QUANTITATIVE DISCLOSURE OF RZB CREDIT-INSTITUTION GROUP 2012.

Quantitative Disclosure of Raiffeisen Zentralbank Österreich Aktiengesellschaft pursuant to Article 26 Austrian Banking Act (BWG) in accordance with Disclosure regulation (OffV) as of 31/12/2012

RZB Group

Introduction

With this document, *Raiffeisen Zentralbank Österreich Aktiengesellschaft* (Raiffeisen Zentralbank) fulfils one part of its disclosure requirements pursuant to Article 26 Austrian BWG (Austrian Banking Act) in connection with the Disclosure Regulation (Offenlegungsverordnung, OffV)

In this document disclosure requirements regarding Articles 3, 4, 5, 6, 7, 9, 10, 12, 13, 14, 15a and quantitative requirements regarding Articles 8, 15, 16 and und 17 OffV have been presented. Qualitative disclosure requirements regarding Article 2, 8, 15, 16 and 17 are reported in the document "*Qualitative disclosure of RZB Credit Institution Group*". This document can be viewed at or downloadet from Raiffeisen Zentralbank's homepage (www.rzb.at).

The information is based on the valid regulations for the RZB Credit Institution Group on a consolidated basis at the time of publishing this document. Where not separately stated the information is simultaneously valid for the credit institution group of *Raiffeisen-Landesbanken-Holding GmbH* (RLBHOLD), Vienna, as requested in Article 26a (2) BWG (Austrian Banking Act). This financial holding is the ultimate parent of RZB.

Raiffeisen-Landesbanken-Holding GmbH, owned indirectly by the eight Austrian Regional Raiffeisen Banks holds via *R-Landesbanken Beteiligung GmbH* (RLBBET), Vienna.

© 2013 Quantitative Offenlegung der RZB Kreditinstitutsgruppe 2012 Version 1.1

Raiffeisen Zentralbank Österreich AG

Registered office (also mailing address): Am Stadtpark 9, A-1030 Vienna, Austria
Telephone No.: +43-1-26 216-0; Fax: + 43-1-26 216-1715

Editorial Deadline

July 01, 2013

Editor

RBI Group Financial Reporting Wolfgang Kettner ☎ 2468 and Tobias Lamatsch ☎ 2267. If arise questions, please contact Christof Tatarek ☎ 3221.

Support by RBI Credit Risk Control, RZB Risk Controlling, RBI Capital Markets Support, RBI Market Risk Management and RBI Credit & Limit Control

Supervisory Authorities

As a credit institution, Raiffeisen Zentralbank Österreich AG is subject to supervision by the Austrian Federal Ministry of Finance, the Austrian National Bank (OeNB) and the Austrian Financial Market Authority (FMA) and must comply with pertinent legal regulations, in particular the Austrian Banking Act (BWG) and the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz, WAG).

Contents

Definitions

In this document the following definitions have been used:

- Basel II Approach:
    1. Standardised Approach (STA) according to Article 22a BWG
    2. Internal Rating Based Approach (IRB) according to Article 22b BWG:
        a. Equity: PD/LGD Approach according to Article 77 (4) SolvReg; Grandfathering according to Article 103e (11) BWG
        b. Investments in Collective investment undertakings: Simple risk weight approach according to Article 77 (3) SolvReg
        c. Specialised Lending: Supervisory Slotting Approach according to Article 74 (3) SolvReg

- Exposure:

  Exposures are shown gross and defined as in Article 65 SolvReg the effects from CCF are not considered as well as provisions are not deducted from the exposure.

- Exposure classes:

  Exposure classes according to the Standardised Approach as defined in Article 22a (4) N 2 BWG

    1. Claims or contingent claims on central governments and central banks
    2. Claims or contingent claims on regional governments or local authorities
    3. Claims or contingent claims on administrative bodies and non-commercial undertakings
    4. Claims or contingent claims on multilateral development banks
    5. Claims or contingent claims on international organisations
    6. Claims or contingent claims on institutions
    7. Claims or contingent claims on corporates
    8. Retail claims or contingent retail claims
    9. Claims or contingent claims secured on real estate property
    10. Past due items
    11. Items belonging to regulatory high-risk categories
    12. Claims in form of covered bonds
    13. Short-term claims on institutions and corporates
    14. Claims in the form of collective investment undertakings (CIU)
    15. Other items
    16. Securitisation positions

  Exposure classes according to the Basic-IRB Approach as defined in Article 22b (2) N 3 BWG:

    1. Claims or contingent claims on central governments and central banks
    2. Claims or contingent claims on institutions
    3. Claims or contingent claims on corporates
    4. Retail - claims
    5. Equity claims
    6. Securitisation positions

- Credit risk disclosure
  Disclosed information according to Article 7 OffV refers to total credit risk as defined for accounting purposes and according to the IFRS regulation:
  1. Basis of consolidation: Generally the disclosed information is based on a consolidated view of the RZB Credit institution group. For statements based on the consolidated financial statements, the consolidated view is based on the IFRS group.
  2. Exposure definition: Regarding credit risk only those exposures (on balance and off-balance sheet items) have been considered which contain a payment obligation agreed by contract (IAS 39, IFRS 7). Disclosure on the credit risk includes on and off balance sheet items except equity capital positions, investment funds and exposures without counterparty.
  3. Exposure: In general the exposure is shown on a gross basis before deduction of the provisions; for securities the exposure is based on the value referring to the measurement categories (e.g. amortized cost, fair value). The breakdown of the exposure amounts will be made for the following material exposure classes:
     - Sovereigns
     - Financial institutions
     - Corporate customers
     - Retail customers

In contrast to Article 7 all other disclosures regarding credit risk regulated in Article 6, 8, 9, 15, 16 and 17 OffV are shown from a risk perspective and not from an accounting point of view.

Disclosures Regarding the Scope of Application

Article 3 OffV Differences in the consolidated group for accounting and regulatory purposes

The consolidated group is defined by all companies integrated in the consolidated financial statements. Due to different regulations the following two consolidated groups are distinguished:

- Consolidated group for accounting purposes (IFRS – IAS 27)
- Consolidated group for regulatory purposes - Article 30 BWG

Consolidated group for accounting purposes

The International Financial Reporting Standards (IFRS) published by the International *Accounting Standards Board (IASB*) are the basis for the definition of the consolidated group. The relevant standards for the consolidation are IAS 27 (in accordance with SIC-12), 28 and IFRS 3.

According to IAS 27 the group consolidates all material subsidiaries, in which Raiffeisen-Landesbanken-Holding GmbH directly or indirectly holds either more than 50 per cent of the voting rights or otherwise has control over the financial and operating policies. On principle, these subsidiaries are firstly integrated on the date when the Group obtains control of the company and are excluded when the group no longer has control of the company. Special purpose vehicles founded for securitisation transactions which are – from an economic point of view – controlled by the Group, are integrated according to SIC 12.

Material interests in associated companies – the Group exerts a significant influence on financial and operating policies of these companies – are valued at equity and reported under *investments in associates*. Profit or losses occurring in companies valued at equity are shown net in current income from associates. The same rules apply to companies valued at equity (offsetting acquisition costs against proportional fair net asset value) as apply to fully consolidated companies. On principle, IFRS financial statements of associated companies are used. Changes in equity of companies valued at equity are also treated in the consolidated accounts as changes in equity.

Shareholdings in subsidiaries not included in the consolidated financial statements because of their minor significance and shareholdings in companies which have not been valued at equity are shown under *financial investments* and are measured at amortized cost.

A list of fully consolidated companies and companies not included in the consolidated financial statement due to minor significance may be found on pages 195 – 197 in the "RZB Geschäftsbericht 2011" (in German).

The number of fully consolidated companies and companies valued at equity changed as follows:

	Fully consolidated		Equity method	
Number of units	**2012**	**2011**	**2012**	**2011**
As of 1/1	339	336	14	14
Included for the first time in the financial period	20	17	0	0
Merged in the financial period	(3)	0	0	0
Excluded in the financial period	(13)	(14)	0	0
As of 31/12	**343**	**339**	**14**	**14**

Of the 343 Group units (2011:339), 175 are headquartered in Austria (2011: 172) and 168 are headquartered abroad (2011: 167). The companies comprise 23 banks, 187 financial institutions, 23 providers of related services, 18 financial holding companies (2011:15) and 88 other companies (2011: 91). Due to the insignificance for the assets, financial situation and earnings, 325 subsidiaries (2011: 337) were omitted from the consolidation. These are recognized at cost as shares in affiliated companies under securities and equity participations. Total assets of unconsolidated companies account for less than 1 per cent of the Group's total assets.

A list of fully consolidated companies, companies valued at equity and other equity participations may be found on page .

Consolidated group according to regulatory requirements

The number of companies of the RZB Credit Institution Group amounts to 348 units as of end of December 2012 (2011:341).

Number of units	Fully consolidated	Proportionally consolidated	Equity method
As of 1/1	343	1	7
Included for the first time in the financial period	17	0	0
Merged in the financial period	(2)	0	0
Excluded in the financial period	(10)	0	0
Reclassified	0	0	0
As of 31/12	**348**	**1**	**7**

The basis for the regulatory consolidation is the Austrian Banking Act (BWG).

Different to the consolidated group for accounting purposes, only companies which are specialised on bank and other financial businesses, have to be considered. This means affiliated companies with non bank business do not have to be included in the regulatory consolidated group.

Moreover insurance companies will not be considered in the consolidated group for regulatory purposes. Participations and instruments related to such participations held in insurance undertakings, reinsurance undertakings and insurance holding companies, will be deducted from the own funds.

The range of members of the Credit institution group is regulated in Article 30 BWG. Credit institution group exists when a superordinated institution (credit institution or financial holding company) incorporated in Austria, in relation to one or more lower-order institutions (credit institutions, financial institutions, investment firms or companies providing banking support services) incorporated in Austria or abroad:

- directly or indirectly holds a majority ownership interest,
- holds a majority of the voting rights in the company,
- has the right to appoint or dismiss a majority of the members of the administrative, management or supervisory body;
- has the right to exercise a controlling influence;
- actually exercises a controlling influence;
- on the basis of a contract with one or more members, has the right to make decisions as to how members' voting rights are to be exercised in the appointment or dismissal of the majority of members of the management or supervisory body where necessary in order to attain a majority of all votes; or
- directly or indirectly holds at least 20% of the voting rights or capital in the subordinate institution and this participation is managed by a group undertaking jointly with one or more undertakings which do not belong to the group of credit institutions.

