VOLKSBANK AG

INTERIM REPORT

AS AT 30 SEPTEMBER 2013

KEY FIGURES OF VOLKSBANK AG

Euro million	30 Sep 2013	31 Dec 2012	31 Dec 2011
Statement of financial position [1]			
Total assets	**23,341**	**27,640**	**43,693**
Loans and advances to customers	8,616	10,040	12,717
Amounts owed to customers	2,225	2,542	2,713
Debts evidenced by certificates	7,438	9,935	13,452
Subordinated liabilities	642	621	1,729
Own funds			
Core capital (tier I) after deductions	1,696	1,709	2,305
Supplementary capital (tier II, tier III) after deductions	586	759	1,021
Eligible qualifying capital	2,282	2,467	3,326
Assessment base credit risk	10,857	13,443	22,947
Capital requirement market risk	87	95	121
Capital requirement operational risk	87	87	144
Surplus capital	1,240	1,210	1,225
Core capital ratio [2]	**13.0 %**	**10.9 %**	**8.8 %**
Equity ratio [2]	**17.5 %**	**15.7 %**	**12.7 %**
Income statement	**1-9/2013**	**1-9/2012**	**1-9/2011**
Net interest income	90.1	159.9	344.0
Risk provisions	–49.9	–200.7	–90.2
Net fee and commission income	26.9	45.5	74.9
Net trading income	–1.9	31.4	11.9
General administrative expenses	–192.8	–194.7	–269.9
Other operating result	64.8	703.4	–357.0
Income from financial investments	–1.2	48.2	–346.0
Income from discontinued operation	15.3	48.6	–64.0
Result before taxes	**–48.6**	**641.6**	**–696.3**
Income taxes	0.7	–20.2	0.0
Result after taxes	**–47.9**	**621.4**	**–696.2**
Non-controlling interest	–18.9	–22.7	7.1
Consolidated net income	**–66.8**	**598.7**	**–689.1**
Key ratios [3]			
Operative cost-income-ratio	167.5 %	82.2 %	62.6 %
ROE before taxes	–6.8 %	78.3 %	–71.2 %
ROE after taxes	–6.7 %	75.9 %	–70.2 %
ROE consolidated net income	–10.3 %	97.9 %	–102.5 %
ROE before taxes (regulatory)	–8.8 %	62.5 %	–58.1 %
Resources			
Staff average	1,882	1,975	3,476
of which domestic	1,127	1,190	1,331
of which foreign	755	785	2,145
	31 Sep 2013	**31 Dec 2012**	**31 Dec 2011**
Staff at end of period	1,868	1,912	2,038
of which domestic	1,112	1,137	1,253
of which foreign	756	775	785
Number of sales outlets	2	2	2
of which domestic	1	1	1
of which foreign	1	1	1

[1] The comparative figures of 2012 and 2011 were adjusted according to IAS 8.
[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.

CONTENT

Interim Report

English translation by BBi (Scotland) Ltd.

INTERIM MANAGEMENT REPORT FOR THE FIRST THREE QUARTERS OF 2013

1 Report on the business development and the economic situation

1.1 Economic environment

Austria's gross domestic product stagnated in the second quarter of 2013 according to revised figures with quarterly as well as annual growth rates of zero, but the economy regained some momentum in the third quarter. According to a preliminary assessment from the Austrian Institute of Economic Research (WIFO), the Austrian economy's seasonally-adjusted quarterly growth rate was 0.2%. The economy grew by 0.7% compared with the third quarter of the previous year. The eurozone's quarterly growth was positive for the second quarter in succession. According to an initial estimate by Eurostat, gross domestic product in the single currency area as a whole rose by 0.1% in the third quarter on a seasonally-adjusted basis. However, the year-on-year rate of change was still negative at –0.4%.

The Austrian unemployment rate increased slightly, but remained the lowest in the eurozone throughout the entire quarter. It stood at 4.9% in both August and September, up from 4.8% in July. Unemployment in the eurozone as a whole reached another new record high. It was 12.2% in September, the same level as in August. The unemployment rate in July was 12.1%. Greece and Spain again recorded the highest rates.

Inflation continued to decline. According to the Harmonised Index of Consumer Prices (HICP), inflation in Austria fell from 2.1% in July to 2.0% in August and 1.8% in September. Inflation in the eurozone as a whole was lower than this throughout the quarter and also declined. It reached 1.1% by the end of the quarter, its lowest level for more than three years, putting it well below the European Central Bank's (ECB) inflation target.

The ECB left its key interest rate unchanged at 0.50% in the third quarter. The interest rate for the marginal lending facility and the deposit rate also remained the same. The three-month Euribor hardly changed at all throughout the third quarter, remaining at an extremely low level. It stood at 0.23% at the end of September.

Yields on European government bonds which are regarded as safe changed very little overall, but their development was highly volatile. A rise in yields around the middle of the quarter was followed by hefty declines in the final month of the quarter, driven by the prospect of expansionary monetary policy remaining in force for longer. At the end of the third quarter, yields on Austrian ten-year government bonds stood at 2.18% and yields on German ten-year government bonds at 1.78%.

Economic development in Central and South Eastern Europe was inconsistent, but most countries posted positive quarterly growth rates once again in the third quarter.

Romania's growth momentum was higher than that of the eurozone in the first six months of 2013, and this remained the case in the third quarter. Its seasonally-adjusted quarterly growth rate was 1.6% and according to Eurostat economic output increased by 4.1% compared with the third quarter of 2012.

Although unemployment was not reduced by economic growth, it did not continue to rise sharply as it had in the first six months of the year. The unemployment rate stood at 7.5% during all three months of the quarter. As in the eurozone, Romania's rate of inflation also declined. According to the HICP, inflation fell from 3.4% in July to just 1.1% in September. The moderate inflation outlook enabled the National Bank of Romania to cut its key interest rate by 75 basis points during July and August to a new low of 4.5%. In light of the very low level of volatility, the exchange rate for the leu against the euro hardly changed at all compared with the previous quarter.

1.2 Business development and material events during the first nine month of 2013

VBAG's role and responsibilities have permanently changed as a result of its partial nationalisation in April 2012, the resolution relating to section 30a of the Austrian Banking Act (BWG) and the banking association agreement based upon this. VBAG is a de facto restructuring unit, so that almost all the bank's own business in Austria and abroad must be wound down or sold. The Board of Management felt and still feels that it is imperative to press ahead with restructuring as quickly and rigorously as possible. This will enable the bank not only to minimise the resulting costs but also, crucially, to regain its viability as quickly as possible, in order to shape both its future and that of the sector.

By 30 September 2013, significant restructuring had already been implemented. VBAG's Board of Management assumes that winding-down measures still outstanding will in all likelihood be carried out.

1.2.1 Financial position and Group results for the first three quarters of 2013

The VBAG Group result before taxes came to euro –49 million. The consolidated result after taxes and minority interest stood at euro –67 million.

Net interest income for the first three quarters of 2013 amounted to euro 90 million, a reduction of euro 70 million compared with the previous year. On 8 October 2013, a capital increase totalling euro 120 million was carried out at VB Romania S.A. (VB RO). VBAG's share of this capital increase amounted to EUR 61.2 million and had to be impaired against net income due to at-equity measurement. This amount is already recognised in the third quarter. Net interest income declined in the Non-core segments due to the winding-down measures already taken. In the Core segments it increased compared with the previous period. In the previous year, net interest income was reduced due to interest-rate elasticity (adjustment to the lower level of interest took place faster on the assets side than on the liabilities side). Furthermore, in the previous year net interest income included guarantee fees for government-guaranteed issues in the amount of euro –18 million, compared with only euro –2 million in the reporting period in view of repayments of these issues.

Net fee and commission income totalled euro 27 million in the reporting period, representing a decline of euro 19 million compared with the previous period. On the one hand, the decline is the result of a change in the way income from cost allocations in the Other Operations segment is recognised, which has been recorded under other operating income since the fourth quarter of 2012. On the other hand, commission expenses include for the first time a guarantee commission for the Federal Government's asset guarantee (euro 7.5 million for the first nine months of 2013) and increased commissions for the covered bond programme and for holding a liquidity cushion.

Net trading income also declined compared with the previous period, mainly due to valuation losses resulting from ineffective hedge relationships. Allocations of hedge relationships have already been improved compared with the first half of 2013, thereby reducing pressure on the result. Furthermore, income was boosted in the previous year by one-off effects of restructuring, capital gains achieved in the secondary market and positive market-value effects on interest-rate positions. Net trading income for the reporting period amounted to euro –2 million. This resulted from income on trading operations of euro 18 million less valuation losses resulting from ineffective hedge relationships and one-off effects.

General administrative expenses fell slightly by euro 2 million to euro –193 million. Effects of the cost-cutting programme were offset by higher costs for external consultants and increased allocations due to the change in the assumed interest rate for calculating employee provisions. The number of staff fell by 44 compared with the end of 2012 and now stands at 1,868. Of these, 756 are employed outside Austria.

Other operating income for the first nine months of 2013 came to euro 65 million. An asset guarantee provided by the Republic of Austria on 15 March 2013 for a maximum amount of euro 100 million has been recognised for the first time in the period under review. This asset guarantee and the earn-out clause included in the guarantee are reflected in the other operating result with an amount of euro 65 million in the first half of 2013. Income from the sale of buildings used by the Group amounts to euro 28 million. The redemption of supplementary capital bonds in the third quarter led to a result of euro 26 million in the IFRS consolidated financial statements. Due to the adjustment of carrying amounts of supplementary capital according to IAS 39 AG 8 carried out in the previous year, the redemption result in the IFRS financial statement differs from local GAAP. This valuation was carried out in the third quarter of 2012 and is reported in the same period of the previous year with a sum of euro 595 million. Further details can be found in the Notes to the Interim Report. The figures for the same period of the previous year also include income from the July 2012 sale of hybrid tier I capital in the amount of euro 143 million and the provision created for the impending liability for investment income taxes in the amount of euro 19 million.

