

Individual Financial Statements of Raiffeisen Centrobank AG as at 31 December 2014 according to the Austrian Banking Act

The addition of rounded numbers using automated systems, as was done for this report, may result in minor differences in amounts.

The changes indicated in per cent refer to the actual amounts and not the rounded amounts shown in this report.

Balance sheet as at December 31, 2014

Assets	31/12/2014 €	31/12/2014 €	31/12/2013 in € thousand	31/12/2013 in € thousand
1. Cash in hand and deposits with central banks		2,898,413.09		4,337
2. Bonds and notes issued by public bodies eligible for refinancing with central banks bonds and notes issued by public bodies and similar securities		64,911,575.34		32,454
3. Loans and advances to credit institutions				
a) payable on demand	154,436,109.96		102,261	
b) other loans and advances	1,536,676,262.95	1,691,112,372.91	1,218,081	1,320,342
4. Loans and advances to customers		126,484,703.31		141,289
5. Bonds, notes and other fixed-interest securities				
a) issued by public bodies	10,666,953.25		9,769	
b) issued by other borrowers	228,685,537.71	239,352,490.96	330,349	340,118
6. Shares and other variable-yield securities		438,878,163.88		501,754
7. Equity participations		5,137,370.67		5,137
8. Shares in affiliated companies		10,665,295.23		8,911
9. Intangible fixed assets		115,397.00		205
10. Tangible fixed assets		15,157,245.64		15,336
thereof land and buildings used by the credit institution for own purposes: € 11,925,676.92 previous year: € 12,219 thousand				
11. Other assets		117,092,790.59		127,826
12. Prepayments and other deferrals		1,566,741.62		1,714
Total assets		2,713,372,560.24		2,499,443
Off-balance sheet items				
1. Foreign assets		710,827,883.33		706,717

Equity and liabilities	31/12/2014	31/12/2014	31/12/2013	31/12/2013
	€	€	in € thousand	in € thousand
1. Liabilities to credit institutions				
a) repayable on demand	23,637,354.18		13,753	
b) with agreed maturity dates or periods of notice	51,256,190.52	74,893,544.70	97,911	111,664
2. Liabilities to customers				
a) repayable on demand	200,367,599.15		121,410	
b) with agreed maturity dates or periods of notice	30,095,314.63	230,462,913.78	10,065	131,475
3. Securitised liabilities (other securitised liabilities)		771,677,077.37		676,674
4. Other liabilities		1,514,807,343.56		1,451,614
5. Accruals and deferred items		331,057.30		194
6. Provisions				
a) for severance payments	6,078,528.18		4,238	
b) for retirement benefits	486,571.77		463	
c) other provisions	12,047,221.33	18,612,321.28	15,376	20,077
7. Subscribed capital		47,598,850.00		47,599
8. Capital reserves (committed)		6,651,420.71		6,651
9. Retained earnings				
a) legal reserve	1,030,936.83		1,031	
b) other reserves	23,500,000.00	24,530,936.83	20,500	21,531
10. Liability reserve pursuant to Article 23 para 6 Austrian Banking Act ¹		13,538,860.00		13,539
11. Net profit for the year		10,268,234.71		18,425
Total equity and liabilities		2,713,372,560.24		2,499,443
Off-balance sheet items				
1. Contingent liabilities arising from guarantees and assets pledged as collateral security		446,661.93		696
2. Credit risks		9,896,078.65		33,089
3. Commitments arising from fiduciary business transactions		7,091,124.47		7,079
4. Eligible own funds pursuant to Part 2 of Regulation (EU) No 575/2013 ²		87,740,413.17		-
5. Capital requirements pursuant to Article 92 of Regulation (EU) No 575/2013 (Total risk-weighted assets) ²		682,984,714.72		-
hereof: capital requirements pursuant to Article 92 (1) (a) to (c) of Regulation (EU) No 575/2013				
hereof: capital requirements pursuant to Article 92 (a)		12.85%		-
hereof: capital requirements pursuant to Article 92 (b)		12.85%		-
hereof: capital requirements pursuant to Article 92 (c)		12.85%		-
6. Foreign equity and liabilities		391,928,410.74		225,666

¹ December 31, 2013: liability reserve pursuant to Article 23 para 6 Austrian Banking Act (prevailing version of BWG at that time)

² Details and previous year figures in the prevailing version of BWG at that time can be found in the notes under chapter own funds.

Income statement for the 2014 financial year

	2014 €	2014 €	2013 in € thousand	2013 in € thousand
1. Interest and interest-like income		11,135,001.28		12,485
thereof fixed-interest securities	3,180,824.01		4,425	
2. Interest and interest-like expenses		(18,437,396.77)		(16,954)
I. Net interest income		(7,302,396.77)		(4,469)
3. Income from securities and financial investments				
a) Income from shares, share rights and other variable-yield securities	10,874,381.92		14,312	
b) Income from shares in affiliated companies	1,292,975.10	12,167,357.02	5,404	19,716
4. Fee and commission income		26,875,420.80		30,5167
5. Fee and commission expenses		(19,387,978.48)		(19,704)
6. Net profit on financial trading activities		45,689,943.18		40,405
7. Other operating income		3,813,588.39		3,598
II. Operating income		61,855,935.42		70,062
8. General administrative expenses		(42,333,751.54)		(45,302)
a) staff expenses				
aa) wages and salaries	19,200,535.24		21,985	
bb) expenses for statutory social contributions and compulsory contributions related to wages and salaries	4,515,527.07		4,855	
cc) other social expenses	481,545.33		519	
dd) expenses for pensions and assistance	710,980.41		675	
ee) provisions for retirement benefits	25,448.33		3	
ff) expenses for severance payments and contributions to severance funds	2,392,774.33		647	
	27,326,810.71		28,684	
b) other administrative expenses	15,006,940.83		16,617	
9. Value adjustments on asset items 9 and 10		(1,170,485.85)		(1,754)
10. Other operating expenses		(2,148,398.40)		(728)
III. Operating expenses		(46,192,635.79)		(47,784)
IV. Operating result		15,663,299.63		22,278