Full consolidation

According to the regulatory consolidated group all affiliated companies of the RZB credit institution group, only companies which fulfil the above mentioned requirements, will be fully consolidated.

According to Article 24 BWG the superordinated company has to fully consolidate the basis of valuation for the credit risk as regulated in Article 22 (2) BWG, the positions in the trading book in accordance with Article 24a BWG, the open foreign exchange positions and gold positions pursuant to Article 24b BWG and the own funds of the group of credit institutions as regulated in Article 23 BWG.

Development	As of 1/1/2012	Allocation	Disposal	Mergers	Reclassified	As of 31/12/2012
Credit institutions domestic	6	0	0	0	0	6
Credit institutions foreign	19	1	0	(1)	0	19
Credit institutions total	**25**	**1**	**0**	**(1)**	**0**	**25**
Financial institutions domestic	107	1	(1)	0	0	107
Financial institutions foreign	152	3	(4)	(1)	0	150
Financial institutions total	**259**	**4**	**(5)**	**(1)**	**0**	**257**
Other domestic	18	12	(5)	0	0	25
Other foreign	39	0	0	0	0	39
Other total	**57**	**12**	**(5)**	**0**	**0**	**64**
Total	341	17	(10)	(2)	0	346

For the regulatory consolidated group Article 24 (3a) BWG is applied. Each unit not exceeding the balance sheet total of € 10 million and not fully consolidated in the RZB Group is not considered. This applies for 49 units of minor importance, thereof 40 financial institutions, 8 companies rendering bank-related ancillary services and 1 financial holding.

Proportional consolidation

If the superordinate credit institution holds directly or indirectly at least 20 % of the voting rights or capital in the subordinate institution and this participation is managed by a group of undertakings jointly with one or more which do not belong to the group of credit institutions, proportional consolidation according to Article 30 (1) N 7 BWG is applied.

Polbank EGF S.A was bougth in second quarter 2012 and merged in December 2012 with Raiffeisenbank Poland S.A.

Equity method

According to Article 24 (3) N 2 BWG, participations in credit institutions, financial institutions and companies rendering bank-related ancillary services, as long as they do not belong to the group of credit institutions or are not voluntarily included in proportional consolidation according to Article 24 (4) BWG, are consolidated by using the equity method.

Differences arising from the off-setting of the carrying amount and the proportional net assets are calculated in a separate tool. The equity capital comes from the last audited individual statement or consolidated financial statement available. The carrying amount is adapted monthly and the changes in the carrying amount resulting from capital increases are also considered in the equity capital. The share in the company is the group's share and not the computed effective share of Raiffeisen Zentralbank. The following companies are consolidated at equity:

Units	Share	Company type*
Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H., Wien	31.3%	KI
Oesterreichische Kontrollbank AG, Wien,	8.1%	KI
Raiffeisen Bausparkasse GmbH, Wien	37.0%	KI
Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Wien	50.0%	KI
card complete Service Bank AG, Wien	25.0%	KI
Raiffeisen Wohnbaubank AG, Wien	25.0%	KI
Raiffeisen Banca pentru Locuinte S.A., Bukarest (RO)	26.3%	KI

*Companycategory: Credit Institutes; Financial Instituts; Bondtrader; Other services

Companies deducted from the own funds

According to Article 23 BWG participations in some companies have to be deducted from the own funds. This regulation is relevant for:

- directly and indirectly held equity shares, subordinated claims, participation capital, supplementary capital or other forms of capital owned by RZB credit institution group in other credit or financial institutions in which Raiffeisen Zentralbank directly or indirectly holds more than 10% of capital;
- participation or instruments related to such participations pursuant to Article 73b VAG (Insurance Supervisory Act) held by a credit institution in insurance undertakings, reinsurance undertakings and insurance holding companies.

Participations in 15 credit institutions, 104 financial institutions and 3 insurance companies are deducted from the own funds.

Impediments for the transfer of funds

In the RZB Credit Institution Group there are currently no known impediments of a substantial, practical or legal nature to the prompt transfer of own funds or the repayment of liabilities among the parent undertaking and its subsidiaries.

In some countries in which RZB Credit Instituion Group is operating, the payment of dividends is subject to certain restrictions. Such restrictions are for example due to the applicable minimum capital requirements or liquidity requirements or due to requirements from local regulators.

Aggregate amount by which actual funds are less than the required minimum in all subsidiaries not included in the consolidation

There are no such capital deficiences for subsidiaries not included in the consolidation but deducted from the own funds.

Own funds

Article 4 OffV Structure of own funds

The own funds of the RLBHOLD credit institution group according to Article 23 respectively Article 24 BWG break down as of 31 December 2012 as follows:

€000	2012	2011
Paid-in capital according to Article 23 (3) BWG	2,507,906	2,507,906
Earned capital	1,319,145	1,809,516
Minority interests	6,522,159	5,368,408
Hybrid tier(1)-capital	441,252	800,000
(-) Intangible fixed assets	(754,752)	(507,058)
Core capital (tier(1)-capital)	**10,035,710**	**9,978,773**
Deductions from the core capital	(67,092)	(61,652)
Eligible core capital (after deductions)	**9,968,619**	**9,917,121**
Additional own funds according to Article 23 (1) N 5 BWG	35,565	598,742
Provision excess of internal rating approach positions	228,178	233,748
Hidden reserve	0	0
Long-term subordinated own funds according to Article 23 (8) BWG	3,030,221	2,485,571
Additional own funds (tier(2)-capital)	**3,293,964**	**3,318,061**
Deduction items: participations, securitizations	(67,092)	(61,652)
Eligible additional own funds (after deductions)	**3,226,873**	**3,256,410**
Deduction items: insurances	(800,679)	(529,776)
Tier(2)-capital available to be re-designated as tier(3)-capital (tier(3)-capital)	302,070	100,079
Short term subordinated capital (Tier 3)	302,070	100,079
Total own funds	**12,696,882**	**12,743,834**
Total own funds requirement	6,967,489	7,985,248
Excess own funds	5,729,393	4,758,585
Excess cover ratio	82.2%	59.6%
Core capital ratio (tier(1)), credit risk	13.8%	12.2%
Core capital ratio (tier(1)), including market and operational risk	11.4%	9.9%
Own funds ratio	14.6%	12.8%

Deduction items from Tier 1 and Tier 2-Capital	2012	2011
€000		
(-) Intangible fixed assets	754,752	507,058
(-) Holdings in other credit and financial institutions amounting to more than 10% of their capital	114,306	94,503
(-) Subordinated claims and other items in other credit and financial institutions in which holdings exceed 10% of their capital	3,157	3,182
(-) Excess on limit for holdings, subordinated claims and other items in credit and financial institutions in which holdings are up to 10% of their capital	0	0
(-) Participations hold in insurance undertakings, reinsurance undertakings and insurance holding companies	0	0
(-) Other instruments hold in respect of insurance undertakings, reinsurance undertakings and insurance holding companies in which a participation is maintained	0	0
(-) Country specific deduction items from core capital and additional own funds	0	0
(-) Certain securitisation exposures not included in risk-weighted assets	16,720	25,618
(-) IRB Provision shortfall and IRB equity expected loss amounts	0	0
(-) Participations hold in insurance undertakings, reinsurance undertakings and insurance holding companies pursuant to Art. 103e no. 13 ABA	800,679	529,776
(-) Other instruments hold in respect of insurance undertakings, reinsurance undertakings and insurance holding companies in which a participation is maintained pursuant to Art. 103e no. 13 ABA	0	0
Total	**1,689,614**	**1,160,137**

Summary of the main features of all own funds items

Core capital (Tier -1-capital)

Paid-in capital

Paid-in capital comprises subscribed capital and capital reserves of Raiffeisen Zentralbank. The subscribed capital and disclosed reserves are available till corporation length. This also applies to minority interests in the subordinated company.

Regarding changes in equity in the reporting period please refer to table „Statement of changes in equity" in the consolidated financial statements ("RZB Geschäftsbericht 2012", page 78).

Earned capital

Earned capital includes retained earnings and consolidated profit after deduction of the proposed dividend for the financial year. Hybrid tier-1-capital

The hybrid capital breaks down as follows:

Issuer €000	Title	Amount	ISIN	Interest rate
RBI AG Fällig 18.05.2021	EUR 500,000,000 6.625 per cent. / Subordinated Notes due 2021 (Nachrangkapital)	500,000	XS0619437147	6.6%
RBI AG Fällig 05.03.2019	Subordinated Capital fixed to floating rate callable / Series 54 (Nachrangkapital)	500,000	XS0289338609	4.5%

Additional own funds (Tier -2 -capital)

Additional own funds

The supplementary capital has to fulfil the requirements stated in Article 23 (7) BWG. According to Article 23 (7) BWG, interest on supplementary capital may be paid out insofar as it is covered by a sufficient profit for the year and in case of bankruptcy supplementary capital is repaid only after all other debts outstanding at that time have been settled. The supplementary capital available is totally issued in euro.

Eligible own funds regarding supplementary capital is stated in Article 23 (14) BWG.

Subordinated capital

The subordinated capital has to fulfil the requirements stated in Article 23 (8) BWG. Subordinated capital, documented or undocumented, is subordinated, if – in the event of liquidation or bankruptcy – it ranks after the claims of all other creditors and is not to be repaid until all other debts outstanding at the time have been settled. Subordinated capital must have an original maturity of at least 5 years. The subordinated capital available is issued with only small exeptions in euro.

Short-term subordinated capital (Tier-3-capital)

The short-term subordinated capital has to fulfil the requirements stated in Article 23 (8a) BWG. The short- term capital must have an original maturity of at least 2 years. The short-term subordinated capital consists totally of maturing tier-2-capital which is not or partly eligible as additional own funds.