Risk provisions for the first three quarters of 2013 stood at euro –50 million. This represents a decline of euro 151 million compared with the previous year's figure of euro –201 million. Main driver of this decline is a smaller provisioning requirement in the Non-core Real Estate segment compared with the previous period. As a result of an expected decrease of impairments, an amount of euro 51 million could be released from portfolio-based allowances.

Income from financial investments came to euro –1 million in the reporting period, representing a year-on-year decline of euro 49 million. A valuation gain of euro 3 million resulting from a surplus of effective fair value hedges was recorded (in the comparative period a positive result of euro 58 million was reported). A loss of euro –20 million was posted in the reporting period as a result of the valuation of guarantees of capital-guaranteed funds. The valuation of investment property assets and participations in real estate companies for the first three quarters of 2013 amounted to euro –22 million, against euro –68 million in the comparative period. In the same period of the previous year, income of euro 18 million was recognised for the sale of VICTORIA Volksbanken insurance companies in the first quarter of 2012.

Deferred tax income arising from differences in carrying amounts of derivatives and securities and redemption of supplementary capital is offset by deferred tax expense resulting from recognition of the asset guarantee, release of the portfolio-based allowance and impairment of deferred tax assets owing to lack of marketability in the next four years under the current tax planning.

A purchase price adjustment agreed with respect to the sale of Selini GmbH and of the Vremena Goda project, which was measured at equity, was concluded in the second quarter of 2013 and is shown as income from discontinued operation in the amount of euro 15 million. Further details regarding the purchase price adjustment can be found in the Notes to the Interim Report. The positive deconsolidation result of euro 13 million and income for the period from 1 January to 12 April 2012 of euro 0.1 million were recognised in the same period of the previous year. Closing took place on 12 April 2012.

The sale of VBI AG and its subsidiaries closed on 15 February 2012. The positive deconsolidation result of euro 15 million and income for the period from 1 January to 15 February 2012 of euro 21 million (including consolidation) were recognised as income from discontinued operation in the same period of the previous year.

Details of the adjustment of comparative figures in line with IAS 8 can be found in the Notes to the Interim Report.

1.2.2 Statement of financial position and own funds

Total assets stood at euro 23.3 billion as at 30 September 2013, down by euro 4.3 billion compared with the end of 2012.

Loans and advances to credit institutions decreased compared with the end of the comparative period, mainly due to repayments of refinancing by Volksbank Romania.

Loans and advances to customers fell by euro 1.4 billion, amounting to euro 8.6 billion as at 30 September 2013. Declines were recorded primarily in Non-core Business areas. Loans for an amount of euro 90 million, previously included under loans and advances to customers, were reclassified as assets held for sale in the third quarter of 2013.

Compared with year-end 2012, financial investments were reduced through sales and repayments by almost euro 1.4 billion.

Valuation of derivatives allocated to trading assets or other assets led to a reduction in total assets of just under euro 1 billion compared with the end of 2012.

In addition to buildings used by the Group that are due to be sold in the fourth quarter of 2013, assets classified as held for sale also include loans whose sale has already been contractually agreed or which were sold after the reporting date.

At euro 2.3 billion, amounts owed to customers decreased slightly compared with the end of 2012. Debts evidenced by certificates amounted to euro 7.4 billion as at 30 September 2013, down by euro 2.5 billion compared with 31 December 2012. This decline is essentially attributable to scheduled repayments, primarily the repayment of the last issue guaranteed by the Federal Government in the amount of euro 1 billion.

Trading liabilities and other liabilities decreased by euro 0.8 billion as a result of valuations of derivatives.

In view of the offer to replace supplementary capital bonds with new Basel III compliant subordinated bonds, subordinated liabilities increased slightly, as the issue amount of the new subordinated bonds exceeded the carrying amount of the withdrawn supplementary capital bonds valued according to IAS 39 AG 8.

VBAG Group's own funds stood at euro 2.3 billion as at 30 September 2013. Compared with the end of 2012, the bank reduced its risk-weighted assets (RWAs) by euro 2.7 billion to euro 13 billion (RWA total risk), due in particular to successful measures taken to wind down operations in Non-core Corporates and Non-core Real Estate, as well as investment book items. VBAG has exceeded the European Commission's wind-down targets thanks to these winding-down measures. The tier I ratio in relation to total risk was 13.0%, up from 10.9% on 31 December 2012. The equity ratio in relation to total risk stood at 17.5%, up from 15.7% on 31 December 2012. Eligible own funds exceeded the regulatory requirements by just under euro 1.2 billion.

2 Risks and uncertainties

2.1 Economic environment

Most leading indicators suggest that growth over the next few months will be modest, but distinctly positive. The International Monetary Fund (IMF) barely changed its forecast for growth in the eurozone (2013: –0.4% and 2014: 1.0%) in the autumn edition of its World Economic Outlook compared with the forecast it issued in spring. The European Commission recently published its forecast, which contains very similar growth rates of –0.4% and 1.1%. The Commission anticipates growth of 1.7% in 2015. Inflation rates are expected to remain low. According to the IMF and European Commission, the Austrian economy is set to grow by 0.4% in 2013 and 1.6% in 2014, and for 2015 the European Commission forecasts a growth rate of 1.8%. This is very similar to the forecast published by the Austrian Institute of Economic Research (WIFO) at the start of October.

Owing to the weak economic outlook and low inflationary risks, the ECB has lowered its key interest rate in the fourth quarter and has confirmed its forward guidance of a low key interest rate level for some time to come. Capital market interest rates are also expected to remain low for the time being. However, economic recovery and the US Federal Reserve's plan to scale back and/or end its bond-buying programme as soon as the economic situation allows mean that capital market interest rates will probably begin to rise again in 2014.

According to the IMF, the Romanian economy is set to grow by 2.2% in the coming year, which is clearly above the growth rates expected in the eurozone and Austria. Romania cut its key interest rate by another 25 basis points at the start of October to 4.25%, which is expected to bolster its growth.

2.2 Business development

VBAG Group is undergoing an extensive restructuring process. Under the conditions set out by the European Commission, business areas and holdings that are not part of VBAG's core business must be wound down or sold in the medium term, in line with their repayment profiles. As in the first three quarters of 2013, the focus in the final quarter will be on the conclusion of planned or already contractually agreed sales of assets as well as on the implementation of the sales process for VBLI Group and Volksbank Malta. Due not least to the difficult economic environment and resulting haircuts on the rundown portfolio, there will still be a negative impact on results. The Group is therefore expected to post a clearly negative result at the end of 2013 as well.

The Board of Management of VBAG is currently preparing a new medium-term plan for 2014 and subsequent years. It indicates that, in view of restructuring measures, a negative result is to be expected at the single-entity level at any rate until the end of the 2015 business year, so that interest payments on supplementary capital should not be anticipated at least until 2016 (for the business years 2014 and 2015).

2.3 Material risks and uncertainties

In view of the requirements set out in the restructuring agreement with the Republic of Austria dated 26 April 2012 and the European Commission's decree of 19 September 2012 based upon this, VBAG is required to dispose of key business areas and holdings in Austria and abroad over the coming years.

Previous experience in Austria and abroad has shown that these wind-down processes often involve higher costs than were foreseeable before the event. VBAG's non-core business segments are exposed to this uncertainty.

VBAG has a substantial real-estate portfolio in Austria and Central and Eastern Europe. In addition to credit risks, valuation haircuts may also be imposed as a result of spread risks if parts of this portfolio are sold.

VBAG holds a 51% stake in Volksbank Romania S.A. The entire carrying amount of VB Romania was written off in 2011. Substantial risk provisions were recognised by Volksbank Romania in the current business year following revaluations of real-estate collateral carried out in the first half of 2013 and due to impending legal risks. Together with the equity planning reflecting Basel III regulation, this resulted in an increased equity capital requirement.

The owners of VB Romania carried out a capital increase totalling euro 120 million in October 2013 in order to stabilise equity ratios. VBAG's share has been impaired in the present financial statements in the amount of euro 61 million.

As of 30 September 2013, refinancing of euro 1 billion provided by VBAG to VB Romania was still outstanding (31 December 2012: 1.4 billion).

A medium-term plan for VB Romania is currently being drawn up for 2014 and subsequent years. At present there is no sound evidence that would give reason to impair the refinancing, even though there are conceivable scenarios, given the difficult and volatile macroeconomic environment, that could impact the carrying amount of the refinancing provided by VBAG to VB Romania.

Now that VB Romania has presented its plans for 2014 onwards, and with a better understanding of the market environment as the process of selling VB Romania – which must be completed by 31 December 2015 – gets underway, the risk picture will become clearer.

Given the still difficult economic situation, particularly in the banking sector, there is a risk that income and dividends from investments will fall. This may lead to lower market values in future.

Regulators at European and national level are imposing ever more extensive requirements and will continue to do so in future. This places great pressure on the Group, on the one hand due to the vast input of resources involving heavy staff costs as well as project and IT expenses, and on the other hand due to potentially higher capital requirements going well beyond the minimum statutory requirements set out by Basel II and Basel III.

