VOLKSBANK AG
INVESTKREDIT

INTERIM REPORT
1st QUARTER

2011

INVESTKREDIT GROUP

KEY FIGURES OF INVESTKREDIT GROUP

In euro million	31 Mar 2011	31 Dec 2010	31 Dec 2009
Statement of financial position			
Total assets	**9,579**	**10,005**	**12,644**
Loans and advances to customers	7,679	7,865	9,583
Amounts owed to customers	849	891	1,104
Debts evidenced by certificates	1,969	2,583	3,353
Subordinated liabilities	718	720	675
Own funds			
Core capital (tier I) after deductions	751	761	782
Supplementary capital (tier II, tier III) after deductions	619	630	577
Eligible qualifying capital	1,370	1,391	1,358
Assessment base credit risk	8,817	8,956	10,438
Capital requirement operational risk	34	34	38
Surplus capital	630	640	486
Core capital ratio in % [1]	**8.5**	**8.5**	**7.5**
Equity ratio in % [2]	**14.8**	**14.8**	**12.5**
	1-3/2011	**1-3/2010**	**1-3/2009**
Income statement			
Net interest income	46.6	49.3	48.4
Risk provisions	-14.5	-37.5	-43.0
Net fee and commission income	4.2	2.0	2.8
Net trading income	-1.0	-0.6	0.2
General administrative expenses	-19.5	-19.9	-20.9
Other operating result	8.5	1.4	-0.7
Income from financial investments	9.7	4.9	-19.3
Result before taxes	**34.0**	**-0.4**	**-32.5**
Income taxes	-6.6	1.5	7.3
Result after taxes	**27.4**	**1.1**	**-25.3**
Non-controlling interest	-0.1	-0.3	-0.8
Consolidated net income	**27.3**	**0.8**	**-26.1**
Key ratios			
Cost-income-ratio [3]	39.1%	39.2%	-70.5%
ROE before taxes	19.0%	-0.2%	-18.1%
ROE after taxes	15.3%	0.6%	-14.1%
ROE consolidated net income	15.3%	0.5%	-15.8%
ROE before taxes (regulatory)	19.1%	-0.2%	-14.7%
Resources			
Staff average	461	483	569
of which domestic	413	437	498
of which foreign	48	46	71
	31 Mar 2011	**31 Dec 2010**	**31 Dec 2009**
Staff at end of period	458	471	495
of which domestic	409	422	445
of which foreign	49	49	50

[1] In relation to credit risk
[2] In relation to total risk
[3] The operating cost-income-ratio is the ratio between net interest income, net fee and commission income and general administrative expenses.

CONTENTS

Interim Report

Any role descriptions in this interim report that are used only in the masculine form apply analogously to the feminine form.

MANAGEMENT REPORT

Report on business development and the economic situation

Economic environment

In the first quarter of 2011, the economy in the euro zone was characterised overall by ongoing positive GDP growth with stark disparities between the different countries. Growth in industrial production was 7.3% in February compared with the same month of the previous year. Outstanding growth rates were observed in Estonia (+31.3%) and Germany (+13.4%), whereas crisis-riddled Ireland and Greece were the only countries to post negative year-on-year growth rates with -0.4% and -4.6% respectively. In Austria, growth of the industrial sector continued, although production in the construction industry still lagged far behind the previous year's figure at the beginning of the quarter. Consumer spending remained restrained across large parts of Europe. In February, retail sales in the euro zone were far below the previous year's level. Even countries with good industrial sectors, such as Austria, Germany and Slovakia, experienced a decline.

The unemployment rate was driven down from 10% to 9.9% in the first quarter of 2011. In Austria, despite starting at an already low level, the drop in the unemployment rate was even more pronounced. According to an EU estimate, the Austrian unemployment rate was 4.6% in January and 4.7% in February and dropped to just 4.3% in the last month of the quarter. Therefore Austria has the second lowest unemployment rate after the Netherlands. The highest unemployment rate was once again posted by Spain, where it increased slightly against the previous year.

The annual inflation rate rose noticeably in the first quarter of 2011. After having exceeded the 2% threshold at the end of last year, it jumped from 2.3% to 2.7% over the course of the first quarter. Commodity and energy prices were the main driving factors for this rise. Energy prices were hiked up even further in the first quarter as a result of the civil war in Libya. The European Central Bank responded to the rising prices in the first quarter with the rather cryptic announcement of a rise in interest rates, which then followed in early April.

The economic situation in Central and, increasingly, in South-Eastern European countries remained closely related to the economy in the "core euro zone" in the first quarter of the year. The Czech Republic and Slovakia both posted double-digit growth rates in industrial production year-on-year in the first two months of 2011 and Hungary also started the year with a growth rate of more than 10% in the first quarter. Even in Romania, slightly positive GDP growth rates indicate an economic upswing. Improvement in industrial growth in Romania was encouraging overall, with year-on-year growth rates of 11.2% in January and 12.7% in February. Retail sales also picked up slightly. According to the first estimate by the Statistical Office, the real annual GDP growth rate in Serbia was 3% in the first quarter of 2011. However, industrial production was still 6.4% above the previous year's level and growth came to a standstill in March. In Croatia, economic growth remained weak by contrast. Industrial production declined further and came in at 4.1% below the previous year's level in March. With the exception of the Czech Republic, which posted an inflation rate of less than 2% in March, the Central and South-Eastern European countries experienced sharp price rises in the first quarter of the year, which some countries have been trying to counteract for some time by tightening their monetary policy.

Financial markets

Dominant factors affecting sentiment on the financial markets were fears over the ability of peripheral euro zone countries to finance their national budgets, spiralling inflation and the associated prospect of a higher base rate for Europe. The natural disaster in Japan and the ensuing nuclear accident kindled risk aversion for a brief period and brought the yen under strong upward pressure with the repatriation of Japanese assets. The 3-month Euribor rose by almost a quarter of a percentage point in the first quarter and ten-year German benchmark bond yields went up by almost 40 basis points. With premiums on Spanish and Italian government bonds remaining at around the same level, government bonds for Greece, Ireland and Portugal widened even further, unabated by the agreement on a post-2013 European stabilisation mechanism reached in March. Despite a good corporate earnings situation, the stock markets only saw neutral (ATX) to moderately positive (DAX, Dow Jones Industrial) stock price gains in this environment. Due to the increasing, positive interest rate gaps combined with the stabilising economic situation, currencies in Central and South-Eastern European countries appreciated against the euro. The Croatian Kuna was the only currency not to gain terrain against the euro, remaining virtually unchanged.

Business development

Investkredit Group continued the positive business development reported in the 2010 financial year in the first quarter of 2011. The result before taxes was euro 34 million and the consolidated result after taxes and non-controlling interest amounted to euro 27 million for the first quarter of 2011.

