

Reporting period:

01.01.2009

to

31.12.2009

Quarterly financial report for credit institutions-TFI-KI

Identification number (MB):	00901717
Subjects identification number (MBS):	080002366
Personal identification number (OIB):	
Issuer company:	Raiffeisenbank Austria d.d. Zagreb
Post office number and city:	10000 Zagreb
Street and number:	Petrinjska 59
E-mail address:	info@rba.hr
Internet address:	www.rba.hr
Code and name of municipality/city:	133
Code and name of county:	21 City of Zagreb
	Number of employees: (as at the quarter-end)
	2,502
Consolidated report:	YES
	Code in NKD: 6419

Companies included in consolidation (according to IFRS):

Headquarters:

MB:

Company Name	Headquarters	MB
RAIFFEISEN LEASING d.d.	Radnička 43 , Zagreb	01464477
RAIFFEISEN INVEST d.o.o.	Magazinska 69 , Zagreb	01606328
RAIFFEISEN FACTORING d.o.o.	Radnička c. 41 , Zagreb	01650343
RAIFFEISEN CONSULTING d.o.o.	Petrinjska 59 , Zagreb	01473620
RAIFFEISEN MIROVINSKO OSIGURAVAJUĆE DRUŠTVO d.o.o.	Magazinska 69 , Zagreb	01639404
RAIFFEISEN MIROVINSKO DRUŠTVO ZA UPRAVLJANJE DOBROVOLJNIM MIROVINSKIM FONDOM d.o.o.	Magazinska 69 , Zagreb	01587528
RAIFFEISEN MIROVINSKO DRUŠTVO ZA UPRAVLJANJE OBVEZNIM MIROVINSKIM FONDOM d.d.	Magazinska 69 , Zagreb	01583484
RAIFFEISEN UPRAVLJANJE NEKRETNINAMA d.o.o.	Petrinjska 59 , Zagreb	01759922

Accounting:	
Contact person:	Kuzmanić Robert / Trbović Ljiljana (only name and surname of contact person is included)
Phone:	01/6174-180 i 6174-182 Fax: 01/4604-875
E-mail address:	robert.kuzmanic@rba.hr, ljiljana.trbovic@rba.hr
Surname and name:	Zdenko Adrović (person representing the company)

Documentation to be published:

1. Financial reports (balance, income statement, cash flow statement, statement on changes in equity and notes to financial statements)
2. Statement of person responsible for preparation of financial reports
3. Management Report on the condition of the company

M.P.

(signature of the President of the Management Board)

CONSOLIDATED BALANCE SHEET

as at

31.12.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Current period 31.12.2009.
1	3	4	5
ASSETS			
A) Cash and deposits with CNB	001	4,388,580	3,904,659
I. Cash	002	417,422	443,518
II. Deposits with CNB	003	3,971,158	3,461,141
B) deposits with banks	004	2,374,287	1,558,171
C) Treasury bills with ministry of finance	005	1,068,210	1,360,857
D) Securities and other financial instruments held for trading	006	3,870,279	4,626,910
E) Securities and other financial assets available for sale	007	10,022	48,780
F) Securities and other financial instruments held to maturity	008	884,161	890,919
G) Financial assets at fair value through profit or loss	009	412,793	1,067,333
H) Derivative financial assets	010	29,837	121,100
I) Loans to banks	011	340,544	895,268
J) Loans to other customers	012	27,771,618	25,658,690
K) Investment in subsidiaries, associates and joint ventures	013	211	254
L) Foreclosed assets	014	283	983
M) Tangible assets	015	1,463,303	1,360,067
N) Interest, fees and other assets	016	983,439	1,193,091
O) Total assets	017	43,597,567	42,687,082
LIABILITIES			
A) CAPITAL AND RESERVES	018	5,610,381	5,625,047
I. Core (paid in) capital	019	3,701,120	3,702,417
II. Capital reserves	020	2,790	2,993
III. Profit reserves	021	461,836	546,861
IV. Revaluation reserves	022	0	0
V. Retained earnings	023	890,207	900,222
VI. Loss brought forward	024	0	0
VII. Profit for the period	025	467,798	377,393
VIII. Loss for the period	026	0	0
IX. Unrealised gain/loss from revaluation of financial assets available for sale	027	6,633	6,890
X. Minority interests	028	79,997	88,271
B) Borrowings from banks	029	3,026,534	5,619,054
C) Deposits	030	23,018,654	21,525,016
D) Other borrowings	031	10,068,134	8,324,607
E) Derivative financial liabilities and other traded financial liabilities	032	382,448	165,941
F) Issued debt securities	033	99,683	119,283
G) Issued subordinated instruments	034	0	0
H) Issued hybrid instruments	035	0	0
I) Interest, fees and other liabilities	036	1,391,733	1,308,134
J) TOTAL LIABILITIES	037	43,597,567	42,687,082
K) OFF BALANCE SHEET ITEMS	038	8,799,159	7,513,218
BALANCE SHEET SUPPLEMENT (to be input by issuer preparing consolidated financial reports)			
CAPITAL AND RESERVES			
1. Attributable to equity holders of the Bank	039	5,530,384	5,536,776
2. Attributable to minority interests	040	79,997	88,271

CONSOLIDATED INCOME STATEMENT

for the
period

01.01.

to

31.12.2009.