	2014 €	2014 €	2013 in € thousand	2013 in € thousand
IV. Operating result (= amount carried forward)		15,663,299.63		22,278
11. Loans loss provisions and expenditures arising from the valuation of loans and advances and disposal of securities held as other current assets		(2,071,942.73)		(341)
12. Income arising from the valuation of loans and advances and disposal of securities held as other current assets		19,940.31		18
13. Expenditures arising from the valuation of interests and shares in affiliated companies held as financial investments		(1,247,595.00)		(298)
V. Result on ordinary activities		12,363,702.21		21,657
14. Income taxes (thereof passed on from parent company: € 324,377.69 (previous year: € 767 thousand)		253,080.65		(1,964)
15. Other taxes unless included in item 14		(3,512,533.61)		(3,183)
VI. Net income for the year		8,598,087.95		16,510
16. Allocation to retained earnings		0.00		(11,000)
VII. Profit for the year		8,598,087.95		5,510
17. Profit carried forward		1,670,146.76		12,915
VIII. Net profit for the year		10,268,234.71		18,425

Development of Fixed Assets in the 2014 Financial Year

Amounts in €	Cost of acquisition Balance as at 1/1/2014	Cost of acquisition Additions	Cost of acquisition Disposals
I. Intangible fixed assets			
Software licenses	3,801,212.85	75,995.51	4,144.61
II. Tangible fixed assets			
1. Land and buildings used by the credit institution for own purposes thereof value of property: € 3,066,200.92; previous year: € 3,066 thousand	14,789,785.11	0.00	0.00
2. Office furniture and equipment	18,193,485.43	1,382,551.34	535,993.88
	32,983,270.54	1,382,551.34	535,993.88
III. Financial investments			
1. Shares in affiliated companies thereof in credit institutions: € 0.00	9,450,702.79	1,753,778.44	0.00
2. Equity participations thereof credit institutions: € 0.00	5,156,700.61	0.00	0.00
	14,607,403.40	1,753,778.44	0.00
Total	51,391,886.79	3,212,325.29	540,138.49

Cost of acquisition Balance as at 31/12/2014	Accumulated depreciation	Carrying amount 31/12/2014	Carrying amount 31/12/2013	Depreciation in the financial year 2014
3,873,063.75	3,757,666.75	115,397.00	204,600.00	165,150.51
14,789,785.11	2,864,108.19	11,925,676.92	12,218,767.92	293,091.00
19,040,042.89	15,808,474.17	3,231,567.72	3,137,483.72	1,252,244.34
32,829,828.00	18,672,582.36	15,157,245.64	15,356,251.64	1,545,335.34
11,204,481.23	539,186.00	10,665,295.23	8,911,516.79	0.00
5,156,700.61	19,329.94	5,137,370.67	5,137,370.67	0.00
16,361,181.84	558,515.94	15,802,665.90	14,048,887.46	0.00
54,064,073.59	22,988,765.05	31,075,308.54	29,609,739.10	1,710,485.85

Financial Statements as at 31 December 2014

Notes

A. Accounting Policies

General principles

The financial statements of Raiffeisen Centrobank for the 2014 financial year have been prepared in accordance with the general accounting principles stipulated in the Austrian Commercial Code and the specific sectoral regulations as specified by the Austrian Banking Act. The balance sheet and the income statement have been structured according to Appendix 2 of the forms contained in Article 43 Austrian Banking Act. Pursuant to an amendment of the Austrian Banking Act to reflect EU regulations CRR/CRD IV, the balance sheet structure was partly adjusted. In the reporting year, the Bank implemented these adjustments accordingly.

No changes in the accounting and valuation methods have been made compared to the 2013 financial statements.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are reported at the middle rates of exchanges fixed by the European Central Bank on the balance sheet date. Amounts denominated in currencies for which the European Central Bank published no rates are converted at the middle rates of exchange published by Raiffeisen Bank International AG on the balance sheet date.

Currency futures and options transactions in foreign currencies are capitalized at the forward exchange rates. Any differences in rates resulting from currency conversion are reported as a profit or loss in the income statement.

Trading portfolio – valuation of securities, futures and options

A daily market price system is applied for the valuation of securities held for trading purposes or as other current assets.

In terms of securities held for trading purposes or as other current assets, the company's portfolio of shares in publicly-listed companies as well as fixed-interest securities is reported at the share price prevailing on the balance sheet date. If no quotes or share prices are available the value is determined by means of valuation models.

Certificates acquired based on an equity-based or index-based performance are valued with the share prices prevailing on the balance sheet date, and if no share prices are available, with the assistance of valuation models to illustrate stochastic development processes.

Bonds issued by borrowers from Eastern European markets as well as shares issued by Eastern European companies held by the company for trading purposes are valued at the market rates announced by other credit institutions and brokers, or as quoted by Reuters, or valuation models, provided that share prices for these securities are not available or do not provide sufficient information. If no such market rates are available, prices for primary financial instruments are calculated on the basis of the net present value method. This method is based on an interest rate curve which comprises money market, futures and swap rates without spreads. In order to

determine the value of unlisted bank bonds depreciation or parameter adjustments are considered to reflect market liquidity risks within these evaluation methods.