Capital ratios were stable compared with 31 December 2010. On 31 March 2011, the tier I ratio (in relation to credit risk) was 8.5% (31 December 2010: 8.5%) and the equity ratio (in relation to total risk) stood at 14.8% (31 December 2010: 14.8%).

Results in detail

At euro 47 million, net interest income declined by euro 3 million or 6% against the result posted for the first quarter of 2010. The decline reported in the Investment Book/Other Operations segment is due to the presentation of the joint refinancing assumed by VBAG. Interest income from loans and advances to customers which were transferred to VBAG in the 2010 financial year was assigned to the respective segments, whereas the transfer was posted as a negative amount in the Investment Book/Other Operations segment.

Net fee and commission income climbed by euro 2 million against the comparative period of the previous year and amounted to euro 4 million in the first quarter of 2011. Since 2009 Investkredit Group has not had a trading book, therefore only open foreign currency positions are recognised under net trading income.

General administrative expenses totalled euro 19 million for the first quarter of 2011, a slight decrease of 2% against the comparative period.

Whereas personnel costs were marginally reduced, administrative expenses in the Real Estate segment rose slightly.

Since the end of 2010, the number of employees in the Group fell by 13, with 458 members of staff now employed.

Operating result

Euro million	1-3/2011	1-3/2010	Change	
Net interest income	47	49	-3	-5.5%
Net fee and commission income	4	2	2	107.1%
Net trading income	-1	-1	0	63.4%
General administrative expenses	-19	-20	0	-2.2%
Operating result	**30**	**31**	**-1**	**-1.6%**
Operating cost-income-ratio	**39.1%**	**39.2%**	**-0.1**	**Percentage points**

Since the decline in net interest income was largely offset by the rise in net fee and commission income, the operating result and cost-income-ratio were stable compared with the first quarter of 2010.

The other operating result was euro 8 million in the first quarter of 2011. The increase against the same period of the previous year is caused by the successful sale of the “North Gate” real estate project in the Real Estate segment, which was reflected in deconsolidation proceeds of euro 9 million, reported under other operating result.

The positive trend in risk provisions continued on from the 2010 financial year into 2011. Despite the persisting difficult economic environment in some regions of Central and Eastern Europe, risk provisions were driven down by euro 23 million compared with the first quarter of 2010 and stood at euro 15 million. The Real Estate segment registered a slight growth of risk provisions, whereas the Corporates segment posted a pronounced decline.

Income from financial investments amounted to euro 10 million for the first quarter of 2011, improving by euro 5 million year-on-year.

Statement of financial position and own funds

As at 31 March 2011, total assets amounted to euro 9.6 billion, which signifies a decrease of euro 0.4 billion or 4.3% against the previous year.

As at 31 March 2011, loans and advances to customers amounted to euro 7.7 billion, remaining marginally below the level of the previous year (by euro 0.2 billion or 2.4%). In preparation for the combination with VBAG, loans and advances to customers in the amount of euro 1.7 billion (of which euro 0.5 billion in fully consolidated entities) were taken on by VBAG as agent bank in December 2010. In the segment reporting, these loans and advances are still assigned to the segments and are recognised as a negative amount in Investment Book/Other Operations.

Debts evidenced by certificates stood at euro 2 billion as at 31 March 2011, decreasing by euro 0.6 million or 23.8% compared with the end of 2010. This is due to scheduled redemptions.

Amounts owed to customers declined slightly to euro 0.8 billion.

As at 31 March 2011, Investkredit Group's own funds amounted to euro 1.4 billion. The tier I ratio (ratio of core capital to the assessment base for credit risk) reached the previous year's figure of 8.5%. The tier I ratio in relation to total risk was 8.1% at 31 March 2011 (31 December 2010: 8.1%). The equity ratio in relation to total risk stood at 14.8% (31 December 2010: 14.8%). Eligible own funds exceeded the regulatory requirement by more than euro 0.6 billion or 85%.

Outlook

Economic environment

We expect that rapidly increasing inflation will bring about a continuing trend for short-term interest rates and will have a dampening effect on consumer demand. For the current year positive GDP growth is expected for most countries, however, with slightly slowing momentum.

Business performance

The combination of Österreichische Volksbanken-Aktiengesellschaft and Investkredit Bank AG is in progress and is set to be completed by the second half of 2011. The necessary resolutions were voted upon on 19 May 2011 at the annual general meetings of VBAG and Investkredit. As a result – subject to approval by the Financial Market Authority – in the second half of 2011, the banking operations of Österreichische Volksbanken-Aktiengesellschaft will be transferred to Investkredit Bank AG as the assuming company by way of an universal succession through de-merger. The name of the combined bank will then be changed to Österreichische Volksbanken-AG.

CORPORATES SEGMENT

Corporate customers of Investkredit Group are offered a comprehensive range of products and services through Investkredit Bank AG, Investkredit Investmentbank AG, Invest Mezzanine Capital Management GmbH and Investkredit International Bank p.l.c.

Due to the combination of Österreichische Volksbanken-AG and Investkredit Bank AG, which is to be formally implemented in the second half of the year, the Corporates segment of Investkredit Bank AG has been operating on the market under the brand name of Volksbank AG – Investkredit.

The aim of Volksbank AG – Investkredit is to work in partnership with its corporate customers, providing them with loans and other solutions-driven financial services. Short- to long-term financing is supplemented by treasury instruments (interest rate, exchange rate and commodity hedges), corporate subsidies and cash management. Volksbank AG – Investkredit increasingly supports its customers in their capital market activities, especially in the issue and sale of corporate bonds. Export and trade financing, leasing and factoring round off the range of products. Understanding customers' business models and the characteristics of the respective branches as well as the constructive dialogue between the bank and its customers form the basis for sustainable and profitable customer relations.

Within the Commercial Business division, the Medium-Sized Companies department focuses on SMEs and on risk sharing with the regional Volksbanks in the syndicated loan business. The Corporate Banking department concentrates its activities on direct business with larger medium-sized companies, many of them family businesses.

Companies and financial investors in Austria, Germany, Poland, the Czech Republic and Slovakia are offered specialised corporate finance services. The focus of these activities is on project financing (infrastructure and above all renewable energy), acquisition finance, mergers and acquisition consulting, private equity and loan financing in Central and Eastern Europe.

The stabilising economic situation in the second half of last year led to a revival of corporate customer demand for financing. In order to strengthen the bank's profitability, it revolves its market activities around customers with a satisfactory risk and return profile or with sufficient potential to intensify their business relations.

Segment results

The Corporates segment continued the positive business development reported in the 2010 financial year in the first quarter of 2011. The result before taxes was euro 10 million, which represents a euro 23 million gain on the Q1 2010 result. This is chiefly attributable to decreasing risk provisions and slight increases in both net interest income and net fee and commission income.