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.		Current period 31.12.2009.	
		Cumulative	Quarterly	Cumulative	Quarterly
		1	3	4	5
1. Interest income	041	2,636,509	712,544	2,704,033	653,091
a) from individuals	042	1,076,187	278,635	1,151,411	278,618
b) from companies	043	838,734	244,872	824,972	194,921
c) from financial institutions	044	385,018	94,201	276,948	62,938
d) other interest income	045	336,570	94,836	450,702	116,614
2. Interest expense	046	-1,634,294	-475,654	-1,595,954	-356,518
a) to individuals	047	-474,284	-155,297	-619,365	-166,297
b) to companies	048	-245,364	-43,898	-183,566	-23,738
c) to financial institutions	049	-903,889	-270,751	-776,411	-163,261
d) other interest expense	050	-10,757	-5,708	-16,612	-3,222
3. Net interest income	051	1,002,215	236,890	1,108,079	296,573
4. Fees and commissions income	052	579,679	141,713	514,973	131,730
5. Fees and commissions expense	053	-139,278	-42,044	-114,979	-38,638
6. Net fees and commissions income	054	440,401	99,669	399,994	93,092
7. Gains/(losses) from investment in subsidiaries, associates and joint ventures	055	94	198	44	19
8. Gains/(losses) from trading activities	056	-188,696	-72,642	-35,349	-12,904
9. Gains/(losses) from embedded Derivatives	057	0	0	25	0
10. Gains/(losses) from financial assets designated at fair value through profit or loss	058	-36,032	-28,210	-12,884	19,084
11. Gains/(losses) from financial assets available for sale	059	7,774	-171	24	24
12. Gains/(losses) from financial investments held to maturity	060	0	-174	35	18
13. Gains/(losses) from Hedging Transactions	061	0	0	0	0
14. Exchange gains/(losses) from foreign currency	062	278,754	15,949	374,319	110,280
15. Other Income	063	343,322	117,353	391,809	93,472
16. Other Expenses	064	-44,220	15,665	-63,253	-4,754
17. General administrative expenses and depreciation	065	-1,145,088	-307,029	-1,163,373	-309,118
18. Profit (loss) from operations before value adjustment, impairment and provisions for losses	066	658,523	77,498	999,470	285,786
19. Impairment and provisions for losses	067	-57,917	-9,133	-500,290	-174,057
20. Profit before tax	068	600,606	68,365	499,180	111,729
21. Income tax expense	069	-119,710	-41,474	-109,991	-108,524
22. Profit (loss) for the period	070	480,896	26,891	389,189	3,205
INCOME STATEMENT SUPPLEMENT (to be input by issuer preparing consolidated financial statements)					
I.* Profit attributable to shareholders of the Bank	071	467,797	-10,860	377,393	8,465
II.* Profit attributable to minority interests	072	13,099	37,751	11,796	-5,260
III.* Loss attributable to shareholders of the Bank	073				
IV.* Loss attributable to minority interests	074				

CONSOLIDATED CASH FLOW STATEMENT - Indirect method

for the period 01.01. to 31.12.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Current period 31.12.2009.
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit (loss) before tax	075	600,606	499,180
2. Impairment and provisions for losses	076	54,743	500,290
3. Depreciation	077	298,421	312,059
4. Net unrealised (profit) loss from financial assets and liabilities designated at fair value through profit or loss	078	37,816	9,687
5. Profit/loss from sale of tangible assets	079	235,625	290,513
6. Other profit (loss)	080	-861,511	-98,430
7. Other increase of cash flow	081		
8. Net increase/decrease of deposits with CNB	082	874,694	375,678
9. Net increase/decrease of treasury bills from Ministry of finance and treasury bills with CNB	083	-94,828	-292,647
10. Net increase/decrease of deposits with banks and loans to financial institutions	084	236,485	103,014
11. Net increase/decrease of other loans	085	-3,438,814	1,554,070
12. Net increase/decrease of securities and other financial instruments designated at fair value through profit or loss	086	230,538	-654,519
13. Net increase/decrease of securities and other financial assets available for sale	087	13,052	-39,140
14. Net increase/decrease of securities and other financial instruments actively traded and designated at fair value through profit or loss	088	-1,328,956	-815,384
15. Net increase/decrease of demand deposits	089	-844,884	-16,692
16. Net increase/decrease of savings and term deposits	090	666,560	-1,448,797
17. Net increase/decrease of derivative financial liabilities	091	307,703	-216,508
18. Net increase/decrease of other liabilities	092	-307,059	-752,671
19. Net cash inflow/(outflow) from operating activities	093	-3,319,809	-690,297
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Receipts from sale/(payments for buying) of tangible and intangible assets	094	-753,010	-366,321
2. Receipts from sale/(payments for buying) of investments in subsidiaries, associates and joint ventures	095	3,500	
3. Receipts from sale/(payments for buying) of securities and other financial instruments held to maturity	096	-71,490	-14,507
4. Received dividends	097	1,014	1,803
5. Other receipts/(payments) from investment activities	098	50,721	65,275
6. Net cash inflow/(outflow) from investment activities	099	-769,265	-313,750
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Net increase/(decrease) in borrowings	100	697,989	901,615
2. Net increase/(decrease) of issued debt securities	101	-58,250	19,600
3. Net increase/(decrease) of issued subordinated and hybrid instruments	102		
4. Receipts from issued share capital	103	1,504,800	0
5. Dividends paid	104	-223,972	-377,173
6. Other receipts/(payments) from financial activities	105		
7. Net cash inflow/(outflow) from financial activities	106	1,920,567	544,042
Total increase of cash flow	107		
Total decrease of cash flow	108	-2,168,507	-460,005
Cash and cash equivalents at the beginning of the period	109	5,989,874	3,821,367
Increase in cash and cash equivalents	110		
Decrease in cash and cash equivalents	111	-2,168,507	-460,005
Cash and cash equivalents at the end of the period	112	3,821,367	3,361,362

