

Income statement of the Bank Austria Group

Comparison of the first nine months of 2008 with the first nine months of 2007 adjusted for the ASVG equivalent

	(€ m)			
	1 JAN.– 30 SEPT. 2008	1 JAN.– 30 SEPT. 2007	CHANGE	
			€ M	IN %
Net interest	3,375	2,638	737	28.0
Dividend income	118	107	12	11.0
Other income from equity investments	121	113	9	7.6
Net interest income	3,615	2,857	758	26.5
Net fees and commissions	1,559	1,574	–16	–1.0
Net trading, hedging and fair value loss/income	–278	180	–457	–
Net other expenses/income	161	171	–10	–5.9
Net non-interest income	1,442	1,925	–483	–25.1
OPERATING INCOME	5,057	4,783	275	5.7
Payroll costs	–1,688	–1,331	–357	26.8
Other administrative expenses	–978	–1,023	45	–4.4
Recovery of expenses	3	2	–	11.7
Amortisation, depreciation and impairment losses on tangible and intangible assets	–231	–204	–27	13.3
OPERATING EXPENSES	–2,894	–2,555	–339	13.3
OPERATING PROFIT	2,163	2,227	–64	–2.9
Goodwill impairment	–	–	–	–
Provisions for risks and charges	–39	–41	3	–7.1
Restructuring costs	–	–20	20	–
Net writedowns of loans and provisions for guarantees and commitments	–483	–355	–128	36.1
Net income from investments	411	219	192	87.6
PROFIT BEFORE TAX	2,052	2,030	22	1.1
Income tax	–312	–310	–2	0.5
NET PROFIT	1,740	1,720	20	1.2
Minority interests	–99	–82	–17	20.8
CONSOLIDATED PROFIT	1,642	1,638	4	0.2

Income statement of the Bank Austria Group

for the first nine months of 2008

(€ m)				
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			€ M	IN %
Net interest	3,375	2,638	737	28.0
Dividend income	118	107	12	11.0
Other income from equity investments	121	113	9	7.6
Net interest income	3,615	2,857	758	26.5
Net fees and commissions	1,559	1,574	-16	-1.0
Net trading, hedging and fair value loss/income	-278	180	-457	-
Net other expenses/income	161	171	-10	-5.9
Net non-interest income	1,442	1,925	-483	-25.1
OPERATING INCOME	5,057	4,783	275	5.7
Payroll costs	-1,688	-1,331	-357	26.8
Other administrative expenses	-978	-873	-105	12.1
Recovery of expenses	3	2	-	11.7
Amortisation, depreciation and impairment losses on tangible and intangible assets	-231	-204	-27	13.3
OPERATING EXPENSES	-2,894	-2,405	-489	20.3
OPERATING PROFIT	2,163	2,377	-214	-9.0
Goodwill impairment	-	-	-	-
Provisions for risks and charges	-39	-41	3	-7.1
Restructuring costs	-	-20	20	-
Net writedowns of loans and provisions for guarantees and commitments	-483	-355	-128	36.1
Net income from investments	411	219	192	87.6
PROFIT BEFORE TAX	2,052	2,180	-128	-5.9
Income tax	-312	-348	36	-10.3
NET PROFIT	1,740	1,832	-92	-5.0
Minority interests	-99	-82	-17	20.8
CONSOLIDATED PROFIT	1,642	1,751	-109	-6.2

Key figures

	1 JAN. – 30 SEPT. 2008	1 JAN. – 30 SEPT. 2007
Earnings per share (in €, basic and diluted)	8.13	9.22
ROE before tax	17.7%	21.2%
ROE after tax	14.8%	17.9%
Cost/income ratio	57.2%	50.3%
Risk/earnings ratio	13.4%	12.4%

Income statement of the Bank Austria Group

by quarter

	(€ m)				
	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Net interest	1,192	1,107	1,075	1,015	903
Dividend income	77	30	11	17	64
Other income from equity investments	37	46	39	47	52
Net interest income	1,306	1,183	1,125	1,079	1,019
Net fees and commissions	522	518	519	550	520
Net trading, hedging and fair value loss/income	-80	-55	-143	-39	-44
Net other expenses/income	65	54	42	42	47
Net non-interest income	507	517	418	553	522
OPERATING INCOME	1,814	1,700	1,543	1,632	1,541
Payroll costs	-586	-551	-551	-505	-479
Other administrative expenses	-334	-327	-316	-370	-284
Recovery of expenses	-	2	-	1	1
Amortisation, depreciation and impairment losses on tangible and intangible assets	-83	-75	-73	-67	-60
OPERATING EXPENSES	-1,003	-951	-941	-941	-821
OPERATING PROFIT	811	750	603	691	720
Goodwill impairment	-	-	-	-	-
Provisions for risks and charges	-27	-5	-7	-34	5
Restructuring costs	-2	6	-5	-13	-12
Net writedowns of loans and provisions for guarantees and commitments	-155	-156	-173	-128	-148
Net income from investments	121	190	101	49	87
PROFIT BEFORE TAX	748	785	520	565	652
Income tax	-125	-101	-86	-34	-88
NET PROFIT	622	684	434	531	564
Minority interests	-42	-33	-24	-24	-21
CONSOLIDATED PROFIT	580	651	410	507	543