Lending business

The recovery in the lending business, which first became apparent at the end of 2010, continued itself in the first quarter of 2011. Volksbank AG – Investkredit, bolstered by a good result in 2010, reported satisfactory demand for working capital loans and investment financing in Austria and abroad in the period under review.

For companies with good credit rating, that used the crisis as an opportunity to develop new strategies the whole range of financing instruments is available. With longer maturities in particular, there is pressure on credit margins, which can be partly offset by tailored financing solutions for corporate customers.

Syndicated Finance

In the Syndicated Finance business area, increased efforts to implement joint financing projects with the Volksbanks proved successful in the first quarter of 2011. The volume of new lending was increased against the same period in 2010.

Corporate subsidies

The key product focus in 2011 will be "subsidies for Austrian businesses". The bank's aim is to demonstrate its expertise in finding the best possible mix of financing and subsidies to suit all of Volksbank AG – Investkredit's corporate customers' financial needs, as well as those of customers in the Volksbank sector.

Customers of the regional Volksbanks were offered workshops on the topic of corporate subsidies as part of a seminar series called “Fit for Business”. The four specially designed modules were put together by experts at the competence centre for subsidies and export finance together with representatives of major Austrian support agencies and the in-house technical team at Volksbank AG – Investkredit. The aim is to provide an update on current subsidies programmes and facilitate personal contact with subsidies experts.

Corporate/Leveraged Finance

The Leveraged Finance Austria/CEE division reported a revived deal flow in acquisition financing in the first quarter of the year. Whereas the number of transactions in Austria is still falling far short of expectations, the Central European markets are showing a flurry of activity in Mergers & Acquisitions (M&A). Poland and the Czech Republic are particularly dynamic, although pressure to invest and purchase prices offered remain high. Several transactions were successfully completed in Central European markets over the course of the reporting period.

After already demonstrating a marked improvement in deal flow in the second half of 2010, the German market experienced further revival in the first quarter. In the Frankfurt Branch, the customer focus in the first quarter of 2011 was once again on small and medium-sized companies as well as on professional financial investors.

Project finance

The dramatic events in Fukushima throw the issue of renewable energies into even sharper focus. Volksbank AG – Investkredit’s aim as regards project finance is to strike the right balance between this positive mega trend on the one hand and countries’ stretched government budgets on the other, governments usually resorting to tariffs to finance renewable energy.

In the first quarter, the bank financed projects in Spain, Austria, the Czech Republic and Poland. Poland is seen as a particularly attractive future market on account of its size and relatively good economic situation.

Financing of international schools

In the first quarter, interest hedge agreements were concluded for existing customers and a financing contract was concluded for building an American school in Warsaw, among other things.

Talks took place with a number of German schools abroad, especially long established schools, regarding financing for renovation and expansion projects, which are expected to show results soon.

Investkredit Investmentbank AG (IKIB)

As a 100% subsidiary of Volksbank AG – Investkredit, IKIB is responsible for M&A consulting and manages the private equity activities of the Group. The Private Equity business encompasses private equity investments, private equity fund investments and direct investments. In terms of M&A, IKIB – in accordance with the overall strategy of the Group – concentrates on advising medium-sized companies on their transactions in Austria and selected countries in Central and Eastern Europe.

In the first quarter of the year, emphasis was placed on the acquisition of new consulting mandates. In terms of private equity investments, a new co-investment was entered into, the contract for which is currently being drawn up. The better exit environment led to the sale of portfolio companies of fund investments in the first quarter, which included an IPO for an indirect portfolio company.

Debt capital markets

In the first quarter, the bank gained a lead management mandate for the issue and placement of an SME bond for a Styrian company. In addition, the bank continued the policy of increased involvement in issuing syndicates, which it began last year. For the two largest issues of Austrian companies since the beginning of 2011, Volksbank AG – Investkredit acted as senior co-lead manager and thereby confirmed its market position in issuing corporate bonds.

Corporate treasury

The phase of extremely low money and capital market interest rates is drawing to a close and long-term derivative hedges of favourable interest rates have become noticeably more expensive. However, absolute interest rate levels in all major currencies are still very low. As a result, intelligent interest rate hedging instruments are in demand, to retain interest rate hedging costs for corporate and real estate customers at a low level.

In the Commodity division, consulting mandates could be acquired and expanded. The product portfolio for hedging various commodities, such as diesel, biodiesel, lead, copper and crude oil, consists – just like the interest rate portfolio – of swaps, caps, floors and collars.

The bank renewed cooperation with Austrian and international capital market customers. The aim is to provide this customer group with comprehensive support and position Volksbank AG – Investkredit as a strong and reliable partner for capital market transactions.

Outlook for the Corporates segment

Volksbank AG – Investkredit is continuing to revolve its activities around its core customers, as it started to do successfully in the 2010 financial year. In order to implement this policy, the bank will pursue its strategy of discontinuing non-profitable customer relations with no potential for profitable business from cross-selling in 2011. The bank will then use the funds freed up to provide its core customers with the liquidity they require.

On the basis of analyses of potential in their business models, customers are provided with an extensive range of product combinations to suit their needs. The aim is to function as a stable bank partner, providing companies with financial solutions to help drive growth. In addition to loans and capital market financing, financial services such as treasury instruments to hedge interest, currency and commodity risks and cash management are offered.

REAL ESTATE SEGMENT

The Real Estate segment encompasses the real estate loan financing operations of Investkredit Bank AG and the lease financing operations and real estate development activities of VB Real Estate Services GmbH. In addition to customers in Austria, the segment also serves real estate partners in CEE and SEE countries. Under the slogan “Passion for Quality”, Investkredit Group offers a range of commercial real estate services founded on professional expertise.

Due to the combination of Investkredit Bank AG and Österreichische Volksbanken AG, VBAG, the real estate financing activities of Investkredit Bank AG are now operating under the Volksbank AG – Investkredit brand.

Within the context of the restructuring of the Group’s Real Estate segment, the new real estate brand, VB Real Estate Services, was launched on 1 March. At the same time, as part of the systematic resizing process, the companies Immoconsult Leasinggesellschaft m.b.H. and PREMIUMRED Real Estate Development GmbH were merged into VB Real Estate Services GmbH. VB Real Estate Services GmbH is thus being developed into a central service platform. In addition to its existing activities, it will also take on additional real estate asset management tasks in future.

One of VB Real Estate Services’ key activities is real estate leasing, which is offered through a total of six branches in Central and Eastern Europe, with regional offices in Poland, the Czech Republic, Slovakia, Hungary, Romania and Croatia. One of its niche products, aimed at the shipping industry, is container leasing. VB Real Estate Services is also the competence centre for international real estate project development, covering the entire product cycle of a property. This extends from project acquisition and development via planning, construction, letting and property management all the way to the sale to investors. VB Real Estate Services is also responsible for workout processes.