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

for the period

31.12.2008

 to

31.12.2009

Amounts in HRK thousand

Position name	AOP code	Previous period	Increase	Decrease	Current period
		31.12. 2008.			31.12.2009.
1. Capital paid	113	3,701,120	1,297	0	3,702,417
2. Capital reserves	114	2,790	203	0	2,993
3. Profit reserves	115	461,836	85,025	0	546,861
4. Retained earnings	116	890,207	10,015	0	900,222
5. Profit (loss) for the period	117	467,798	377,393	467,798	377,393
6. Revaluation of long term tangible assets	118	0	0	0	0
7. Revaluation of intangible assets	119	0	0	0	0
8. Revaluation of financial assets available for sale	120	6,633	257	0	6,890
9. Other revaluations	121	0	0	0	0
10. Total capital and reserves	122	5,530,384	474,190	467,798	5,536,776
11. Exchange rate differences relating to net investments abroad	123	0	0	0	0
12. Current and deferred taxes (part)	124	0	0	0	0
13. Cash flow hedging	125	0	0	0	0
14. Changes in accounting policies	126	0	0	0	0
15. Correction of significant errors in previous period	127	0	0	0	0
16. Other changes in capital	128	79,997	8,274	0	88,271
17. Total increase or decrease of capital	129	5,610,381	482,464	467,798	5,625,047
17 a. Attributable to equity holders of the Bank	130	5,530,384	474,190	467,798	5,536,776
17 b. Attributable to minority interests	131	79,997	8,274	0	88,271

Positions that decrease capital have to be input with negative sign.

Data under AOP codes 113 to 121 have to be input as balance, at balance sheet date

Reporting period:

01.01.2009

to

31.12.2009

Quarterly financial report for credit institutions-TFI-KI

Identification number (MB): **00901717**

Subjects identification number (MBS): **080002366**

Personal identification number (OIB):

Issuer company: **Raiffeisenbank Austria d.d. Zagreb**

Post office number and city: **10000**

Zagreb

Street and number: **Petrinjska 59**

E-mail address: **info@rba.hr**

Internet address: **www.rba.hr**

Code and name of municipality/city: **133**

Code and name of county: **21 City of Zagreb**

Number of employees: **2,306**

(as at the quarter-end)

Consolidated report: **NO**

Code in NKD: **6419**

Companies included in consolidation (according to IFRS):

Headquarters:

MB:

Accounting:

Contact person: **Kuzmanić Robert / Trbović Ljiljana**

(only name and surname of contact person is included)

Phone: **01/6174-180 i 6174-182**

Fax: **01/4604-875**

E-mail address: **robert.kuzmanic@rba.hr, ljiljana.trbovic@rba.hr**

Surname and name: **Zdenko Adrović**

(person representing the company)

Documentation to be published:

1. Financial reports (balance, income statement, cash flow statement, statement on changes in equity and notes to financial statements)
2. Statement of person responsible for preparation of financial reports
3. Management Report on the condition of the company

(signature of the President of the Management Board)

M.P.

