.3	0.7
Net income from loans and receivables	950.9	1,160.4
Net income from financial assets held-to-maturity	42.2	37.9
Net income from financial liabilities measured at amortized cost	(772.1)	(636.1)
Net income from derivatives (hedging)	2.9	34.6
Net revaluations from exchange differences	(173.7)	160.4
Other net operating income/expenses	(276.1)	(247.3)
Total profit before tax from continuing operations	**83.6**	**369.6**

(2) Net interest income

In € million	1/1-31/3 2009	1/1-31/3 2008
Interest income	**1,543.1**	**1,346.2**
from loans and advances to banks	76.7	130.0
from loans and advances to customers	1,245.4	1,048.1
from financial investments	98.0	58.7
from leasing claims	78.2	74.7
from derivative financial instruments (non-trading), net	44.9	34.7
Current income from shareholdings	**(0.1)**	**0.0**
Interest-like income	**3.0**	**1.3**
Interest and interest-like income, total	**1,546.0**	**1,347.5**
Current income from associates	**0.3**	**0.5**
Interest expenses	**(777.8)**	**(635.1)**
on deposits from banks	(279.2)	(244.2)
on deposits from customers	(443.4)	(336.1)
on liabilities evidenced by paper	(32.4)	(31.9)
on subordinated capital	(22.8)	(22.9)
Interest-like expenses	**(1.4)**	**(1.7)**
Interest and interest-like expenses, total	**(779.2)**	**(636.9)**
Net interest income	**767.1**	**711.1**

(3) Provisioning for impairment losses

In € million	1/1-31/3 2009	1/1-31/3 2008
Individual loan loss provisions	**(300.1)**	**(76.9)**
Allocation to provisions for impairment losses	(396.5)	(135.2)
Release of provisions for impairment losses	102.9	61.4
Direct write-downs	(11.6)	(7.3)
Income received on written-down claims	5.1	4.2
Portfolio-based loan loss provisions	**(145.1)**	**(16.2)**
Allocation to provisions for impairment losses	(199.6)	(73.9)
Release of provisions for impairment losses	54.5	57.7
Total	**(445.2)**	**(93.0)**

(4) Net fee and commission income

In € million	1/1-31/3 2009	1/1-31/3 2008
Payment transfer business	125.8	145.3
Loan administration and guarantee business	46.3	42.6
Securities business	6.1	11.1
Foreign currency and precious-metals business	92.0	100.5
Management of investment and pension funds	5.1	10.5
Agency services for own and third party products	6.0	3.9
Credit derivatives business	(0.6)	(0.2)
Other banking services	13.0	17.1
Total	**293.7**	**330.8**

(5) Net trading income

In € million	1/1-31/3 2009	1/1-31/3 2008
Interest-based transactions	36.0	(10.7)
Currency-based transactions	10.5	53.5
Equity-/index-based transactions	(1.0)	(5.4)
Other transactions	0.1	0.1
Total	**45.6**	**37.5**

(6) Net income from derivatives

In € million	1/1-31/3 2009	1/1-31/3 2008
Net income from hedge accounting	3.1	–
Net income from credit derivatives	0.3	0.1
Net income from other derivatives	(8.3)	(36.8)
Total	**(4.9)**	**(36.7)**

(7) Income from financial investments

In € million	1/1-31/3 2009	1/1-31/3 2008
Net income from financial investments held-to-maturity	**(1.5)**	**–**
Net proceeds from sales of financial investments held-to-maturity	(1.5)	–
Net income from equity participations	**–**	**0.7**
Net valuations from equity participations	–	0.7
Net income from securities at fair value through profit and loss	**(1.4)**	**(2.2)**
Net valuations of securities at fair value through profit and loss	(1.8)	(0.1)
Net proceeds from sales of securities at fair value through profit and loss	0.4	(2.1)
Total	**(2.9)**	**(1.5)**

(8) General administrative expenses

In € million	1/1-31/3 2009	1/1-31/3 2008
Staff expenses	(274.6)	(294.1)
Other administrative expenses	(238.3)	(233.6)
Depreciation on intangible and tangible fixed assets	(60.7)	(56.7)
Total	**(573.6)**	**(584.4)**