Minimum capital requirements

Article 5 OffV – Minimum capital requirements according to Article 22 (1) BWG

The minimum capital requirements for the RLBHOLD credit institution group according to Article 22 (1) BWG amount to € 6.967.489 (2011:€ 7.985.248) thousand and break down according to risks as follows:

€000	31.12.2012	31.12.2011
Capital requirements for credit risk	**5,778,111**	**6,516,057**
Standardised Approach - Exposure classes according Article 22a (4) N 2 BWG	**2,735,870**	**3,399,417**
Claims or contingent claims on central governments and central banks	165,068	281,455
Loans and advances to regional governments	7,802	7,920
Claims or contingent claims on administrative bodies and non-commercial undertakings	509	1,975
Claims or contingent claims on multilateral development banks	92	0
Claims or contingent claims on international organisations	0	0
Claims or contingent claims on institutions	35,220	61,760
Claims or contingent claims on corporates	1,017,462	1,744,257
Retail claims or contingent retail claims	613,719	543,421
Claims or contingent claims secured on real estate property	381,168	242,269
Past due items	148,760	165,136
Items belonging to regulatory high-risk categories	10,509	12,555
Claims in form of covered bonds	105	105
Short-term claims on institutions and corporates	0	0
Claims in form of collective investments undertakings (CIU)	8,898	9,458
Other items	342,429	325,289
Securitisation positions	4,129	3,817
Internal Rating Based Approach - Exposure classes according Article 22b (2) N 3 BWG	**3,042,241**	**3,116,640**
Claims or contingent claims on central governments and central banks	32,212	3,107
Claims or contingent claims on institutions	304,136	356,163
Claims or contingent claims on corporates	2,462,997	2,560,722
Retail claims or contingent retail claims	224,947	173,646
Equity claims	9,464	19,966
Securitisation positions	8,485	3,036
Capital requirements for market risk	**329,331**	**660,058**
Capital requirements for operational risk	**860,048**	**809,133**
Operational Risk Standardized Approach	859,339	806,690
Operational Risk Basic Indicator Approach	709	2,443
Capital requirements (total)	**6,967,489**	**7,985,248**

The minimum capital requirements for equity exposures in the IRB approach are calculated with the PD/LGD approach according to Article 77 (4) SolvReg.

The simple risk weight approach is used for investments in collective investment undertakings (CIU).

The total amount of the minimum capital requirements for equity exposures which are calculated by using the standardised approach as regulated in Article 103e (11) BWG is € 66.284 (2011:€19.966) thousand.

Equity claims €000	31.12.2012	31.12.2011
Grandfathering according to Article 103e (11) BWG	**66,284**	**71,929**
Equity exposure according to IRB approach	**9,464**	**19,966**
Simple risk weight approach according to Article 77 (3) SolvReg	2,009	14,604
PD/LGD approach according to Article 77 (4) SolvReg	7,455	5,361

Article 10 OffV – Minimum capital requirements for other risk types (Market Risk)

The minimum capital requirements for market risk according to Article 22 (1) N 2 and 3 BWG break down as follows:

€000	31.12.2012	31.12.2011
Own funds requirement for market risk (internal model)	81,004	309,424
Specific position risk associated with interest rate instruments	72,883	131,015
General position risk associated with interest rate instruments	56,801	59,801
Specific position risk associated with equity instruments	34,197	28,235
General position risk associated with equity instruments	19,386	20,140
Risk associated with equity index futures	4,148	3,725
Risk associated with shares in investment funds	865	5,557
Other option-related risks	5,708	7,101
Settlement risk	1	7
Commodities risk	14,239	16,264
Foreign-exchange risk (including the risk arising from gold positions)	40,067	78,644
Specific position risk in securitisation	32	146
Own funds requirement for market risk in kind of risk (total)	**329,331**	**660,058**

Quantitative disclosure for credit risk

Article 8 OffV Credit risk according to the Standardised Approach

The exposure and the exposure after credit risk mitigation (uncollateralised exposure) for each exposure class break down as follows:

The external ratings applied are mapped to the credit quality steps (rating notches) defined in the standardised approach for credit risk in accordance with standard mapping pursuant to Article 21b (6) BWG. A mapping table can be found on page 13 in the document "Qualitative disclosure of RZB credit institution group".

Overview Standardised Approach Exposure Classes

Standardised Approach - Exposure classes according Article 22a (4) N 2 BWG €000	Exposure	Own funds requirement
Claims or contingent claims on central governments and central banks	21,086,254	165,068
Loans and advances to regional governments	212,190	7,802
Claims or contingent claims on administrative bodies and non-commercial undertakings	223,429	509
Claims or contingent claims on multilateral development banks	64,956	92
Claims or contingent claims on international organisations	117,554	0
Claims or contingent claims on institutions	1,881,587	35,220
Claims or contingent claims on corporates	16,907,827	1,017,462
Retail claims or contingent retail claims	12,715,169	613,719
Claims or contingent claims secured on real estate property	9,283,843	381,168
Past due items	4,504,803	148,760
Items belonging to regulatory high-risk categories	87,576	10,509
Claims in form of covered bonds	2,621	105
Short-term claims on institutions and corporates	0	0
Claims in the form of collective investment undertakings (CIU)	121,489	8,898
Securitisation positions	97,987	4,130
Other items	20,091,266	342,428
Total	**87,398,552**	**2,735,870**

Claims or contingent claims on regional governments and local authorities

Credit Quality Step €000	Exposure	Unsecured Exposure
1	8,550,336	8,550,482
2	5,193,919	5,193,428
3	2,951,323	2,951,198
4	2,284,240	2,280,369
5	2,063,695	2,063,187
6	0	0
Without external rating	42,740	42,740
Total	**21,086,254**	**21,081,404**

Claims or contingent claims on administrative bodies and non-commercial undertakings

Credit Quality Step €000	Exposure	Unsecured Exposure
1	105,539	105,539
2	13,566	13,419
3	61,312	61,312
4	559	559
5	31,215	31,215
6	0	0
Without external rating	0	0
Total	**212,190**	**212,043**

Claims on public administration

Credit Quality Step €000	Exposure	Unsecured Exposure
1	32,522	32,452
2	118	118
3	144,069	87,089
4	42,869	42,869
5	3,851	3,851
6	0	0
Without external rating	0	0
Total	**223,429**	**166,378**

Claims or contingent claims on multilateral development banks

Credit Quality Step €000	Exposure	Unsecured Exposure
1	64,956	64,956
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**64,956**	**64,956**

Claims or contingent claims on international organisations

Credit Quality Step €000	Exposure	Unsecured Exposure
1	117,554	117,554
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**117,554**	**117,554**

Claims or contingent claims on institutions

Credit Quality Step €000	Exposure	Unsecured Exposure
1	1,544,622	1,535,054
2	64,376	55,215
3	176,790	176,476
4	4,853	4,853
5	86,425	82,180
6	1,119	1,119
Without external rating	3,401	3,401
Total	**1,881,587**	**1,858,299**

Claims or contingent claims on corporates

Credit Quality Step €000	Exposure	Unsecured Exposure
1	1,226	1,226
2	13,859	13,352
3	40,277	40,275
4	47,540	47,540
5	0	0
6	0	0
Without external rating	16,804,925	15,798,446
Total	**16,907,827**	**15,900,839**

Retail claims or contingent retail claims

Credit Quality Step €000	Exposure	Unsecured Exposure
1		
2		
3		
4		
5		
6		
Without external rating	12,715,169	12,552,943
Total	**12,715,169**	**12,552,943**

Claims or contingent claims secured on real estate property

Credit Quality Step €000	Exposure	Unsecured Exposure
1	0	
2	3	0
3	334	0
4	69	0
5	0	0
6	0	
Without external rating	9,283,437	0
Total	**9,283,843**	**0**

Past due items

Credit Quality Step €000	Exposure	Unsecured Exposure
1	1,442	1,442
2	591	-
3	22,992	22,992
4	3,877	3,219
5	0	0
6	0	0
Without external rating	4,475,901	4,466,705
Total	**4,504,803**	**4,494,358**

Items belonging to regulatory high-risk categories

Credit Quality Step €000	Exposure	Unsecured Exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	81,239	81,239
6	6,337	6,337
Without external rating	0	0
Total	**87,576**	**87,576**

Claims secured by covered bonds

Credit Quality Step €000	Exposure	Unsecured Exposure
1	0	0
2	0	0
3	2,621	2,621
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**2,621**	**2,621**

Claims secured by investment funds

Credit Quality Step €000	Exposure	Unsecured Exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	121,489	121,489
Total	**121,489**	**121,489**

Short Claims

Credit Quality Step €000	Exposure	Unsecured Exposure
1	0	0
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
Without external rating	0	0
Total	**0**	**0**

Securitisation positions

Credit Quality Step €000	Exposure	Unsecured Exposure
1	33,089	33,089
2	30,223	30,223
3	29,877	29,877
4	0	0
5	0	0
6	0	0
6	0	0
Deducted from the own funds	4,798	4,798
Total	**97,987**	**97,987**

Other Items

Credit Quality Step €000	Exposure	Unsecured Exposure
1	10,232	10,232
2	0	0
3	5,741	5,741
4	0	0
5	106,473	106,473
6	0	0
Without external rating	19,167,509	20,051,266
Deducted from the own funds	801,311	801,311
Total	**20,091,266**	**20,964,792**

Article 16 OffV Credit risk according to the IRB approach

The total exposure for which capital requirements are calculated by using the IRB approach is € 99.351,955 thousand. The exposure for each asset class is shown in the following break down:

Internal Rating Based Approach - Exposure classes according Article 22b (2) N 3 BWG €000	Exposure	Own funds requirement
Claims or contingent claims on central governments and central banks	2,147,522	32,212
Claims or contingent claims on institutions	20,102,665	304,136
Claims or contingent claims on corporates	68,518,807	2,462,997
hereof Specialised lending	6,967,783	318,273
Retail - claims	7,323,390	224,947
hereof secured by real estate	6,215,020	187,272
Equity claims	72,837	9,464
Securitisation positions	1,186,734	8,485
Total	**99,351,955**	**3,042,241**

In the following tables details to the exposure value and the exposure-weighted average risk weight after credit risk mitigation for the exposure classes according to Article 22b (2) N 1 to 5 BWG (central governments and central banks, institutions, corporates, retail and equity exposures) have been disclosed. The exposure values and risk weights are aditionally splitted to the different PD classes, including the grade for defaulted obligors, in order to enable a meaningful differentiation on credit risk.