UNCONSOLIDATED BALANCE SHEET

as at

31.12.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Current period 31.12.2009.
1	3	4	5
ASSETS			
A) Cash and deposits with CNB	001	4,388,570	3,904,649
I. Cash	002	417,412	443,508
II. Deposits with CNB	003	3,971,158	3,461,141
B) Deposits with banks	004	2,249,056	1,223,809
C) Treasury bills with ministry of finance	005	1,021,462	1,313,342
D) Securities and other financial instruments held for trading	006	3,870,279	4,626,910
E) Securities and other financial assets available for sale	007	10,022	10,028
F) Securities and other financial instruments held to maturity	008	793,827	787,921
G) Financial assets at fair value through profit or loss	009	361,524	1,054,963
H) Derivative financial assets	010	30,501	121,100
I) Loans to banks	011	338,161	895,268
J) Loans to other customers	012	25,858,204	24,060,054
K) Investment in subsidiaries and associates	013	210,745	210,745
L) Foreclosed assets	014	283	983
M) Tangible assets	015	419,891	397,879
N) Interest, fees and other assets	016	825,583	936,831
O) TOTAL ASSETS	017	40,378,108	39,544,484
LIABILITIES			
A) CAPITAL AND RESERVES	018	5,406,567	5,442,459
I. Core (paid in) capital	019	3,701,120	3,702,417
II. Capital reserves	020	2,790	2,993
III. profit reserves	021	458,546	542,007
IV. Revaluation reserves	022	0	0
V. Retained earnings	023	736,336	780,175
VI. Loss brought forward	024	0	0
VII. Profit for the period	025	500,810	407,896
VIII. Loss for the period	026	0	0
IX. Unrealised gain/loss from revaluation of financial assets available for sale	027	6,965	6,971
X. Minority interests	028	0	0
B) Borrowings from banks	029	3,018,423	5,401,329
C) Deposits	030	23,205,529	22,002,613
D) Other borrowings	031	7,220,007	5,458,003
E) Derivative financial liabilities and other trading financial liabilities	032	384,402	166,948
F) Issued debt securities	033	99,683	119,283
G) Issued subordinated instruments	034	0	0
H) Issued hybrid instruments	035	0	0
I) Interests, fees and other liabilities	036	1,043,497	953,849
J) TOTAL LIABILITIES	037	40,378,108	39,544,484
K) OFF BALANCE SHEET ITEMS	038	8,835,804	7,465,034
BALANCE SHEET SUPPLEMENTS (to be input by issuer preparing consolidated financial reports)			
CAPITAL AND RESERVES			
1. Attributable to equity holders of the Bank	039		
2. Attributable to minority interests	040		

UNCONSOLIDATED INCOME STATEMENT

for the period 01.01. to 31.12.2009.

Amounts in HRK
thousand

Position name	AOP code	Previous period 31.12.2008.		Current period 31.12.2009.	
		Cumulative	Quarterly	Cumulative	Quarterly
1	3	4	5	6	7
1. Interest income	041	2,495,928	678,693	2,595,276	630,620
a) from individuals	042	1,076,187	286,066	1,142,816	276,779
b) from companies	043	716,663	207,265	739,192	178,495
c) from financial insitutions	044	375,956	92,762	269,330	60,373
d) other interest income	045	327,122	92,600	443,938	114,973
2. Interest expense	046	-1,504,899	-440,646	-1,495,944	-334,423
a) to individuals	047	-474,187	-125,810	-619,365	-166,297
b) to companies	048	-245,380	-73,557	-183,331	-23,501
c) to financial insitutions	049	-774,478	-235,541	-676,636	-141,403
d) other interest expense	050	-10,854	-5,738	-16,612	-3,222
3. Net interest income	051	991,029	238,047	1,099,332	296,197
4. Fees and commissions income	052	478,543	124,553	446,062	111,649
5. Fees and commissions expense	053	-126,882	-28,285	-109,717	-37,053
6. Net fees and commissions income	054	351,661	96,268	336,345	74,596
7. Gains/(losses) from investment in subsidiaries, associates and joint ventures	055	0	0	0	0
8. Gains/(losses) from trading activities	056	-183,047	-75,383	-28,008	-8,786
9. Gains/(losses) from embedded derivatives	057	0	0	25	0
10. Gains/(losses) from financial assets designated at fair value through profit or loss	058	-31,903	-26,367	-14,796	16,906
11. Gains/(losses) from financial assets available for sale	059	8,039	0	0	0
12. Gains/(losses) from financial investments held to maturity	060	0	0	0	0
13. Gains/(losses) from Hedging transaction	061	0	0	0	0
14. Exchange gains/(losses) from foreign currency	062	310,877	84,304	362,918	106,717
15. Other Income	063	113,226	22,133	115,596	2,941
16. Other Expenses	064	-62,197	-15,586	-65,828	-9,860
17. General administrative expenses and depreciation	065	-843,414	-228,360	-844,069	-217,507
18. Profit (loss) from operations before value adjustment, impairment and provisions for losses	066	654,272	95,057	961,515	261,204
19. Impairment and provisions for losses	067	-53,854	-6,481	-463,417	-153,982
20. Profit before tax	068	600,418	88,576	498,098	107,222
21. Income tax expense	069	-99,608	-21,153	-90,202	-88,516
22. Profit (loss) for the period	070	500,810	67,423	407,896	18,706
INCOME STATEMENT SUPPLEMENT (to be input by issuer preparing consolidated financial statements)					
I.* Profit attributable to shareholders of the Bank	071				
II.* Profit attributable to minority interests	072				
III.* Loss attributable to shareholders of the Bank	073				
IV.* Loss attributable to minority interests	074				