Options on securities of publicly-listed companies and options on security indices (i.e. purchased and sold calls and puts, primarily EUREX options) as well as futures held for trading purposes are valued according to the market prices prevailing on the balance sheet date. Value adjustments were made to take temporal differences into account.

Various models are used for the valuation of OTC options, depending on the type of option. For plain-vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options, whereas barrier options use Heynen-Kat and spread options rely on the Kirk model.

Loans and advances to credit institutions and customers

Loans and advances to credit institutions and customers are shown at their nominal value. Individual loan loss provisions are made in the case of an identifiable recognizable risk of default on the part of borrowers.

Equity participations and shares in affiliated companies

Equity participations and shares in affiliated companies are principally capitalized according to the principle of "going concern" (the ability to continue functioning as a business entity) at their cost of acquisition. Depreciation is carried out when, in all probability, permanent impairment has taken place.

Intangible and tangible fixed assets

The valuation of intangible and tangible fixed assets (i.e. land and buildings, office furniture and equipment as well as other tangible fixed assets) is carried out at the cost of acquisition less their scheduled, linear depreciation.

Depreciation rates applied are 33.3 per cent and 14.3 per cent p.a. for intangible fixed assets, 2.5 per cent and 10.0 per cent p.a. for immovable fixed assets, and 10 per cent – 33 per cent for movable fixed assets. A full year's depreciation is taken in the case of additions made during the first half of the financial year, whereas half-year depreciation applies to additions in the second half of the financial year. Low value assets (cost of acquisition per item less than € 0.4 thousand) are fully depreciated in the year of acquisition.

Liabilities to credit institutions and customers

Liabilities to credit institutions and customers are reported at the amount of repayment, taking into consideration the principle of financial prudence.

Securitized liabilities

Securitized liabilities (the majority of which are structured capital guaranteed bonds, whose rate of interest depends on the share price or share price index performance) are valued according to the present value method, or according to common option value methods for the option component.

Provisions for severance payments

The provisions for severance payments are designed to fulfill legal demands, as well as those arising from individual or collective contractual agreements. Provisions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 2.0 per cent (previous year: 3.5 per cent), as well as an unchanged annual salary increase amounting to 3 per cent.

The AVÖ (Austrian actuaries' association) 2008-P-basis for calculating retirement pension insurances – Pagler & Pagler for salaried employees was taken as biometric basis for calculation. The underlying presumption is a decreasing fluctuation rate in connection with the earliest possible retirement date, at the age of 60 for women and 65 for men, taking into account the changes to Austria's General Social Security Law in accordance to the Budgetary Amendment 2003. The premium reserve amounts to 93.12 per cent of the statistical termination benefit obligations on the balance sheet date.

Provisions for retirement benefits

Provisions for retirement benefits are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 2.0 per cent (previous year: 3.5 per cent), an unchanged 2.0 per cent increase in the probable profit sharing rate, and a retirement age of 65 years. The AVÖ (Austrian actuaries' association) 2008-P-basis for calculating retirement pension insurances – Pagler & Pagler for salaried employees was taken as biometric basis for calculation.

The premium reserve for of the pension plan reinsurance concluded for future beneficiaries is reported as "Other assets".

Other provisions

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined.

B. Notes to the Financial Statements

I. Cash in hand and deposits with central banks

The balance sheet item A 1, which encompasses cash in hand and deposits with the Austrian National Bank, is reported as € 2,898 thousand (31/12/2013: € 4,337 thousand). Prevailing regulations pertaining to liquidity and minimum reserves were observed.

II. Loans and advances

II.1. Classification of loans and advances other than those payable on demand according to their term to maturity

31/12/2014 in € thousand	0-3 months	3-12 months	1-5 years	>5 years	Total
Bonds and notes issued by public bodies	480	31,026	0	33,405	64,912
Loans and advances to credit institutions	333,444	179,454	927,418	97,361	1,536,676
Loans and advances to customers	6,920	955	27,226	8,202	43,303
Bonds, notes and other fixed-interest securities	47,104	134,277	51,041	6,931	23,352
Shares and other variable-yield securities	0	76,632	62,907	0	139,539
	387,948	422,344	1,068,593	145,898	2,023,783

Comparative figures as at 31/12/2013

31/12/2013 in € thousand	0-3 months	3-12 months	1-5 years	>5 years	Total
Bonds and notes issued by public bodies	471	0	0	31,984	32,454
Loans and advances to credit institutions	310,866	95,551	741,252	70,411	1,218,081
Loans and advances to customers	7,724	13,805	18,920	15,519	55,968
Bonds, notes and other fixed-interest securities	24,997	96,853	211,932	6,336	340,119
Shares and other variable-yield securities	3,523	17,924	138,235	0	159,681
	347,581	224,133	1,110,339	124,250	1,806,303

II.2. Loans and advances to affiliated companies and equity participations

as at 31/12/2014 in € thousand	Loans and advances to affiliated companies (direct/indirect > 50 %)	Loans and advances to equity participations in which Raiffeisen Centrobank has a direct shareholding (< 50%)
Loans and advances to credit institutions	1,528,357	0
Loans and advances to customers	27,497	514
Bonds, notes and other fixed-interest securities	186,574	0
Shares and other variable-yield securities	123,539	0
Other assets	44,722	9
	1,910,689	523

Comparative figures as at 31/12/2013

as at 31/12/2013 in € thousand	Loans and advances to affiliated companies (direct/indirect > 50 %)	Loans and advances to equity participations in which Raiffeisen Centrobank has a direct shareholding (< 50%)
Loans and advances to credit institutions	1,192,617	0
Loans and advances to customers	37,498	514
Bonds, notes and other fixed-interest securities	277,999	0
Shares and other variable-yield securities	140,401	0
Other assets	56,858	9
	1,705,373	523