(9) Other operating profit

In € million	1/1-31/3 2009	1/1-31/3 2008
Sales revenues from non-banking activities	39.1	39.2
Expenses arising from non-banking activities	(39.2)	(36.7)
Net income from additional leasing services	1.0	(0.4)
Net income from real estate	0.7	0.8
Net income from operating lease	10.6	8.1
Net proceeds from disposal of tangible and intangible fixed assets	(0.4)	(0.1)
Other taxes	(12.5)	(12.1)
Income from release of negative goodwill	–	3.6
Net expense from allocation and release of other provisions	1.3	0.6
Sundry operating income	8.3	5.9
Sundry operating expenses	(5.2)	(3.1)
Total	**3.7**	**5.8**

Notes to the balance sheet

(10) Balance sheet according to measurement categories

The following table shows balance sheet according to IAS 39 measurement categories:

Assets according to measurement categories In € million	31/3 2009	31/12 2008
Trading assets	4,283	4,611
Financial assets at fair value through profit or loss	2,695	2,042
Financial assets available-for-sale	51	56
Loans and advances	68,079	73,373
Financial assets held-to-maturity	2,507	3,018
Derivatives (hedging)	29	17
Other assets	2,239	2,280
Total assets	**79,883**	**85,397**

Positive market values of derivatives not designated as hedging instrument according to IAS 39 hedge accounting are reported in the measurement category trading assets. The measurement category financial assets available-for-sale comprises only other equity participations. Loans and advances are reported net of any provisions for impairment losses. Other assets comprise intangible and tangible fixed assets, investments in associates and other affiliated companies.

Equity and liabilities according to measurement categories In € million	31/3 2009	31/12 2008
Trading liabilities	1,844	2,241
Liabilities at amortised cost	71,386	76,150
Derivatives (hedging)	57	51
Provisions for liabilities and charges	379	437
Equity	6,216	6,518
Total equity and liabilities	**79,883**	**85,397**

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

(11) Loans and advances to banks

In € million	31/3/2009	31/12/2008
Giro and clearing business	1,794	1,643
Money market business	3,668	4,348
Loans to banks	1,543	3,009
Purchased loans	2	2
Leasing claims	4	4
Claims evidenced by paper	1	32
Total	**7,012**	**9,038**

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

In € million	31/3/2009	31/12/2008
Central Europe	508	2,454
Southeastern Europe	996	1,043
Russia	475	535
CIS other	316	302
Austria	2,954	3,125
Other countries	1,763	1,580
Total	**7,012**	**9,038**

Loans and advances break down into the following bank segments:

In € million	31/3/2009	31/12/2008
Central banks	1,390	3,664
Commercial banks	5,607	5,355
Multilateral development banks (MDB)	15	19
Total	**7,012**	**9,038**

(12) Loans and advances to customers

In € million	31/3/2009	31/12/2008
Credit business	25,989	27,885
Money market business	8,039	8,033
Mortgage loans	17,434	17,249
Purchased loans	443	724
Leasing claims	3,754	4,009
Claims evidenced by paper	3	3
Total	**55,662**	**57,902**

Loans and advances to customers break down into business divisions according to Basel II definition as follows:

In € million	31/3/2009	31/12/2008
Sovereigns	1,173	1,104
Corporate customers – large	28,235	29,564
Corporate customers – small business	4,785	5,057
Retail customers – private individuals	18,755	19,268
Retail customers – small and medium-sized entities	2,676	2,868
Other	38	41
Total	**55,662**	**57,902**

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

In € million	31/3/2009	31/12/2008
Central Europe	23,767	24,621
Southeastern Europe	12,788	12,934
Russia	7,915	8,819
CIS other	6,633	6,602
Austria	22	24
Other countries	4,537	4,904
Total	**55,662**	**57,902**

(13) Impairment losses on loans and advances

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

In € million	31/3/2009	31/12/2008
Sovereigns	4	2
Banks	6	4
Corporate customers – large	787	686
Corporate customers – small business	209	166
Retail customers – private individuals	853	669
Retail customers – small and medium-sized entities	148	114
Total	**2,007**	**1,641**

The following table shows the geographic breakdown of provisioning (including provisions for contingent liabilities) by the entities' head office:

In € million	As of 1/1/2009	Change in consoled-ated group	Allocation[1]	Release	Usage[2]	Transfers, exchange differences	As of 31/3/2009
Individual loan loss provisions	**1,112**	**–**	**403**	**(103)**	**(19)**	**(37)**	**1,356**
Central Europe	450	–	138	(57)	(8)	(29)	494
Southeastern Europe	239	–	104	(26)	(8)	(3)	306
Russia	223	–	68	(18)	(1)	(18)	254
CIS other	200	–	93	(2)	(2)	13	302
Portfolio-based provisions	**599**	**–**	**199**	**(54)**	**–**	**(19)**	**725**
Central Europe	166	–	54	(30)	–	(8)	182
Southeastern Europe	148	–	43	(8)	–	(4)	179
Russia	150	–	64	(5)	–	(13)	196
CIS other	135	–	38	(11)	–	6	168
Total	**1,711**	**–**	**602**	**(157)**	**(19)**	**(56)**	**2,081**

[1] Allocation includes direct write-downs and income on written down claims.