UNCONSOLIDATED CASH FLOW STATEMENT - Indirect method

for the period 01.01. to 31.12.2009

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12.2008.	Current period 31.12.2009.
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit (loss) before tax	075	600,418	498,098
2. Impairment and provisions for losses	076	53,854	463,417
3. Depreciation	077	117,681	129,337
4. Net unrealised (profit) loss from financial assets and liabilities designated at fair value through profit or loss	078	38,317	10,929
5. Profit/loss from sale of tangible assets	079	436	-540
6. Other profit (loss)	080	-983,917	-167,782
7. Other increase of cash flow	081		
8. Net increase/decrease of deposits with CNB	082	874,694	375,678
9. Net increase/decrease of treasury bills with Ministry of finance and treasury bills with CNB	083	-48,080	-291,880
10. Net increase/decrease of deposits with banks and loans to financial institutions	084	405,529	103,014
11. Net increase/decrease of other loans	085	-2,863,404	1,316,267
12. Net increase/decrease of securities and other financial instruments designated at fair value through profit or loss	086	121,631	-693,438
13. Net increase/decrease of securities and other financial assets available for sale	087	-7,633	0
14. Net increase/decrease of securities and other financial instruments actively traded and designated at fair value through profit or loss	088	-1,328,956	-815,384
15. Net increase/decrease of demand deposits	089	-857,940	67,367
16. Net increase/decrease of savings and term deposits	090	579,960	-1,242,134
17. Net increase/decrease of derivative financial liabilities	091	309,591	-217,454
18. Net increase/decrease of other liabilities	092	-268,726	-407,083
19. Net cash inflow/(outflow) from operating activities	093	-3,256,545	-871,588
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Receipts from sale/(payments for buying) of tangible and intangible assets	094	-179,141	-120,925
2. Receipts from sale/(payments for buying) of investments in subsidiaries, associates and joint ventures	095	7,400	
3. Receipts from sale/(payments for buying) of securities and other financial instruments held to maturity	096		
4. Received dividends	097	102,176	81,465
5. Other receipts/(payments) from investment activities	098	48,973	64,272
6. Net cash inflow/(outflow) from investment activities	099	-20,592	24,812
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Net increase/(decrease) in borrowings	100	-119,597	664,170
2. Net increase/(decrease) of issued debt securities	101	-58,250	19,600
3. Net increase/(decrease) of issued subordinated and hybrid instruments	102		
4. Receipts from issued share capital	103	1,504,800	
5. Dividends paid	104	-220,310	-373,510
6. Other receipts/(payments) from financial activities	105		
7. Net cash inflow/(outflow) from financial activities	106	1,106,643	310,260
Total increase of cash flow	107		
Total decrease of cash flow	108	-2,170,494	-536,516
Cash and cash equivalents at the beginning of the period	109	5,896,869	3,726,375
Increase in cash and cash equivalents	110		
Decrease in cash and cash equivalents	111	-2,170,494	-536,516
Cash and cash equivalents at the end of the period	112	3,726,375	3,189,859

UNCONSOLIDATED STATEMENT ON CHANGES IN EQUITY

for the period 01.01.2009 to 31.12.2009.

Amounts in HRK thousand

Position name	AOP code	Previous period 31.12. 2008.	Increase	Decrease	Current period 31.12.2009.
1. Capital paid	113	3,701,120	1,297	0	3,702,417
2. Capital reserves	114	2,790	203	0	2,993
3. Profit reserves	115	458,546	83,461	0	542,007
4. Retained earnings	116	736,336	43,839	0	780,175
5. Profit (loss) for the period	117	500,810	407,896	500,810	407,896
6. Revaluation of long term tangible assets	118	0	0	0	0
7. Revaluation of intangible assets	119	0	0	0	0
8. Revaluation of financial assets available for sale	120	6,965	6	0	6,971
9. Other revaluations/minority interest	121	0	0	0	0
10. Total capital and reserves	122	5,406,567	536,702	500,810	5,442,459
11. Exchange rate differences relating to net investments abroad	123	0	0	0	0
12. Current and deferred taxes (part)	124	0	0	0	0
13. Cash flow hedging	125	0	0	0	0
14. Changes in accounting policies	126	0	0	0	0
15. Correction of significant errors in previous period	127	0	0	0	0
16. Other changes in capital	128	0	0	0	0
17. Total increase or decrease of capital	129	5,406,567	536,702	500,810	5,442,459
17 a. Attributable to equity holders of the Bank	130	0	0	0	0
17 b. Attributable to minority interests	131	0	0	0	0

Positions that decrease capital have to be input with negative sign.