Key figures					
	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Earnings per share (in €, basic and diluted)	2.87	3.22	2.03	2.51	2.69
ROE before tax	18.6%	20.4%	13.9%	15.5%	18.6%
ROE after tax	15.1%	17.7%	11.5%	14.5%	16.2%
Cost/income ratio	55.3%	55.9%	60.9%	57.7%	53.3%
Risk/earnings ratio	11.8%	13.2%	15.4%	11.8%	14.5%

Segment reporting of the Bank Austria Group

Segment reporting 1–9 2008 / 1–9 2007									(€ m)
		RETAIL DIVISION	PRIVATE BANKING & ASSET MANAGEMENT DIVISION	CORPORATE DIVISION	CENTRAL EASTERN EUROPE DIVISION	MARKETS & INVESTMENT BANKING DIVISION	CORPORATE CENTER	BANK AUSTRIA GROUP	
Net interest income	1–9 2008	541	15	480	2,249	477	–147	3,615	
	1–9 2007	572	13	483	1,518	195	76	2,857	
Net fees and commissions	1–9 2008	361	76	218	857	57	–10	1,559	
	1–9 2007	416	96	277	681	115	–11	1,574	
Net trading, hedging and fair value loss/income	1–9 2008	–3	1	–	207	–379	–103	–278	
	1–9 2007	3	1	–	125	31	21	180	
Net other expenses/income	1–9 2008	–22	26	–2	99	–2	63	161	
	1–9 2007	–26	27	34	93	10	33	171	
Net non-interest income	1–9 2008	335	102	217	1,163	–325	–50	1,442	
	1–9 2007	393	124	311	899	155	43	1,925	
OPERATING INCOME	1–9 2008	877	118	697	3,412	152	–197	5,057	
	1–9 2007	965	137	794	2,417	350	119	4,783	
OPERATING EXPENSES	1–9 2008	–646	–72	–194	–1,620	–149	–213	–2,894	
	1–9 2007	–698	–74	–276	–1,204	–154	–	–2,405	
OPERATING PROFIT	1–9 2008	231	45	503	1,791	3	–410	2,163	
	1–9 2007	267	63	519	1,213	196	120	2,377	
Goodwill impairment	1–9 2008	–	–	–	–	–	–	–	
	1–9 2007	–	–	–	–	–	–	–	
Provisions for risks and charges	1–9 2008	–	–	–	–44	–	5	–39	
	1–9 2007	3	–1	–1	–45	–	2	–41	
Restructuring costs	1–9 2008	–	–	–	1	–	–1	–	
	1–9 2007	–	–1	–	–18	–	–1	–20	
Net writedowns of loans and provisions for guarantees and commitments	1–9 2008	–160	–	19	–323	–20	–	–483	
	1–9 2007	–166	1	–40	–149	–1	–	–355	
Net income from investments	1–9 2008	1	8	–70	109	1	362	411	
	1–9 2007	14	2	–12	25	3	187	219	
PROFIT BEFORE TAX	1–9 2008	72	54	451	1,534	–15	–44	2,052	
	1–9 2007	117	64	466	1,027	198	308	2,180	
Income tax	1–9 2008	–16	–14	–95	–305	6	113	–312	
	1–9 2007	–26	–15	–94	–189	–41	18	–348	
NET PROFIT	1–9 2008	56	41	356	1,228	–9	69	1,740	
	1–9 2007	92	48	372	837	158	325	1,832	
RWA credit and market risk	1–9 2008	15,694	447	33,568	67,052	6,729	4,884	128,374	
	1–9 2007	16,294	454	30,816	45,123	4,853	4,009	101,549	
Average equity ¹⁾	1–9 2008	977	189	2,467	9,397	4,908	–2,469	15,468	
	1–9 2007	1,024	194	2,267	6,960	914	2,351	13,709	
ROE before tax in %	1–9 2008	9.9	38.1	24.4	21.8	–0.4	n.m. ²⁾	17.7	
	1–9 2007	15.3	43.7	27.4	19.7	28.9	n.m.	21.2	
ROE after tax in %	1–9 2008	7.7	28.6	19.2	17.4	–0.3	n.m.	15.0	
	1–9 2007	11.9	33.2	21.9	16.0	23.0	n.m.	17.8	
Cost/income ratio in %	1–9 2008	73.7	61.4	27.8	47.5	97.7	n.m.	57.2	
	1–9 2007	72.3	54.3	34.7	49.8	44.0	n.m.	50.3	
Risk/earnings ratio in %	1–9 2008	29.5	n.m.	3.9	14.4	4.1	n.m.	13.4	
	1–9 2007	29.1	n.m.	8.3	9.8	0.5	n.m.	12.4	