The following table shows the default probabilities used for the calculation of own funds requirements for individual PD grades:

PD classes	PD in %
1	0.00 (0.03)
2	0.03 (0.07)
3	0.07 (0.10)
4	0.10 (0.32)
5	0.32(0.69)
6	0.69 (1.15)
7	1.15 (2.35)
8	2.35 (5.13)
9	5.13 (95.00)
10	95.00 (100.00)

Claims or contingent claims on central governments and central banks

PD classes according Article 16 (1) N 5 OffV €000	Exposure	RW (exposure weighted average) in %
1	105,967	10.1%
2	0	0.0%
3	0	0.0%
4	1,676,860	22.0%
5	47,098	6.0%
6	0	0.0%
7	220,803	3.5%
8	5,000	0.0%
9	91,794	3.7%
10	0	0.0%
Total	**2,147,522**	**45.2%**

Claims or contingent claims on institutions

PD Klasse gemäß § 16 (1) Z 5 OffV in € Tausend	Forderungswert	Risikogewicht (mit Forderungswert gewichtet)
1	2.767	15,1%
2	1.016.253	11,1%
3	18.211.886	10,6%
4	3.283.859	27,0%
5	156.056	59,8%
6	511.172	55,8%
7	805.336	69,6%
8	174.193	110,1%
9	179.881	98,6%
10	461.324	0,0%
Gesamt	**24.802.728**	**17,9%**

Claims or contingent claims on corporates

PD classes according Article 16 (1) N 5 OffV €000	Exposure	RW (exposure weighted average) in %
1	1,140,553	8.9%
2	6,316,804	8.3%
3	8,794,657	10.5%
4	11,970,595	34.4%
5	7,745,824	50.4%
6	8,659,937	62.6%
7	7,891,106	67.3%
8	3,271,709	78.8%
9	2,488,036	133.0%
10	2,916,386	0.4%
Specialized lending RWA	6,973,517	65.7%
Collateralized by Real Estate	349,683	50.0%
Total	**68,518,807**	**570.4%**

Retail - claims

PD classes according Article 16 (1) N 5 OffV €000	Exposure	RW (exposure weighted average) in %
1	1,646,843	6.5%
2	1,233,767	14.3%
3	974,326	22.4%
4	955,143	35.9%
5	686,825	59.8%
6	399,560	87.1%
7	247,036	118.5%
8	128,891	148.6%
9	294,423	173.0%
10	756,576	28.4%
Total	**7,323,390**	**694.4%**

Equity claims

PD classes according Article 16 (1) N 5 OffV €000	Exposure	RW (exposure weighted average) in %
1	0	0.0%
2	0	0.0%
3	0	0.0%
4	64,898	7.9%
5	841	18.3%
6	207	0.0%
7	4,238	0.0%
8	2,567	0.0%
9	8	0.0%
10	78	0.0%
Simple risk weight approach	0	0.0%
Deducted from the own funds	0	0.0%
Total	**72,837**	**26.2%**

Article 9 OffV Specialised lending and equity claims according to the IRB approach

The exposures for specialised lending are assigned to each category, as regulated in Article 74 (3) SolvaReg, and presented as follows

Categories	Risk weight	Exposure
Category 1	50 %	3,445,769
Category 2	70 %	1,980,013
Category 3	115 %	865,346
Category 4	250 %	311,550
Non performing loans		365,106
Total		**6,967,783**

According to the IRB approach, the capital requirements for investments in collective investment undertakings (CIU) are calculated by using the simple risk weight approach as regulated in Article 77 (3) SolvReg. All collective investment undertakings receive 370% risk weight.

Risk weight €000	Exposure
190 %	0
290 %	0
370 %	6,788
Total	**6,788**

Article 6 OffV Counterparty credit risk

Article 6 (1) OffV Methodology used to assign internal capital according to Article 39a BWG and credit limits for counterparty credit exposures

If a counterparty in a derivative, repurchase, securities or commodities lending or borrowing transaction defaults, then losses can arise from re-establishing the contract with another counterparty. In RZB this risk is measured by the mark-to-market approach where a predefined add-on is added to the current positive fair value of the contract in order to account for potential future changes. For internal management purposes potential price changes, which can affect the fair value of an instrument, are calculated specifically for different contract types based on historical market price changes.

For derivative contracts, the standard limit approval process applies, where the same risk classification, limitation, and monitoring process is used as for traditional lending. In doing so, the weighted nominal exposure of derivative contracts is added to the customers' total exposure in the limit application and monitoring process as well as in the calculation and allocation of internal capital.

Article 6 (2) OffV Policies for securing collateral and establishing credit reserves

An important strategy for reducing counterparty credit risk is credit risk mitigation techniques like netting agreements and collateralization. In general, RZB strives to establish standardized ISDA master agreements with all counterparties in order to be able to perform close-out netting and credit support annexes (CSA) for full risk coverage for positive fair values on a daily basis.

Master agreements have to be executed for repurchase transactions, securities lending transactions and OTC derivatives transactions. The majority of these agreements are based on widely used industry standards provided by market associations like ISDA or ICMA. Credit risk mitigation techniques are strictly subject to independent legal opinions which state the enforceability of the applicable master agreement.

Article 6 (3) OffV Regulations for correlation risks

Correlation risks between exposure and collaterals of repurchase transactions securities lending transactions and collateralised lending are restricted by comprehensive risk limits. Limits are established to confine correlations of collaterals with the following risks:

- Counterparty risk
- Country risk
- Issuer risk in case of securities collateral

Correspondent limits exist on the counterparty level and on the over-all volume of accepted collaterals.

Correlation risks between derivative transactions and assets received to cover credit exposure are restricted by a restrictive list of eligible collaterals. For this business line, only cash collateral denominated in EUR, USD and GBP as well as AAA-rated government bonds issued by countries of the European Union and the United States of America are accepted. Correlation between these assets and the underlying derivatives exist only in a negligible extent.

Article 6 (5) OffV Rating downgrade

Rating dependent terms and conditions in credit support agreements are avoided as far as possible, so that a possible downgrade would have only minor impact on the amount of collateral.

The relevant rating by Standard & Poors and Moody's is currently A and respectively A1. The below denoted amount of maximum additional collateral requirements will become effective in full only if both rating agencies would downgrade RZB's long term credit rating and an adverse market movement would require corresponding collateral.

S&P	Moody´s'	Max. additional collateral requirement €000
AAA	Aaa	0
AA+	Aa1	0
AA	Aa2	0
AA-	Aa3	0
A+	A1	0
A	A2	0
A-	A3	58,110
BBB+	Baa1	119,500
BBB	Baa2	120,650
BBB- and below	Baa3 and below	129,350

The following table shows the gross positive fair value of derivative contracts. In line with current counterparty credit risk measurement we show the potential future exposure instead of the current credit exposure. In contrast to the current exposure the potential future exposure includes also the potential credit risk arising from market value changes in the underlying position. On the other hand exchange traded derivatives are excluded as their positive fair values are settled daily through margin calls.

§ 6 Z 5 OffV at fair value through profit or loss €000	Actual at fair value through profit or loss	Counterparty credit risk	Netting benefits	Netted potential credit exposure	Collateral held	Net credit exposure
Interest rate contracts	1,642,527	9,254,277	6,488,554	2,765,723	1,142,369	1,623,354
Foreign exchange rate contracts	398,327	2,033,093	708,969	1,324,124	126,251	1,197,873
Equity/index contracts	4,591,508	11,286,794	8,225,096	3,061,698	1,309,560	1,752,138
Credit derivatives	72	672	0	672	0	672
Commodities	28,030	24,651	12,901	11,750	0	11,750
Total	**6,660,464**	**22,599,487**	**15,435,520**	**7,163,967**	**2,578,180**	**4,585,787**

The counterparty credit risk will be measured by the mark-to-market approach. The exposure is calculated according to Article 234 SolvReg from the current market value for each transaction plus general add-on in order to capture the potential future credit exposure.

§ 6 Z 6 OffV €000	Netted potential credit exposure
Mark-to-market approach	5,738,937

The nominal value of credit derivatives hedges amounts to € 1,889,292thousand (2011: € 3.897,950). In case of credit derivatives only single credit default swaps and I-traxx are available

§ 6 Z 7 OffV €000	Nominal value
Single CDS	1,254,317
I-traxx	86,465

The nominal value of the derivative transactions breaks down into the following product groups:

§6 Z 8 OffV	Banking book		Trading book	
€000	Purchase contracts	Sales Contracts	Purchase contracts	Sales Contracts
Interest rate contracts	20,538,428	20,260,510	158,661,875	159,608,324
Foreign exchange rate contracts	10,453,378	10,246,305	48,832,109	48,971,953
Equity/index contracts	105,981	1,312	1,524,463	1,658,847
Commodities	3,830	2,618	163,347	275,688
Edelmetalverträge ausgenommen Goldverträge	0	0	18,699	59,463
Credit derivatives	119,896	18,000	887,915	863,481

Article 17 OffV Disclosure applicable to credit risk mitigation

The exposure value covered by eligible credit risk mitigants after the application of volatility adjustments for each asset class is presented in the following table:

§17 Z 6 and 7 OffV €000	Other physical collaterals	Mortgage collaterals	Unfunded Credit Protection	Financial collaterals
Standardized approach - asset classes	**85,533**	**2,724,973**	**236,836**	**1,002,387**
Claims or contingent claims on central governments and central banks		0	0	4,999
Loans and advances to regional governments	0	0	0	1,138
Claims or contingent claims on administrative bodies and non-commercial undertakings	0	0	70	138,372
Claims or contingent claims on multilateral development banks	0	0	0	0
Claims or contingent claims on international organisations	0	0	0	0
Claims or contingent claims on institutions	0	0	19,292	58,459
Claims or contingent claims on corporates	0	0	210,555	796,437
Retail claims or contingent retail claims	0	0	0	0
Claims or contingent claims secured on real estate property	0	2,362,861	0	0
Past due items	85,533	362,112	6,794	2,974
Items belonging to regulatory high-risk categories	0	0	0	0
Claims in form of covered bonds	0	0	0	0
Short-term claims on institutions and corporates	0	0	0	0
Claims in form of collective investments undertakings (CIU)	0	0	0	0
Other items	0	0	124	9
Securitisation positions	0	0	0	0
IRB-approach – exposure classes	**2,962,395**	**2,473,283**	**4,282,502**	**27,453,157**
Claims or contingent claims on central governments and central banks	0	0	383,208	512,301
Claims or contingent claims on institutions	94,482	6,606	527,108	22,516,075
Claims or contingent claims on corporates	2,867,913	2,466,678	3,372,186	4,424,781
Retail - claims	0	0	0	0
Equity claims	0	0	0	0
Securitisation positions	0	0	0	0