[2] Usage includes direct write-downs and income on written down claims.

The following table gives an overview of the loans and advances as well as loan loss provisions according to Basel II asset classes:

31/3/2009 In € million	Total gross carrying amount	Individual loan loss provisions	Portfolio-based provisions	Total net carrying amount	Individually impaired assets	Fair value
Banks	7,012	6	–	7,006	23	7,006
Sovereigns	1,173	4	–	1,169	10	1,150
Corporate customers – large	28,235	585	202	27,448	1,805	27,842
Corporate customers – small business	4,785	163	46	4,576	432	4,655
Retail customers – private individuals	18,755	455	398	17,902	882	18,417
Retail customers – small and medium-sized entities	2,676	96	52	2,528	208	2,596
Other	38	–	–	38	–	38
Total	**62,674**	**1,309**	**698**	**60,667**	**3,360**	**61,704**

31/12/2008 In € million	Total gross carrying amount	Individual loan loss provisions	Portfolio-based provisions	Total net carrying amount	Individually impaired assets	Fair value
Banks	9,038	4	–	9,034	16	10,308
Sovereigns	1,104	2	–	1,102	6	1,087
Corporate customers – large	29,564	507	179	28,879	1,428	29,111
Corporate customers – small business	5,057	118	48	4,890	304	4,950
Retail customers – private individuals	19,268	368	301	18,599	501	18,880
Retail customers – small and medium-sized entities	2,868	75	39	2,754	129	2,841
Other	41	–	–	41	–	41
Total	**66,940**	**1,074**	**567**	**65,299**	**2,384**	**67,218**

(14) Trading assets

In € million	31/3/2009	31/12/2008
Bonds, notes and other fixed-interest securities	2,049	2,231
Shares and other variable-yield securities	26	37
Positive fair values of derivative financial instruments	1,430	1,495
Total	**3,505**	**3,763**

(15) Derivatives

In € million	31/3/2009	31/12/2008
Positive fair values of derivatives in fair value hedges (IAS 39)	29	17
Positive fair values of credit derivatives	4	5
Positive fair values of other derivatives	775	843
Total	**808**	**865**

(16) Financial investments

In € million	31/3/2009	31/12/2008
Bonds, notes and other fixed-interest securities	5,110	4,952
Shares and other variable-yield securities	58	67
Equity participations	112	118
Total	**5,280**	**5,137**

(17) Intangible fixed assets

In € million	31/3/2009	31/12/2008
Goodwill	599	610
Software	206	217
Other intangible fixed assets	129	125
Total	**934**	**952**

(18) Tangible fixed assets

In € million	31/3/2009	31/12/2008
Land and buildings used by the Group for own purposes	487	496
Other land and buildings (investment property)	10	11
Office furniture and equipment as well as other tangible fixed assets	516	532
Leased assets (operating lease)	228	225
Total	**1,241**	**1,264**

(19) Other assets

In € million	31/3/2009	31/12/2008
Tax assets	162	156
Receivables arising from non-banking activities	66	40
Prepayments and other deferrals	229	253
Clearing claims from securities and payment transfer business	150	163
Lease in progress	116	141
Assets held for sale (IFRS 5)	4	4
Inventories	52	78
Any other business	159	150
Total	**938**	**985**

(20) Deposits from banks

In € million	31/3/2009	31/12/2008
Giro and clearing business	893	741
Money market business	5,509	5,960
Long-term loans	18,563	19,512
Total	**24,965**	**26,213**

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

In € million	31/3/2009	31/12/2008
Central Europe	1,663	1,609
Southeastern Europe	967	556
Russia	1,024	1,333
CIS other	120	180
Austria	14,910	15,144
Other countries	6,281	7,390
Total	**24,965**	**26,213**

The deposits break down into the following bank segments:

In € million	31/3/2009	31/12/2008
Central banks	1,444	1,330
Commercial banks	22,952	24,328
Multilateral development banks (MDB)	569	555
Total	**24,965**	**26,213**