Condensed Statement of Comprehensive Income - 1 January to 30 September 2013

Income Statement

	1-9/2013 Euro thousand	1-9/2012 Euro thousand	Changes Euro thousand	%
Interest receivable and similar income	539,934	795,623	–255,689	–32.14%
Interest payable and similar expense	–388,949	–633,680	244,730	–38.62%
Income from companies measured at equity	–60,853	–2,071	–58,781	>200.00%
Net interest income	90,132	159,872	–69,740	–43.62%
Risk provisions	–49,871	–200,715	150,843	–75.15%
Fee and commission income	56,798	67,341	–10,543	–15.66%
Fee and commission expenses	–29,924	–21,811	–8,112	37.19%
Net fee and commission income	26,874	45,529	–18,655	–40.97%
Net trading income	–1,893	31,434	–33,328	–106.02%
General administrative expenses	–192,822	–194,702	1,880	–0.97%
Other operating result	64,782	703,368	–638,586	–90.79%
Income from financial investments	–1,159	48,157	–49,316	–102.41%
Income from discontinued operation	15,308	48,646	–33,338	–68.53%
Result for the period before taxes	**–48,650**	**641,589**	**–690,239**	**–107.58%**
Income taxes	716	–18,120	18,836	–103.95%
Income taxes from discontinued operation	0	–2,051	2,051	–100.00%
Result for the period after taxes	**–47,933**	**621,418**	**–669,351**	**–107.71%**
Result attributable to shareholders of the parent company (Consolidated net result)	**–66,804**	**598,702**	**–665,507**	**–111.16%**
thereof from continued operation	–82,112	552,108	–634,220	–114.87%
thereof from discontinued operation	15,308	46,595	–31,287	–67.15%
Result attributable to non-controlling interest	18,871	22,716	–3,845	–16.92%
thereof from continued operation	18,871	14,617	4,254	29.10%
thereof from discontinued operation	0	8,099	–8,099	–100.00%

Comprehensive income	1-9/2013 Euro thousand	1-9/2012 Euro thousand	Changes Euro thousand	%
Result for the period after taxes	**–47,933**	**621,418**	**–669,351**	**–107.71%**
Other comprehensive income				
Items that will not be reclassified to result				
Revaluation obligation of defined benefit plans (IAS 19)	–9,526	0	–9,526	100.00%
Deferred taxes of revaluation IAS 19	2,381	0	2,381	100.00%
Total items that will not be reclassified to result	**–7,144**	**0**	**–7,144**	**100.00%**
Items that may be reclassified to result				
Currency reserve	–4,889	19,646	–24,535	–124.88%
Available for sale reserve (including deferred taxes)				
Change in fair value	87,652	84,782	2,870	3.39%
Net amount transferred to profit or loss	–11,958	–4,526	–7,431	164.18%
Hedging reserve (including deferred taxes)				
Change in fair value (effective hedge)	–1,624	–2,553	929	–36.39%
Net amount transferred to profit or loss	835	1,126	–291	–25.84%
Change in deferred taxes of untaxed reserves	48	0	48	100.00%
Change from companies measured at equity	0	0	0	0.00%
Total items that may be reclassified to result	**70,064**	**98,474**	**–28,410**	**–28.85%**
Other comprehensive income total	**62,920**	**98,474**	**–35,554**	**–36.11%**
Comprehensive income	**14,986**	**719,892**	**–704,905**	**–97.92%**
Comprehensive income attributable to shareholders of the parent company	**–2,573**	**693,536**	**–696,109**	**–100.37%**
thereof from continued operation	–17,881	628,008	–645,890	–102.85%
thereof from discontinued operation	15,308	65,527	–50,219	–76.64%
Comprehensive income attributable to non-controlling interest	17,560	26,356	–8,796	–33.37%
thereof from continued operation	17,560	15,636	1,924	12.30%
thereof from discontinued operation	0	10,720	–10,720	–100.00%

Condensed Statement of Financial Position

	30 Sep 2013 Euro thousand	31 Dec 2012 restated [1] Euro thousand	Changes Euro thousand	%
Assets				
Liquid funds	728,960	851,262	–122,301	–14.37%
Loans and advances to credit institutions (gross)	6,789,384	7,270,203	–480,819	–6.61%
Loans and advances to customers (gross)	8,616,173	10,039,571	–1,423,398	–14.18%
Risk provisions (–)	–884,596	–1,067,045	182,450	–17.10%
Trading assets	2,135,290	2,574,227	–438,937	–17.05%
Financial investments	4,195,558	5,561,058	–1,365,500	–24.55%
Assets for operating lease	289,066	354,139	–65,073	–18.38%
Companies measured at equity	7,634	10,293	–2,660	–25.84%
Participations	462,359	444,562	17,797	4.00%
Intangible assets	11,796	13,967	–2,171	–15.54%
Tangible fixed assets	78,206	130,676	–52,470	–40.15%
Tax assets	96,492	92,103	4,389	4.77%
Current taxes	15,827	11,104	4,722	42.53%
Deferred taxes	80,665	80,998	–333	–0.41%
Other assets	704,441	1,365,216	–660,775	–48.40%
Assets held for sale	110,149	0	110,149	100.00%
TOTAL ASSETS	**23,340,913**	**27,640,232**	**–4,299,319**	**–15.55%**
Liabilities and Equity				
Amounts owed to credit institutions	8,936,562	9,834,518	–897,957	–9.13%
Amounts owed to customers	2,224,798	2,542,128	–317,330	–12.48%
Debts evidenced by certificates	7,438,335	9,935,036	–2,496,702	–25.13%
Trading liabilities	1,784,502	2,073,118	–288,616	–13.92%
Provisions	201,383	179,443	21,940	12.23%
Tax liabilities	98,836	105,900	–7,064	–6.67%
Current taxes	23,827	16,662	7,165	43.00%
Deferred taxes	75,009	89,238	–14,229	–15.95%
Other liabilities	717,907	1,056,694	–338,787	–32.06%
Subordinated liabilities	642,316	620,718	21,598	3.48%
Equity	1,296,275	1,292,677	3,598	0.28%
Shareholders' equity	1,102,942	1,099,003	3,939	0.36%
Non-controlling interest	193,333	193,675	–342	–0.18%
TOTAL LIABILITIES AND EQUITY	**23,340,913**	**27,640,232**	**–4,299,319**	**–15.55%**

[1] The comparative figures of 2012 were adjusted according to IAS 8. Details see chapter 1).

Condensed Changes in the Group's Equity

Euro thousand	Subscribed capital 1)	Capital reserve	Retained earnings	Currency reserve	IAS 39 2) valuation reserves: Available for sale reserve	IAS 39 2) valuation reserves: Hedging reserve	Shareholders' equity	Non-controlling interest	Equity
As at 1 Jan 2012	**1,338,838**	**0**	**–1,002,116**	**–14,206**	**–243,924**	**1,833**	**80,425**	**395,742**	**476,167**
Restatement 3)			**–7,640**				**–7,640**	**–98**	**–7,738**
As at 1 Jan 2012 restated	**1,338,838**	**0**	**–1,009,756**	**–14,206**	**–243,924**	**1,833**	**72,785**	**395,644**	**468,429**
Consolidated net income 4)			598,702				598,702	22,716	621,418
Currency reserve				18,611			18,611	1,035	19,646
Available for sale reserve (including deferred taxes)					77,240		77,240	3,015	80,255
Hedging reserve (including deferred taxes)						–1,019	–1,019	–409	–1,428
Change from companies measured at equity				–379	531	–151	0		0
Comprehensive income	0	0	598,702	18,232	77,771	–1,170	693,536	26,356	719,892
Capital increase	484,000						484,000		484,000
Capital decrease	–941,621		941,621				0		0
Dividends paid							0	–2,975	–2,975
Change in treasury stocks	4,416		–4,474				–58		–58
Change due to reclassifications shown under non-controlling interest and deconsolidation			19,349				19,349	–228,520	–209,171
As at 30 Sep 2012	**885,633**	**0**	**545,443**	**4,026**	**–166,152**	**663**	**1,269,612**	**190,505**	**1,460,116**
As at 1 Jan 2013	**885,632**	**0**	**110,902**	**7,209**	**–8,026**	**735**	**996,451**	**193,776**	**1,190,227**
Restatement 3)			**95,852**		**6,699**		**102,551**	**–101**	**102,450**
As at 1 Jan 2013	**885,632**	**0**	**206,754**	**7,209**	**–1,327**	**735**	**1,099,003**	**193,675**	**1,292,677**
Consolidated net income 4)			–66,804				–66,804	18,871	–47,933
Change in deferred taxes arising from untaxed reserve			48				48		48
Revaluation obligation of defined benefit plans (IAS 19 including deferred taxes)			–7,144				–7,144		–7,144
Currency reserve				–3,309			–3,309	–1,580	–4,889
Available for sale reserve (including deferred taxes)					75,694		75,694		75,694
Hedging reserve (including deferred taxes)						–1,058	–1,058	269	–790
Change from companies measured at equity				–120	615	–495	0		0
Comprehensive income	0	0	–73,901	–3,429	76,309	–1,553	–2,573	17,560	14,986
Dividends paid							0	–5,383	–5,383
Change due to reclassifications shown under non-controlling interest and deconsolidation			4,315		2,198		6,513	–12,518	–6,005
As at 30 Sep 2013	**885,632**	**0**	**137,169**	**3,779**	**77,180**	**–819**	**1,102,942**	**193,333**	**1,296,275**

1) Subscribed capital corresponds to the figures reported in the financial statements of Österreichische Volksbanken-Aktiengesellschaft less treasury shares.
2) As at 30 September 2013, the available for sale reserve included deferred taxes of euro –14,616 thousand (30 September 2012: euro 36,709 thousand).
The hedging reserve contains deferred taxes in the amount of euro 168 thousand at the balance sheet date (30 September 2012: euro –296 thousand).
3) The restatement was done according to IAS 8 (see chapter 1).
4) Currency translation differences amounting to euro –154 thousand (1-9/2012: euro 144 thousand) for shareholders' equity and euro –231 thousand (1-9/2012: euro 116 thousand) for non-controlling interest resulted from the application of average rates of exchange in the income statement.