1) Total of IAS capital for the subsidiaries allocated to the respective Division and standardised capital for the rest of the respective Division / 2) Not meaningful

Segment reporting of the Bank Austria Group

Segment reporting Q1 2008 / Q2 2008 / Q3 2008									(€ m)
		RETAIL DIVISION	PRIVATE BANKING & ASSET MANAGEMENT DIVISION	CORPORATE DIVISION	CENTRAL EASTERN EUROPE DIVISION	MARKETS & INVESTMENT BANKING DIVISION	CORPORATE CENTER	BANK AUSTRIA GROUP	
Net interest income	Q3/2008	184	6	163	814	176	-37	1,306	
	Q2/2008	184	5	166	731	173	-76	1,183	
	Q1/2008	173	5	151	704	127	-34	1,125	
Net fees and commissions	Q3/2008	113	24	64	315	11	-4	522	
	Q2/2008	119	26	74	282	23	-4	518	
	Q1/2008	129	27	81	261	23	-2	519	
Net trading, hedging and fair value loss/income	Q3/2008	-1	-	-	98	-98	-79	-80	
	Q2/2008	-2	-	-	78	-86	-46	-55	
	Q1/2008	-	-	-	31	-196	22	-143	
Net other expenses/income	Q3/2008	-8	8	-	40	-	25	65	
	Q2/2008	-8	9	-1	34	-2	21	54	
	Q1/2008	-7	8	-	24	-	16	42	
Net non-interest income	Q3/2008	104	32	63	452	-87	-58	507	
	Q2/2008	109	35	73	394	-65	-29	517	
	Q1/2008	123	36	80	316	-172	36	418	
OPERATING INCOME	Q3/2008	288	38	227	1,267	89	-95	1,814	
	Q2/2008	293	40	239	1,125	108	-105	1,700	
	Q1/2008	296	40	231	1,020	-45	2	1,543	
OPERATING EXPENSES	Q3/2008	-214	-23	-64	-564	-48	-91	-1,003	
	Q2/2008	-217	-24	-67	-544	-50	-49	-951	
	Q1/2008	-215	-26	-63	-513	-50	-73	-941	
OPERATING PROFIT	Q3/2008	74	15	163	703	42	-186	811	
	Q2/2008	76	15	172	582	57	-153	750	
	Q1/2008	81	15	168	506	-96	-72	603	
Goodwill impairment	Q3/2008	-	-	-	-	-	-	-	
	Q2/2008	-	-	-	-	-	-	-	
	Q1/2008	-	-	-	-	-	-	-	
Provisions for risks and charges	Q3/2008	-3	-	-2	-22	-	-	-27	
	Q2/2008	4	-	1	-15	-	5	-5	
	Q1/2008	-	-	1	-7	-	-	-7	
Restructuring costs	Q3/2008	-	-	-	-2	-	-1	-2	
	Q2/2008	-	-	-	7	-	-	6	
	Q1/2008	-	-	-	-4	-	-1	-5	
Net writedowns of loans and provisions for guarantees and commitments	Q3/2008	-53	-	42	-124	-20	-	-155	
	Q2/2008	-51	-	-9	-96	-	-	-156	
	Q1/2008	-56	-	-15	-103	-	-	-173	
Net income from investments	Q3/2008	-	2	-61	52	-	128	121	
	Q2/2008	-	4	-9	29	1	164	190	
	Q1/2008	1	2	-	28	-	70	101	
PROFIT BEFORE TAX	Q3/2008	17	17	141	608	22	-58	748	
	Q2/2008	29	20	155	506	58	16	785	
	Q1/2008	26	17	154	420	-96	-2	520	
Income tax	Q3/2008	-4	-4	-29	-121	-6	39	-125	
	Q2/2008	-6	-5	-34	-90	-14	48	-101	
	Q1/2008	-6	-4	-33	-94	26	26	-86	
NET PROFIT	Q3/2008	14	13	112	486	16	-19	622	
	Q2/2008	23	15	122	416	44	64	684	
	Q1/2008	20	13	122	326	-70	24	434	