(21) Deposits from customers

In € million	31/3/2009	31/12/2008
Sight deposits	15,165	16,243
Time deposits	24,804	27,011
Savings deposits	967	952
Total	**40,936**	**44,206**

Deposits break down as follows according to Basel II definition:

In € million	31/3/2009	31/12/2008
Sovereigns	1,676	2,238
Corporate customers – large	13,084	15,343
Corporate customers – small business	2,542	3,084
Retail customers – private individuals	20,184	20,327
Retail customers – small and medium-sized entities	2,978	2,908
Others	472	304
Total	**40,936**	**44,206**

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

In € million	31/3/2009	31/12/2008
Central Europe	18,704	20,432
Southeastern Europe	11,862	13,143
Russia	5,247	5,834
CIS other	2,879	2,985
Austria	278	259
Other countries	1,966	1,552
Total	**40,936**	**44,206**

(22) Liabilities evidenced by paper

In € million	31/3/2009	31/12/2008
Bonds and notes issued	2,351	2,630
Money market instruments issued	14	8
Other liabilities evidenced by paper	584	755
Total	**2,949**	**3,393**

(23) Provisions for liabilities and charges

In € million	31/3/2009	31/12/2008
Taxes	63	108
Contingent liabilities and commitments	74	69
Pending legal issues	39	41
Overdue vacation	33	32
Bonus payments	118	138
Others	52	47
Total	**379**	**437**

(24) Trading liabilities

In € million	31/3/2009	31/12/2008
Negative fair values of derivative financial instruments	1,160	1,449
Call/time deposits for trading purposes	1	11
Total	**1,161**	**1,460**

(25) Derivatives

In € million	31/3/2009	31/12/2008
Negative fair values of derivatives in fair value hedges (IAS 39)	5	1
Negative fair values of derivatives in cash flow hedges (IAS 39)	52	50
Negative fair value of credit derivatives	–	2
Negative fair values of other derivatives	683	779
Total	**740**	**832**

(26) Other liabilities

In € million	31/3/2009	31/12/2008
Liabilities arising from non-banking business	62	67
Accruals and deferred items	123	175
Liabilities arising from dividends	1	8
Clearing claims from securities and payment transfer business	372	195
Any other business	259	207
Total	**817**	**653**

(27) Subordinated capital

In € million	31/3/2009	31/12/2008
Hybrid tier 1 capital	510	503
Subordinated liabilities	896	1,089
Supplementary capital	314	92
Total	**1,720**	**1,684**

(28) Equity and minorities

In € million	31/3/2009	31/12/2008
Consolidated equity	5,263	4,613
Subscribed capital	469	469
Capital reserves	2,567	2,568
Retained earnings	2,227	1,577
Consolidated profit	56	982
Minority interests	897	923
Total	**6,216**	**6,518**

Additional notes

(29) Contingent liabilities and commitments

In € million	31/3/2009	31/12/2008
Contingent liabilities	4,642	5,052
Commitments (irrevocable credit lines)	5,386	6,343

Moreover, revocable credit lines were granted to an amount of € 6,213 million (2007: € 6,847 million) which currently bear no credit risk.

(30) Related parties

Transactions with related parties who are natural persons are limited to banking business transactions which are carried out at fair market conditions. Moreover, members of the Managing Board hold shares of Raiffeisen International Bank-Holding AG. This information is published on the homepage of Raiffeisen International. Further business transactions, especially large banking business transactions with related parties who are natural persons were not concluded in the reporting period.

Transactions with related companies, especially relations to the parent company Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna, as majority shareholder are shown in the tables below:

31/3/2009 In € million	Parent companies	Affiliated companies	Companies valued at equity	Other interests
Loans and advances to banks	2,371	6	–	43
Loans and advances to customers	–	138	14	22
Trading assets	219	–	–	5
Financial investments	4	61	–	51
Investments in associates	–	–	3	–
Other assets including derivatives	327	1	–	–
Deposits from banks	13,575	1,902	–	121
Deposits from customers	2	40	3	7
Liabilities evidenced by paper	23	–	–	–
Provisions for liabilities and charges	10	–	–	–
Trading liabilities	223	–	–	1
Other liabilities including derivatives	238	1	–	2
Subordinated capital	867	596	–	–
Guarantees given	235	–	–	–
Guarantees received	262	–	–	1