III. Securities

Figures supplied pursuant to Article 64 para 1 no 10 and 11 Austrian Banking Act

as at 31/12/2014 in € thousand	Unlisted	Listed	Total	Valued at market price
Bonds and notes issued by public bodies, A2	0	64,912	64,912	64,912
Bonds, notes and other fixed-interest securities, A5	12,304	227,048	239,352	239,352
Shares and other variable-yield securities, A6	137,472	301,406	438,878	438,878
Equity participations, A7	5,137	0	5,137	x
Shares in affiliated companies, A8	10,665	0	10,665	x

Comparative figures as at 31/12/2013

as at 31/12/2013 in € thousand	Unlisted	Listed	Total	Valued at market price
Bonds and notes issued by public bodies, A2	0	32,454	32,454	32,454
Bonds, notes and other fixed-interest securities, A5	0	340,119	340,119	340,119
Shares and other variable-yield securities, A6	145,312	356,441	501,754	501,754
Equity participations, A7	5,137	0	5,137	x
Shares in affiliated companies, A8	8,912	0	8,912	x

The fair value of securities held as other current assets exceeded the acquisition costs by € 44 thousand as at 31 December 2014 (31/12/2013: € 46 thousand).

As at 31 December 2014 balance sheet items A 2 and A 5 include fixed-interest securities amounting to € 304,264 thousand (31/12/2013 balance sheet item A 2 and A 5: € 372,573 thousand) of which € 212,019 thousand (31/12/2013: € 121,541 thousand) will fall due in the forthcoming year.

Balance sheet items A 7 and A 8 were valued according to the moderate lower of cost or market principle.

IV. Equity participations and shares in affiliated companies

The following list contains information on companies in which the Bank directly held a minimum of 20 per cent shareholding on the balance sheet date.

Figures as at 31/12/2014

in € thousand			
Name Domicile	Shareholding in %	Equity	Annual results 2014
1 Centrottrade Holding AG Vienna	100	4,422	1,213
2 Centrottrade Chemicals AG Zug	100	7,332	125
3 Raiffeisen Investment Advisory GmbH Vienna	100	764*)	(2,131)*)
4 Centro Asset Management Ltd. Jersey	100	405*)	242*)
5 Syrena Immobilien Holding AG Spittal/Drau	21	29,614	64

*) unaudited figures

Comparative figures as at 31/12/2013

in € thousand			
Name Domicile	Shareholding in %	Equity	Annual results 2013
1 Centrottrade Holding AG Vienna	100	5,709*)	2,572*)
2 Centrottrade Chemicals AG Zug	100	6,839	(123)
3 Raiffeisen Investment Advisory GmbH Vienna	100	2,009*)	1,390*)
4 Centro Asset Management Ltd. Jersey	100	163*)	152*)
5 Syrena Immobilien Holding AG Spittal/Drau	21	29,550	75

*) unaudited figures

V. Fixed assets

The composition and development of fixed assets is contained in the table outlining the development of fixed assets.

VI. Other assets

Balance sheet item A 11 "Other assets" amounting to € 117,472 thousand (31/12/2013: € 127,826 thousand) primarily refers to purchase contracts from trading in derivative financial instruments reported at fair value as at 31/12/2014 in the amount of € 109,100 thousand (31/12/2013: € 118,380 thousand) as well as loans and advances on tax authorities of € 1,992 thousand (31/12/2013: € 1,355 thousand).

VII. Liabilities

VII.1. Classification of liabilities other than those repayable on demand according to their term to maturity

31/12/2014 in € thousand	0-3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities to credit institutions	51,256	0	0	0	51,256
Liabilities to customers	10,468	19,627	0	0	30,095
Securitized liabilities	63,819	180,361	428,742	98,755	771,677
	125,543	199,989	428,742	98,755	853,029

Comparative figures as at 31/12/2013

31/12/2013 in € thousand	0-3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities to credit institutions	97,911	0	0	0	97,911
Liabilities to customers	1,612	8,452	0	0	10,065
Securitized liabilities	38,987	95,938	482,102	59,647	676,674
	138,510	104,390	482,102	59,647	784,650

VII.2. Liabilities to affiliated companies and equity participations

31/12/2014 in € thousand	Liabilities to affiliated companies (direct/indirect >50 %)	Liabilities to equity participations in which Raiffeisen Centrobank has a direct shareholding (< 50%)
Liabilities to credit institutions	10,691	0
Liabilities to customers	7,197	0
Other liabilities	25,165	0
	43,053	0

Comparative figures as at 31/12/2013

31/12/2013 in € thousand	Liabilities to affiliated companies (direct/indirect >50 %)	Liabilities to equity participations in which Raiffeisen Centrobank has a direct shareholding (< 50%)
Liabilities to credit institutions	79,426	0
Liabilities to customers	11,667	0
Other liabilities	29,344	0
	120,437	0

VII.3. Securitized liabilities

The balance sheet item P 3 contains own issues totaling € 244,180 thousand (31/12/2013: € 134,925 thousand), which will fall due in the course of 2015.

VII.4. Other liabilities

The balance sheet item P 4 "Other liabilities" amounting to € 1,514,807 thousand (31/12/2013: € 1,451,614 thousand) primarily refers to liabilities reported at fair value as well as premiums received from trading in securities and derivative financial instruments of € 1,511,457 thousand (31/12/2013: € 1,442,430 thousand).

VIII. Share capital

The share capital is comprised of 655,000 no-par-value shares.