Article 15 OffV Securitisations

Raiffeisen Zentralbank as Originator

Up to now the following transactions have been executed with external contractual partners (the indicated amounts represent the transaction volumes at the closing date):

€000	Seller of claims or secured party	Closing date	End of maturity	Volume	Portfolio	Junior Tranche
True sale transaction ROOF Poland 2008(1)	Raiffeisen-Leasing Polska S.A., Warsaw (PL)	January 2008	December 2014	290,000	Car leasing contracts	1.3%
True sale transaction ROOF Russia 2007(1)	ZAO Raiffeisenbank, Moscow (RUS)	May 2007	vorzeitig beendet in 2012	297,000	Car loans	1.9%
Synthetic Transaction ROOF CEE 2006(1)	Raiffeisen Bank Polska S.A., Warsaw (PL) Raiffeisenbank a.s., Prague (CZ)	March 2006	March 2019	450,000	Company loans	1.8%
Synthetic Transaction (JEREMIE) ROOF Romania SME 2011(1)	Raiffeisenbank S.A., Bukarest (RO)	Dezember 2010	Dezember 2023	20,500	SME-Forderungen	25.0%
Synthetic Transaction ROOF Western Europe CLO (2012)(1)	Raiffeisen Bank International AG, Wien	Juli 2012	Juli 2025	996,076	Firmenkredite	0.8%

In 2012 a new securitization ROOF WESTERN EUROPE CLO – 2012 -1 was started. The aim of this new synthetic securitization is, to reduce the own funds requirements within the Raiffeisen group. The extern tranche was placed with € 47.000 thousand all other tranches are internal.

A second synthetic transaction was in line with a deal by the European Investment funds (EIF), agreement (JEREMIE initiative) to support credits to small and middle Enterprises (SME). The current regulatorily active volume of the portfolio under JEREMIE first loss portfolio guarantees amounts to € 83.049 thousand for the utilized volume of Raiffeisenbank S.A., Bucharest.

The two true sale transactions (Warehousing) ROOF Bulgaria 2008-1 and ROOF Romania 2008-1 were entirely placed to Group internal investors in 2012 and are going to phase out.

The true sale transaction (ROOF Russia 2007-1) was closed in 2012 due to low outstanding (€ 18.764). The transaction was finalized because further activities to increase the outstanding were not taken.

§ 15 Z 14b OffV	Outstanding amount		Forderungsbeiträge
€000	Traditional securitisations	Synthetic securitisation	Gesamt
Leasing	27,554	0	27,554
Corporate loans	0	1,014,657	1,014,657
Total	**27,554**	**1,014,657**	**1,042,211**

Here are no impaired and past due exposures as also no revolving exposures in the outstanding amount of the securitised exposures.

Raiffeisen Zentralbank as Investor

The retained and purchased securitisation positions are broken down by exposure type and risk weight bands as follows: Each company which have retained securitisation positions from other companies and has reported them as internal exposures will be consolidated.

§ 15 Z 14b OffV €000	Retained and purchased securitisation positions
Asset-backed Securities (ABS) car loans	27,084
Asset-backed Securities (ABS) leasing	216,859
Asset-backed Securities (ABS) other	43,489
CLO (Credit Linked Obligations)	842,542
Residential Mortgage Backed Securities (RMBS)	151,792
Commercial Mortgage Backed Securities (CMBS)	128
Credit Debt Obligation (CDO)	715
Other resecuritizations	2,114
Total	**1,284,721**

§ 15 Z 15a OffV €000	Retained and purchased securitisation positions
Risk weight <= 10%	1,170,817
10% < Riskweighted <= 20%	33,334
20% < Riskweighted <= 50%	30,298
50% < Riskweighted <= 100%	29,877
100% < Riskweighted <= 650%	26
650% < Riskweighted < 1250%	3,650
Deduction from own funds	16,720
Total	**1,284,721**

Approach €000	Securitizations	Retained and purchased securitisation positions	Own funds
IRB	Securitizations	1,183,909	17,582
IRB	Re-Securitizations	2,825	2,825
Standard Approach	Securitizations	97,987	8,927
Total		**1,284,721**	**29,333**

Disclosure according to accounting regulations

Article 7 OffV Credit and dilution risk

Definition of the terms „past due" and „non-performing" for accounting purposes

Past due exposures

The definition of default and the assessment of expected recovery value are heavily influenced by the number of days payments are late.

Exposures are past due when the contractually agreed date for payment has been exceeded. Payments are considered past due when the borrower has exceeded the approved credit limit.

Non-performing exposures

Default is defined in RZB as the event where a specific debtor is unlikely to pay its credit obligations to the Group from primary sources, or the debtor is overdue more than 90 days on any material credit obligation. RZB has defined twelve default indicators which are used to identify a default event including the insolvency or similar proceedings of a customer, if an impairment provision has been allocated or a direct write-off has been carried out, if credit risk management has judged a customer account receivable to be not wholly recoverable, or the restructuring unit is considering stepping in to help a company restore its financial soundness.

The credit portfolio and individual borrowers are subject to constant monitoring. The main purposes of monitoring are to ensure that the borrower is meeting the terms and conditions of the contract as well as following the obligor's economic development. A review is conducted at least once annually for corporate customers, financial institutions, and sovereigns. This includes a rating review and the re-evaluation of financial and tangible collaterals.

Within the scope of the Basel-II-project a Group-wide default database has been created for recording and documenting customer defaults. The database tracks recoveries and work-out costs as well, which makes it suitable for calculating and validating PDs and LGDs (the probability of default, PD, and loss given default, LGD, both are parameters in the regulatory Internal Ratings Based approach used for determining required own funds and the Group's internal risk quantification models).

Approaches and methods for determining value adjustments and provisions

Troubled loans (where debtors are expected to run into material financial difficulties or delayed payment) need special handling. In non-retail divisions, problem loan committees of each Group member review problematic exposures. In case of the need for intensified handling and workout, the troubled loans are assigned either to a designated specialist or to a restructuring unit (workout department), both part of the risk or credit risk management divisions. Employees of workout units are specially trained and experienced. They typically handle medium-sized to large cases and are assisted by in-house legal departments and/or by external specialists as well. Work-out units play a decisive role in accounting and analysing as well as booking provisions for impairment losses (write-offs, value adjustments, provisioning). Their early involvement can help reducing losses caused by troubled loans. Cases in which restructuring or liquidation take place, are analyzed in RZB to find out their causes. Lending processes are then adapted as necessary on the basis of these results.

Default and work-out standards in the retail area are defined for the whole restructuring and collection process for private individuals and small enterprises. A restructuring guideline defines the Group's restructuring framework including the strategy, organization, methods, monitoring and controlling. In the collection process customers are classified into three categories "Early", "Late" and "Recovery", for which a standardized customer handling process is defined each.

At each balance sheet date it is assessed whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred, when:

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset until the balance sheet date (a 'loss event'),
- that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets and
- the amount can be reliably estimated.

Credit risk is accounted for by making individual impairment provisions and portfolio-based impairment provisions. The latter comprise impairment provisions for portfolios of loans with identical risk profiles that may be compiled under certain conditions. In the retail segment, provisions are built according to product portfolio and past due days. Individual and portfolio-based impairment provisions are not netted against corresponding receivables but are stated separately in the statement of financial position.

For credit risks related to loans and advances to customers and banks, provisions are made in the amount of expected loss according to homogeneous Group-wide standards. Risk of loss is deemed to exist if the discounted projected repayment amounts and interest payments are below the carrying value of the loans, taking collateral into account. Portfolio-based impairments are calculated according to valuation models that estimate expected future cash flows for the loans in the respective loan portfolio based on loss experience history. This is carried out regularly by considering economic conditions. For retail portfolios without a documented loss history of their own, peer group benchmark figures serve as a comparative base.

The entirety of the provision for impairment losses arising from loans reported in the statement of financial position (individual loan loss provisions and portfolio-based provisions) is shown as a separate item on the assets side, below loans and advances to banks and customers. The provision for impairment losses arising from transactions outside the statement of financial position is recorded under provisions for liabilities and charges.

