

# Condensed income statement of the Bank Austria Group<sup>1)</sup>

for the first half of 2012

(€ million)

	H1 2012	H1 2011 <sup>2)</sup>	CHANGE OVER PREVIOUS YEAR	
			€ MILLION	IN %
Net interest	2,249	2,241	+7	+0.3%
Dividends and other income from equity investments	86	103	-16	-16.1%
Net fees and commissions	786	818	-33	-4.0%
Net trading, hedging and fair value income	357	272	+85	+31.4%
Net other expenses/income	35	67	-32	-47.9%
Operating income	3,512	3,501	+11	+0.3%
Payroll costs	-997	-992	-5	+0.5%
Other administrative expenses	-814	-781	-33	+4.2%
Recovery of expenses	1	0	+0	+46.8%
Amortisation, depreciation and impairment losses on intangible and tangible assets	-137	-132	-5	+3.5%
Operating costs	-1,947	-1,905	-42	+2.2%
Operating profit	1,565	1,595	-30	-1.9%
Net write-downs of loans and provisions for guarantees and commitments	-568	-698	+130	-18.6%
<b>NET OPERATING PROFIT</b>	<b>997</b>	<b>898</b>	<b>+100</b>	<b>+11.1%</b>
Provisions for risks and charges	-67	-31	-36	+115.0%
Integration/restructuring costs	-3	-2	-2	+85.9%
Net income from investments	-63	-29	-33	n. m.
<b>PROFIT BEFORE TAX</b>	<b>864</b>	<b>836</b>	<b>+29</b>	<b>+3.4%</b>
Income tax for the period	-185	-112	-73	+65.0%
Profit for the period	679	723	-44	-6.1%
Non-controlling interests	-18	-25	+7	-27.7%
Net profit before PPA <sup>3)</sup>	661	698	-37	-5.3%
Purchase Price Allocation effect <sup>4)</sup>	-8	-7	-0	+6.6%
Goodwill impairment	-7	-53	+46	-86.7%
<b>NET PROFIT<sup>3)</sup></b>	<b>646</b>	<b>638</b>	<b>+8</b>	<b>+1.2%</b>

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: adjusted to reflect the consolidation perimeter, business structure and methodology in 2012. / 3) Attributable to the owners of the parent company. 4) PPA effects for Kazakhstan, Ukraine, Russia and Aton.

# Segment reporting of the Bank Austria Group

1–6 2012/1–6 2011

(€ million)

