ON THE WINGS OF SUCCESS Q1/08

Interim Report 1st quarter of Volksbank AG

VOLKSBANK AG

KEY FIGURES

in € million	Mar. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Balance sheet			
Total assets	**80,928**	**78,641**	**67,429**
Loans and advances to customers	41,093	39,048	31,110
Amounts owed to customers	11,888	10,851	8,087
Debts evidenced by certificates	35,178	33,109	30,846
Subordinated liabilities	1,954	1,966	1,817
Own funds			
Core capital (Tier I)	2,743	2,767	2,664
Supplementary capital (Tier II, Tier III)	1,508	1,491	1,451
Eligible qualifying capital	4,251	4,258	4,114
Assessment base credit risk	42,935	38,502	33,895
Capital requirement market risk	33	58	51
Capital requirement operational risk	133	0	0
Surplus capital	650	1,120	1,352
Core capital ratio in % [1]	**6.4**	**7.2**	**7.9**
Equity ratio in [2]	**9.5**	**10.9**	**12.0**

	1-3/2008	1-3/2007	1-3/2006 adapted
Income statement			
Net interest income	228.2	175.3	149.6
Risk provisions	-33.7	-19.1	-15.4
Net fee and commission income	53.3	37.7	28.7
Net trading income	27.9	18.6	21.4
General administrative expenses	-171.0	-133.7	-110.6
Other operating result	-0.1	7.6	-0.6
Income from financial investments	4.5	6.7	8.6
Income from the disposal group	0.0	5.5	4.5
Result for the period before taxes	**109.1**	**98.6**	**86.3**
Income taxes	-13.3	-8.1	-10.5
Result for the period after taxes	**95.9**	**90.5**	**75.8**
Minority interests	-32.8	-33.5	-25.9
Consolidated net income	**63.1**	**57.0**	**49.9**
Key Ratios			
Cost-income-ratio	54.5 %	54.4 %	53.2 %
ROE before taxes	14.9 %	13.5 %	15.1 %
ROE after taxes	13.0 %	12.4 %	13.2 %
ROE consolidated net income	16.1 %	14.9 %	14.6 %
ROE before taxes (regulatory)	15.1 %	15.6 %	17.6 %

Ressources	**1-3/2008**	**1-3/2007**	**1-3/2006**
Staff (average)	8,531	6,946	6,062
of which domestic	2,224	2,434	2,257
of which foreign	6,307	4,512	3,805
	Mar. 31, 2008	**Dec. 31, 2007**	**Dec. 31, 2006**
Staff (at yearend)	8,652	8,341	6,762
of which domestic	2,258	2,193	2,401
of which foreign	6,394	6,148	4,360
Number of branches	519	493	337
of which domestic	49	49	79
of which foreign	470	444	258

[1] in relation to credit risk
[2] in relation to credit risk after deduction of capital requirement for market and operational risk

VOLKSBANK AG: ON THE WINGS OF SUCCESS

Operating result up 11% - total assets exceed EUR 80 billion for the first time

In the first quarter of 2008, the total assets of the Volksbank AG (VBAG) broke through the 80 billion barrier for the first time in its history to reach EUR 81 billion. Pre-tax profit for the period went up by almost 11%, compared to the same period in the previous year, to EUR 109 million. Adjusted for the result of a disposal group (the Hypobank-NÖ result of EUR 5.5 million was included in the first quarter of 2007 but deconsolidated at mid-year 2007), the increase is actually 17%. “The Volksbank continued along its successful course of the previous year and registered an even better result in the first quarter of 2008. All 5 segments (retail, corporates, public finance, financial markets and real estate) have contributed considerably to this result which confirms the balance and stability of our group structure”, commented Volksbank AG’s Chief Executive Officer, Franz Pinkl.

Consolidated net income (profit for the period after tax and minorities) was EUR 63 million, that is EUR 6 million or 11% more than in the first quarter of 2007.

Once again, the greatest contributor to this growth was the net interest income. Compared to the same period in the previous year, it registered an increase of EUR 53 million or 30% to EUR 228 million. The subsidiaries in Central and Eastern Europe made the largest contribution to this growth with a plus of EUR 22 million, followed by the Corporates segment whose net interest income exceeded the previous year’s figure by almost EUR 15 million. Net fee and commission income rose during the reporting period by EUR 16 million or 41% compared to the previous year to EUR 53 million. The most significant gains compared to the previous year were a plus of EUR 10 million recorded by the subsidiaries in Central and Eastern Europe.
The network of international branches was expanded by 26 outlets to a total of 470 since the beginning of the year. In accordance with this expansion, the growth in personnel has also been concentrated in the subsidiaries in Central and Eastern Europe. The Group employed a total of 8,652 people at the end of March (+4% as at year end 2007).

In February and March, the result from financial investments of EUR 5 million remained stable.

Our entire portfolio demonstrates good asset quality. There was and is no need for impairment anywhere in the portfolio. The spread valuation for reserves available for sale affected the result with a decrease of EUR 157 million. In April, reserves available for sale went back up slightly to almost EUR 30 million due to the positive market situation.

Loans and advances to customers rose by EUR 2.0 billion to EUR 41 billion. Here, the subsidiaries in Central and Eastern Europe (+ EUR 0.8 billion), the Investkredit Group (+ EUR 0.5 billion) and the Kommunalkredit Group (+ EUR 0.4 billion) showed the highest growth rates.

