

Condensed income statement of the Bank Austria Group¹⁾

for the year ended 31 December 2011

(€ m)

	2011	2010 ²⁾	CHANGE	
			€ M	IN %
Net interest	4,496	4,521	-26	-1 %
Dividend income and other income from equity investments	207	157	+50	+32 %
Net fees and commissions	1,885	1,987	-102	-5 %
Net trading, hedging and fair value income	262	244	+18	+7 %
Net other expenses/income	136	159	-23	-15 %
Operating income	6,986	7,069	-83	-1 %
Payroll costs	-2,001	-1,913	-88	+5 %
Other administrative expenses	-1,627	-1,505	-121	+8 %
Recovery of expenses	2	2	+0	+8 %
Amortisation, depreciation and impairment losses on intangible and tangible assets	-276	-278	+2	-1 %
Operating costs	-3,903	-3,695	-208	+6 %
Operating profit	3,083	3,374	-291	-9 %
Net write-downs of loans and provisions for guarantees and commitments	-1,352	-1,839	+488	-27 %
NET OPERATING PROFIT	1,732	1,535	+197	+13 %
Provisions for risks and charges	-136	-136	-0	+0 %
Integration/restructuring costs	-28	-4	-24	>100 %
Net income from investments	-277	61	-338	n. m.
PROFIT BEFORE TAX	1,291	1,456	-165	-11 %
Income tax for the period	-261	-301	+41	-13 %
Profit for the period	1,030	1,155	-124	-11 %
Non-controlling interests	-50	-51	+1	-2 %
Net profit before PPA³⁾	980	1,104	-123	-11 %
Purchase Price Allocation effect ⁴⁾	-35	-17	-19	>100 %
Goodwill impairment	-737	-378	-358	+95 %
NET PROFIT³⁾	209	709	-500	-71 %

n. m. = not meaningful

1) Bank Austria's income statement as presented in this table is a reclassified format corresponding to the format used for segment reporting. / 2) Recast: comparative figures adjusted to the consolidation perimeter and the business structure in 2011. / 3) Attributable to the owners of Bank Austria. 4) PPA effects for Kazakhstan, Ukraine, Russia and Aton

Segment reporting of the Bank Austria Group

1–12 2011/1–12 2010

(€ m)

		FAMILY & SME BANKING (F&SME)	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	RECASTING DIFFERENCES ¹⁾	BANK AUSTRIA GROUP
Net interest	1–12 2011	724	58	817	3,219	-323	-	4,496
	1–12 2010	704	43	816	3,279	-320	22	4,543
Dividends and other income from equity investments	1–12 2011	7	-	44	34	122	-	207
	1–12 2010	4	-	44	11	97	-	157
Net fees and commissions	1–12 2011	434	88	220	1,210	-67	-	1,885
	1–12 2010	442	95	250	1,193	6	3	1,990
Net trading, hedging and fair value income/loss	1–12 2011	-1	1	5	199	58	-	262
	1–12 2010	-2	2	-44	144	144	82	326
Net other expenses/income	1–12 2011	13	1	10	61	51	-	136
	1–12 2010	2	-	16	63	79	31	191
OPERATING INCOME	1–12 2011	1,177	149	1,095	4,722	-158	-	6,986
	1–12 2010	1,151	140	1,082	4,691	6	139	7,208
OPERATING COSTS	1–12 2011	-910	-100	-390	-2,195	-307	-	-3,903
	1–12 2010	-851	-101	-361	-2,128	-255	-47	-3,742
OPERATING PROFIT	1–12 2011	267	49	705	2,527	-465	-	3,083
	1–12 2010	300	39	721	2,563	-249	92	3,466
Net write-downs of loans and provisions for guarantees and commitments	1–12 2011	-161	-4	-131	-1,055	-	-	-1,352
	1–12 2010	-264	-2	-146	-1,426	-1	-	-1,839
NET OPERATING PROFIT	1–12 2011	106	45	574	1,472	-466	-	1,732
	1–12 2010	37	37	574	1,137	-250	92	1,626
Provisions for risks and charges	1–12 2011	4	2	-19	-14	-109	-	-136
	1–12 2010	-7	1	-20	-36	-74	-	-136
Integration/restructuring costs	1–12 2011	-	-	-15	-2	-10	-	-28
	1–12 2010	-	-	-	-4	-	-	-4
Net income from investments	1–12 2011	3	-	-26	6	-259	-	-277
	1–12 2010	14	-	-4	46	6	1	62
PROFIT BEFORE TAX	1–12 2011	112	47	513	1,462	-844	-	1,291
	1–12 2010	43	39	550	1,143	-319	93	1,548
Income tax for the period	1–12 2011	-26	-12	-123	-224	124	-	-261
	1–12 2010	-10	-10	-142	-228	89	-55	-356
PROFIT (LOSS) FOR THE PERIOD	1–12 2011	86	35	390	1,238	-720	-	1,030
	1–12 2010	33	29	408	915	-230	38	1,192
Non-controlling interests	1–12 2011	-9	-	1	-60	19	-	-50
	1–12 2010	-14	-	-2	-56	20	-	-51
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA	1–12 2011	77	35	391	1,178	-701	-	980
	1–12 2010	20	29	406	859	-210	38	1,142
Purchase Price Allocation effect	1–12 2011	-	-	-	-	-35	-	-35
	1–12 2010	-	-	-	-	-17	-	-17
Goodwill impairment	1–12 2011	-	-	-	-	-737	-	-737
	1–12 2010	-	-	-	-9	-369	-	-378
NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	1–12 2011	77	35	391	1,178	-1,473	-	209
	1–12 2010	20	29	406	850	-595	38	747
Risk-weighted assets (RWA) (avg.)	1–12 2011	13,162	484	24,797	81,495	4,405	34	124,377
	1–12 2010	14,335	535	27,232	75,226	5,199	760	123,287
Equity (avg.) ²⁾	1–12 2011	1,137	131	2,171	11,932	1,983	-	17,354
	1–12 2010	754	123	2,063	11,027	3,013	10	16,989
Cost/income ratio in %	1–12 2011	77.3	67.4	35.6	46.5	n.m.	n.m.	55.9
	1–12 2010	73.9	72.3	33.4	45.4	n.m.	n.m.	51.9
Risk/earnings ratio in % ³⁾	1–12 2011	22.0	n.m.	15.3	32.4	n.m.	n.m.	28.7
	1–12 2010	37.3	n.m.	17.0	43.3	n.m.	n.m.	39.1