Condensed Cash flow Statement

Euro thousand	1-9/2013	1-9/2012
Cash and cash equivalents at the end of the previous period (= liquid funds)	851,262	1,256,936
Cash flow from operating activities	–462,999	–1,308,329
Cash flow from investing activities	342,858	514,867
Cash flow from financing activities	–2,161	256,286
Cash and cash equivalents at the end of period (= liquid funds)	728,960	719,759

Condensed Notes to the Financial Statements for the period from 1 January to 30 September 2013

1) General information and accounting principles

The interim report as at 30 September 2013 of Österreichische Volksbanken-Aktiengesellschaft (VBAG) 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.

The interim financial statements 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 2012. In preparing this interim report the accounting principles, the estimates and assumptions were the same as those applied to the consolidated financial statements as at 31 December 2012 with exception of the changes explained in chapter b) Changes in accounting principles.

There were no events or changes in circumstances for the remaining goodwill that would indicate an impairment, therefore no impairment test was carried out.

These condensed consolidated interim financial statements were not reviewed by the auditor.

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.

a) Going concern

The VBAG parent company posted significant losses in its separate financial statements for the 2011 business year, which raised the threat of failing to meet regulatory solvency limits in the medium term and created doubts as to the company's ability to continue as a going concern.

VBAG's owners and the Republic of Austria reached an agreement on stabilisation measures on 27 February 2012, which were agreed at the Annual General Meeting on 26 April 2012 and approved by the FMA and European Commission in September 2012.

Significant restructuring measures have already been implemented since that time. VBAG's Board of Management assumes that winding-down measures still outstanding will in all likelihood be carried out, and that preparation of the consolidated financial statements based on a going-concern premise is justified.

Based on extensive requirements imposed by the European Commission, VBAG is required to discontinue key business areas and dispose of holdings.

It is hard to predict the result of selling these portfolios and holdings and the impact this will have on the bank's income and capital base. Therefore, it is possible – even though it is not foreseeable from today's perspective – that these sales could place an additional considerable burden on VBAG's capital base.

Regulators at European and national level are imposing ever more extensive requirements and will continue to do so in future. This places great pressure on the Group, on the one hand due to the vast input of resources involving heavy staff costs as well as project and IT expenses, and on the other hand due to potentially higher capital requirements going well beyond the minimum statutory requirements set out by Basel II and Basel III.

VBAG has an indirect 51% holding in Volksbank Romania S.A. (VB RO). This holding is not part of VBAG's core business and is set to be disposed of. The holding's entire carrying amount was written off in 2011. VBAG still has refinancing facilities in place amounting to euro 1 billion as at 30 September 2013 (31 December 2012: euro 1.4 billion). The owners of VB RO carried out a capital increase totalling euro 120 million in October 2013 in order to stabilise equity ratios. VBAG's share is euro 61 million and has been fully written off in the present financial statements.There are currently no consolidated findings which give reason to impair this refinancing, even though there are conceivable developments in view of the difficult and volatile economic environment that could impact the carrying amount of the refinancing provided by VBAG to VB RO.

b) Changes in accounting principles

IAS 19 Employee Benefits which was changed in 2011 entered into force on 1 January 2013 and was therefore applied in this interim report. IAS 19 as amended eliminated the "corridor method" and now calls for actuarial gains and losses to be recognised directly in other comprehensive income. Furthermore, expected returns on plan assets and interest cost on defined benefit obligations have been replaced in the amended IAS 19 by a single net interest component. All past service costs must now be recognised in the period in which the plan is amended. The amendment to IAS 19 also changes the rules for termination benefits as well as expanding the disclosure and explanation requirements. The amendments were applied retroactively in accordance with the transitional regulations of IAS 19, which resulted in the alteration of the previous year's figures.

The following changes were made to financial information due to the application of IAS 19

Adjustment income statement

Euro thousand	10-12/2012
Staff expenses	2,051
Result for the period before taxes	**2,051**
Income taxes	–513
Result for the period after taxes	**1,538**
Result attributable to shareholders of the parent company	1,538
thereof from continued operation	1,538
Result attributable to non-controlling interest	0
Other comprehensive income	
Revaluation obligation of defined benefit plans (IAS 19)	–3,541
Deferred taxes of revaluation IAS 19	888
Other comprehensive income total	**–2,653**
Comprehensive income	**–1,115**
Comprehensive income attributable to shareholders of the parent company	–1,112
thereof from continued operation	–1,182
thereof from discontinued operation	70
Comprehensive income attributable to non-controlling interest	–3
thereof from continued operation	–71
thereof from discontinued operation	68

Adjustment in statement of financial position

Euro thousand	31 Dec 2012	1 Jan 2012
Deferred tax assets	2,933	2,528
Assets of the disposal group	0	30
Total Assets	**2,933**	**2,558**
Provisions	11,786	10,128
Provisions for pensions	8,846	8,588
Provisions for severance payments	2,940	1,541
Liabilities of the disposal group	0	168
Equity	–8,853	–7,738
Shareholders' Equity	–8,752	–7,640
Non-controlling interest	–101	–98
Total Liabilities and Equity	**2,933**	**2,558**

The assumed interest rate for calculating long-term employee provisions was set at 2.75% for the interim financial statements as at 30 June 2013 (compared with 3.0% as at 31 December 2012). All other parameters remained unchanged from 31 December 2012.

In addition, application of amendments to IAS 1 Presentation of individual items of other comprehensive income, IFRS 13 Fair value measurement and annual improvements to IFRS, are compulsory since 1 January 2013.

c) Adjustment comparative figures according to IAS 8

Processing errors related to financial instruments, among other things in the course of the VBAG – Investkredit merger and intercompany consolidation, which led to misrepresentations in the consolidated financial statments 2012, meant that comparative figures in the balance sheet as at 31 December 2012 as well as comparative figures in the income statement for the fourth quarter of 2012 had to be adjusted in line with IAS 8.41. Moreover in 2012, given the modified approach of the tax authority, amended income tax regulations and the new legal framework, it became apparent that the 2008 participation capital would be treated as equity for tax purposes. Since the temporary differences ceased to apply, the conditions for recognition of deferred tax liabilities were therefore no longer met.

Adjustment income statement

Euro thousand	10-12/2012
Other operating result	–16,460
Income from financial investments	28,336
Result for the period before taxes	**11,876**
Income taxes	92,728
Result for the period after taxes	**104,604**
Result attributable to shareholders of the parent company	104,604
Result attributable to non-controlling interest	0
Other comprehensive income	
Available for sale reserve (including deferred tax)	
Change in fair value	6,699
Other comprehensive income total	**6,699**
Comprehensive income	**111,303**
Comprehensive income attributable to shareholders of the parent company	111,303
Comprehensive income attributable to non-controlling interest	0

The restatement is attributable to continued operation.

Adjustment in statement of financial position

Euro thousand	31 Dec 2012
Loans and advances to customers	–16,163
Trading assets	5,814
Deferred tax assets	34,169
Other Assets	–53,656
Total Assets	**–29,836**
Debts evidenced by certificates	22,690
Deferred tax liabilities	–56,326
Other liabilities	–107,503
Equity	111,303
Shareholders' equity	111,303
Non-controlling interest	0
Total Liabilities and Equity	**–29,836**

2) Changes in the Group structure

In the Real Estate segment, two companies were newly included in the scope of consolidation, as they are no longer immaterial for the presentation of the consolidated financial statements. Results from previous years in the amount of euro 4,604 thousand were recognised directly in equity, whereby euro 2,406 thousand of this amount was recorded under retained earnings and euro 2,198 thousand in the available for sale reserve. Through the inclusion of these companies in the scope of consolidation, holdings increased by euro 5,786 thousand, which were largely refinanced with equity.

In addition, four companies from the Real Estate segment were sold in the first three quarters 2013. The deconsolidation result from VB Real Estate Leasing Bonus GmbH came to euro 54 thousand, the deconsolidation result from Immokik s.r.l. came to euro 2,469 thousand, the deconsolidation result from VBRES Romania came to euro 0 thousand and is recorded under other operating income together with the deconsolidation result from VB Real Estate Leasing SPU GmbH of euro 145 thousand.

Calculation of deconsolidation result of Non-core Real Estate segment

Euro thousand	
Assets proportional	56,316
Liabilities proportional	54,703
Currency reserve proportional	37
Disposal of net assets proportional	**–1,575**
Revenues proportional	4,243
Deconsolidation result	**2,668**

In the result of discontinued operation a purchase price adjustment which was agreed in the contract for the sale of Selini Holding GmbH is recorded in the first three quarters 2013.

Profit and loss of discontinued operation Selini

Euro thousand	1-9/2013	1 Jan-12 Apr 2012
Net interest income	0	–640
Net trading income	0	782
General administrative expenses	0	–15
Other operating result	15,308	12,667
thereof deconsolidation result	15,308	12,667
Result for the period before taxes	**15,308**	**12,793**
Income taxes	0	0
Result for the period after taxes	**15,308**	**12,793**
Profit attributable to shareholders of the parent company	**15,308**	**12,793**
Profit attributable to non-controlling interest	0	0

Furthermore the result of discontinued operation of fiscal year 2012 includes the disposal of VBI to the Russian Sberbank. Detailed information and breakdowns are shown in the consolidated financial statements as at 31 December 2012.