Data under AOP codes 113 to 121 have to be input as balance, at balance sheet date

Statement of persons responsible for preparation of quarterly and annual financial statements

To the best of our knowledge and belief:

1. the set of consolidated and unconsolidated quarterly and semi-annual financial statements of Raiffeisenbank Austria d.d. and Group, which have been prepared pursuant to the financial reporting standards applicable for banks in the Republic of Croatia, present a complete and fair view of assets and liabilities, profits and losses and financial position and business operations of Bank and Group
2. the Management Board statement represents a fair account of the operating results and standing of Bank and Group

Executive Director Accounting
and Tax Advisory Division

Robert Kuzmanić

Chairman of Management Board

Zdenko Adrović

**Unaudited financial statements of
Raiffeisenbank Austria d.d. Zagreb
for the period 01.01.2009 - 31.12.2009**

Contents:

1. Management Board report for the fourth quarter of 2009

MANAGEMENT BOARD REPORT FOR THE FOURTH QUARTER OF 2009

- **RBA Group profit before tax: HRK 499 mn**
- **RBA consolidated total assets: HRK 42.7 bn**

Raiffeisenbank Austria d.d (RBA) prepared the consolidated statement of operations for 2009 pursuant to the CNB methodology. At the year end 2009 the RBA Group consists of the Bank and the following bank subsidiaries:

subsidiary	activity	Held by Bank at
Raiffeisen mirovinsko društvo za upravljanje obveznim mirovinskim fondom d.d.	pension fund management	100%
Raiffeisen mirovinsko društvo za upravljanje dobrovoljnim mirovinskim fondom d.o.o.	pension fund management	100%
Raiffeisen Consulting d.o.o.	Financial and tax advisory services	100%
Raiffeisen Leasing d.o.o.	leasing	50%
Raiffeisen mirovinsko osiguravajuće društvo d.o.o.	Pension insurance company	100%
Raiffeisen Invest d.o.o.	Investment fund management	100%
Raiffeisen Factoring d.o.o.	factoring	100%
Raiffeisen upravljanje nekretninama d.o.o.	Real estate management	100% indirectly

Apart from these subsidiaries, the Group also holds a 20% stake in Raiffeisen trening centar d.o.o. (Raiffeisen Training Center), which provides training and education services within the Raiffeisen Group in Croatia and for Raiffeisen groups from neighboring countries.

Market

All Group members have been founded in Croatia for the purpose of providing services for customers on the Croatian financial market. Therefore the Group result depends on the level of development of the domestic financial market, as well as business conditions and performance of local companies, and the population income. This year, the terms concerning financial institutions operations and also the companies on the Croatian market underwent significant changes. A period of explicit volatility of the exchange rate and interest rates at local money markets marked the first quarter, due to the depreciation pressure caused by a halt in capital inflow and the consequential increase in demand for foreign exchange. By conducting parallel actions on releasing FX liquidity in the banking segment and by increasing the FX supply from CNB reserves, the market was stabilized at the end of the first quarter. In the second quarter, the government's participation in the international financial market with a new Eurobond issue of EUR 750 mn allowed the government to act in a stabilizing manner. In the third quarter, during the high tourist season, the FX inflow increased, which provided for a normalization of the financial market, along with an easier access to acquiring foreign borrowing for local companies and institutions. The second visit by the central

government to the international capital market in the last quarter marked the issuance of the 10-year bond of USD 1.5 bn. The latest debt of the central government and the parallel direct borrowing of public and private companies (Agrokor having borrowed EUR 400 mn) on the foreign market helped reduce a demand for loan facilities on the domestic market, which has led to a further increase in liquidity in the banking sector. An advantageous effect of the financial market stabilization started to be reflected on the reduction of interest rates payable on deposits. The reduction of interest rates on customer loans is expected to start in the following year.

Unlike the financial market which was stable in the second half of the year, the real economy recorded a downturn of 6.7% in the first quarter, 6.3% in the second quarter and 5.7% in the third quarter. In view of the 15.3% annual decline in retail trade and the 9.2% reduction of industrial output, the total GDP is expected to fall by 6% in 2009.

The decline in retail trade and import was primarily reflected on the reduced central government budget revenues from indirect taxes (VAT and excise duties), and therefore the increasing budget deficit required stricter measures to be implemented. Despite several budget revisions no progress was made concerning budget expenditures, so as of August the VAT was raised to 23% and a «crisis tax» and a new tax duty on mobile telecommunications services were introduced in an effort to balance the budget. The measures directly slashed the available portion of income of private individuals, which, along with the growing unemployment, led to an increase in unpaid claims of financial institutions from private customers.