31/12/2008 *In € million*	**Parent companies**	**Affiliated companies**	**Companies valued at equity**	**Other interests**
Loans and advances to banks	*2,690*	*1*	*–*	*50*
Loans and advances to customers	*–*	*126*	*13*	*38*
Trading assets	*204*	*–*	*9*	*–*
Financial investments	*5*	*62*	*–*	*51*
Investments in associates	*–*	*–*	*3*	*–*
Other assets including derivatives	*298*	*1*	*–*	*–*
Deposits from banks	*13,961*	*1,934*	*83*	*119*
Deposits from customers	*6*	*38*	*2*	*9*
Liabilities evidenced by paper	*25*	*–*	*–*	*–*
Provisions for liabilities and charges	*6*	*–*	*–*	*–*
Trading liabilities	*282*	*–*	*–*	*–*
Other liabilities including derivatives	*277*	*1*	*–*	*3*
Subordinated capital	*844*	*591*	*–*	*–*
Guarantees given	*250*	*6*	*–*	*–*
Guarantees received	*327*	*–*	*–*	*1*

(31) Regulatory own funds

As a subsidiary of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Raiffeisen International Bank-Holding AG does not have its own Group of credit institutions as defined by the Austrian Banking Act (BWG). Therefore, it is not itself subject to the relevant regulatory requirements. However, the following figures are accounted for within the scope of RZB Group of credit institutions. They are provided here for information purposes only.

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

In € million	31/3/2009	31/12/2008
Paid-in capital	3,036	3,037
Earned capital[1]	1,122	1,546
Minority interests[1]	936	1,005
Hybrid tier 1 capital	500	500
Intangible fixed assets	(213)	(228)
Core capital (tier 1 capital)	**5,381**	**5,860**
Deductions from the core capital	(13)	(14)
Eligible core capital (after deductions)	**5,367**	**5,846**
Additional own funds according to Section 23 (1) 5 BWG	91	91
Provision excess of internal rating approach positions	57	58
Long-term subordinated own funds	**1,016**	**897**
Additional own funds (tier 2 capital)	**1,164**	**1,046**
Deductions from the additional own funds	(13)	(14)
Eligible additional own funds (after deductions)	**1,151**	**1,032**
Tier 2 capital available to be redesignated as tier 3 capital	90	112
Total own funds	**6,608**	**6,992**
Total own funds requirement	**5,582**	**5,767**
Excess own funds	1,027	1,225
Excess cover ratio	18.4 %	21.2 %
Core capital ratio (tier 1), credit risk	9.2 %	9.7 %
Core capital ratio (tier 1), incl. market and operational risk	7.7 %	8.1 %
Own funds ratio	9.5 %	9.7 %

[1] At the end of the year 2008 an amount of € 255 million was incorrectly allocated to Minority interests instead of to Earned capital. This has been corrected in the meantime.

The total own funds requirement is as follows:

In € million	31/3/2009	31/12/2008
Risk-weighted assets according to Section 22 BWG	58,068	60,388
of which 8 per cent minimum own funds for the credit risk according to Sections §§ 22a to 22h BWG	4,646	4,831
Standardized approach	3,845	4,053
Internal rating approach	801	778
Own funds requirement for position risk in bonds, equities and commodities	106	152
Own funds requirement for open currency positions	356	343
Own funds requirement for the operational risk	474	440
Total own funds requirement	**5,582**	**5,767**

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

In € million	31/3/2009	31/12/2008
Risk-weighted assets according to Section 22 BWG on standardized approach	**48,057**	**50,665**
Central governments and central banks	3,885	3,927
Regional governments	484	498
Public administration and non-profit organizations	50	53
Multilateral development banks (MDB)	28	28
Banks	1,686	1,824
Corporates	26,315	28,438
Retail (including small and medium-sized entities)	13,372	13,586
Investment funds	41	69
Securitization position	4	–
Other positions	2,193	2,241
Risk-weighted assets according to Section 22 BWG on internal rating approach	**10,011**	**9,723**
Banks	478	384
Corporates	9,452	9,334
Equity exposures	81	4
Total	**58,068**	**60,388**

(32) 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 2009	1/1-31/3 2008
Central Europe	14,079	13,043
Southeastern Europe	19,123	17,129
Russia	10,091	9,232
CIS other	19,279	19,780
Austria	308	251
Total	**62,880**	**59,435**

Financial calendar for 2009

14 May 2009	*Q1 report, conference call*
9 June 2009	*Annual General Meeting*
17 June 2009	*Ex dividend date and dividend payment day*
30 July 2009	*Start of the quiet period*
13 August 2009	*Semi-Annual report, conference call*
29 October 2009	*Start of the quiet period*
12 November 2009	*Q3 report, conference call*

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