In terms of real estate loan financing, Volksbank AG – Investkredit has been involved in the long-term financing of commercial real estate projects in Austria and CEE countries for many years.

Segment results

The result before taxes in the Real Estate segment amounted to euro 15 million in the first quarter of 2011. Despite higher risk provisions, results increased in comparison with the previous period. This is primarily due to an increase in net interest income and net fee and commission income and to the successful sale of the “North Gate” project, which was reflected in deconsolidation proceeds of euro 9 million, reported under other operating result.

Real estate financing at Volksbank AG – Investkredit

Volksbank AG – Investkredit’s real estate financing focuses on both financing for property development and the refinancing of existing properties in the office, retail, logistics and hotel sectors. The bank benefits from a high level of expertise and many years of experience in Central and Eastern Europe. It enjoys long-term customer relations with some of Austria and Europe’s best-known property companies.

The economic situation in the bank’s geographical markets remained varied and in part difficult. The crisis has affected the Czech Republic and Poland to a far less extent than the countries of South-Eastern Europe. Although investment activity declined noticeably, it did not come to a standstill as, for example, in Romania.

In response to this situation, Volksbank AG – Investkredit renewed its efforts to acquire new business on a selective basis during the first quarter.

Leasing

As a specialist in real estate leasing, VB Real Estate Services focuses mainly on business in Austria. A key aspect is its cooperation with the Austrian Volksbanks. In the Central and Eastern European core markets, the focus is on major international customers. These are serviced out of Vienna and by the local subsidiaries. In addition to real estate leasing, VB Real Estate Services successfully offers large-volume equipment leasing (of containers in particular) as niche product.

Due to the expiry of leasing contracts, terminations of contracts before their maturity and the resulting sale of objects, the volume of the portfolio did not expand - despite the closing of new contracts in the first quarter of 2011.

Real estate project development
VB Real Estate Services is VBAG Group's competence centre for international real estate project development and its portfolio comprises office buildings in Warsaw, Budapest and Bucharest. Due to the continuing tense situation in the target markets, no new projects were initiated.

In March 2011 project "North Gate", a fully let office block in Warsaw with usable floor space of around 30,000 m^2 was sold to German real estate fund Deka for euro 103 million.

"Premium Plaza" and "Premium Point" in Bucharest, completed in 2008 and 2009 are now mostly let, will be retained in the portfolio for the time being. The two office buildings offer a total rental space of around 15,000 m^2.

In addition, construction is now ready to start on the projects "Horizon Offices" in Prague (lettable space approximately 23,000 m^2) and "Salomea Business Park" in Warsaw (lettable space approximately 28,000 m^2). The acquisition of new sites for future development in Warsaw and Poland's secondary cities is in progress.

Outlook for the Real Estate segment

From a geographical perspective, the real estate financing loan portfolio will be oriented more strongly towards Volksbank AG – Investkredit's future growth markets during the course of 2011. The number of countries in which financing is offered will be reduced and the bank's historic core markets weighted more strongly. The main aim of this portfolio optimisation is to increase profitability.

The real estate leasing business will continue to focus on portfolio management and the servicing of its core customer base during 2011. Due to strong price competition, new business will only be actively promoted when an appropriate level of profitability is assured.

VB Real Estate Services will also continue to focus on its role as Investkredit Group's workout unit for impaired real estate financing during the financial year 2011. Given the appropriate market development and attainment of target occupancy rates, project development can nevertheless be expected to resume in the defined core markets.

VB Real Estate Services will continue working on the optimisation of the organisational structure and the corresponding project will be completed during the course of 2011. Not only will this improve the quality of the relevant processes, it will also bring about an improvement in the way the wide range of products and services is presented and communicated to the customer.

INVESTMENT BOOK/OTHER OPERATIONS SEGMENT

All activities relating to Volksbank AG – Investkredit's investment book are organised centrally and reported in the VBAG's Investment Book/Other Operations segment. This segment comprises VBAG's Capital Markets and Asset Liability Management divisions and Volksbank AG – Investkredit's Debt Capital Markets department (described in the corporates segment).

Capital Markets

The Capital Markets activities organised at VBAG are covered comprehensively in the VBAG Group interim report.

Asset Liability Management/Liquidity management

The ALM and liquidity management activities organised at VBAG are covered comprehensively in the VBAG Group interim report.

Income Statement

	1-3/2011 in euro thousand	1-3/2010 in euro thousand	Changes in euro thousand	Changes %
Interest and similar income and expenses	46,745	48,881	-2,135	-4.37%
Income from companies measured at equity	-149	447	-597	-133.40%
Net interest income	46,596	49,328	-2,732	-5.54%
Risk provisions	-14,539	-37,519	22,980	-61.25%
Net fee and commission income	4,214	2,035	2,179	107.10%
Net trading income	-998	-611	-387	63.39%
General administrative expenses	-19,464	-19,904	440	-2.21%
Other operating result	8,488	1,364	7,124	> 200.00%
Income from financial investments	9,703	4,904	4,798	97.84%
Result for the period before taxes	**34,000**	**-403**	**34,403**	**< -200.00%**
Income taxes	-6,602	1,499	-8,102	< -200.00%
Result for the period after taxes	**27,398**	**1,096**	**26,302**	**> 200.00%**
Result attributable to shareholders of the parent company (Consolidated net income/loss)	**27,326**	**787**	**26,540**	**> 200.00%**
Result attributable to non-controlling interest (Non-controlling interest)	72	310	-238	-76.88%

Comprehensive income	1-3/2011 in euro thousand	1-3/2010 in euro thousand	Changes in euro thousand	Changes %
Result for the period after taxes	27,398	1,096	26,302	> 200.00%
Other comprehensive income				
Currency reserve	46	33	13	40.72%
Available for sale reserve (including deferred taxes)				
Change in fair value	105	0	105	100.00%
Other comprehensive income total	151	33	118	> 200.00%
Comprehensive income	27,549	1,129	26,420	> 200.00%
Comprehensive income attributable to shareholders of the parent company	32,987	819	32,167	> 200.00%
Comprehensive income attributable to non-controlling interest	51	310	-259	-83.60%

