

Condensed income statement of the Bank Austria Group^{*)}

for the year ended 31 December 2010

(€ m)

	2010	2009	CHANGE	
			€ M	IN %
Net interest	4,543	4,733	-190	-4.0%
Dividend income	31	54	-23	-43.0%
Other income from equity investments	126	89	+37	+41.2%
Net interest income	4,701	4,877	-176	-3.6%
Net fees and commissions	1,990	1,831	+159	+8.7%
Net trading, hedging and fair value income	326	326	+0	+0.1%
Net other expenses/income	191	211	-20	-9.7%
Net non-interest income	2,507	2,369	+139	+5.9%
OPERATING INCOME	7,208	7,245	-38	-0.5%
Payroll costs	-1,931	-1,894	-37	+1.9%
Other administrative expenses	-1,527	-1,389	-137	+9.9%
Recovery of expenses	2	2	-0	-9.2%
Amortisation, depreciation and impairment losses on tangible and intangible assets	-310	-333	+23	-6.9%
OPERATING EXPENSES	-3,766	-3,615	-151	+4.2%
OPERATING PROFIT	3,442	3,630	-189	-5.2%
Net writedowns of loans and provisions for guarantees and commitments	-1,839	-2,267	+428	-18.9%
OPERATING PROFIT MINUS NET WRITEDOWNS OF LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	1,602	1,363	+239	+17.5%
Goodwill impairment	-378	-19	-360	>100%
Provisions for risks and charges	-136	-114	-22	+19.5%
Restructuring costs	-4	-9	+5	-54.5%
Net income from investments	62	113	-51	-44.9%
PROFIT BEFORE TAX	1,146	1,335	-189	-14.2%
Income tax	-348	-182	-166	+91.0%
NET PROFIT	798	1,152	-355	-30.8%
Net profit attributable to the owners of the parent company	747	1,102	-355	-32.2%
Non-controlling interests	51	51	-0	-0.2%

^{*)} Bank Austria's income statement as presented in this table is a reclassified format corresponding to the format used for segment reporting.

Segment reporting of the Bank Austria Group

1–12 2010/1–12 2009

(€ m)