The shares in Raiffeisen Centrobank are owned by the following companies:

	%	Shares
RBI IB Beteiligungs GmbH, Vienna	100.00	654,999
Lexus Services Holding GmbH, Vienna	0.00	1
	100.00	655,000

IX. Provisions

Provisions break down as follows:

in € thousand	31/12/2014	31/12/2013
Provisions for severance payments	6,079	4,328
Provisions for retirement benefits	486	462
Other provisions	12,047	15,377
Provisions for bonus payments	1,774	4,412
Provisions for litigation risks	4,132	3,526
Provisions for overdue vacation	1,640	1,556
Legal, auditing and consulting expenses	333	452
Provisions for potential losses in affiliated companies	705	968
Provisions for the Securities Trading & Sales Department	486	238
Provisions for the M&A business	703	812
Provisions for outstanding invoices	1,185	758
Provisions for charged costs for Management Board members	936	2,451
Provisions for management fees	58	94
Sundry	95	110
Total	18,612	20,077

Provisions for severance payments include a restructuring provision in the amount of € 954 thousand.

X. Obligations arising from the use of tangible fixed assets not recognized in the balance sheet

The rental and leasing expenses during the period under review amounted to € 1,084 thousand (31/12/2013: € 994 thousand), thereof € 299 thousand (31/12/2013: € 257 thousand) to affiliated companies. For the 2015 financial year, rental costs are expected to total € 760 thousand and € 3,039 thousand for the 2015-2019 financial years, of which the rental costs to affiliated companies will total € 255 thousand and € 1,277 thousand, respectively.

XI. Supplementary data

Assets and liabilities in foreign currencies

The following amounts are contained in the balance sheet in foreign currencies:

Current value in € thousand	31/12/2014	31/12/2013
Assets	668,503	507,128
Liabilities	595,861	430,487

Volume of the securities trading book

As at the balance sheet date the securities trading book was made up as follows:

Volumen	31/12/2014	31/12/2013
Securities	3,280,409	3,153,900
Other financial instruments	5,325,416	3,933,572
Total	8,605,825	7,087,472

Unsettled futures and options contracts according to the VERA scheme¹

At the balance sheet date, the following futures and options transactions (banking and trading book) had not yet been settled:

in € thousand	31/12/2014	31/12/2013
Purchase contracts		
Interest rate futures	0	5,000
Currency and interest rate swaps in a single currency	0	10,673
Options on interest-rate instruments	200	200
Forward exchange contracts/gold contracts	68,286	61,404
Futures in asset values	1,962	1,618
Index future contracts	526,641	600,857
Options on asset values and equity index options	858,585	674,804
Precious metals and commodity future contracts	22,915	17,863
Commodity options	39,436	48,071
Other forward transactions, future contracts, options and similar transactions	35,777	35,762

in € thousand	31/12/2014	31/12/2013
Sales contracts		
Interest rate futures	26,300	36,000
Currency and interest rate swaps in a single currency	0	10,673
Forward exchange contracts/gold contracts	93,419	83,083
Futures in asset values	2,628	375
Index future contracts	94,374	159,997
Options on asset values and equity index options	3,430,553	2,035,835
Precious metals and commodity future contracts	0	0
Commodity options	223,236	252,045

¹ The chart is in line with the reporting guidelines VERA of the Austrian National Bank (Part A 1a unconsolidated statement of assets).

Securities trading book

A securities trading book is maintained. On the balance sheet date the trading volume at fair values (derivatives on shares, commodities, precious metals and gold with delta values) valued pursuant to internal risk calculation amounts to

in € thousand	31/12/2014	31/12/2013
Shares/ mutual funds	(134,717)	(168,743)
Listed options	(3,732)	(21,485)
Futures	429,560	433,542
Warrants/ certificates	(924,915)	(516,744)
OTC options	(53,776)	307,027
Purchased bonds	1,751,265	1,530,651
Issued guarantee bonds	(771,265)	(676,501)
Total	292,420	887,747

Data on transactions with derivative financial instruments

Stock market trading in derivative financial instruments focuses on equities and equity/index futures and options. The financial instruments issued by Raiffeisen Centrobank can be classified as warrants, certificates mainly on equities and equity indices (Turbo, Discount, Bonus and Open-End Certificates), and guarantee bonds with a payment structure related to equity or equity indices.

Listed derivatives are reported in the balance sheet at the listed market price. Unlisted derivatives are reported in the balance sheet with synthetic market prices. In both cases, adjustments in value are recognized through profit or loss in the income statement. The synthetic market prices are determined according to the bank's own evaluation methods, which are examined and approved by the risk management teams and which are based on recognized option-theoretical models.

For plain vanilla options (American and European style), the Black-Scholes model and the binomial pricing model according to Cox-Ross-Rubinstein are applied. The Curran approximation is applied to Asian options, whereas barrier options use Heynen-Kat and spread options rely on the Kirk model.

The volume of derivative financial instruments in the banking book relates to an OTC product to hedge interest rate risks and to FX forwards to hedge currency risks. FX forward transactions are primarily concluded to hedge currency risks of the commodity trading subsidiaries. The transactions are valued at fair value applying observable market parameter. Currency derivatives as at 31 December 2014 come up to a fair value of € 201 thousand (31/12/2013: € 118 thousand).