Segment reporting of the Bank Austria Group

Segment reporting Q1 2008 / Q2 2008 / Q3 2008									(€ m)
		RETAIL DIVISION	PRIVATE BANKING & ASSET MANAGEMENT DIVISION	CORPORATES DIVISION	CENTRAL EASTERN EUROPE DIVISION	MARKETS & INVESTMENT BANKING DIVISION	CORPORATE CENTER	BANK AUSTRIA GROUP	
RWA credit and market risk	Q3/2008	15,397	395	34,199	73,648	5,944	5,155	134,737	
	Q2/2008	15,966	465	34,370	67,731	7,850	5,494	131,876	
	Q1/2008	15,719	481	32,135	59,776	6,392	4,004	118,507	
Average equity ¹⁾	Q3/2008	968	189	2,526	10,580	6,043	-4,207	16,100	
	Q2/2008	989	178	2,540	9,510	4,267	-2,081	15,403	
	Q1/2008	975	199	2,335	8,100	4,415	-1,120	14,903	
ROE before tax in %	Q3/2008	7.2	36.9	22.3	23.0	1.5	n.m. ²⁾	18.6	
	Q2/2008	11.8	44.5	24.5	21.3	5.5	n.m.	20.4	
	Q1/2008	10.6	33.7	26.5	20.8	-8.7	n.m.	13.9	
ROE after tax in %	Q3/2008	5.6	28.2	17.8	18.4	1.1	n.m.	15.5	
	Q2/2008	9.4	32.6	19.1	17.5	4.2	n.m.	17.8	
	Q1/2008	8.0	25.4	20.9	16.1	-6.3	n.m.	11.6	
Cost/income ratio in %	Q3/2008	74.4	59.6	28.2	44.5	53.4	n.m.	55.3	
	Q2/2008	74.0	61.0	28.1	48.3	46.8	n.m.	55.9	
	Q1/2008	72.7	63.6	27.1	50.3	-111.5	n.m.	60.9	
Risk/earnings ratio in %	Q3/2008	28.9	n.m.	25.7	15.2	n.m.	n.m.	11.8	
	Q2/2008	27.6	n.m.	5.2	13.2	n.m.	n.m.	13.2	
	Q1/2008	32.2	n.m.	9.7	14.6	n.m.	n.m.	15.4	

1) Total of IAS capital for the subsidiaries allocated to the respective Division and standardised capital for the rest of the respective Division / 2) Not meaningful

Balance sheet of the Bank Austria Group

at 30 September 2008

(€ m)				
Assets	30 SEPT. 2008	31 DEC. 2007	CHANGE	
			€ M	IN %
Cash and cash balances	2,765	2,967	-202	-6.8
Financial assets held for trading	13,333	19,092	-5,759	-30.2
Financial assets at fair value through profit or loss	851	935	-84	-9.0
Available-for-sale financial assets	11,930	10,864	1,066	9.8
Held-to-maturity investments	5,996	7,623	-1,627	-21.3
Loans and receivables with banks	40,354	38,007	2,347	6.2
Loans and receivables with customers	138,877	115,341	23,537	20.4
Hedging derivatives	2,456	1,147	1,310	>100
Changes in fair value of portfolio hedged items (+/-)	-	-	-	-
Investments in associates and joint ventures	2,278	2,281	-3	-0.1
Property, plant and equipment	2,403	2,003	400	20.0
Intangible assets	5,914	4,258	1,655	38.9
<i>of which: goodwill</i>	5,530	3,886	1,644	42.3
Tax assets	1,194	1,007	187	18.6
a) current tax assets	179	151	28	18.5
b) deferred tax assets	1,015	856	159	18.6
Non-current assets and disposal groups classified as held for sale	1	1,727	-1,726	-100.0
Other assets	1,434	1,918	-485	-25.3
TOTAL ASSETS	229,786	209,170	20,616	9.9
Liabilities and equity				
Deposits from banks	57,110	52,445	4,665	8.9
Deposits from customers	103,040	93,203	9,837	10.6
Debt securities in issue	34,009	26,496	7,513	28.4
Financial liabilities held for trading	5,901	7,442	-1,541	-20.7
Financial liabilities at fair value through profit or loss	2,196	2,386	-191	-8.0
Hedging derivatives	2,927	1,638	1,289	78.7
Changes in fair value of portfolio hedged items (+/-)	-	-	-	-
Tax liabilities	612	616	-4	-0.7
a) current tax liabilities	219	125	95	75.9
b) deferred tax liabilities	485	492	-7	-1.4
Liabilities included in disposal groups classified as held for sale	-	1,247	-1,247	-100
Other liabilities	3,447	3,574	-127	-3.6
Provisions for risks and charges	4,187	4,611	-424	-9.2
a) post-retirement benefit obligations	3,614	4,088	-474	-11.6
b) other provisions	573	523	50	9.5
Insurance reserves	166	178	-12	-6.5
Equity	16,098	15,334	765	5.0
<i>of which: Minorities (+/-)</i>	744	658	87	13.2
TOTAL LIABILITIES AND EQUITY	229,786	209,170	20,616	9.9