		FAMILY & SME BANKING DIVISION	PRIVATE BANKING DIVISION	CORPORATE & INVESTMENT BANKING DIVISION	CENTRAL EASTERN EUROPE DIVISION	CORPORATE CENTER	RESTATEMENT DIFFERENCES ¹⁾	BANK AUSTRIA GROUP
Net interest income	1–12 2010	647	43	944	3,256	–190	–	4,701
	1–12 2009	690	55	1,335	3,003	–422	216	4,877
Net fees and commissions	1–12 2010	404	95	337	1,185	–32	–	1,990
	1–12 2009	389	88	295	1,063	–25	23	1,831
Net trading, hedging and fair value loss/income	1–12 2010	–2	2	35	145	146	–	326
	1–12 2009	1	2	–78	496	52	–146	326
Net other expenses/income	1–12 2010	2	–	17	63	109	–	191
	1–12 2009	1	–8	10	58	152	–2	211
Net non-interest income	1–12 2010	405	97	390	1,393	223	–	2,507
	1–12 2009	391	81	227	1,616	178	–125	2,369
OPERATING INCOME	1–12 2010	1,052	140	1,334	4,649	34	–	7,208
	1–12 2009	1,080	136	1,562	4,620	–244	91	7,245
OPERATING EXPENSES	1–12 2010	–798	–101	–435	–2,128	–305	–	–3,766
	1–12 2009	–780	–98	–418	–1,951	–327	–41	–3,615
OPERATING PROFIT	1–12 2010	253	39	899	2,521	–271	–	3,442
	1–12 2009	300	39	1,144	2,669	–571	50	3,630
Net writedowns of loans and provisions for guarantees and commitments	1–12 2010	–212	–2	–169	–1,454	–1	–	–1,839
	1–12 2009	–243	–	–306	–1,718	–	–	–2,267
OPERATING PROFIT MINUS NET WRITEDOWNS OF LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	1–12 2010	41	37	730	1,067	–273	–	1,602
	1–12 2009	57	38	838	951	–571	50	1,363
Goodwill impairment	1–12 2010	–	–	–	–9	–369	–	–378
	1–12 2009	–	–	–	–1	–18	–	–19
Provisions for risks and charges	1–12 2010	–7	1	–20	–36	–74	–	–136
	1–12 2009	–2	–	–51	–46	–15	–	–114
Restructuring costs	1–12 2010	–	–	–	–4	–	–	–4
	1–12 2009	–	–	–2	–4	–	–3	–9
Net income from investments	1–12 2010	14	–	–3	46	6	–	62
	1–12 2009	10	–	–21	16	108	–	113
PROFIT BEFORE TAX	1–12 2010	47	39	706	1,064	–710	–	1,146
	1–12 2009	65	38	764	916	–496	48	1,335
Income tax	1–12 2010	–12	–10	–182	–210	66	–	–348
	1–12 2009	–8	–9	–202	–170	88	119	–182
NET PROFIT	1–12 2010	36	29	524	853	–645	–	798
	1–12 2009	57	29	562	746	–408	166	1,152
Risk-weighted assets (RWA) (avg.)	1–12 2010	12,880	533	29,962	74,284	5,246	–46	122,859
	1–12 2009	10,342	608	31,998	70,930	5,571	498	119,947
Equity (avg.) ²⁾	1–12 2010	746	123	3,510	11,112	1,499	–	16,989
	1–12 2009	825	144	2,807	9,978	399	15	14,169
Cost/income ratio in %	1–12 2010	75.9	72.3	32.6	45.8	n.m.	n.m.	52.3
	1–12 2009	72.2	71.7	26.7	42.2	n.m.	n.m.	49.9
Risk/earnings ratio in %	1–12 2010	32.8	n.m.	17.9	44.7	n.m.	n.m.	39.1
	1–12 2009	35.2	n.m.	22.9	57.2	n.m.	n.m.	46.5

1) The segment results for 2009 and previous quarters 2010 have been restated. The difference compared to Bank Austria's results for 2009 is presented in a separate column showing "Restatement differences", which mainly relate to changes in the group of consolidated companies (e.g. sale of WAVE Solutions Information Technology GmbH and UniCredit CAIB AG) and other adjustments.

2) Total IFRS capital for the subsidiaries allocated to the respective Division together with standardised capital for the rest of the respective Division. The difference compared to the consolidated equity of the Bank Austria Group is shown in the Corporate Center. Allocated average capital adjusted due to the sale of UniCredit CAIB AG in Q2 2010; previous year restated accordingly, difference allocated to Corporate Center.

n.m. = not meaningful

Segment reporting of the Bank Austria Group

Q1 – Q4 2010

(€ m)