A reduced demand for the goods and services of companies on local and foreign markets had an adverse effect on the creditworthiness of the corporate sector. Furthermore, the companies' adjustment to the declining demand was additionally complicated by a limited access to financial sources, due to a halt in capital inflow from foreign markets, and the fact that the private sector has been squeezed out of the lending potential of local banks by central government burdened by the financial deficit problem. The greatest problem for the corporate sector is the growing lack of liquidity within the real sector. Namely, public companies failed to adjust their operating expenditures and investments to the limited sources of capital so at the beginning of the year they started to finance their business at the cost of suppliers. With the prolongation of payment terms they created an insolvency spiral in the corporate sector. The insolvency growth recorded on the financial market in the first quarter due to depreciation pressures and measures of the monetary authorities aimed at the stabilization of the kuna exchange rate spilled into the real economy in the second quarter. In spite of an increased cash inflow from tourism and easier access of public companies to external capital markets, the illiquidity in the corporate sector was not reduced in the third quarter, but is gradually growing instead and threatening with the bankruptcy procedures being initiated against a number of companies.

The retail sector is marked by a declining demand for financial products and services, due to a growing insecurity regarding future income, against a background of decreasing employment and threats of a chain reaction of company bankruptcies. An additional problem for the creation of the demand are the interest rates on loans, which were raised at the onset of crisis resulting from the more extensive financing costs of banks, first, due to the increased country risk and growing demand for domestic deposits, and second, due to the growth of problem loans in banks. Banks and financial institutions which offer credit substitutes recorded increasing numbers of delinquent customers. As of the second quarter, a rally in prices was recorded on the capital

market, although there are no fundamental grounds for it. Therefore there is a prevailing expectance among investors of a negative correction in the near future. This resulted in decreased turnovers and, consequently, in the lack of income in financial institutions related to the capital market.

RBA Group

At year-end 2009 the balance sheet total of the RBA Group amounted to HRK 42.687 mn, down by HRK 910 mn or 2.1% over the year ago. The liabilities also fell due to the repayment of matured credit debts in the first half and continuously declining corporate deposits. Deposits of customers at year end HRK 21.525 mn, having declined by HRK 1.494 mn as compared to the start of the year. Equity and reserve reached HRK 5.625 mn, up by HRK 15 mn as compared to the previous year.

On the assets side, deposits with the CNB fell by HRK 483 mn to HRK 3.905 mn. The reduced exposure to the CNB resulted from the loosening of the restrictive framework used by the CNB in previous years to help increase bank liquidity reserves. The so unblocked assets were utilized to service matured debts and raise liquidity levels, which resulted in increased exposures to financial institutions by HRK 555 mn. Thanks to the relaxing of the obligation for banks to maintain the minimum ratio of foreign currency liabilities and foreign currency claims, which was reduced from 28.5% at the start of the year to 20%, the Group's foreign currency assets held with financial institutions fell by HRK 816 mn. The securities investments rose by a total of HRK 1.749 mn, whereas the loans fell by HRK 2.113 mn or 7,6%. The change in the asset structure was a consequence of the diminishing demand for loans by the private sector in the second quarter. The surplus liquidity was placed in the securities as alternative interest-bearing assets, which had an advantageous effect on the interest income and trading gains.

The Group's operating result in the analysed period was primarily affected by declining turnovers and deteriorated liquidity of the corporate sector. As a result, the collection of debt from customers worsened, which lead to a decline in profits as compared to the same period last year. In addition, the deteriorated quality of the lending portfolio was a more permanent feature, as a recovery of the real sector is not to be expected soon, and there will be no repetition of the growth based on the model of credit expansion and domestic private spending. Indeed, the required reduction of public spending is going to mark a long period of adjustment, when the economic growth rates will not be high.

The Group's profit before tax at the end of 2009 amounts to HRK 499 mln, and represents a 17% reduction of profit in comparison with the same period last year. Analysed by quarters, HRK 51 mln profit was realised in the first quarter, HRK 171 mln in the second, HRK 165 mln in the third, and HRK 112 mln in the fourth quarter. Reasons for less profit realised in the first quarter are in smaller net income from interest by HRK 43 mln as well as in the negative difference in trade activities by HRK 74 mln. Profit or loss on trading assets in a short period depends primarily on the portfolio revaluation in keeping with market prices, and in a longer period it depends on the realised difference in price on the occasion of trading in assets. Since this year's first quarter was marked by the growth of risk on financial markets and a decline of financial assets market value, the negative effect of revaluation on result was registered. The premium of risk which accompanied the growth of financial assets prices and the consequential positive difference on revaluation of the trade portfolio was decreased in

the second quarter. The third quarter was marked by stagnation of financial assets prices and appearance of respective adverse revaluation of trading assets due to non-redemption of matured corporate debt instruments by the issuer, which caused a decrease of the Group's operative result in the third quarter. After the realised operative result of HRK 191 mln in the first quarter, HRK 312 mln was realised in the second quarter under the positive influence of revaluation income, and only HRK 210 mln in the third quarter. The operative result of HRK 286 mln was realised in the fourth quarter. The Group's total operative result for the year 2009 amounts to HRK 999 which makes HRK 340 mln more as compared with the last year. Positive difference in the operative result with reference to the year before dominantly results from the income realised on trade portfolio and other assets which are evaluated at fair value, where HRK 264 mln more profit was realised than in the last year.