3) Subsequent events

Contracts were signed in July 2013 for the sale of buildings used by the Group and in October 2013 for the sale of a receivables portfolio. The assets concerned are shown in the balance sheet under assets held for sale. An investment property building, likewise sold in October 2013, is also recorded here.

In July 2013, the first interested parties for the acquisition of the VBLI sub-group were allowed to register in the data room which was specifically set up for this purpose. These investors presented initial, indicative offers in September. Possible scenarios are currently being evaluated on the basis of these offers.

Indicative offers were received from investors in October 2013 relating to the sale of the private equity portfolio. Offers for sub-portfolios had to be submitted by mid-November 2013. The received offers are currently being evaluated.

The data room for the sale of VB Malta was opened in November. Investors were allowed to present initial, indicative offers up to the end of October.

Sberbank of Russia brought an action against VBAG at the International Court of Arbitration in November. Based on the claims put forward in the action and following an internal analysis of the accusations contained therein, no indemnifiable losses can currently be identified. Therefore, no provision has been recognised in these interim financial statements in respect of the claims.

No other events took place during the period of the interim report that had any significant effect on the interim financial statements as at 30 September 2013.

4) Notes to the income statement

Net interest income

Euro thousand	1-9/2013	1-9/2012
Interest and similar income	479,081	793,551
Interest and similar income from	507,401	754,121
liquid funds	933	2,640
credit and money market transactions with credit institutions	42,953	76,755
credit and money market transactions with customers	243,488	357,376
debt securities	94,779	152,696
derivatives in the investment book	125,248	164,654
Current income from	18,252	22,408
equities and other variable-yield securities	1,582	3,754
other affiliates	3,793	14,424
investments in other companies	12,878	4,229
Income from operating lease and investment property	14,280	19,094
rental income investment property	10,225	12,589
income from operating lease contracts	4,056	6,505
rental income	17,522	23,218
depreciations	–13,466	–16,712
Interest and similar expenses of	–388,949	–633,680
deposits from credit institutions (including central banks)	–98,561	–153,747
deposits from customers	–55,152	–67,057
debts evidenced by certificates	–203,535	–355,112
subordinated liabilities	–26,673	–25,272
derivatives in the investment book	–5,028	–32,491
Result from companies measured at equity	–60,853	–2,071
Net interest income	90,132	**159,872**

The income from companies measured at equity displays the impairment of the capital increase in VB RO as at October 2013 amounting of euro 61.2 million.

Net interest income according to IAS 39 categories

Euro thousand	1-9/2013	1-9/2012
Interest and similar income	479,081	793,551
Interest and similar income from	507,401	754,121
financial investments at fair value through profit or loss	2,609	3,428
derivatives in the investment book	125,248	164,654
financial investments not at fair value through profit or loss	379,544	586,038
financial investments available for sale	65,345	100,788
financial investments at amortised cost	293,539	453,955
of which financial lease	120,240	146,001
of which unwinding of risk provisions	1,510	907
financial investments held to maturity	20,660	31,295
Current income from	–42,600	20,336
financial investments at fair value through profit or loss	746	1,568
financial investments available for sale	17,507	20,840
companies measured at equity	–60,853	–2,071
Operating lease operations (including investment property)	14,280	19,094
Interest and similar expenses of	–388,949	–633,680
derivatives in the investment book	–5,028	–32,491
financial investments at amortised cost	–383,921	–601,188
Net interest income	90,132	**159,872**

Risk provisions

Euro thousand	1-9/2013	1-9/2012
Allocation to risk provisions	–127,107	–319,104
Release of risk provisions	132,409	117,054
Allocation to provisions for risks	–2,265	–5,007
Release of provisions for risks	1,380	2,837
Direct write-offs of loans and advances	–57,242	–2,605
Income from loans and advances previously written off	2,954	6,111
Risk provisions	**–49,871**	**–200,715**

Net fee and commission income

Euro thousand	1-9/2013	1-9/2012
Fee and commission income from	56,798	67,341
lending operations	13,612	24,918
securities businesses	33,852	32,103
payment transactions	3,698	3,847
other banking services	5,636	6,473
Fee and commission expenses from	–29,924	–21,811
lending operations	–14,370	–10,983
securities businesses	–14,349	–9,505
payment transactions	–710	–772
other banking services	–495	–552
Net fee and commission income	**26,874**	**45,529**

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

Net trading income

Euro thousand	1-9/2013	1-9/2012
Equity related transactions	4,883	5,505
Exchange rate related transactions	3,210	7,117
Interest rate related transactions	–9,986	18,813
Net trading income	**–1,893**	**31,434**

General administrative expenses

Euro thousand	1-9/2013	1-9/2012
Staff expenses	–104,504	–106,573
Other administrative expenses	–79,319	–79,147
Depreciation of fixed tangible and intangible assets	–8,999	–8,982
General administrative expenses	**–192,822**	**–194,702**

Other operating result

Euro thousand	1-9/2013	1-9/2012
Other operating income and expenses	98,175	776,310
Proceeds from deconsolidation of subsidiaries	2,668	–12,431
Other taxes	–36,061	–60,281
Impairment of goodwill and brands	0	–230
Other operating result	**64,782**	**703,368**

Other operating income and expenses are added up in the table above. In accordance with the agreement of 27 February 2012, the Republic of Austria provided VBAG with an asset guarantee on 15 March 2013, up to a maximum amount of euro 100 million. This asset guarantee is effective until 31 December 2015 at the latest. Under IFRS rules, the non-interest bearing receivable arising from the assumption of bad debts must be discounted to the reporting date due to its long-term nature. The earn-out clause included in this asset guarantee constitutes a liability that likewise must be discounted to the relevant reporting date. The amounts from discounting the receivable and discounting the liability from the earn-out clause were offset and recognised under the other operating result totalling euro 65 million in the first three quarters of 2013.

Other operating income also includes income from the sale of buildings used by the Group amounting to euro 27,705 thousand. The offer to redeem supplementary capital bonds led to a result of euro -25,989 thousand.

In the previous year, other operating income and expenses included income from adjustment of the carrying amount of PS 2008, supplementary capital bonds according to IAS 39 AG 8 in the amount of euro 595,286 thousand and income from the buyback of hybrid tier I capital amounting to euro 143,239 thousand.

Deconsolidation results of euro 54 thousand for VB Real Estate Leasing Bonus GmbH, euro 2,469 thousand for Immokik s.r.l., euro 145 thousand for VB Real Estate Leasing SPU GmbH and euro 0 thousand for VBRES Romania are recognised in the deconsolidation result from the disposal of subsidiaries. In the same period last year the results from the sale of VB Real Estate Leasing neun and Immoconsult Asset Leasing GmbH are included.

In the previous year due to an impairment test carried out on Heilbad Sauerbrunn, goodwill was impaired by euro 230 thousand. The remaining amounts mostly are hire purchase transactions as well as operating expenses and insurance contributions passed on to customers. Offsetting these transactions contributes to a fairer economic view.

Other taxes comprises the banking tax. The comparative figures include an allocation of a provision for the impending utilisation of a liability for investment income taxes amounting to euro 19 million.

Income from financial investments

Euro thousand	1-9/2013	1-9/2012
Result from financial investments at fair value through profit or loss	4,887	**2,195**
Result from fair value hedges	3,427	**57,638**
Result from revaluation of underlying instruments	59,432	78,391
Result from revaluation of derivatives	–56,005	–20,753
Result from valuation of other derivatives in the investment book	–18,307	**13,921**
Exchange rate related transactions	4,379	1,032
Interest rate related transactions	666	–42,762
Credit related transactions	–3,394	61,205
Other transactions	–19,958	–5,553
Result from available for sale financial investments (including participations)	18,009	**14,352**
Realised gains/losses	23,205	31,444
Income from revaluation	170	2
Impairments	–5,366	–17,094
Result from loans & receivables financial investments	–3,111	**7,163**
Realised gains/losses	–2,729	7,559
Income from revaluation	13	30
Impairments	–394	–427
Result from held to maturity financial investments	2,456	**2,553**
Realised gains/losses	2,456	2,553
Result from assets for operating lease and investment property assets as well as other financial investments	–8,520	**–49,666**
Realised gains/losses	9,180	1,394
Change in value investment properties	–17,700	–51,060
Result from financial investments	–1,159	**48,157**

Amongst others the result of the disposal of VICTORIA Volksbanken insurance companies is shown in the realised gains of available for sale financial investments in the comparative period. The closing took place as at 16 February 2012.

In the first three quarters of 2013, an amount of euro 11,958 thousand (1-9/2012: euro 4,526 thousand) previously recognised in the available for sale reserve was reclassified and shown in income statement.

Euro thousand	1-9/2013	1-9/2012
Result from financial investments, which are measured at fair value through profit and loss	**–27,694**	**22,695**
Financial instruments at fair value through profit or loss	4,887	2,195
Fair value hedges	3,427	57,638
Other derivatives in investment book	–18,307	13,921
Investment property assets	–17,700	–51,060
Result from financial investments, which are not measured at fair value through profit and loss	**26,535**	**25,462**
Realised gains/losses	32,112	42,950
Available for sale financial investments	23,205	31,444
Loans & receivables financial investments	–2,729	7,559
Held to maturity financial investments	2,456	2,553
Operating lease assets and other financial investments	9,180	1,394
Income from revaluation	183	32
Available for sale financial investments	170	2
Loans & receivables financial investments	13	30
Impairments	–5,760	–17,520
Available for sale financial investments	–5,366	–17,094
Loans & receivables financial investments	–394	–427
Income from financial investments	**–1,159**	**48,157**

Income from discontinued operation

Details of the income of discontinued operation are shown in Note 2).