Quantitative Disclosure according to accounting regulation

The total amount of exposures before deduction of the value adjustments and provisions and without taking into account the effect of credit risk mitigation, break down by exposure classes as follows:

§ 7 (1) Z 3 OffV **Exposure classes €000**	**Exposure** **31.12.2012**	**Exposure** **31.12.2011**
Sovereigns	24,667,566	28,597,387
Financial institutions	31,238,913	34,862,621
Firmenkunden	92,219,116	100,348,331
Retail customers	29,134,328	23,346,079
Total	**177,259,923**	**187,154,418**

The regional breakdown of credit exposure reflects RZB's broad diversification in European markets. The on- and off balance exposures are distributed regionally by domicile of the borrower:

§7 (1) Z 4 OffV **€000**	**Sovereigns**	**Financial institutions**	**Corporate customers**	**Retail customers**	**Total**
Austria	8,683,806	27,661,549	43,315,784	15,994	79,677,133
Central Europe	8,545,488	747,749	21,738,502	16,214,036	47,245,775
Southeastern Europe	5,287,746	1,152,545	10,671,020	7,380,448	24,491,760
CIS Other	963,020	238,617	3,681,640	1,787,662	6,670,939
Russia	1,157,390	1,411,848	12,000,803	3,736,187	18,306,228
Rest of the world	30,116	26,605	811,369	0	868,089
Total	**24,667,566**	**31,238,913**	**92,219,117**	**29,134,328**	**177,259,923**

Within the scope of its risk policy and assessments of creditworthiness, RZB also considers the borrower's industry. The following table covers the customer credit on and off balance exposure of the group:

§7 (1) Z 5 OffV Branches € 000	Exposure 2012	2011
Banking and insurance	57,129,328	57,740,870
Private households	23,136,825	22,064,425
Public administration and defence and social insurance institutions	16,520,201	17,957,157
Wholesale trade and commission trade (except car trading)	12,068,959	13,824,919
Real estate activities	11,015,205	13,417,261
Other business activities	10,677,056	11,437,577
Construction	7,249,431	7,478,576
Retail trade except repair of motor vehicles	6,257,721	6,600,147
Electricity, gas, steam and hot water supply	4,827,639	5,389,774
Manufacture of food products and beverages	3,349,926	3,648,883
Manufacture of basic metals	2,683,831	3,625,497
Other manufacturing	2,380,700	2,539,277
Land transport, transport via pipelines	2,299,661	2,238,871
Other transport	2,028,215	2,157,793
Manufacture of machinery and equipment	1,445,707	1,602,863
Mining and quarrying	1,416,710	1,580,433
Sale of motor vehicles	1,370,643	1,560,844
Other industries	11,402,164	12,289,249
Total	**177,259,923**	**187,154,418**

The table shows a breakdown of all exposures by residual maturity and exposure class:

§7 (1) Z 6 OffV €000	Sovereigns	Financial institutions	Corporate customers	Retail customers	Total
Up to 1 year	9,393,074	14,146,956	14,217,745	2,330,747	40,088,523
More than 1 year, up to 5 years	4,382,083	6,123,762	42,507,125	7,283,582	60,296,551
More than 5 years	10,892,409	10,968,194	35,494,246	19,520,000	76,874,849
Total	**24,667,566**	**31,238,913**	**92,219,116**	**29,134,328**	**177,259,923**

The following table shows a break down of the non-performing and past due exposures as also of the value adjustments and provisions by asset classes. From the non-performing and past due exposures only on balance exposures have been presented, whereas only past due exposures, which have not been individually impaired, are disclosed.

§7 (1) Z 7 OffV €000	Sovereigns	Financial institutions	Firmenkunden	Retail customers	Total
Non-performing loans	57,216	201,666	5,193,127	3,053,804	8,505,813
Past due items	34,356	405	2,370,359	2,769,448	5,174,567
Individual loan loss provisions	11,336	145,805	2,974,483	1,680,615	4,812,240
Portfolio-based loan loss provisions	0	11,914	321,072	570,004	902,990
Individual provisions for off balance exposures	666	15,000	85,854	5,162	106,682
Portfolio-based provisions for off balance exposures	0	15,887	44,870	1,886,829	1,947,586

The non-performing and past due exposures as also the value adjustments and provisions are broken down by geographical areas as follows (excluding banks):

§7 (1) Z 8 OffV €000	Austria	Central Europe	Southeastern Europe	Russia	CIS Other	Geographical distribution Rest of the world	Total
Doubtful/high default risk claims	1,050,657	3,447,016	1,807,471	488,194	1,306,740	204,069	8,304,147
Past due items	1,284,371	1,643,600	1,946,286	98,132	200,868	1,310	5,174,567
Value adjustments and provisions	607,824	2,283,157	1,134,989	504,190	920,601	342,478	5,793,239

The following table summarizes the development of loan loss provisions in the fiscal year:

§7 (1) Z 9 OffV €000	As of 1/1/2012	Changing in consolidation group	Allocation	Release	Usage	Transfers, exchange differences	As of 31/12/2012
On-balance provisions	**5,110,458**	**427,253**	**2,040,768**	**(1,007,171)**	**(905,165)**	**49,087**	**5,715,229**
hereof individual loan loss provisions	4,410,848	90,494	1,699,751	(520,284)	(905,165)	36,595	4,812,239
hereof portfolio-based provisions	699,610	336,759	341,016	(486,887)	0	12,492	902,990
Off-balance provisions	**153,324**	**5,949**	**97,861**	**(91,880)**	**(14,708)**	**2,910**	**153,455**
hereof individual loan loss provisions	90,157	4,811	77,869	(53,655)	(14,708)	2,209	106,682
hereof portfolio-based provisions	63,167	1,138	19,992	(38,225)	0	701	46,773
Total	**5,263,782**	**433,201**	**2,138,628**	**(1,099,051)**	**(919,873)**	**51,997**	**5,868,684**

Direct write-downs and recoveries recorded directly in the income statement are disclosed as follows:

§7 (3) OffV €000	2012
Direct write-downs	1,179,467
Income received on written-down claims	(50)

Article 13 OffV Equity exposures not held in the trading book

Differentiation between exposures based on their purpose

Raiffeisen Zentralbank as universal bank holds equity investments in credit or financial institutions as well as in companies whose activities constitute a direct extension of banking activities or a related ancillary activity. Participations of the parent company are managed by the Participations Management & Controlling division. This division is responsible for controlling risks arising from long-term equity investments of the parent company (and for returns generated by these investments as well). Investments in RZB's equity investments are made by the Managing Board of Raiffeisen Zentralbank on the basis of individual due diligence only. Indirect participations held by different members of RZB Group are often managed by local units in coordination with the parent company whereby Raiffeisen Bank International AG plays a major role for activities in Central and Eastern European countries.

Overview of accounting and valuation methods

The consolidated financial statements of Raiffeisen Zentralbank were prepared in accordance with the *International Financial Reporting Standards (IFRS)* published by the International Accounting Standards Board (IASB).

Shareholdings in subsidiaries not included in the consolidated financial statements because of their minor significance and shareholdings in companies that are not valued at equity are shown under financial investments and are measured at amortized cost if no share prices are available. Other shareholdings are recognized in the category financial assets available-for-sale. Changes in value are directly recognized in equity without effecting income statement. Impairments are shown in the income statement.

Quantitative Disclosure according Article 13 OffV

§13 (3) and (4) OffV €000	Counterparty credit risk	Fair value	Market value
Shares	**166,048**	**166,048**	**55,048**
Stock exchange listed positions	55,048	55,048	55,048
Stock exchange unlisted positions	111,000	111,000	
Other interests	**1,931,474**	**1,937,021**	**1,024,104**
Stock exchange listed positions	1,018,558	1,024,104	1,024,104
Stock exchange unlisted positions	912,917	912,917	
Interest in affiliated companies	**484,736**	**484,736**	**0**
Stock exchange listed positions			
Stock exchange unlisted positions	484,736	484,736	0

§13 (5) and (6) OffV €000	Amount
Disclosure Article 13 (5) OffV	**22,852**
Net realised gains (losses) on equity instruments	22,852
Disclosure Article 13 (6) OffV	**(12,738)**
Net gain (losses) on equity instruments	(100,404)
Deferred revaluation gains/losses	50,911
hereof: included in Tier 1 capital	
hereof: included in Tier 2 capital	36,756

Public disclosure for other risks

Article 11 OffV Internal models for limiting market risks

RZB defines market risk as potential adverse market conditions that cause losses in trading and investment books. Changes of foreign exchange rates, interest rates, credit spreads, prices of shares and commodities as well as relevant market parameters, e.g. implied volatilities, create market risk. Market risk of customer business is transferred to Group Treasury department via transfer pricing. Group Treasury manages structural risks and is responsible for adherence to limits on group level. Business department Capital Markets is responsible for proprietary trading, market making and customer business in money market products as well as capital market operations (Sales).

RZB measures, monitors and manages all market risks on group level. It uses an internal model for calculating own funds requirements for the trading book according to SolvReg for risk categories "General position risk associated with interest rate instruments" and "Foreign-exchange risk (including the risk arising from gold positions)" for Raiffeisen Bank International AG. For other portfolios and risk types the standardized approach is used. More details on the own funds requirement are shown on page 13.

Organization of Market Risk Management

Market Risk Committee

Market Risk Committee (MACO) is responsible for the strategic market risk management of all market risks within the group. The limit on group level is set by the Management Board in due consideration of the risk bearing ability of the group as well as of the budget. Breaking down the total limit on sub-limits for business departments is done in accordance with strategies, business models and risk appetites of the individual departments.

Operational market risk management

Market Risk Management (department MRM) ensures the adherence of business volumes and product variety to approved strategies and risk appetite of the group. MRM is responsible for designing and refining risk management processes, adequate infrastructure and risk management systems. Furthermore the department develops risk rule books and methods of assessing and quantifying market risks. MRM is also responsible for the independent daily measurement and reporting of all market risks as well as of market risk induced credit risks of derivative trading.

Products approval process

All products that are allowed for taking open positions are defined in the product catalogue. New products are only added to this list when they have passed the product approval process (PEP). Validating product applications is done thoroughly including a comprehensive risk analysis of the new product. New products can only be introduced if they are evaluated and presented correctly in the Front-Office and risk management systems of RZB.

RZB uses a comprehensive risk management approach that includes trading and investment books (total return approach). Management of market risks is done consistently for trading and investment books. The following risk parameters are measured on a daily basis and are limited:

- Value-at-Risk (VaR), confidence level 99%, holding period 1 day
  Value-at-Risk (VaR) is central to the design of the risk management instruments used in RZB. VaR is the main contral mechanism for liquid markets under normal market conditions. The used methodology of estimating VaR is a hybrid simulation approach. 5000 scenarios are generated and used for full revaluation of the portfolio. The hybrid approach allows the combination of the advantages of historic and Monte Carlo simulations. Scenario generation is based on the given histories of market parameters (time length 500 business days). Modern features like volatility declustering, random time changes, an extreme event container are incorporated in the assumptions of the distribution and enable appropriate modelling of fat tails and asymmetric distributions. All sub-portfolios are treated in the same way. The result of one portfolio is the statistical parameter of the aggregated profit & loss vector which again aggregates single deal profit and losses for each scenario. The model has received regulatory approval for being used in order to report capital requirements.

- Sensitivities (Foreign exchange, BPV, Gamma, Vega, Equity, Commodity)
  Limits on sensitivities help avoiding risk concentrations under normal market conditions. They are installed as the most important control mechanism in stressed or illiquid markets.