Volumes of derivative financial transactions according to the VERA scheme¹ for 2014 are as follows:

in € thousand as at 31/12/2014	Nominal amount		Positive fair value		Negative fair value	
	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book
1. Interest rate contracts	200	26,300	0	0	0	40,994
1.1. OTC products	200	0	0	0	0	0
Interest rate swaps	0	0	0	0	0	0
Options on interest-rate instruments	200	0	0	0	0	0
1.2. Products traded on stock exchange	0	26,300	0	0	0	40,994
Interest rate futures	0	26,300	0	0	0	40,994
2. Foreign exchange contracts	98,690	63,010	201	16,105	(201)	14,600
2.1. OTC products	96,690	2,969	201	41	(201)	0
Forward exchange contracts	96,690	0	201	0	(201)	0
Gold contracts	0	2,969	0	41	0	0
2.2. Products traded on stock exchange	0	60,041	0	16,064	0	14,600
Forward exchange contracts	0	16,068	0	16,064	0	0
Currency futures/Gold contracts	0	43,973	0	0	0	14,600
3. Equity contracts	0	5,236,113	0	648,396	0	1,249,206
3.1. OTC products	0	2,281,264	0	96,656	0	112,701
Equity/index-based options- purchased	0	678,408	0	96,493	0	0
Equity/index-based options- sold	0	1,567,078	0	0	0	112,701
Other equity-based contracts	0	35,777	0	163	0	0
3.2. Products traded on stock exchange	0	2,954,849	0	551,739	0	1,136,505
Share and other equity/ index options and future contracts	0	2,585,847	0	538,879	0	933,498
Commodities/ precious metals	0	285,588	0	12,861	0	124,028
Certificates (Reverse Convertibles)	0	83,414	0	0	0	78,979
Total OTC products	98,890	2,284,232	201	96,697	(201)	112,701
Total listed products	0	3,041,190	0	567,803	0	1,192,099
Total	98,890	5,325,422	201	664,500	(201)	1,304,799

¹ The chart is in line with the reporting guidelines VERA of the Austrian National Bank (Part A 1a unconsolidated statement of assets).

Volumes of derivative financial transactions according to the VERA scheme¹ for 2013 are as follows:

in € thousand 31/12/2013	Nominal amount		Positive fair value		Negative fair value	
	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book
1. Interest rate contracts	9,343	53,204	(221)	6,265	222	50,058
1.1. OTC products	9,343	12,204	(221)	43	222	(43)
Interest rate swaps	9,143	12,204	(222)	43	222	(43)
Options on interest-rate instruments	200	0	1	0	0	0
1.2. Products traded on stock exchange	0	41,000	0	6,222	0	51,101
Interest rate futures	0	41,000	0	6,222	0	51,101
2. Foreign exchange contracts	89,534	54,957	118	16,573	(118)	25,044
2.1. OTC products	89,534	11,835	118	0	(118)	2,660
Forward exchange contracts	89,534	0	118	0	(118)	0
Gold contracts	0	11,835	0	0	0	2,660
2.2. Products traded on stock exchange	0	43,122	0	16,573	0	22,384
Forward exchange contracts	0	16,566	0	16,566	0	0
Currency futures/Gold contracts	0	26,556	0	7	0	22,384
3. Equity contracts	0	3,827,222	0	721,339	0	1,101,183
3.1. OTC products	0	1,500,679	0	87,803	0	73,230
Equity/index-based options- purchased	0	537,301	0	87,254	0	0
Equity/index-based options- sold	0	927,616	0	0	0	73,230
Other equity-based contracts	0	35,762	0	549	0	0
3.2. Products traded on stock exchange	0	2,326,543	0	633,536	0	1,027,954
Share and other equity/ index options and future contracts	0	1,960,395	0	612,691	0	854,592
Commodities/ precious metals	0	317,979	0	20,845	0	122,624
Certificates (Reverse Convertibles)	0	48,170	0	0	0	50,738
Total OTC products	98,877	1,524,718	(103)	87,846	104	75,847
Total listed products	0	2,410,665	0	656,331	0	1,100,439
Total	98,877	3,935,383	(103)	744,177	104	1,176,286

¹ The chart is in line with the reporting guidelines VERA of the Austrian National Bank (Part A.1a unconsolidated statement of assets).

C. Notes to the Income Statement

I. Interest and similar income

in € thousand	2014	2013
for liabilities to credit institutions	1,578	1,128
for liabilities to customers	3,516	3,573
for securitized liabilities	6,041	7,784
	11,135	12,485

II. Interest and similar expenses

in € thousand	2014	2013
for liabilities to credit institutions	(2,223)	(1,998)
for liabilities to customers	(108)	(147)
for securitized liabilities	(16,106)	(14,809)
	(18,437)	(16,954)

Interest and similar expenses are mainly related to coupon payments for structured products. The increase compared to the previous year is attributable to an average rise in the issue of structured products with coupon payments. The liquidity derived from issues is primarily invested into tradable money market deposits without current coupons which are included in the trading book. The result from tradable money market deposits included in the trading book is shown in net profit on financial trading activities.

Interest and similar expenses for coupon payments for structured products to which the negative net interest income is primarily attributable to are offset by a positive valuation result from tradable money market deposits in the net profit on financial trading activities.

III. Fee and commission income

in € thousand	2014	2013
from securities business	12,052	13,043
from M&A transactions	5,377	11,931
from ECM transactions	7,806	4,059
from credit business	119	83
from payment transactions	185	227
from other banking services	1,337	1,174
	26,875	30,516

IV. Fee and commission expenses

in € thousand	2014	2013
from securities business	(15,664)	(13,714)
from M&A transactions	(1,924)	(4,333)
from ECM transactions	0	(543)
from payment transactions	(147)	(218)
from other banking services	(985)	(896)
	(19,388)	(19,705)

V. Net profit on financial trading activities

in € thousand	2014	2013
from the valuation and sale of certificates and shares	91,700	(8,806)
from the valuation and sale of other options and futures	(42,768)	49,497
from the valuation of spot and futures positions	(3,241)	(286)
	45,690	40,405

In the reporting year, the net profit on financial trading activities was positive further to a rise in volume in the certificates business and an increase in the transaction volume in the sales business. Contrary, there were negative valuation effects in the trading business which are attributable to market-related adjustments in foreign tradable money market deposits.