		FAMILY & SME BANKING (F&SME)	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)	RECASTING DIFFERENCES <sup>2)</sup>	BANK AUSTRIA GROUP (PUBLISHED) <sup>1)</sup>
Net interest	1–6 2012	356	31	393	1,620	-152	2,249	-	2,249
	1–6 2011	345	26	349	1,619	-98	2,241	-	2,241
Dividends and other income from equity investments	1–6 2012	2	-	25	13	46	86	-	86
	1–6 2011	3	-	29	12	59	103	-1	102
Net fees and commissions	1–6 2012	186	42	90	501	-33	786	-	786
	1–6 2011	203	43	104	505	-37	818	104	922
Net trading, hedging and fair value income/loss	1–6 2012	6	1	-6	208	148	357	-	357
	1–6 2011	6	1	24	154	86	272	-104	168
Net other expenses/income	1–6 2012	4	-1	8	5	18	35	-	35
	1–6 2011	3	-	5	37	21	67	38	105
<b>OPERATING INCOME</b>	<b>1–6 2012</b>	<b>555</b>	<b>73</b>	<b>511</b>	<b>2,347</b>	<b>27</b>	<b>3,512</b>	<b>-</b>	<b>3,512</b>
	<b>1–6 2011</b>	<b>561</b>	<b>71</b>	<b>511</b>	<b>2,328</b>	<b>31</b>	<b>3,501</b>	<b>38</b>	<b>3,538</b>
<b>OPERATING COSTS</b>	<b>1–6 2012</b>	<b>-447</b>	<b>-52</b>	<b>-177</b>	<b>-1,113</b>	<b>-157</b>	<b>-1,947</b>	<b>-</b>	<b>-1,947</b>
	<b>1–6 2011</b>	<b>-439</b>	<b>-51</b>	<b>-187</b>	<b>-1,085</b>	<b>-143</b>	<b>-1,905</b>	<b>-35</b>	<b>-1,941</b>
<b>OPERATING PROFIT</b>	<b>1–6 2012</b>	<b>108</b>	<b>21</b>	<b>334</b>	<b>1,233</b>	<b>-130</b>	<b>1,565</b>	<b>-</b>	<b>1,565</b>
	<b>1–6 2011</b>	<b>121</b>	<b>19</b>	<b>324</b>	<b>1,243</b>	<b>-112</b>	<b>1,595</b>	<b>2</b>	<b>1,598</b>
Net write-downs of loans and provisions for guarantees and commitments	1–6 2012	-46	-	-41	-481	1	-568	-	-568
	1–6 2011	-101	-2	-79	-516	-	-698	-	-698
<b>NET OPERATING PROFIT</b>	<b>1–6 2012</b>	<b>61</b>	<b>21</b>	<b>292</b>	<b>752</b>	<b>-129</b>	<b>997</b>	<b>-</b>	<b>997</b>
	<b>1–6 2011</b>	<b>21</b>	<b>17</b>	<b>245</b>	<b>727</b>	<b>-112</b>	<b>898</b>	<b>2</b>	<b>900</b>
Provisions for risks and charges	1–6 2012	-	-1	-	-20	-46	-67	-	-67
	1–6 2011	10	2	1	-10	-34	-31	-	-31
Integration/restructuring costs	1–6 2012	-	-	-3	-	-	-3	-	-3
	1–6 2011	-	-	-	-2	-	-2	-	-2
Net income from investments	1–6 2012	-	-	-12	15	-66	-63	-	-63
	1–6 2011	2	-	7	45	-83	-29	-	-29
<b>PROFIT BEFORE TAX</b>	<b>1–6 2012</b>	<b>62</b>	<b>20</b>	<b>277</b>	<b>747</b>	<b>-242</b>	<b>864</b>	<b>-</b>	<b>864</b>
	<b>1–6 2011</b>	<b>32</b>	<b>19</b>	<b>253</b>	<b>760</b>	<b>-229</b>	<b>836</b>	<b>2</b>	<b>838</b>
Income tax for the period	1–6 2012	-15	-6	-67	-149	52	-185	-	-185
	1–6 2011	-7	-5	-55	-98	53	-112	-	-113
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>1–6 2012</b>	<b>47</b>	<b>14</b>	<b>210</b>	<b>598</b>	<b>-190</b>	<b>679</b>	<b>-</b>	<b>679</b>
	<b>1–6 2011</b>	<b>25</b>	<b>14</b>	<b>198</b>	<b>663</b>	<b>-177</b>	<b>723</b>	<b>2</b>	<b>725</b>
Non-controlling interests	1–6 2012	-2	-	-	-25	9	-18	-	-18
	1–6 2011	-3	-	-	-32	10	-25	-	-25
<b>NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA</b>	<b>1–6 2012</b>	<b>44</b>	<b>14</b>	<b>210</b>	<b>574</b>	<b>-182</b>	<b>661</b>	<b>-</b>	<b>661</b>
	<b>1–6 2011</b>	<b>22</b>	<b>14</b>	<b>198</b>	<b>630</b>	<b>-166</b>	<b>698</b>	<b>2</b>	<b>700</b>
Purchase Price Allocation effect	1–6 2012	-	-	-	-	-8	-8	-	-8
	1–6 2011	-	-	-	-	-7	-7	-	-7
Goodwill impairment	1–6 2012	-	-	-	-	-7	-7	-	-7
	1–6 2011	-	-	-	-	-53	-53	-	-53
<b>NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>	<b>1–6 2012</b>	<b>44</b>	<b>14</b>	<b>210</b>	<b>574</b>	<b>-197</b>	<b>646</b>	<b>-</b>	<b>646</b>
	<b>1–6 2011</b>	<b>22</b>	<b>14</b>	<b>198</b>	<b>630</b>	<b>-226</b>	<b>638</b>	<b>2</b>	<b>640</b>
Risk-weighted assets (RWA) (avg.)	1–6 2012	11,028	878	15,877	86,839	12,521	127,142	-	127,142
	1–6 2011	12,882	905	19,337	79,322	11,549	123,997	354	124,350
Equity (avg.) <sup>3)</sup>	1–6 2012	1,234	166	1,803	12,962	1,543	17,708	-	17,708
	1–6 2011	1,179	153	1,824	11,691	2,738	17,584	11	17,595
Cost/income ratio in %	1–6 2012	80.6	71.6	34.7	47.4	n.m.	55.4	n.m.	55.4
	1–6 2011	78.3	72.5	36.6	46.6	n.m.	54.4	n.m.	54.8
Risk/earnings ratio in % <sup>4)</sup>	1–6 2012	13.0	n.m.	9.9	29.5	n.m.	24.3	n.m.	24.3
	1–6 2011	29.0	n.m.	20.9	31.6	n.m.	29.8	n.m.	29.8