		FAMILY & SME BANKING DIVISION	PRIVATE BANKING DIVISION	CORPORATE & INVESTMENT BANKING DIVISION	CENTRAL EASTERN EUROPE DIVISION	CORPORATE CENTER	RESTATEMENT DIFFERENCES ¹⁾	BANK AUSTRIA GROUP
Net interest income	Q4/2010	158	12	236	813	-32	-	1,188
	Q3/2010	158	10	234	842	-32	-	1,212
	Q2/2010	166	11	248	819	-61	-	1,183
	Q1/2010	164	10	226	781	-64	-	1,118
Net fees and commissions	Q4/2010	98	27	82	315	-11	-	511
	Q3/2010	96	19	84	303	-11	-	492
	Q2/2010	109	25	92	297	-4	-	518
	Q1/2010	101	25	80	270	-6	-	470
Net trading, hedging and fair value loss/income	Q4/2010	-1	-	3	69	-21	-	49
	Q3/2010	-1	-	-24	42	25	-	43
	Q2/2010	-	1	28	14	114	-	158
	Q1/2010	-	-	28	20	28	-	76
Net other expenses/income	Q4/2010	1	-1	1	19	34	-	54
	Q3/2010	-1	-	5	28	26	-	57
	Q2/2010	1	1	6	15	26	-	48
	Q1/2010	2	-	6	1	23	-	31
Net non-interest income	Q4/2010	99	27	85	402	2	-	615
	Q3/2010	94	19	65	373	40	-	592
	Q2/2010	109	26	126	326	136	-	723
	Q1/2010	103	25	114	291	45	-	577
OPERATING INCOME	Q4/2010	257	38	322	1,215	-30	-	1,802
	Q3/2010	252	30	299	1,216	8	-	1,804
	Q2/2010	276	37	373	1,145	75	-	1,906
	Q1/2010	267	35	340	1,072	-19	-	1,695
OPERATING EXPENSES	Q4/2010	-204	-27	-104	-561	-88	-	-984
	Q3/2010	-202	-25	-106	-534	-76	-	-942
	Q2/2010	-198	-25	-99	-530	-72	-	-924
	Q1/2010	-194	-24	-126	-503	-70	-	-916
OPERATING PROFIT	Q4/2010	53	11	218	654	-118	-	818
	Q3/2010	50	5	193	682	-68	-	863
	Q2/2010	77	11	274	615	3	-	982
	Q1/2010	73	11	214	570	-89	-	778
Net writedowns of loans and provisions for guarantees and commitments	Q4/2010	-42	-2	-38	-444	-	-	-526
	Q3/2010	-52	-	-48	-319	-	-	-418
	Q2/2010	-57	-	-22	-377	-1	-	-457
	Q1/2010	-63	-	-62	-314	-	-	-439
OPERATING PROFIT MINUS NET WRITEDOWNS OF LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	Q4/2010	12	9	180	210	-118	-	293
	Q3/2010	-1	5	145	364	-68	-	445
	Q2/2010	21	12	252	239	2	-	526
	Q1/2010	10	11	152	255	-89	-	339
Goodwill impairment	Q4/2010	-	-	-	-9	-200	-	-208
	Q3/2010	-	-	-	-	-3	-	-3
	Q2/2010	-	-	-	-	-167	-	-167
	Q1/2010	-	-	-	-	-	-	-
Provisions for risks and charges	Q4/2010	-7	1	-20	-7	-1	-	-33
	Q3/2010	1	-	-	-13	-	-	-13
	Q2/2010	-1	-	-	-11	-8	-	-19
	Q1/2010	-	-	-	-6	-65	-	-71
Restructuring costs	Q4/2010	-	-	-	-1	-	-	-1
	Q3/2010	-	-	-	-1	-	-	-1
	Q2/2010	-	-	-	-1	-	-	-1
	Q1/2010	-	-	-	-1	-	-	-1

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Segment reporting of the Bank Austria Group

Q1 – Q4 2010

(€ m)