VI. Other operating income

The item includes mainly income from the release of non-interest bearing provisions in the amount of € 1,350 thousand, and income from the release of M&A value adjustments in the amount of € 880 thousand. In 2013, the item contained € 2,000 thousand from the repurchase of a subordinated bond of Raiffeisen Bank Malta plc, Sliema.

VII. General administrative expenses

in € thousand	2014	2013
Office space expenses (maintenance, operation, administration, insurance)	(1,377)	(1,396)
Office supplies, printed matter, literature	(292)	(393)
IT costs	(2,073)	(2,239)
Communication costs	(1,069)	(1,001)
Information services	(3,522)	(3,011)
Car expenses and travelling expenses	(949)	(1,085)
Advertising and promotional expenses	(1,019)	(1,218)
Legal, advisory and consultancy services	(1,127)	(1,277)
Contributions to associations	(734)	(436)
Sundry	(2,845)	(4,561)
	(15,007)	(16,617)

The decrease in "General administrative expenses" is attributable to the release of provisions for bonus payments.

VIII. Other operating expenses

"Other operating expenses" amounting to € 2,148 thousand (31/12/2013: € 728 thousand) primarily relates to M&A value adjustments in the amount of € 1,290 (2013: € 68 thousand) and to expenses charged for non-banking transactions in the amount of € 801 thousand.

IX. Income taxes

Income taxes are comprised of the following:

in € thousand	2014	2013
Group taxation	324	768
Taxes for former periods	0	33
Taxes for former periods (settlement of Group charge)	(1,136)	0
Not recognized as foreign withholding tax	1,065	1,163
	253	1,964

X. Deferred taxes

The bank did not exercise its right to capitalize deferred tax. The capitalizable amount of about € 421 thousand (2013: € 317 thousand) was calculated on the basis of non-deductible expenses for the 2014 financial year and previous years.

XI. Expenses for auditing the financial statements

Expenses for auditing the financial statements split into expenses for auditing and for tax consultancy services are contained in the consolidated financial statements.

D. Other Disclosures

Contingent liabilities

The breakdown of contingent liabilities arising from guarantees and sureties totaling € 447 thousand (31/12/2013: € 696 thousand) consists of the following:

in € thousand	31/12/2014	31/12/2013
Letters of credit	0	248
Guarantees	447	448
	447	696
thereof for affiliated companies	0	248

In accordance with Article 93 Austrian Banking Act, the Bank is legally obliged to provide for proportionate deposit insurance as part of its membership in a professional association. Raiffeisen Centrobank AG is a member of the Fachverband der Raiffeisenbanken (professional association of the Raiffeisen Banking Group). This also entails an affiliation with Österreichischen Raiffeisen Einlagensicherung reg, GenmbH., Vienna (the deposit insurance arm of the Raiffeisen Banking Group, registered as a limited liability company). In the financial year the theoretical claim on this insurance is limited to a rate of 1.5 per cent of the assessment basis in accordance with Article 22 para 2 Austrian Banking Act at the balance sheet date, plus the weighted items of the securities trading book, also in accordance with part 3 CRR. These contingent liabilities are reported at a market value of € 0.07.

Commitments shown under the balance sheet

Commitments shown under the balance sheet amounting to € 9,896 thousand (31/12/2013: € 33,090 thousand) refer to irrevocable and revocable credit lines and standby facilities.

Other contractual bank guarantee obligations

The following assets were pledged as security for obligations as of December 31, 2014:

Item A 2 Loans and advances to credit institutions

€ 145,265 thousand (31/12/2013: € 115,912 thousand)
Collateral deposited with banks and stock exchanges for the securities and options business

Item A 5 Bonds, notes and other fixed-interest securities

€ 54,431 thousand (31/12/2013: € 84,156 thousand)
Collateral deposited with banks and stock exchanges for the securities and options business

Item A 6 Shares and other variable-yield securities

€ 0 thousand (31/12/2012: € 10,989 thousand)
Collateral deposited with banks and stock exchanges for the securities and options business

Letters of comfort

As at the balance sheet date a non-binding letter of comfort towards an associated company was in existence. No circumstances were known which would have involved a provision for contingent losses.

Trustee transactions

Trustee transactions not included in the balance sheet refer to one equity participation held in trust.

Own funds

The own funds pursuant to part 2 CRR are comprised of the following:

in € thousand	31/12/2014
Capital paid-in	47,599
Earned capital	44,721
Core capital (tier 1 capital) before deductions	92,320
Intangible fixed assets	(115)
Prudent valuation	(4,464)
Core capital (tier 1 capital) after deductions	87,740
Supplementary own funds	0
Core capital	87,740
Supplementary capital	0
Supplementary own funds (after deductions)	0
Total own funds	87,740
Total risk-weighted assets	682,985
Core tier 1 ratio, credit risk	31.4%
Core tier 1 ratio, total	12.8%
Own funds ratio	12.8%

In the reporting year, an amount of € 3,000 was allocated to other reserves pursuant to the decision of the Annual General Assembly of 29 April 2014.

in € thousand	2014
Total risk-weighted assets	682,985
Total own funds requirement for credit risk	22,333
Standard approach	20,860
CVA risk	1,473
Total own funds requirement for position risk in bonds, equities, commodities and open currency positions	20,766
Total own funds requirement for operational risk	11,539
Total own funds requirement	54,639

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

in € thousand	2014
Risk-weighted assets according to standardized approach	260,754
Central governments and central banks	556
Public bodies	68
Institutions	112,167
Corporates	109,830
Equity participations	15,803
Positions with particularly high risk	3,582
Other positions	18,747
CVA risk	18,409
Total	279,163

Eligible own funds pursuant to § 23 para 14 Austrian Banking old version amounted to € 89,115 thousand in 2013, including own funds pursuant to § 23 para 14 item 7 Austrian Banking Act old version in the amount of € 0 thousand.