Income Taxes

Deferred tax income arising from revaluation differences of derivatives, securities as well as of redemption of supplementary capital is offset by deferred tax expense resulting from recognition of the asset guarantee, release of the portfolio-based allowance and impairment of deferred tax assets owing to lack of marketability in the next four years under the current tax planning.

5) Notes to the consolidated statement of financial position

Loans and advances to credit institutions and customers

Euro thousand	30 Sep 2013	31 Dec 2012
Loans and advances to credit institutions	**6,789,384**	7,270,203
Loans and advances to customers	**8,616,173**	10,039,571
Loans and advances to credit institutions and customers	**15,405,558**	**17,309,775**

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

Risk provisions Euro thousand	Individual impairment credit institutions	Individual impairment customers	Portfolio based allowance	Total	thereof disposal group
As at 1 Jan 2012	703	1,261,444	59,258	1,321,405	375,661
Changes in the scope of consolidation	0	–350,744	–14,440	–365,183	–366,495
Currency translation	0	15,083	465	15,548	7,429
Reclassification	0	–459	459	0	0
Unwinding	0	–1,870	0	–1,870	–963
Utilisation	0	–92,409	0	–92,409	–9,352
Release	0	–130,041	–3,737	–133,778	–16,725
Addition	0	328,135	1,415	329,550	10,445
As at 30 Sep 2012	703	1,029,139	43,420	1,073,262	0
As at 1 Jan 2013	**703**	**882,950**	**183,392**	**1,067,045**	**0**
Currency translation	0	–5,568	–104	–5,672	0
Reclassification	0	5,271	1,715	6,985	0
Unwinding	0	–1,510	0	–1,510	0
Utilisation	0	–176,952	0	–176,952	0
Release	0	–78,944	–53,465	–132,409	0
Addition	0	127,077	30	127,107	0
As at 30 Sep 2013	**703**	**752,324**	**131,569**	**884,596**	**0**

The additions include an amount of euro 90 thousand (1-9/2012 euro 2,875 thousand), which is caused by allocation due to interest past-due. Loans and advances to credit institutions and customers include non-interest-bearing receivables amounting to euro 449,720 thousand (31 Dec 2012: euro 448,449 thousand).

Trading assets

Euro thousand	30 Sep 2013	31 Dec 2012
Debt securities	**160,062**	308,140
Equity and other variable-yield securities	**25,013**	30,352
Positive fair value from derivatives	**1,950,215**	2,235,735
equity related transactions	**76,400**	100,710
exchange rate related transactions	**2,256**	22,366
interest rate related transactions	**1,871,559**	2,112,659
Trading assets	**2,135,290**	**2,574,227**

Financial investments

Euro thousand	30 Sep 2013	31 Dec 2012
Financial investments at fair value through profit or loss	132,931	189,905
Debt securities	69,240	120,042
Equity and other variable-yield securities	63,691	69,863
Financial investments available for sale	2,491,701	3,209,084
Debt securities	2,415,168	3,106,941
Equity and other variable-yield securities	76,533	102,143
Financial investments loans & receivables	740,273	1,050,051
Financial investments held to maturity	830,653	1,112,018
Financial investments	**4,195,558**	**5,561,058**

Reclassification from available for sale to loans & receivables

In accordance with the amendments to IAS 39 and IFRS 7, available for sale financial investments were reclassified to the loans & receivables category in 2008. On initial recognition, these securities met the definition for the loans & receivables category but were instead designated as available for sale. The reclassification to the loans & receivables category was performed with retrospective effect from 1 July 2008. The fair value at the reclassification date was applied as the new carrying amount of these securities.

Euro thousand	30 Sep 2013	31 Dec 2012	1 Jul 2008
Carrying amount	355,011	472,558	1,140,363
Fair value	361,549	465,136	1,140,363
Available for sale reserve with reclassification	–21,406	–27,673	–79,177
Available for sale reserve without reclassification	–19,280	–38,228	–79,177

The amounts of the available for sale reserve take into account deferred taxes. The reclassification did not have any material effect on the income statement.

Assets for operating lease (including investment property)

Euro thousand	30 Sep 2013	31 Dec 2012
Investment properties	229,018	286,806
Other operating lease assets	60,048	67,333
Assets for operating lease	**289,066**	**354,139**

Participations

Euro thousand	30 Sep 2013	31 Dec 2012
Investments in unconsolidated affiliates	27,955	11,304
Participating interests	84,101	60,544
Investments in other companies	350,303	372,714
Participations	**462,359**	**444,562**

Shares and participations in companies whose fair value cannot be determined without an unreasonable amount of effort are carried at cost net of any impairment. Shares and participations with a carrying amount of euro 391,082 thousand were measured at fair value.

As at 31 December 2012 one company was listed on the stock exchange and valued at its stock exchange price.

Other assets

Euro thousand	30 Sep 2013	31 Dec 2012
Deferred items	10,479	9,557
Other receivables and assets	301,170	197,250
Positive fair value from derivatives in the investment book	392,792	1,158,408
Other assets	**704,441**	**1,365,216**

Assets held for sale

This position includes assets to be sold in the last quarter of 2013. The displayed amount is composed as follows.

Euro thousand	30 Sep 2013	31 Dec 2012
Loans and advances to customers (gross)	90,045	0
Investment property assets	7,034	0
Other operating lease assets	1,120	0
Tangible fixed assets	11,950	0
Assets held for sale	110,149	**0**

Amounts owed to credit institutions

Euro thousand	30 Sep 2013	31 Dec 2012
Central banks	168,617	304,231
Other credit institutions	8,767,945	9,530,287
Amounts owed to credit institutions	8,936,562	**9,834,518**

The amounts owed to credit institutions are measured at amortised cost.

Amounts owed to customers

Euro thousand	30 Sep 2013	31 Dec 2012
Savings deposits	200	200
Other deposits	2,224,598	2,541,928
Amounts owed to customers	2,224,798	**2,542,128**

The amounts owed to customers are measured at amortised cost.

Debts evidenced by certificates

Euro thousand	30 Sep 2013	31 Dec 2012
Bond issues	7,438,335	9,935,036
Debts evidenced by certificates	7,438,335	**9,935,036**

Debts evidenced by certificates are all measured at amortised cost.

Trading liabilities

Euro thousand	30 Sep 2013	31 Dec 2012
Negative fair value from derivatives		
equity related transactions	80,797	104,785
exchange rate related transactions	15,136	19,691
interest rate related transactions	1,688,569	1,948,642
Trading liabilities	1,784,502	**2,073,118**

Other liabilities

Euro thousand	30 Sep 2013	31 Dec 2012
Deferred items	14,936	11,716
Other liabilities	353,315	149,067
Negative fair value from derivatives in the investment book	349,656	895,911
Other liabilities	717,907	**1,056,694**

Subordinated liabilities

Euro thousand	30 Sep 2013	31 Dec 2012
Subordinated liabilities	442,570	362,114
Supplementary capital	199,746	258,604
Subordinated liabilities	**642,316**	**620,718**

Subordinated liabilities are measured at amortised cost. Book value of supplementary capital, also including PS 2008, was calculated by discounting the estimated future cash flows with the original effective interest rate in order to get the net present value according to IAS 39 AG 8.

Due to the offer to replace supplementary capital bonds with new Basel III compliant subordinated bonds, supplementary capital was reclassified to subordinated liabilities.

Subordinated liabilities comprise hybrid tier I capital in the amount of euro 57,698 thousand (31 December 2012: euro 57,698 thousand).

6) Own funds

The own funds of the VBAG Group of credit institutions which were calculated pursuant to the Austrian Banking Act can be broken down as follows:

Euro thousand	30 Sep 2013	31 Dec 2012
Subscribed capital (less treasury stocks)	1,035,632	1,035,633
Open reserves (including differential amounts and non-controlling interests)	714,677	1,049,266
Funds for general banking risks	10,336	10,376
Intangible assets	–17,338	–15,957
Net loss	–34,395	–353,076
Core capital (tier I capital) before deductions	1,708,912	1,726,242
Deductions from core capital (50% deduction pursuant to section 23 (13) Austrian Banking Act)	–12,916	–17,614
Core capital (tier I capital) after deductions	1,695,997	1,708,628
Supplementary capital	72,917	265,538
Eligible subordinated liabilities	368,668	345,090
Hidden reserves pursuant to section 57 (1) Austrian Banking Act and Revaluation reserve other	74,000	74,144
Supplementary capital (tier II capital) before deductions	515,585	684,772
Deductions from supplementary capital (50% deduction pursuant to section 23 (13) Austrian Banking Act)	–12,916	–17,614
Supplementary capital (tier II capital) after deductions	502,670	667,158
Deductions from own funds pursuant to section 103e no. 13 Austrian Banking Act	–3,456	–3,467
Short-term subordinated liabilities (tier III capital)	86,899	95,175
Eligible qualifying capital	**2,282,109**	**2,467,494**
Capital requirement	1,042,348	1,257,610
Surplus capital	1,239,761	1,209,884
Core capital ratio (tier I) (in relation to the assessment base pursuant to section 22 Austrian Banking Act - credit risk)	15.62%	12.71%
Equity ratio (in relation to credit risk after deduction of capital requirements for market and operational risk)	19.42%	17.00%
Core capital ratio (in relation to the risks pursuant to section 22 (1) no. 1 - 5 Austrian Banking Act)	13.02%	10.87%
Equity ratio (in relation to the risks pursuant to section 22 (1) no. 1 - 5 Austrian Banking Act)	17.52%	15.70%

Open reserves include the hybrid tier I capital totalling euro 57,698 thousand (31 December 2012: euro 57,698 thousand).