		FAMILY & SME BANKING DIVISION	PRIVATE BANKING DIVISION	CORPORATE & INVESTMENT BANKING DIVISION	CENTRAL EASTERN EUROPE DIVISION	CORPORATE CENTER	RESTATEMENT DIFFERENCES ¹⁾	BANK AUSTRIA GROUP
Net income from investments	Q4/2010	1	–	–6	7	–1	–	1
	Q3/2010	1	–	1	19	–	–	22
	Q2/2010	1	–	–	8	6	–	16
	Q1/2010	10	–	2	11	–	–	22
PROFIT BEFORE TAX	Q4/2010	6	11	154	201	–320	–	51
	Q3/2010	1	5	146	369	–71	–	450
	Q2/2010	21	11	252	235	–166	–	354
	Q1/2010	20	11	154	259	–154	–	290
Risk-weighted assets (RWA)	Q4/2010	15,892	552	28,971	76,847	5,245	–	127,508
	Q3/2010	14,576	556	29,459	76,249	5,427	–	126,267
	Q2/2010	11,613	534	30,842	74,338	5,120	–	122,446
	Q1/2010	10,110	497	30,789	70,420	5,226	–115	116,927
Equity (avg.) ²⁾	Q4/2010	759	118	2,239	11,372	2,956	–	17,444
	Q3/2010	740	125	2,075	11,171	3,452	–	17,562
	Q2/2010	737	128	2,175	10,968	3,307	–	17,316
	Q1/2010	747	119	7,550	10,938	–3,718	–	15,635
Cost/income ratio in %	Q4/2010	79.3	70.5	32.3	46.2	<i>n.m.</i>	<i>n.m.</i>	54.6
	Q3/2010	80.0	82.8	35.4	43.9	<i>n.m.</i>	<i>n.m.</i>	52.2
	Q2/2010	71.9	68.7	26.6	46.3	<i>n.m.</i>	<i>n.m.</i>	48.5
	Q1/2010	72.8	69.0	36.9	46.9	<i>n.m.</i>	<i>n.m.</i>	54.1
Risk/earnings ratio in %	Q4/2010	26.2	<i>n.m.</i>	15.9	54.7	<i>n.m.</i>	<i>n.m.</i>	44.3
	Q3/2010	32.7	<i>n.m.</i>	20.5	37.8	<i>n.m.</i>	<i>n.m.</i>	34.5
	Q2/2010	34.0	<i>n.m.</i>	8.7	46.0	<i>n.m.</i>	<i>n.m.</i>	38.6
	Q1/2010	38.2	<i>n.m.</i>	27.5	40.2	<i>n.m.</i>	<i>n.m.</i>	39.3

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Statement of Financial Position of the Bank Austria Group

at 31 December 2010

Assets

(€ m)

	31 DEC. 2010	31 DEC. 2009
Cash and cash balances	3,030	3,213
Financial assets held for trading	4,304	4,137
Financial assets at fair value through profit or loss	304	235
Available-for-sale financial assets	17,544	10,826
Held-to-maturity investments	4,446	5,067
Loans and receivables with banks	19,749	23,076
Loans and receivables with customers	130,093	123,602
Hedging derivatives	2,449	151
Changes in fair value of portfolio hedged items (+/-)	44	-
Investments in associates and joint ventures	2,518	2,426
Insurance reserves attributable to reinsurers	-	-
Property, plant and equipment	2,553	2,273
<i>of which held for investment</i>	479	369
Intangible assets	3,751	3,938
<i>of which goodwill</i>	3,225	3,415
Tax assets	1,254	1,330
a) current tax assets	248	309
b) deferred tax assets	1,006	1,021
Non-current assets and disposal groups classified as held for sale	2	13,210
Other assets	1,008	975
TOTAL ASSETS	193,049	194,459

Liabilities and equity

(€ m)

	31 DEC. 2010	31 DEC. 2009
Deposits from banks	33,130	33,362
Deposits from customers	100,284	97,041
Debt securities in issue	27,555	28,822
Financial liabilities held for trading	2,448	915
Financial liabilities at fair value through profit or loss	1,651	1,967
Hedging derivatives	2,909	219
Changes in fair value of portfolio hedged items (+/-)	-	-
Tax liabilities	543	552
a) current tax liabilities	126	96
b) deferred tax liabilities	417	456
Liabilities included in disposal groups classified as held for sale	-	10,492
Other liabilities	2,573	2,372
Provisions for risks and charges	4,297	4,167
a) post-retirement benefit obligations	3,791	3,677
b) other provisions	506	490
Insurance reserves	183	162
Equity	17,476	14,388
<i>of which non-controlling interests (+/-)</i>	546	539
TOTAL LIABILITIES AND EQUITY	193,049	194,459