Interest expenses were reduced in the fourth quarter due to increase in liquidity of the local financial market and consequential decrease of interest rates on the interbank money market. Interest expenses remained the same as compared to the previous quarter because of placements in debt securities, which lead to positive difference in net interest income of the Group. At the annual level, increase by HRK 106 mln, i.e. by 10,6% was realised, which is the result of annual increase in interest income of 2,6% and decrease in interest expenses by 2,3%, which resulted from the previous quarter. Total net interest income of the Group amounted to HRK 1.108 mln at the end of the period.

Income from fees for the fourth quarter amount to 93 mln and they are by 6,6% lower as compared to the same period last year. Since income from fees is the main income of non-banking members of the Group, increase in net income from fees shows that recovery of prices in the capital market did not follow the increase in turnover. It is precisely the lower turnovers that lead to decrease in income from services, because increase in assets managed by Group members, that was achieved after it hit the lowest point at the end of the first quarter, lead to higher income from asset management fees. Total net income from fees amount to HRK 400 mln at the end of the period. Next to the mentioned income from trade and assets amounting to HRK 326 mln, other income in the amount of HRK 392 mln were realised, so the total operating income amount to HRK 2.226 mln and are by 20,5% higher as compared to the previous year's income.

The costs of the Group's operations were increased by 3,1% as compared to the same period last year, and are a consequence of the business network expansion and increase in processing costs connected with increased requests of regulators for monitoring, processing and analyzing data. Business processes are rationalised during the year in keeping with a changed demand for the Group's financial services. At the same time, the positive effects of last year's investments in the improvement of the technological support to business operations shall materialise. In 2009, total operating expenses amount to HRK 1.227 mln.

The costs of value adjustment and provisioning for risks amount to HRK 500 mln. The increase of loss for asset reduction is a result of credit risk growth. In comparison with the last year, the realised losses in asset reduction have been exceeded by several times. Analysed by this year's quarters, the largest impact on the Group's result was realised in the first two quarters, HRK 140 mln in each quarter, however in the third quarter the realisation of losses on asset value reduction amounted to only HRK 45 mln, and in the fourth quarter high loss in the amount of HRK 174 mln was once again recorded. Negative tendencies in the movements of collection on the local market

continue to cause significant decrease in the Group's profit. Out of total operative result amounting to HRK 999 mln, as much as 50% was lost on costs of value adjustments and risk provisioning, so profit before tax amounts to HRK 499 mln.

Bank

The Bank's net assets at year-end 2009 were HRK 39.544 mn, having fallen by 2.1% or HRK 834 mn over the year ago. The assets decline resulted from the reduced deposits with the CNB and banking institutions, which can be attributed to the changes in the regulations, as well as the decline in lending. The loans totaled HRK 24.060 mn, having fallen by 7% over the year ago. The assets growth was recorded in the securities and in the exposures to financial institutions. Customer deposits declined by HRK 1.204 mn, down by 5,2%. Equity and reserve reached HRK 5.442 mn, up by 0,7% as compared to the start of the year.

The Bank's profit before taxation amounted to HRK 498 mn in 2009, having declined by 17% yoy. The main cause of such declining profit was the increase in the provisions for impairment losses. The Bank's operating result before risk provisions for impairment losses went up by 47% over the year ago, primarily thanks to the doubling of profits from trading activities and portfolio revaluation. The interest income rose 4%, and this, alongside with the reduction of interest expenses by 0,6%, lead to the growth of net interest income by 10,9%. Service fees declined. The Bank recorded lower income from investment banking service and sale of non-banking financial products. Fees for fund transfer services, being the largest source of fee income, did not change significantly within the income and expenses result as compared to the same period last year.

The positive spread gained on trading activities including the exchange rate gains amounted to HRK 320 mn. Last year the gain on these activities totaled HRK 104 due to the plummeting of the domestic capital market. It is precisely this positive spread, alongside with the higher net interest income, that resulted in the growth of the Bank's operating income by HRK 271 mn as compared to the same period last year. Operating expenses stood at HRK 910 mn, up by 0.5 percent in 2009, which was due to additional costs of expanding the Bank's business network as well as the higher base for calculating deposit insurance costs. The Bank acted in the opposite direction by implementing business rationalization and operating cost saving measures.

Provisioning costs amounting to HRK 463 mn were the key factor contributing to the profit decline as compared to the comparable period last year. Such significant increase in provision expenses resulted from shrinking liquidity of companies, which effected the growth of the Bank's matured claims which are over 90 days past due, as well as the increase in problem loans. In addition, delays in completion of construction projects contributed to growing risk in project financing. This prompted the Bank to initiate special actions on housing loans at more favorable terms for purchase of flats from the Bank's housing projects portfolio, in conjunction with the investors reducing their prices too.

The Bank has stepped up its debt collection activities and the debt recovery from received collateral. Still, further growth of risk provision losses depends primarily on the movement of real income of private individuals and the performance and liquidity of corporate customers of the Bank.

Zagreb, 31 January 2010
Chairman of Management Board
Zdenko Adrović