Statement of financial position

	31 Mar 2011 in euro thousand	31 Dec 2010 in euro thousand	Changes in euro thousand	%
Assets				
Liquid funds	27	255	-229	-89.61%
Loans and advances to credit institutions (gross)	277,568	345,351	-67,783	-19.63%
Loans and advances to customers (gross)	7,678,791	7,865,304	-186,513	-2.37%
Risk provisions (-)	-641,410	-661,340	19,930	-3.01%
Financial investments	1,764,388	1,802,890	-38,502	-2.14%
Investment property and operating lease assets	108,734	210,026	-101,293	-48.23%
Companies measured at equity	17,864	18,124	-259	-1.43%
Participations	211,807	211,734	73	0.03%
Intangible assets	1,332	1,374	-42	-3.05%
Tangible fixed assets	40,316	40,559	-242	-0.60%
Tax assets	14,719	14,246	474	3.32%
Other assets	105,315	156,055	-50,741	-32.51%
TOTAL ASSETS	**9,579,452**	10,004,578	-425,126	-4.25%
Liabilities and equity				
Amounts owed to credit institutions	4,980,689	4,783,425	197,264	4.12%
Amounts owed to customers	848,551	891,096	-42,545	-4.77%
Debts evidenced by certificates	1,969,393	2,582,682	-613,289	-23.75%
Provisions	68,217	75,464	-7,247	-9.60%
Tax liabilities	22,379	28,836	-6,457	-22.39%
Other liabilities	244,125	221,779	22,346	10.08%
Subordinated liabilities	717,730	720,413	-2,683	-0.37%
Equity	728,368	700,883	27,485	3.92%
Shareholders' equity	727,506	700,072	27,434	3.92%
Non-controlling interest	862	811	51	6.26%
TOTAL LIABILITIES AND EQUITY	**9,579,452**	10,004,578	-425,126	-4.25%

Changes in the Group's equity

Euro thousand	Subscribed capital [1]	Capital reserve	Retained earnings	Currency reserve	IAS 39 valuation reserves [2]: Available for sale reserve	IAS 39 valuation reserves [2]: Hedging reserve	Shareholders' equity	Non-controlling interest	Equity
As at 1 January 2010	46,000	336,142	275,260	162	0	0	657,564	58,014	715,577
Comprehensive income *			787	33			819	310	1,129
As at 31 March 2010	46,000	336,142	276,046	195	0	0	658,383	58,323	716,706
As at 1 January 2011	46,000	336,142	317,226	309	395	0	700,072	811	700,883
Comprehensive income *			27,326	67	105		27,498	51	27,549
Change due to reclassifications shown under non-controlling interest and capital increases			-64				-64		-64
As at 31 March 2011	**46,000**	**336,142**	**344,488**	**376**	**499**	**0**	**727,506**	**862**	**728,368**

* Comprehensive income (Income and changes in reserves)

Euro thousand	1-3/2011 Shareholders' equity	1-3/2011 Non-controlling interest	1-3/2011 Equity	1-3/2010 Shareholders' equity	1-3/2010 Non-controlling interest	1-3/2010 Equity
Consolidated net income	27,326	72	27,398	787	310	1,096
Currency reserve	67	-21	46	33	0	33
thereof from application of the average rates of exchange in income statement	3	-21	-18	4	0	4
Available for sale reserve (including deferred taxes)	105	0	105	0	0	0
Comprehensive income	**27,498**	**51**	**27,549**	819	310	1,129

[1] Subscribed capital corresponds to the figures reported in the financial statements of Investkredit Bank AG.
[2] As at 31 March 2011, the available for sale reserve included deferred taxes of euro -166 thousand.

Cash flow statement

Euro thousand	1-3/2011	1-3/2010
Cash and cash equivalents at the end of previous period (= liquid funds)	255	254
Cash flow from operating activities	-15,305	-70,171
Cash flow from investing activities	14,834	65,005
Cash flow from financing activities	242	51,528
Cash and cash equivalents at the end of period (= liquid funds)	27	46,616

NOTES

Interim Financial Statements as at 31 March 2011

1) General

The interim report as at 31 March 2011 of Investkredit Bank AG has been prepared in accordance with all IFRS/IAS published by the International Accounting Standards Board (IASB) as well as all interpretations (IFRIC/SIC) issued by the International Financial Reporting Interpretations Committee and the Standing Interpretations Committee respectively as adopted for use in the European Union, These interim financial statements comply with IAS 34 Interim financial reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at 31 December 2010.

These condensed consolidated interim financial statements have not been audited or reviewed.

In preparing this interim report the estimates and assumptions were the same as those applied to the consolidated financial statements as at 31 December 2010.

There were no events or changes in circumstances for goodwill that would indicate an impairment, therefore no impairment tests were carried out for these goodwill.

The interim consolidated financial statements have been drawn up in euro as this is the Group's functional currency. All figures are indicated in thousands of euros, unless specified otherwise. The following tables may contain rounding differences.

2) Changes in the Group structure

Backdated with 1 January 2011 Immoconsult Leasing GmbH was merged with PREMIUMRED Real Estate Development GmbH. The merged companies are trading under the name VB Real Estate Services GmbH. This change in legal form has not affected the consolidated financial statements.

As at 15 March 2011, a contract concerning the sale of the shares of Bonifraterska Development Sp.zoo was concluded (Project „North Gate"). The result of deconsolidation in the amount of Euro 9,032 thousand is shown in other operating income. The result of the period 1 January to 15 March 2011 is shown in the respective positions in income statement.

Deconsolidation result of Bonifraterska

Euro thousand	
Assets proportional	106,665
Liabilities proportional	71,508
Disposal of net assets proportional	**-35,157**
Revenues	44,189
Deconsolidation result	**9,032**

3) Subsequent events

The combination of Österreichische Volksbanken-Aktiengesellschaft and Investkredit Bank AG is in progress and is set to be completed by the second half of 2011. The necessary resolutions were voted upon on 19 May 2011 at the annual general meetings of VBAG and Investkredit. As a result – subject to approval by the Financial Market Authority – in the second half of 2011, the banking operations of Österreichische Volksbanken-Aktiengesellschaft will be transferred to Investkredit Bank AG as the assuming company by way of an universal succession through de-merger. The name of the combined bank will then be changed to Österreichische Volksbanken-AG.

No other events took place during the period of the interim report that had any significant effect on the interim financial statements as at 31 March 2011.

4) Notes to the income statement

Net interest income

Euro thousand	1-3/2011	1-3/2010
Interest and similar income	104,638	110,351
Interest and similar income from	99,779	105,455
liquid funds	43	77
credit and money market transactions with credit institutions	2,337	8,178
credit and money market transactions with customers	69,603	67,926
debt securities	15,157	12,973
derivatives - investment book	12,639	16,301
Current income from	1,063	985
equities and other variable-yield securities	512	0
other affiliates	700	538
companies measured at equity	-149	447
Rental income	3,796	3,911
Interest and similar expenses of	-58,042	-61,023
deposits from credit institutions (including central banks)	-19,369	-21,142
deposits from customers	-5,033	-4,518
debts evidenced by certificates	-13,871	-14,816
subordinated liabilities	-6,848	-4,067
derivatives - investment book	-12,920	-16,480
Net interest income	46,596	**49,328**

Starting December 2010, changes in value of investment property assets are reported in position financial investments. The comparative figures have been restated accordingly.