1) The comparative figures for 2011 differ from those published so far due to the reclassification, performed by three Group legal entities in the first half of 2012, of the time-value interest component of impaired loans from net interest to net write-downs of loans and provisions for guarantees and commitments.

2) The segment results for 2011 have been recast. The difference compared to Bank Austria's results for 2011 is presented in a separate column showing "Recasting differences", which mainly relate to the sale of Bank Austria Global Information Services GmbH and a change in reporting fee and commission income from management, brokerage and consultancy services relating to derivatives business in securities and currency trading, which is now included in the item Net trading, hedging and fair value income.

3) Total IFRS capital for the subsidiaries allocated to the respective Division together with standardised capital (capital allocation based on actual RWAs of the previous quarter) 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.

4) 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 30 June 2012

## Assets

(€ million)

	30 JUNE 2012	31 DEC. 2011
Cash and cash balances	2,595	2,919
Financial assets held for trading	2,774	3,322
Financial assets at fair value through profit or loss	491	214
Available-for-sale financial assets	17,663	14,677
Held-to-maturity investments	3,152	3,498
Loans and receivables with banks	25,501	25,621
Loans and receivables with customers	135,989	134,914
Hedging derivatives	3,784	3,466
Changes in fair value of portfolio hedged items (+/-)	30	30
Investments in associates and joint ventures	2,625	2,562
Insurance reserves attributable to reinsurers	1	1
Property, plant and equipment	2,539	2,576
<i>of which held for investment</i>	763	721
Intangible assets	2,882	2,866
<i>of which goodwill</i>	2,424	2,397
Tax assets	1,420	1,389
a) current tax assets	298	282
b) deferred tax assets	1,122	1,107
Non-current assets and disposal groups classified as held for sale	135	55
Other assets	1,330	1,120
<b>TOTAL ASSETS</b>	<b>202,911</b>	<b>199,229</b>

## Liabilities and equity

(€ million)

	30 JUNE 2012	31 DEC. 2011
Deposits from banks	33,424	32,772
Deposits from customers	107,421	104,728
Debt securities in issue	28,526	29,931
Financial liabilities held for trading	2,490	2,554
Financial liabilities at fair value through profit or loss	1,059	1,042
Hedging derivatives	2,735	2,591
Changes in fair value of portfolio hedged items (+/-)	-	-
Tax liabilities	882	789
a) current tax liabilities	147	146
b) deferred tax liabilities	735	643
Liabilities included in disposal groups classified as held for sale	-	-
Other liabilities	3,193	2,782
Provisions for risks and charges	4,239	4,204
a) post-retirement benefit obligations	3,678	3,664
b) other provisions	562	540
Insurance reserves	194	175
Equity	18,747	17,661
<i>of which non-controlling interests (+/-)</i>	528	534
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>202,911</b>	<b>199,229</b>