Total own funds requirement pursuant to § 22 para 1 Austrian Banking Act old version came up to € 57,435 thousand including total own funds requirement pursuant to § 22 para 1 item 1 and 4 Austrian Banking Act old version in the amount of € 27,203 thousand.

Number of staff

	31/12/2014	Annual average	31/12/2013	Annual average
Salaried employees (including Management Board)	224	238	249	249
thereof part-time	27	27	26	27
Wage employees	9	9	10	10
thereof part-time	2	3	5	5
Total	233	247	259	259

Advances and loans to members of the Management Board and Supervisory Board

At the balance sheet date no advances and loans had been granted to members of the Management Board. No advances, loans or guarantees were granted to members of the Supervisory Board.

Expenses for severance payments and retirement benefits

Expenses for severance payments and retirement benefits (including contributions to pension funds and staff retirement benefit plans, as well as provisions for severance payments) break down as follows:

	Retirement benefits		Severance payments	
	2014	2013	2014	2013
Management Board members and senior management	(313)	442	40	165
Employees	512	689	2.618	647
Total	199	1.131	2.658	812

Expenses for severance payments 2014 include restructuring provisions in the amount of € 954 thousand.

Payment to employee pension funds came up to € 225 thousand (2013: € 216 thousand).

Remunerations and expenses on severance payments and retirement benefits for members of the Management Board were borne by Raiffeisen Bank International AG (an affiliated company) and are included as refund in "Other administrative expenses".

Severance payments to members of the Management Board came up to € 16 thousand (2013: € 500 thousand).

Remuneration for members of the Management Board and Supervisory Board

In the 2014 financial year remuneration for four Management Board members totaled € 2,689 thousand (2013: € 2,090 thousand). As to the remuneration of the Management Board € 2,647 thousand (2013: € 1,785 thousand) were charged by Raiffeisen Bank International AG (an affiliated company) and are included in "Other administrative expenses".

In 2014 attending fees in the amount of € 95 thousand were paid to members of the Supervisory Board (2013: € 110 thousand).

Group relations

The company is an affiliated company of Raiffeisen-Landesbanken-Holding GmbH, Vienna, and is integrated in its consolidated financial statements, as well as in the consolidated financial statements of Raiffeisen Bank International AG, Vienna which provides the consolidated financial statements for the least number of companies required.

Raiffeisen Centrobank itself is considered to be a parent company pursuant to Article 30 para 1 Austrian Banking Act. Provisions pertaining to the exempting consolidated financial statements pursuant to Article 245 para 5 Austrian Commercial Code are not applicable, due to the fact that securities issued by the company are traded on an organized stock exchange as stipulated in Article 4 para 1 (92) of EU Directive 575/2013. For this reason, the company draws up its own consolidated financial statements for its subgroup in accordance with International Financial Reporting Standards. These consolidated financial statements are available at the relevant parent company as well as at the Commercial Court of Vienna.

Since December 17, 2008, the company has been a member of the corporate group Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) pursuant to Article 9 Austrian Corporation Tax Act. The application submitted by the company to become a group member of the corporate group RZB as of the business year 2008 pursuant to Article 9 Austrian Corporation Tax Act was notified to the financial authorities on December 19, 2008 and was approved by notice on April 22, 2009.

The taxable results of the members of the group are attributed to the parent company. Any tax adjustments between the parent company and the individual members of the corporate group are regulated in the form of a tax allocation agreement.


Members of the Management Board, the Supervisory Board and State Commissioners

Management Board	Eva Marchart	(Chief Executive Officer until 31 December 2014)
	Alfred Michael Spiss	(Deputy Chief Executive Officer until 31 December 2014)
	Gerhard Grund	(Member of the Management Board until 31 December 2014)
	Wilhelm Celeda	Chief Executive Officer as of 1 January 2015
	Markus Kirchmair	(Member of the Management Board until 31 December 2014) Member of the Management Board as of 1 January 2015
Supervisory Board	Klemens Breuer	Chairman
	Member of the Management Board, Raiffeisen Bank International AG, Vienna	
	Walter Rothensteiner	1st Deputy Chairman (until 31 December 2014)
	Chief Executive Officer, Raiffeisen Zentralbank Österreich AG, Vienna	
	Karl Sevelda	1st Deputy Chairman (since 1 January 2015)
	Chief Executive Officer, Raiffeisen Bank International AG, Vienna	2nd Deputy Chairman (until 31 December 2014)
	Johann Strobl	Member (until 29 April 2014))
Deputy Chief Executive Officer, Raiffeisen Bank International AG, Vienna,		
Hannes Mösenbacher	Member (since 29 April 2014)	
Division Head, Raiffeisen Bank International AG, Vienna		
Werner Kaltenbrunner	Member	
Division Head, Raiffeisen Bank International AG, Vienna		
State Commissioners	Alfred Hacker, Tamara Els	

Vienna, 15 April 2015
The Management Board



Wilhelm Celeda
Chief Executive Officer



Markus Kirchmair
Member of the Management Board

Auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of Raiffeisen Centrobank AG, Vienna, for the fiscal year from 1 January 2014 to 31 December 2014. These financial statements comprise the balance sheet as of 31 December 2014, the income statement for the fiscal year ended 31 December 2014, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance for the year from 1 January to 31 December 2014 in accordance with Austrian Generally Accepted Accounting Principles.

Report on the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 15 April 2015
KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
(Austrian Chartered Accountant)

Josef Kirchknopf
(Austrian Chartered Accountant)

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