Net interest income according to IAS 39 categories

Euro thousand	1-3/2011	1-3/2010
Interest receivable and similar income	104,638	110,351
Interest receivable and similar income from	99,779	105,455
financial investments at fair value through profit or loss	4,056	8,720
derivatives - investment book	12,639	16,301
financial investments not at fair value through profit or loss	83,084	80,434
financial investments at amortised cost	71,983	76,181
of which financial lease	4,807	4,558
financial investments held to maturity	11,101	4,253
Current income from	1,063	985
financial investments at fair value through profit or loss	512	0
financial investments available for sale	700	538
companies measured at equity	-149	447
Income from investment property	3,796	3,911
Interest and similar expenses of	-58,042	-61,023
derivatives - investment book	-12,920	-16,480
financial investments at amortised cost	-45,122	-44,543
Net interest income	46,596	**49,328**

Risk provisions

Euro thousand	1-3/2011	1-3/2010
Allocation to risk provisions	-23,891	-57,178
Release of risk provisions	9,970	16,293
Allocation to provisions for risks	-489	-211
Release of provisions for risks	72	3,577
Direct write-offs of loans and advances	-201	0
Income from loans and advances previously written off	0	1
Risk provisions	-14,539	**-37,519**

Net fee and commission income

Euro thousand	1-3/2011	1-3/2010
Fee and commission income from	5,477	3,597
lending operations	2,794	2,241
securities businesses	56	102
payment transactions	449	351
other banking services	2,179	904
Fee and commission expenses from	-1,262	-1,562
lending operations	-1,135	-1,464
securities businesses	-41	-44
payment transactions	-77	-40
other banking services	-9	-14
Net fee and commission income	**4,214**	**2,035**

Net fee and commission income does not include any income or expenses from financial investments designated at fair value through profit or loss.

Net trading income

Euro thousand	1-3/2011	1-3/2010
Exchange rate related transactions	-998	-611
Net trading income	**-998**	**-611**

General administrative expenses

Euro thousand	1-3/2011	1-3/2010
Staff expenses	-12,701	-14,007
Other administrative expenses	-6,053	-4,997
Depreciation of fixed tangible and intangible assets	-710	-900
General administrative expenses	**-19,464**	**-19,904**

Income from financial investments

Euro thousand	1-3/2011	1-3/2010
Result from financial investments at fair value through profit or loss	649	10,527
Result from fair value hedges	0	0
Result from revaluation of underlying instruments	1,075	2,003
Result from revaluation of derivatives	-1,075	-2,003
Result from valuation of other derivatives in the investment book	6,443	-7,368
Exchange rate related transactions	26	287
Interest rate related transactions	6,417	-7,654
Result from available for sale financial investments (including participations)	-8	904
Realised gains / losses	-6	904
Impairments	-2	0
Result from loans & receivables financial investments	107	222
Realised gains / losses	119	0
Income from revaluation	0	222
Impairments	-12	0
Result from held to maturity financial investments	2,512	620
Realised gains / losses	2,515	622
Income from revaluation	0	1
Impairments	-3	-3
Result from investment property assets as well as other financial investments	0	0
Income from financial investments	**9,703**	**4,904**

Since December 2010, changes in value of investment property assets were reported in this position. The results of participations are part of available for sale financial investments beginning with December 2010. The comparative figures have been restated accordingly.

In the first quarter of 2011 no reclassification from the available for sale reserve to the income statement was made.

Euro thousand	1-3/2011	1-3/2010
Result from financial investments, which are measured at fair value through profit and loss	**7,092**	**3,159**
Financial instruments at fair value through profit or loss	649	10,527
Fair value hedges	0	0
Other derivatives in investment book	6,443	-7,368
Investment property assets	0	0
Result from financial investments, which are not measured at fair value through profit and loss	**2,610**	**1,746**
Realised gains / losses	2,627	1,526
Available for sale financial investments	-6	904
Loans & receivables financial investments	119	0
Held to maturity financial investments	2,515	622
Income from revaluation	0	223
Loans & receivables financial investments	0	222
Held to maturity financial investments	0	1
Impairments	-17	-3
Available for sale financial investments	-2	0
Loans & receivables financial investments	-12	0
Held to maturity financial investments	-3	-3
Income from financial investments	**9,703**	**4,904**

5) Notes to the consolidated statement of financial position

Loans and advances to credit institutions and customers

Euro thousand	31 Mar 2011	31 Dec 2010
Loans and advances to credit institutions	277,568	345,351
Loans and advances to customers	7,678,791	7,865,304
Loans and advances to credit institutions and customers	**7,956,359**	**8,210,655**

Loans and advances to credit institutions and customers are measured at amortised cost.

Risk provisions

Euro thousand	Individual impairment customers	Portfolio based allowance	Total
As at 1 Jan 2010	632,664	35,000	667,664
Currency translation	3,592	0	3,592
Reclassification	6,998	0	6,998
Utilisation	-21,406	0	-21,406
Release	-16,293	0	-16,293
Addition	57,178	0	57,178
As at 31 Mar 2010	662,733	35,000	697,733
As at 1 Jan 2011	648,340	13,000	661,340
Currency translation	-1,480	0	-1,480
Reclassification	2,163	0	2,163
Utilisation	-34,533	0	-34,533
Release	-9,970	0	-9,970
Addition	23,891	0	23,891
As at 31 Mar 2011	**628,410**	**13,000**	**641,410**

Loans and advances to credit institutions and customers include non-interest-bearing receivables amounting to euro 99,993 thousand (31 December 2010: euro 106,124 thousand). The reclassification item reflects the regrouping of provisions.

Financial investments

Euro thousand	31 Mar 2011	31 Dec 2010
Financial investments at fair value through profit or loss	621,339	633,555
Debt securities	567,199	581,178
Equity and other variable-yield securities	54,141	52,376
Financial investments available for sale	351,291	343,719
Debt securities	351,291	343,719
Financial investments loans & receivables	127,842	132,569
Financial investments held to maturity	663,916	693,048
Financial investments	1,764,388	**1,802,890**

Participations

Euro thousand	31 Mar 2011	31 Dec 2010
Investments in unconsolidated affiliates	161,190	161,123
Participating interests	11,004	11,004
Investments in other companies	39,612	39,607
Participations	211,807	**211,734**

All participations are measured at amortised costs, as their fair value cannot be determined without an ureasonable amount of effort. None of the Group's participations are listed on a stock exchange.

Other assets

Euro thousand	31 Mar 2011	31 Dec 2010
Deferred items	11,081	4,655
Other receivables and assets	49,666	77,116
Positive fair value from derivatives in the investment book	44,567	74,284
Other assets	105,315	**156,055**

Amounts owed to credit institutions

Amounts owed to credit institutions amounting to euro 4,980,689 thousand (31 December 2010: euro 4,783,425 thousand) are measured at amortised cost.