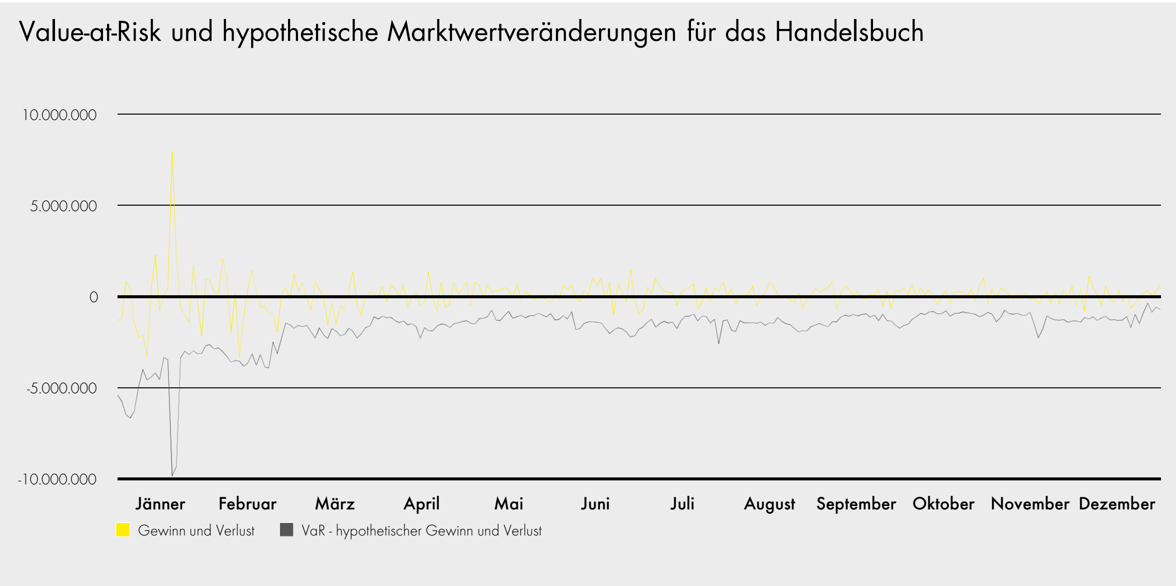
- Stop Loss Limits
  This limits supports the position management process of traders by preventing them from keeping positions open in adverse markets. Losses thus cannot be accrued unlimitedly.

Besides these limits comprehensive stress testing is done on a daily basis. The portfolio of RZB group and all its sub-portfolios are calculated in a big variety of single and combined stress scenarios. Potential risks that are disclosed by stress testing are reported to the Market Risk Committee and are also taken into consideration in the limit allocation process. Both, VaR and stress results are also observed in the allocation process of economic capital. Reports for stress results are an integral part of the daily market risk reporting. These stress reports contain the worst case scenario results (highest potential losses) as well as the results of selected scenarios that are of interest for the specific portfolio.

The applied stress scenarios contain changes of single risk factors as well as simultaneous changes of groups of risk factors. The exact scenario specifications were developed together with Research respectively retrieved from analysis of market data time series (historically observed 10-day changes, correlations of risk factors given in stressed periods). Research is also consulted on identifying contagion effects between markets in order to define groups of markets that are stressed simultaneously. Scenario examples are Liquidity Crisis in "Dollar Influenced Currencies" or "Russian Politic Sensitive States". Furthermore effects on portfolio values stemming from steepening, flattening or turns of interest rate curves and extreme money market increases are calculated. Hypothetical worst case events (like significantly decreasing interest rates in times of falling equity markets applied on CPPI and OBPI products) are reported daily.

The used risk assessment and measurement methods are continuously backtested and statistically validated. Qualitative analysis of profitability is also performed regularly. Detected shortcomings are corrected.

Backtesting in the trading book



The chart below shows VaR results vs. hypothetical profit and losses. The blue line is the predicted maximum loss (with a confidence level of 99%) for the following business day. The red line is the hypothetic profit/loss. It is calculated on the following day reflecting the actual change of portfolio value (i.e. based on the actually occurred market movements). As can be seen, the model is reflecting volatility regimes of the market very accurately and reacts immediately to changed conditions. The group portfolio is well diversified and no backtesting violation was seen in 2012.

Valuation rules according to Articles 198 to 202 Solvency Regulation

Valuation at market prices

The valuation of Raiffeisen Bank International's positions (for Vienna, excl. Branches) is done independently from trading departments on a daily basis. Price sources used are predefined data provided by external market contributors (e.g. Reuters, Bloomberg, MarkIT). The valuation is done in the respective front office system. The exact process is different for different systems, but always based on the following principle: At the end of the business day the prices are retrieved from the different contributors. Control mechanisms contain e.g. several reports that allow checking update date/time respectively lack of liquidity of price source, detecting unusual jumps and missing data, etc. If data is incorrect already predefined alternative price sources will be used to double check. Manual corrections are subject to four-eye-principle. Checked data is uploaded to the front office systems respectively authorized in the front office system and subsequently used for valuation of the positions in the system.

Independent valuation

The daily valuation is not done by the trading departments, but by an independent department in the Risk Controlling division. In the course of the daily price verifications, adequacy of prices used is checked. If independent price sources are unavailable model prices will be used. Market Risk Management is defining the standards for model prices.

Valuation adjustments / reserves

In case model prices are used, RZB experts have to check whether valuation adjustments are necessary. The positions, for which valuation adjustments have to be made, are presented on a monthly basis to the Market Risk Committee.

Valuation at model prices

The valuation of illiquid bonds is done by means of proxy credit spreads. Criteria for the selection of proxies are country, industry, rating and maturity. Price sources used for proxies are market data contributors like MarkIT, Bloomberg etc. The valuation of the bonds itself is done by means of the internal model pricing functions. Depending on the adequacy of the proxy, the spread retrieved from these systems will be either used directly as input parameter or as minimum value to price the bond with. For each bond the average price is then calculated.

Systems and control mechanism

The valuation process is done in the front office systems. For each front office system a written documentation of the daily pricing routine exists and comprises

- Positions (Portfolios; deal books)
- Products
- Prices to be checked
- Price sources (used and alternatives; with ranking of usage)
- Description of checks to be performed
- Actions to be taken in case of incorrect/outdated data
- Workflow of end-of-day processes

The department responsible for the valuation is part of Risk Controlling, a division reporting to the CRO. Valuation results are reported weekly to the Management Board as part of the as part of the profit and loss overview from the Market Risk Committee.

Article 14 OffV Interest rate risk in the banking book

Interest rate risk in the banking book arises from different maturities and repricing schedules of RZB's assets and the corresponding liabilities (i.e. deposits and refinancing on debt and capital markets). This risk in particular is due to different interest rate sensitivities, rate adjustments, and other optionality of expected cash flows. Interest rate risk in the banking book is material for euro and US-dollar as major currencies as well as for local currencies of network banks located in Central and Eastern Europe.

This risk is mainly hedged by a combination of on- and off-balance sheet transactions where the Group uses in particular interest rate swaps and – to a smaller extend – also interest rate forwards and interest rate options. Balance sheet management is a core task of the central Global Treasury department and of individual network banks, which receive assistance from asset liability management committees. They base their decisions on various interest income analyses and simulations that ensure proper interest rate sensitivity in line with expected changes in market rates and the overall risk appetite.

Interest rate risk in the banking book is not only measured in a value-at-risk framework but also managed by traditional tools for nominal and interest rate gap analyses. Since 2002, interest-rate risk has been the subject of quarterly reporting within the scope of the interest-rate risk statistics submitted to the supervisory authorities. This reports also show the change in the present value of the banking book as a percentage of own funds in line with the requirements of Basel II. Maturity assumptions needed in this analysis are defined as specified by regulatory authorities or based on internal statistics and empirical values. In 2012, the changes in present value of banking book positions after an interest rate shock of two hundred basis points were always lower than the regulatory reporting threshold of 20 per cent of eligible own funds in RZB.

The following table shows the change in the present value of RZB's banking book given a one-basis-point interest rate increase for the whole yield curve in thousands of euros. Interest rate risk in the banking book decreased significantly due to the reduction of long term EUR investments. The increase in USD assets stems from a very conservative presentation of USD loans in Eastern Europe that was mainly caused by changes of reporting methodology. The improvement of reporting is still ongoing.

Article 14 (3) OffV Change of present value 2012	**Total**	**>3m**	**3(6)m**	**6(12)m**	**1(2)y**	**2(3)y**	**3(5)y**	**5(7)y**	**7(10)y**	**10(15)y**	**15(20)y**	**>20y**
ALL	(24)	0	(5)	4	(18)	(1)	0	0	(1)	(3)	(1)	0
BAM	14	(2)	0	1	5	6	2	0	1	2	0	0
BYR	(20)	0	(1)	(6)	(4)	1	(4)	(2)	(2)	(1)	0	0
CHF	(266)	28	(8)	(7)	(1)	0	(28)	(19)	(46)	(101)	(82)	(2)
CZK	(24)	10	(20)	32	(8)	(3)	(14)	(2)	(3)	(6)	(6)	(3)
EUR	241	57	20	184	187	67	79	(50)	149	(223)	(79)	(149)
HRK	(37)	(1)	0	1	(4)	0	(23)	0	(8)	(2)	0	0
RON	(73)	(5)	5	0	(29)	(13)	(9)	(20)	(3)	0	0	0
RSD	(23)	(1)	(3)	(5)	(10)	(2)	(1)	0	0	0	0	0
RUB	(159)	(18)	(10)	(4)	(38)	(19)	40	(5)	(37)	(51)	(15)	0
UAH	(73)	2	2	9	(55)	(19)	(4)	(3)	(3)	(1)	0	0
USD	(225)	12	22	67	(31)	(16)	(72)	(46)	(98)	(51)	(10)	(3)
Sonstige	(16)	(11)	25	43	(11)	(1)	(18)	(10)	(12)	(12)	(8)	0