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

Euro thousand	30 Sep 2013	31 Dec 2012
Risk-weighted assessment base pursuant to section 22 Austrian Banking Act - credit risk	10,856,863	13,443,438
Of which 8% minimum capital requirement for credit risk	868,549	1,075,475
Capital requirement for position risk in debt instruments, equities, foreign exchange and commodities - market risk	86,899	95,175
Capital requirement for operational risk	86,900	86,960
Total capital requirement	**1,042,348**	**1,257,610**

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 or where the Group helds a majority of shares either direct or indirect, are fully consolidated. Therefore VB RO and VBI Bet GmbH are still included in the group of credit institutions and are fully consolidated for the purpose of calculation of own resources and capital requirements. 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 or where the Group helds a majority of shares either direct or indirect are considered in the scope of consolidation according to the Austrian Banking Act.

In the first three quarters of 2013, no substantial, practical or legal obstacles existed which would have prevented the transfer of equity or the repayment of liabilities between the parent 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
30 Sep 2013							
Liquid funds	0	0	0	0	728,960	728,960	728,960
Loans and advances to credit institutions	0	0	0	0	6,789,384	6,789,384	
Individual impairment credit institutions	0	0	0	0	–703	–703	
Loans credit institutions less individual impairments	0	0	0	0	6,788,681	6,788,681	6,772,603
Loans and advances to customers	0	0	0	0	8,616,173	8,616,173	
Individual impairment customers	0	0	0	0	–752,324	–752,324	
Loans customers less individual impairments	0	0	0	0	7,863,849	7,863,849	7,616,327
Trading assets	2,135,290	0	0	0	0	2,135,290	2,135,290
Financial investments	0	132,931	830,653	2,491,701	740,273	4,195,558	4,186,890
Participations	0	0	0	462,359	0	462,359	462,359
Derivatives – investment book	392,792	0	0	0	0	392,792	392,792
Assets disposal group	0	0	0	0	90,045	90,045	90,543
Financial assets total	**2,528,082**	**132,931**	**830,653**	**2,954,060**	**16,211,809**	**22,657,535**	**22,385,764**
Amounts owed to credit institutions	0	0	0	0	8,936,562	8,936,562	8,947,675
Amounts owed to customers	0	0	0	0	2,224,798	2,224,798	2,239,695
Debts evidenced by certificates	0	0	0	0	7,438,335	7,438,335	7,483,710
Trading liabilities	1,784,502	0	0	0	0	1,784,502	1,784,502
Derivatives – investment book	349,656	0	0	0	0	349,656	349,656
Subordinated liabilities	0	0	0	0	642,316	642,316	437,579
Financial liabilities total	**2,134,158**	**0**	**0**	**0**	**19,242,010**	**21,376,168**	**21,242,818**

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 2012							
Liquid funds	0	0	0	0	851,262	851,262	851,262
Loans and advances to credit institutions	0	0	0	0	7,270,203	7,270,203	
Individual impairment credit institutions	0	0	0	0	–703	–703	
Loans credit institutions less individual impairments	0	0	0	0	7,269,500	7,269,500	7,269,500
Loans and advances to customers	0	0	0	0	10,039,571	10,039,571	
Individual impairment customers	0	0	0	0	–882,950	–882,950	
Loans customers less individual impairments	0	0	0	0	9,156,621	9,156,621	9,156,621
Trading assets	2,574,227	0	0	0	0	2,574,227	2,574,227
Financial investments	0	189,905	1,112,018	3,209,084	1,050,051	5,561,058	5,505,106
Participations	0	0	0	444,562	0	444,562	444,562
Derivatives – investment book	1,158,408	0	0	0	0	1,158,408	1,158,408
Financial assets total	**3,732,635**	**189,905**	**1,112,018**	**3,653,646**	**18,327,434**	**27,015,638**	**26,959,686**
Amounts owed to credit institutions	0	0	0	0	9,834,518	9,834,518	9,834,518
Amounts owed to customers	0	0	0	0	2,542,128	2,542,128	2,542,128
Debts evidenced by certificates	0	0	0	0	9,935,036	9,935,036	9,785,059
Trading liabilities	2,073,118	0	0	0	0	2,073,118	2,073,118
Derivatives – investment book	895,911	0	0	0	0	895,911	895,911
Subordinated liabilities	0	0	0	0	620,718	620,718	436,727
Financial liabilities total	**2,969,029**	**0**	**0**	**0**	**22,932,400**	**25,901,429**	**25,567,460**

The calculation of the fair values was adapted in line with the prospective implementation of IFRS 13. The comparative figures of fair values were not adjusted accordingly. Therefore the approximately presentation with amortised cost in the comparative figures was kept for loans and liabilities of credit institution and customers.

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	Level 3	Total
30 Sep 2013				
Financial assets				
Trading assets	85,094	2,050,196	0	2,135,290
Financial investments	2,174,911	374,024	57,086	2,606,022
at fair value through profit or loss	50,416	27,247	55,269	132,931
available for sale	2,124,495	346,778	1,817	2,473,090
Participations	0	0	391,082	391,082
Derivatives – investment book	0	392,792	0	392,792
Total	**2,260,005**	**2,817,013**	**448,168**	**5,525,185**
Financial liabilities				
Trading liabilities	0	1,784,502	0	1,784,502
Derivatives – investment book	0	349,656	0	349,656
Total	**0**	**2,134,158**	**0**	**2,134,158**

Euro thousand	Level 1	Level 2	Level 3	Total
31 Dec 2012				
Financial assets				
Trading assets	88,378	2,485,849	0	2,574,227
Financial investments	2,761,008	552,623	66,725	3,380,356
at fair value through profit or loss	48,815	74,365	66,725	189,905
available for sale	2,712,193	478,258	0	3,190,451
Participations	6,260	3,500	312,409	322,169
Derivatives – investment book	0	1,158,408	0	1,158,408
Total	**2,855,646**	**4,200,380**	**379,134**	**7,435,160**
Financial liabilities				
Trading liabilities	0	2,073,118	0	2,073,118
Derivatives – investment book	0	895,911	0	895,911
Total	**0**	**2,969,029**	**0**	**2,969,029**

Available for sale financial investments totalling euro 18,611 thousand (31 Dec 2012: euro 18,632 thousand) and participations totalling euro 71,278 thousand (31 Dec 2012: euro 122,393 thousand) are measured at amortised cost because their fair value cannot be determined without unreasonable effort.

In 2013, financial instruments with a carrying amount of euro 72,255 thousand, which were still measured at Level 2 market value as at 31 December 2012, were reclassified as Level 1 financial instruments due to an increase in trading activity. On the other hand, Level 1 financial instruments with a carrying amount of euro 13,361 thousand were reclassified into Level 2 due to a decrease in market trading activity. The measurement methods outlined in the 2012 annual report remained unchanged.

Development of Level 3 fair values

Euro thousand	Financial investments at fair value through profit or loss	Participations	Total
As at 1 Jan 2013	66,725	312,409	379,134
Changes in the scope of consolidation	0	3,929	3,929
Reallocation in Level 3	4,462	48,066	52,528
Additions	1,378	0	1,378
Disposals	–17,267	–1,234	–18,501
Valuation			
through profit or loss	1,788	–2,092	–304
through other comprehensive income	0	30,004	30,004
As at 30 Sep 2013	**57,086**	**391,082**	**448,168**

Improved systems allowed more extensive valuation of holdings at fair value in 2013, which led to financial instruments being reclassified into Level 3 during the financial year. These holdings were previously measured at amortised cost because it was not possible to determine their fair value without considerable effort and expense.

The calculation of the fair values for private equity companies, included with an amount of euro 57,086 thousand in level 3 fair values of financial investments at fair value through profit or loss and with an amount of euro 55,142 thousand in level 3 fair values of particiaption, is done by fund managers on the basis of regularly provided reporting documents. These information is provided on a quarterly basis. The reporting contains a fair value calculation for the share of VBAG and is updated mostly quarterly. The fair value calculation of the fund manager is based on the fair value of the single portfolio entities and of other assets and liabilities. In the majority of cases the valuation is in line with the Reporting Guidelines of ECVA (European Private Equity and Venture Capital Association) which constitutes a market standard for valuation.

In terms of sensitivity analyses for level 3 market values concerning participations, factors that increase or decrease value are determined in alternative valuation scenarios by varying income estimates and income-based parameters within a range of 10% to 20%. In the event of a beneficial movement, market value changes by euro 40,811 thousand, while a detrimental movement leads to a change of euro –40,852 thousand. The private equity portfolio is not included in the sensitivity analyses as no significant deviations in value were noted in the past which would suggest major uncertainties in determining fair values.

8) Number of staff

Number of staff employed during the business year, including disposal groups

	Average number of staff		Number of staff at end of period	
	1-9/2013	1-9/2012	30 Sep 2013	31 Dec 2012
Domestic	1,127	1,203	1,112	1,137
Foreign	755	1,468	756	775
Number of staff - total	**1,882**	**2,671**	**1,868**	**1,912**

The number of staff employed in disposal groups which is included in the table above is as follows

	Average number of staff		Number of staff at end of period	
	1-9/2013	1-9/2012	30 Sep 2013	31 Dec 2012
VBI disposal group				
Domestic	0	13	0	0
Foreign	0	683	0	0
Number of staff VBI	0	696	0	0

9) Branches

	30 Sep 2013	31 Dec 2012
Domestic	1	1
Foreign	1	1
Total	**2**	**2**

10) Related party disclosure

Euro thousand	Unconsolidated affiliates	Companies in which the Group has a participating interest	Associated companies	Companies which exercise a significant influence on the parent as shareholders
30 Sep 2013				
Loans and advances to credit institutions	0	781,158	1,043,864	0
Loans and advances to customers	50,959	174,595	3,697	0
Risk provisions (–)	–4,388	–46,893	0	0
Debt securities	0	79,234	0	879,111
Amounts owed to credit institutions	0	1,066,955	31,608	0
Amounts owed to customers	10,193	23,787	2,324	440
Liabilites arising from guarantees	0	0	0	0
31 Dec 2012				
Loans and advances to credit institutions	0	1,138,256	1,390,082	52
Loans and advances to customers	78,967	186,923	2,799	0
Risk provisions (–)	–13,400	–48,934	0	0
Debt securities	0	214,217	0	959,990
Amounts owed to credit institutions	0	1,108,374	59,687	0
Amounts owed to customers	9,812	29,152	2,316	131
Liabilities arising from guarantees	2,542	0	0	0

Transfer prices between the VBAG Group and its associated companies are geared to usual market conditions. As in previous year, VBAG Group does not have any other liabiltities for unconsolidated affiliates or associated companies on balance sheet date.