Amounts owed to customers

Amounts owed to customers amounting to euro 848,551 thousand (31 December 2010: euro 891,096 thousand) are measured at amortised cost.

Debts evidenced by certificates

Debts evidenced by certificates amounting to euro 1,969,393 thousand (31 December 2010: euro 2,582,682 thousand) are measured at amortised cost.

Other liabilities

Euro thousand	31 Mar 2011	31 Dec 2010
Deferred items	11,229	3,571
Other liabilities	180,652	136,774
Negative fair value from derivatives in the investment book	52,245	81,434
Other liabilities	244,125	**221,779**

Subordinated liabilities

Euro thousand	31 Mar 2011	31 Dec 2010
Subordinated liabilities	230,016	232,719
Supplementary capital	487,714	487,693
Subordinated liabilities	717,730	**720,413**

Subordinated liabilities are all measured at amortised cost.

Subordinated liabilities comprise hybrid tier I capital in the amount of euro 109,519 thousand (31 December 2010: euro 114,427 thousand).

6) Own funds

The Investkredit Group is a member of the VBAG Group of credit institutions as defined in the Austrian Banking Act.

The own funds of the Investkredit Group calculated in accordance with the Austrian Banking Act can be broken down as follows

Euro thousand	31 Mar 2011	31 Dec 2010
Subscribed capital (less treasury stocks)	46,000	46,000
Open reserves (including differential amounts and minority interests)	714,879	728,734
Intangible assets	-581	-610
Net loss	-3,857	-8,165
Core capital (tier I capital) before deductions	756,441	765,959
Deductions from core capital (50% deduction pursuant to section 23 (13) Austrian Banking Act)	-5,609	-5,094
Core capital (tier I capital) after deductions	750,832	760,865
Supplementary capital	414,413	414,413
Eligible subordinated liabilities	138,605	147,965
Hidden reserves persuant to section 57 (1) Austrian Banking Act	25,000	25,000
IRB risk provision surplus	46,953	47,827
Supplementary capital (tier II capital) before deductions	624,971	635,205
Deductions from supplementary capital (50% deduction pursuant to section 23 (13) Austrian Banking Act)	-5,609	-5,094
Supplementary capital (tier II capital) after deductions	619,362	630,111
Eligible qualifying capital	1,370,194	**1,390,976**
Capital requirement	739,710	750,800
Surplus capital	630,485	640,176

Core capital ratio (tier I) (in relation to the assessment base pursuant to section 22 Austrian Banking Act - credit risk)	8.52%	8.50%
Equity ratio (solvency ratio) (in relation to credit risk after deduction of capital requirements for market and operational risk)	15.15%	15.15%
Core capital ratio (in relation to the risks pursuant to section 22 (1) no. 1 - 5 Austrian Banking Act)	8.12%	8.11%
Equity ratio (in relation to the risks pursuant to section 22 (1) no. 1 - 5 Austrian Banking Act)	14.82%	14.82%

The item open reserves includes the hybrid tier I capital totalling euro 109,519 thousand (31 December 2010: euro 114,427 thousand).

The risk-weighted assessment base as defined in the Austrian Banking Act and the ensuing equity requirement show the following changes

Euro thousand	31 Mar 2011	31 Dec 2010
Risk-weighted assessment base pursuant to section 22 Austrian Banking Act - credit risk	8,816,881	8,955,513
Of which 8% minimum capital requirement for credit risk	705,350	716,441
Capital requirement for operational risk	34,359	34,359
Total capital requirement	739,710	**750,800**

In accordance with IFRS reporting, the scope of consolidation differs from the group of consolidated companies under the Austrian Banking Act as the IFRS provides for the inclusion of other entities not belonging to the banking sector. According to the Austrian Banking Act, credit institutions, financial institutions and subsidiaries providing banking-related auxiliary services that are under the control of the parent are fully consolidated. The carrying amount of financial institutions that are controlled by the parent but that are not significant for the presentation of the group of credit institutions according to section 24 (3a) of the Austrian Banking Act is deducted from own funds. Subsidiaries providing banking-related auxiliary services that are controlled by the parent but that are not consolidated in accordance with section 24 (3a) of the Austrian Banking Act are included in the assessment base at their carrying amounts. Subsidiaries which are managed jointly with non-Group companies are proportionately consolidated. Investments in credit and financial institutions with a share of between 10% and 50% that are not jointly managed are also deducted from own funds unless they are voluntarily consolidated on a pro rata basis. Investments in credit and financial institutions of less than 10% are deducted from own funds only if the exemption threshold is exceeded. All other participating interests are included in the assessment base at their carrying amounts.

All credit institutions under control are considered in the scope of consolidation according to the Austrian Banking Act.

In the first quarter of 2011, no substantial, practical or legal obstacles existed which would have prevented the transfer of equity or the repayment of liabilities between the senior institution and institutions subordinated to the former.

7) Financial assets and liabilities

The table below shows financial assets and liabilities in accordance with their individual categories and their fair values.

Euro thousand	Held for trading	At fair value through profit or loss	Held to maturity	Available for sale	Amortised cost	Carrying amount - total	Fair value
31 Mar 2011							
Liquid funds	0	0	0	0	27	27	27
Loans and advances to credit institutions	0	0	0	0	277,568	277,568	277,568
Loans and advances to customers	0	0	0	0	7,678,791	7,678,791	7,050,381
Financial investments	0	621,339	663,916	351,291	127,842	1,764,388	1,765,708
Participations	0	0	0	211,807	0	211,807	211,807
Derivatives - investment book	44,567	0	0	0	0	44,567	44,567
Financial assets - total	**44,567**	**621,339**	**663,916**	**563,098**	**8,084,227**	**9,977,148**	**9,350,058**
Amounts owed to credit institutions	0	0	0	0	4,980,689	4,980,689	4,980,689
Amounts owed to customers	0	0	0	0	848,551	848,551	848,551
Debts evidenced by certificates	0	0	0	0	1,969,393	1,969,393	1,893,862
Derivatives - investment book	52,245	0	0	0	0	52,245	52,245
Subordinated liabilities	0	0	0	0	717,730	717,730	691,263
Financial liabilities - total	**52,245**	**0**	**0**	**0**	**8,516,363**	**8,568,607**	**8,466,610**

Euro thousand	Held for trading	At fair value through profit or loss	Held to maturity	Available for sale	Amortised cost	Carrying amount - total	Fair value
31 Dec 2010							
Liquid funds	0	0	0	0	255	255	255
Loans and advances to credit institutions	0	0	0	0	345,351	345,351	345,351
Loans and advances to customers	0	0	0	0	7,865,304	7,865,304	7,216,964
Financial investments	0	633,555	693,048	343,719	132,569	1,802,890	1,812,822
Participations	0	0	0	211,734	0	211,734	211,734
Derivatives - investment book	74,284	0	0	0	0	74,284	74,284
Financial assets - total	**74,284**	**633,555**	**693,048**	**555,452**	**8,343,479**	**10,299,817**	**9,661,409**
Amounts owed to credit institutions	0	0	0	0	4,783,425	4,783,425	4,783,425
Amounts owed to customers	0	0	0	0	891,096	891,096	891,096
Debts evidenced by certificates	0	0	0	0	2,582,682	2,582,682	2,491,710
Derivatives - investment book	81,434	0	0	0	0	81,434	81,434
Subordinated liabilities	0	0	0	0	720,413	720,413	691,792
Financial liabilities - total	**81,434**	**0**	**0**	**0**	**8,977,616**	**9,059,050**	**8,939,457**

The table below shows all assets and liabilities which are measured at fair value classified according to their fair value hierarchy.