§ 14 Z 3 OffV Barwertveränderung per 2011	**Summe**	**Bis 3 M**	**3 bis 6 M**	**6 bis 12 M**	**1 bis 2 J**	**2 bis 3 J**	**3 bis 5 J**	**5 bis 7 J**	**7 bis 10 J**	**10 bis 15 J**	**15 bis 20 J**	**Über 20 J**
ALL	- 45	3	- 4	6	- 33	- 13	- 1	- 4	0	0	0	0
BGN	16	0	3	9	0	5	- 1	0	0	0	0	0
CHF	- 154	8	- 5	- 1	- 16	- 2	- 11	- 19	- 37	- 49	- 23	
CNY	37	- 10	16	32	0	0	0	0	0	0	0	0
CZK	12	8	- 4	19	0	- 2	3	- 10	- 4	2	- 1	0
EUR	- 345	86	121	177	189	16	- 132	- 616	38	- 118	- 8	- 98
HRK	- 16	- 1	0	4	- 5	- 4	- 3	- 4	- 3	0	0	0
HUF	- 88	- 5	- 7	- 8	- 7	- 21	- 25	- 11	- 5	1	0	0
RON	- 108	1	- 2	2	- 8	- 31	- 11	- 35	- 23	0	0	0
RSD	- 25	- 1	- 1	- 5	- 7	- 7	- 3	- 1	0	0	0	0
RUB	66	- 36	2	- 7	13	68	113	- 6	- 28	- 40	- 13	0
UAH	- 248	- 6	- 5	- 26	- 60	- 57	- 65	- 11	- 10	- 6	- 1	0
USD	- 755	26	- 12	24	- 25	- 98	- 115	- 157	- 151	- 211	- 32	- 4

§ 14 Z 3 OffV Barwertveränderung per 2010	**Summe**	**Bis 3 M**	**3 bis 6 M**	**6 bis 12 M**	**1 bis 2 J**	**2 bis 3 J**	**3 bis 5 J**	**5 bis 7 J**	**7 bis 10 J**	**10 bis 15 J**	**15 bis 20 J**	**Über 20 J**
BGN	17	2	3	13	- 1	2	- 1	0	0	0	0	0
BYR	30	- 2	- 11	6	1	1	34	0	0	0	0	0
CHF	- 101	2	- 14	- 20	- 2	3	- 1	- 14	- 16	- 22	- 16	0
CNY	25	- 14	3	36	0	0	0	0	0	0	0	0
CZK	- 42	- 12	9	39	- 82	- 34	55	16	- 17	- 16	0	0
EUR	- 2.026	189	177	33	- 38	50	- 155	- 767	- 1.244	- 210	35	- 96
HUF	- 88	- 22	- 1	6	2	- 12	- 36	- 29	2	2	0	0
PLN	- 17	- 14	5	- 5	0	- 2	0	- 1	0	0	0	0
RON	- 167	5	- 4	- 10	- 22	- 29	- 72	- 24	- 11	0	0	0
RUB	58	- 4	- 20	14	51	45	43	- 12	- 16	- 22	- 14	- 7
UAH	- 123	- 1	5	7	- 38	- 31	- 40	- 11	- 7	- 6	- 1	0
USD	- 288	- 23	30	27	- 6	99	- 87	- 98	- 56	- 124	- 35	- 14
Sonstige	- 34	- 18	- 13	16	- 22	- 22	- 28	47	3	1	1	- 1

Article 12 OffV Operational risk

RZB currently calculates regulatory capital requirements for operational risks according to Basel II using the standardized approach.

Article 15a OffV Remuneration

RBI was kept busy in 2011 with the forthcoming regulatory developments. A major part of the anticipated change comes from the EU CRD III capital requirement guideline and the more far-reaching CRD IV/CRR directive. The potential influence of the new and modified statutory regulations on RBI was analyzed in detail. Corresponding internal guidelines were issued where necessary, regarding remuneration policy and the appropriateness of remuneration.

Significant changes in the area of compensation

Changes in the Austrian Banking Act (§39 b BWG), which were based on an EC Directive (Capital Requirements Directive III, CRD III), have demanded mandatory requirements for variable compensation systems of banks since 2011. The objective is to motivate employees to act in a manner that is more strongly focused on sustainability and long-term outlook. Against this backdrop, RZB has adjusted its compensation schemes accordingly in 2011 and developed special regulations for members of management, risk buyers, employees with control functions, and employees who belong to the same compensation group as management and risk buyers and whose work has a significant impact on the risk profile (so-called risk personnel).

The effect of specific criteria – e.g. business model, assets, economic capital, etc. – was evaluated for all companies belonging to RZB, and the application of the newly developed compensation guidelines were determined and so-called risk personnel defined. Based on these factors, very detailed general compensation principles were defined as a basis for the compensation policy and practice. In addition, special principles such as deferring parts of the variable compensation over a defined period of time were implemented for the risk personnel.

The harmonization and restructuring of the compensation structures, which commenced in 2011 as part of the merger between the business divisions of RZB and Raiffeisen International, was continued and concluded in 2012.

One of the tasks in 2012 was the development of a new, unified compensation system (including a new bonus system) for the company, which complies with the new regulatory conditions. In addition, the base pay structures were subject to comparison with the market, and salary ranges for various function groups were developed.

Variable Remuneration - special remuneration policies

In RZB variable compensation is based on bonus pools on the bank or profit center level. Every variable pay system has fixed minimum and maximum levels and thus defines maximum payout values.

For the fiscal year 2011, the bonus pools were based on the ratios net profit after tax, the cost/income ratio and return on risk adjusted capital (RORAC) where a comparison of the budget with the year-end figures was made. The bonus of all board members of affiliated banks in Central and Eastern Europe was already in 2012 treated as a deferred payment where 30 percent of the annual bonus will be deferred over 3 years. The payout at the beginning of 2014 is dependent on the average annual target achievement (comparison of the budget with the year-end figures) of the ratio´s net profit after tax and RORAC of the respective Group's unit.

As of the fiscal year 2012 the following general and specific principles for the allocation, for the claim and for the payment of variable remuneration (including the payment of the deferred portion of the bonus) for board members of RBI AG and certain Group units and identified staff ("personnel with an impact on the risk profile") are applied, as represented in the chapter general HR part:

- 60 per cent of the annual bonus will be paid out on a proportional basis with 50 per cent cash immediately (up-front), and 50 per cent through a phantom share plan, which will pay out after a holding period (retention period) of one year. Exceptions to this are the banks in Bulgaria, with a 40 percent up-front portion and a retention period of two years, and the Czech Republic with a holding period of 1.5 years.
- 40 per cent of the annual bonus will be deferred over a period of three (in Austria: five) years. Payment will be made on a proportional basis, 50 per cent cash and 50 per cent based on the phantom share plan.

The allocation, the claim and the payment of the variable remuneration (including the payment of a portion of the deferred bonus) depend on the following criteria:

- earning a net profit,

- the achievement of the legally required hard core capital ratio of the RBI Group,
- additionally, in Group units on the local level, the achievement of the legally required local minimum "core tier 1 ratio excluding buffers", and
- the performance of the business areas and the affected person.

The obligation from number 11 of the annex to Section 39b of the Austrian Banking Act, under which a proportion of at least 50 per cent of variable compensation for risk personnel should take the form of shares or equivalent non-cash payment instruments, is covered in the RBI Group by a stock phantom plan. Proportionally 50 per cent of the "up-front" and "deferred" bonus section will be divided by the average closing price of RBI's shares on the Vienna Stock Exchange for that year serving as the basis for calculating the bonus. Thereby, a certain amount of phantom shares will be determined. This amount will be fixed for the entire duration of the deferral period. After the expiration of the respective retention period the amount of specified phantom shares will be multiplied by RBI's share price for the previous fiscal year. The resulting cash will be paid when the next available monthly salary is paid.

These rules are valid unless any applicable local laws prescribe a different procedure.

Further details of the employee compensation plans are described in the management report.

Share based compensation

The Management Board with approval by the Supervisory Board of RBI AG has approved the existence of a share incentive program (SIP) which offers performance based allotments of shares to eligible employees at home and abroad for a given period. Eligible employees are current board members and selected executives of RBI AG, as well as executives of its affiliated bank subsidiaries and other affiliated companies.

The number of ordinary shares of RBI AG which will ultimately be transferred depends on the achievement of two performance criteria: the targeted return on equity (ROE) and the performance of the share of the RBI AG compared to the total shareholder return of the shares of companies in DJ EURO STOXX Banks index after a three-year holding period. Furthermore, an employment contract must exist with RBI. Participation in the SIP is voluntary.

Expenses related to the share incentive program in accordance with IFRS 2 (share-based payment) are charged to equity.

€000	Investment Banking	Retail Banking	Asset Management	All other	Total
Profit after Taxes					**361,425**
Number of staff	**5,485**	**29,450**	**794**	**25,348**	**61,077**
Total remuneration	267,143	384,588	19,721	613,545	1,284,997
hereof variable remunteration	59,187	59,390	4,843	90,076	213,496
As a risk taker identified persons					
Number of identified staff	202	56	23	439	720
hereof senior management					496
hereof staff in control function					68
Total remuneration of identified staff	**57,456**	**16,340**	**3,626**	**79,315**	**156,737**
hereof fixed remuneration	33,182	10,312	2,250	52,761	98,506
hereof variable remunteration	24,273	6,028	1,376	26,553	58,231
in cash	14,728	3,020	979	13,942	32,669
in equity	9,545	3,008	398	12,612	25,562
in other instruments	0	0	0	0	0
hereof variable remunteration deferred	9,507	2,685	467	11,978	24,636
in cash	3,749	772	242	3,369	8,133
in equity	5,757	1,913	224	8,608	16,502
in other instruments	0	0	0	0	0
Amount of explicit ex post peformance adjustments (reduction of deferred bonus amounts from previous years)	0	43	0	215	258
Guaranteed variable remuneration					
Number of recipients of guaranteed variable remuneration	1	0	0	0	1
Total amount of guaranteed variable remuneration	950	0	0	0	950
Severance payments					
Number of recipients of severance payments	5	19	0	25	49
Total amount of severance payments paid	319	168	0	1,733	2,219
Pension benefits					
Number of recipients of discretionary pension benefits	10	6	0	19	36
Total amount of discretionary pension benefits paid	10	29	0	74	113