1) The segment results for 2010 have been recast. The difference compared to Bank Austria's results for 2010 is presented in a separate column showing "Recasting differences", which mainly relate to the sale of UniCredit CAIB AG and Bank Austria Global Information Services GmbH.

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. Starting 2011 capital allocation is based on actual RWAs of the previous quarter (until 2010 based on budget RWAs).

3) Risk/earnings ratio: net write-downs of loans and provisions for guarantees and commitments measured against net interest and dividends and other income from equity investments
n.m. = not meaningful

Statement of Financial Position of the Bank Austria Group

at 31 December 2011

Assets

(€ m)

	31 DEC. 2011	31 DEC. 2010
Cash and cash balances	2,919	3,030
Financial assets held for trading	3,322	4,304
Financial assets at fair value through profit or loss	214	304
Available-for-sale financial assets	14,677	17,544
Held-to-maturity investments	3,498	4,446
Loans and receivables with banks	25,621	19,749
Loans and receivables with customers	134,914	130,093
Hedging derivatives	3,466	2,449
Changes in fair value of portfolio hedged items (+/-)	30	44
Investments in associates and joint ventures	2,562	2,518
Insurance reserves attributable to reinsurers	1	–
Property, plant and equipment	2,576	2,553
<i>of which held for investment</i>	721	479
Intangible assets	2,866	3,751
<i>of which goodwill</i>	2,397	3,225
Tax assets	1,389	1,254
a) current tax assets	282	248
b) deferred tax assets	1,107	1,006
Non-current assets and disposal groups classified as held for sale	55	2
Other assets	1,120	1,008
TOTAL ASSETS	199,229	193,049

Liabilities and equity

(€ m)

	31 DEC. 2011	31 DEC. 2010
Deposits from banks	32,772	33,130
Deposits from customers	104,728	100,284
Debt securities in issue	29,931	27,555
Financial liabilities held for trading	2,554	2,448
Financial liabilities at fair value through profit or loss	1,042	1,651
Hedging derivatives	2,591	2,909
Changes in fair value of portfolio hedged items (+/-)	–	–
Tax liabilities	789	543
a) current tax liabilities	146	126
b) deferred tax liabilities	643	417
Liabilities included in disposal groups classified as held for sale	–	–
Other liabilities	2,782	2,573
Provisions for risks and charges	4,204	4,297
a) post-retirement benefit obligations	3,664	3,791
b) other provisions	540	506
Insurance reserves	175	183
Equity	17,661	17,476
<i>of which non-controlling interests (+/-)</i>	534	546
TOTAL LIABILITIES AND EQUITY	199,229	193,049