Euro thousand	Level 1	Level 2	Total
31 Mar 2011			
Financial assets			
Financial investments	833,304	139,327	972,630
at fair value through profit or loss	482,013	139,327	621,339
available for sale	351,291	0	351,291
Derivatives - investment book	0	44,567	44,567
Total	**833,304**	**183,894**	**1,017,198**
Financial liabilities			
Derivatives - investment book	0	52,245	52,245
Total	**0**	**52,245**	**52,245**
31 Dec 2010			
Financial assets			
Financial investments	848,638	128,635	977,273
at fair value through profit or loss	504,919	128,635	633,555
available for sale	343,719	0	343,719
Derivatives - investment book	0	74,284	74,284
Total	**848,638**	**202,919**	**1,051,557**
Financial liabilities			
Derivatives - investment book	0	81,434	81,434
Total	**0**	**81,434**	**81,434**

In 2011 and 2010 there have not been any reclassifications between the levels.

Investkredit only uses market data which are from observable markets. If the system delivers prices for inactive traded positions, these prices are checked with prices based on secondary available market data, like credit spreads or transactions which are done on active markets in similar products. If necessary, the prices of the system are adapted.

8) Number of staff

Number of staff employed during the business year

	Average number of staff		Number of staff at end of period	
	1-3/2011	1-3/2010	31 Mar 2011	31 Dec 2010
Domestic	413	437	409	422
Foreign	48	46	49	49
Total	**461**	**483**	**458**	**471**

9) Segment reporting

Segment reporting by business segments

Euro thousand	Corporates	Real Estate	Investment Book / Other Operations	Total
Net interest income				
1-3/2011	26,080	20,681	-164	46,596
1-3/2010	25,054	17,903	6,371	49,328
Risk provisions				
1-3/2011	-8,979	-8,017	2,457	-14,539
1-3/2010	-30,000	-3,915	-3,604	-37,519
Net fee and commission income				
1-3/2011	2,675	1,729	-189	4,214
1-3/2010	1,001	563	471	2,035
Net trading income				
1-3/2011	282	-799	-481	-998
1-3/2010	438	52	-1,101	-611
General administrative expenses				
1-3/2011	-10,571	-6,887	-2,006	-19,464
1-3/2010	-11,604	-5,534	-2,766	-19,904
Other operating result				
1-3/2011	-5	7,856	637	8,488
1-3/2010	90	882	392	1,364
Income from financial investments				
1-3/2011	810	-8	8,901	9,703
1-3/2010	1,918	904	2,082	4,904
Result for the period before taxes				
1-3/2011	10,291	14,555	9,154	34,000
1-3/2010	**-13,104**	**10,856**	**1,846**	**-403**
Income taxes				
1-3/2011	-2,169	-1,368	-3,065	-6,602
1-3/2010	4,203	-2,208	-496	1,499
Result for the period after taxes				
1-3/2011	8,122	13,187	6,089	27,398
1-3/2010	**-8,901**	**8,647**	**1,350**	**1,096**
Total assets				
31 Mar 2011	5,313,358	4,562,765	-296,671	9,579,452
31 Dec 2010	5,405,088	4,775,492	-176,002	10,004,578
Loans and advances to customers				
31 Mar 2011	4,716,306	4,216,444	-1,253,959	7,678,791
31 Dec 2010	4,821,267	4,265,806	-1,221,769	7,865,304
Amounts owed to customers				
31 Mar 2011	514,782	181,914	151,854	848,551
31 Dec 2010	772,186	118,910	0	891,096

Segment reporting by geographical markets

Euro thousand	Austria	Major foreign markets	Other foreign markets	Total
Net interest income				
1-3/2011	36,855	2,179	7,562	46,596
1-3/2010	37,302	2,113	9,914	49,328
Risk provisions				
1-3/2011	-12,459	0	-2,079	-14,539
1-3/2010	-34,890	0	-2,629	-37,519
Net fee and commission income				
1-3/2011	3,929	-56	341	4,214
1-3/2010	1,660	-1	376	2,035
Net trading income				
1-3/2011	-1,313	250	65	-998
1-3/2010	-97	-321	-192	-611
General administrative expenses				
1-3/2011	-16,672	-525	-2,267	-19,464
1-3/2010	-16,697	-389	-2,819	-19,904
Other operating result				
1-3/2011	-491	8,979	0	8,488
1-3/2010	760	604	0	1,364
Income from financial investments				
1-3/2011	8,893	0	810	9,703
1-3/2010	3,329	0	1,575	4,904
Result for the period before taxes				
1-3/2011	**18,741**	**10,828**	**4,432**	**34,000**
1-3/2010	**-8,633**	**2,006**	**6,224**	**-403**

10) Quarterly financial data

Euro thousand	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Net interest income	46,596	51,991	52,517	52,568	49,328
Risk provisions	-14,539	1,872	-11,683	-6,403	-37,519
Net fee and commission income	4,214	1,116	1,585	2,490	2,035
Net trading income	-998	1,245	-1,932	1,047	-611
General administrative expenses	-19,464	-36,801	-17,862	-21,134	-19,904
Other operating result	8,488	3,941	-799	-1,270	1,364
Income from financial investments	9,703	11,056	7,451	-13,383	4,904
Result for the period before taxes	**34,000**	**34,420**	**29,277**	**13,914**	**-403**
Income taxes	-6,602	-5,045	-8,581	-5,004	1,499
Result for the period after taxes	**27,398**	**29,375**	**20,697**	**8,910**	**1,096**
Result attributable to shareholders of the parent company	**27,326**	**29,446**	**20,608**	**8,858**	**787**
Result attributable to non-controlling interest	72	-71	89	53	310

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining nine months of the financial year.

Vienna, 26 May 2011

Gerald Wenzel
Chairman of the Managing Board
Finance, Human Resources, Law, Organisation/IT, Marketing

Michael Mendel
Deputy Chairman of the Managing Board
Risk

Martin Fuchsbauer
Member of the Managing Board
Treasury

Wolfgang Perdich
Member of the Managing Board
Market/Overseas