The shareholders Volksbanken Holding eGen and Republic of Austria exercise a significant influence on Österreichische Volksbanken-AG.

As at 30 Sep 2013, loans and advances to credit institutions contain transactions with the Volksbank-Sector amounting to euro 4,152,664 thousand (31 Dec 2012: euro 4,933,668 thousand) and amounts owed to credit institutions include transactions with the Volksbank-Sector amounting to euro 5,621,606 thousand (31 Dec 2012: euro 5,337,289 thousand).

11) Segment reporting

Segment reporting was adjusted in the fourth quater 2012. The VBAG Group has now seven operating segments which correspond to the strategic business segments. Financing, Financial Markets and Other Operations segments constitute VBAG's core business. Non-core Business segment comprises Non-core Corporates, Non-core Real Estate, Non-core Retail as well as Non-core Investment Book/Other Operations. The comparative figures were restated accordingly. All other measurements and allocation procedures remain unchanged to the ones described in the annual report 2012.

The comparative figures as of 31 December 2012 were adjusted according to IAS 8 (Details see chapter 1).

Segment reporting by business segments

Euro thousand	Financing	Financial Markets	Other Operations	Non-core Corporates	Non-core Real Estate	Non-core Retail	Non-core Investment Book/Other operations	Con-solidation	Total
Net interest income									
1-9/2013	33,642	–42,566	3,702	17,923	43,268	5,466	32,773	–4,075	90,132
1-9/2012	32,782	–84,376	3,518	41,944	58,493	73,728	40,203	–6,420	159,872
of which income from companies measured at equity									
1-9/2013	0	0	347	0	0	–61,200	0	0	–60,853
1-9/2012	0	0	–554	0	0	–1,517	0	0	–2,071
Risk provisions									
1-9/2013	–2,646	–44	1,638	16,154	–50,377	–2,122	–12,474	0	–49,871
1-9/2012	563	0	0	5,444	–192,038	–17,000	2,316	0	–200,715
Net fee and commission income									
1-9/2013	4,784	18,398	5,679	349	418	3,879	–7,009	377	26,874
1-9/2012	5,752	24,200	3,694	2,825	1,095	4,322	3,917	–276	45,529
Net trading income									
1-9/2013	49	–2,522	1	53	–254	775	5	0	–1,893
1-9/2012	85	29,401	–249	–62	900	726	633	0	31,434
General administrative expenses									
1-9/2013	–28,417	–48,572	–31,870	–17,405	–29,575	–37,098	–10,406	10,520	–192,822
1-9/2012	–27,421	–50,552	–17,633	–28,772	–28,779	–37,563	–16,831	12,848	–194,702
Other operating result									
1-9/2013	4,662	–21,879	20,299	–1,154	8,489	8,648	52,539	–6,822	64,782
1-9/2012	3,912	738,742	–27,510	–78	–1,204	2,966	–5,105	–8,355	703,368
of which impairment of goodwill									
1-9/2013	0	0	0	0	0	0	0	0	0
1-9/2012	0	0	0	0	–230	0	0	0	–230
Income from financial investments									
1-9/2013	355	–3,252	8,773	8,548	–16,146	998	–436	0	–1,159
1-9/2012	–49	39,093	565	9,819	–66,239	4,995	59,973	0	48,157
Income from discontinued operation									
1-9/2013	0	0	0	0	15,308	0	0	0	15,308
1-9/2012	0	0	0	0	12,793	33,650	0	2,203	48,646
Result for the period before taxes									
1-9/2013	12,429	–100,437	8,223	24,468	–28,870	–19,454	54,992	0	–48,650
1-9/2012	**15,624**	**696,508**	**–37,614**	**31,120**	**–214,979**	**65,823**	**85,107**	**0**	**641,589**
Income taxes including taxes of discontinued operation									
1-9/2013	–2,171	34,797	–8,736	–6,360	4,572	–7,436	–13,949	0	716
1-9/2012	–3,466	10,502	–25,558	–7,118	35,649	–8,183	–21,997	0	–20,171
Result for the period after taxes									
1-9/2013	10,257	–65,641	–513	18,108	–24,297	–26,890	41,043	0	-47,933
1-9/2012	**12,158**	**707,010**	**–63,173**	**24,002**	**–179,330**	**57,640**	**63,110**	**0**	**621,418**
Total assets									
30 Sep 2013	2,587,507	17,469,466	1,172,073	870,877	2,488,300	1,794,369	2,988,380	–6,030,059	23,340,913
31 Dec 2012	2,703,069	19,135,082	1,126,284	1,803,690	3,140,751	1,811,729	4,011,209	–6,091,582	27,640,232
Loans and advances to customers									
30 Sep 2013	2,592,267	2,027,901	11	881,976	2,427,041	1,781,798	204,469	–1,299,289	8,616,173
31 Dec 2012	2,647,729	1,433,996	11	1,917,531	3,091,380	1,819,179	547,395	–1,417,649	10,039,571
Companies measured at equity									
30 Sep 2013	0	0	7,634	0	0	0	0	0	7,634
31 Dec 2012	0	0	10,293	0	0	0	0	0	10,293
Amounts owed to customers									
30 Sep 2013	36,355	2,465,944	20	29,585	102,879	4,853	16,718	–431,557	2,224,798
31 Dec 2012	118,556	2,513,331	20	58,385	135,968	8,976	18,602	–311,711	2,542,128
Debts evidenced by certificates including subordinated liabilities									
30 Sep 2013	368,887	7,140,857	0	160,978	440,167	0	780,898	–811,136	8,080,651
31 Dec 2012	398,951	8,788,457	0	351,333	586,088	0	986,982	–556,056	10,555,754

Segment reporting by regional markets

Euro thousand	Austria	Central and Eastern Europe	Other markets	Total
Net interest income				
1-9/2013	54,263	13,272	22,597	90,132
1-9/2012	18,153	82,640	59,079	159,872
of which income from companies measured at equity				
1-9/2013	347	–61,200	0	–60,853
1-9/2012	–554	–1,517	0	–2,071
Risk provisions				
1-9/2013	–35,430	–4,411	–10,030	–49,871
1-9/2012	–110,953	–97,229	7,467	–200,715
Net fee and commission income				
1-9/2013	23,175	3,211	488	26,874
1-9/2012	36,925	4,060	4,545	45,529
Net trading income				
1-9/2013	–2,401	462	46	–1,893
1-9/2012	29,781	727	927	31,434
General administrative expenses				
1-9/2013	–137,769	–38,392	–16,662	–192,822
1-9/2012	–127,026	–39,936	–27,740	–194,702
Other operating result				
1-9/2013	52,566	12,080	135	64,782
1-9/2012	695,851	4,341	3,176	703,368
Income from financial investments				
1-9/2013	13,829	–18,868	3,881	–1,159
1-9/2012	87,112	–43,199	4,243	48,157
Income from discontinued operation				
1-9/2013	0	15,308	0	15,308
1-9/2012	0	48,646	0	48,646
Result for the period before taxes				
1-9/2013	–31,766	–17,337	454	–48,650
1-9/2012	**629,843**	**–39,950**	**51,697**	**641,589**

12) Quarterly financial data

Euro thousand	7-9/2013	4-6/2013	1-3/2013	10-12/2012	7-9/2012
Net interest income	17,307	22,605	50,220	60,425	45,048
Risk provisions	–22,522	9,758	–37,107	–166,201	–126,867
Net fee and commission income	8,012	7,987	10,875	12,678	7,613
Net trading income	24,861	–19,589	–7,166	760	7,794
General administrative expenses	–66,614	–64,740	–61,468	–66,751	–61,869
Other operating result	–1,170	1,947	64,005	51,786	736,573
Income from financial investments	45,563	–29,912	–16,811	–21,293	–15,951
Income from discontinued operation	0	15,308	0	0	0
Result for the period before taxes	**5,438**	**–56,636**	**2,548**	**–128,595**	**592,341**
Income taxes	21,524	–2,872	–17,936	–46,063	–1,333
Result for the period after taxes	**26,962**	**–59,508**	**–15,387**	**–174,658**	**591,008**
Result attributable to shareholders of the parent company	**20,636**	**–66,142**	**–21,299**	**–180,006**	**584,594**
Result attributable to non-controlling interest	6,325	6,634	5,912	5,348	6,413

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 nine months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining three months of the financial year.

Vienna, 29 November 2013

Stephan Koren
Chairman of the Managing Board
Corporate Planning & Finance, Legal affairs,
HR Management, Marketing & Communication
Revision, Compliance Office

Michael Mendel
Deputy Chairman of the Managing Board
Risk management

Rainer Borns
Member of the Managing Board
Association of Volksbanks
Organisation/IT

Christoph Raninger
Member of the Managing Board
Market