All primary funds (customer deposits, securitised liabilities and subordinated capital) rose in the first quarter of 2008 by EUR 3.1 billion. On the one hand, customer deposits went some way to refinancing the growth of loans, achieving a growth rate of 10% or EUR 1 billion. On the other hand, despite difficult market conditions, emission activities in the VBAG Group were intensified during the first quarter, leading to an increase in securitised liabilities of EUR 2.1 billion to EUR 35 billion. Emissions at Kommunalkredit totalling EUR 1.5 billion and at VBAG of EUR 1.1 billion were set off by amortisation at Investkredit to the amount of EUR 0.5 bn.
The VBAG Group’s own resources as required by the Austrian Banking Act as were EUR 4.3 billion as of 31 March 2008. The tier one ratio (ratio of core capital to the assessment base of the investment book) was 6.4%. After deducting the requirements to cover market and operational risks, the ratio of own funds is now at 9.5%. All told, the Group clearly exceed the statutory equity requirement by EUR 0.7 billion. Through the issuance of EUR 500 million in participation capital that was successfully completed in May 2008 it was possible to sustainably strengthen the VBAG Group’s level of own funds and bring the tier one ratio back (even beyond) the targeted corridor of 6.8% to 7.2%.

“This result confirms our planning. We are still nicely on course to achieve our targets for 2010. Particularly pleasing is the cost-income ratio of 54.5%, which compared to the year end 2007 has improved by 3.1%”, said Franz Pinkl.

Summary:

Total assets exceed EUR 80 billion for the first time
As at 31 March 2007, total assets were EUR 81 billion, exceeding the 80 billion barrier for the first time. This put them 3% or EUR 2.3 billion above the figure from 31 December.

Q1 2007 result surpassed

Pre-tax profit for the period increased again in the first quarter of 2008. Profit for the period after tax and minorities went up by 11% to EUR 63 million despite the challenging environment.

CEE still growth engine

The subsidiaries in Central and Eastern Europe provided the largest share of growth in net interest income as well as net fee and commission income. The branch network abroad and was expanded by 26 branch offices to a total of 470 since the beginning of the year. In accordance with this expansion, the growth in personnel has also been focussed on the Group's subsidiaries in Central and Eastern Europe.

Success goals for 2010 – still completely on target

ECONOMIC ENVIRONMENT IN THE FIRST QUARTER 2008

The U.S. economy recorded real economic growth of at least 0.6% (1st estimate, Q/Q annualised) in the first quarter. The trade balance deficit, which had surprisingly increased once more in February, fell again in March. Thus, foreign trade contributed positively to growth overall in the first quarter. On the U.S. real estate market, there are still no signs of relief.

The euro area economy grew by real 0.7% Q/Q and 2.2% Y/Y in the first quarter 2008. With a quarterly rate of 0.8% and an annual rate of 2.9%, Austria was once again more dynamic than the monetary union overall. The rate of inflation in the euro area reached a new record of 3.6% in March. Whereas subsequent indicators such as the unemployment rate (7.1% in March) were still quite strong, a drastic slowdown was already observable in the preliminary indicators during the course of the first quarter. Thus for instance, incoming orders for the European industry decreased by 1% in March compared to the previous month and by 2.5% compared to March 2007.

The slowdown was a consequence of the tightening of monetary conditions in the euro area since August 2007. At that time, monetary policy hadn't changed, but the interbank interest rate (Euribor) increased considerably following an accumulation of loss announcements related to the U.S. mortgage crisis even outside the United States. While the U.S. Federal Reserve decreased the Fed funds rate and minimum refinancing rate by a total of 325 basis points to 2% by May 2008 as a result of the credit market crisis, the ECB concentrated on liquidity support for the banking system and left its key interest rate unchanged at 4%. The devaluation of the dollar gathered new momentum as a result of the growing interest advantage of the euro.

Stock market prices fell considerably in the first quarter. The reasons for this were above all the publication of weak U.S. economic data, an oil price which reached a new record level, and the liquidity problems of the U.S. investment bank Bear Stearns, which finally led to a bailout. The marketplaces in the euro area also suffered under the appreciated euro. In a weak and/or weakening economic environment and given a strong euro, with its negative effects on the competitiveness of the export industry in the euro area, the market environment remained difficult during the course of the year. As a result of continued high demand for oil and the low inclination of OPEC to increase the supply, the price of oil is not expected to decrease significantly in the next few months. The rate of inflation in Europe is likely to decrease over the course of the year as a result of favourable basis effects, but will still be too high to permit a considerable loosening of monetary policy.

Even in Central and Eastern Europe, a slight decrease in the growth dynamics can be seen. Above all – in addition to the slowdown of the European economy as the most important export market of these countries – inflation is becoming a burden there. It was in the double-digits in Serbia and Ukraine, and just below that in Romania. Unlike Western Europe, where above all prices for processed food increased recently, agricultural commodities in Central and Eastern Europe will remain one of the most important price drivers until at least summer. Whereas a certain relief is expected from this side towards the end of the year, the recent above average increase in 'core inflation' in some countries suggests that the higher rates of inflation are increasingly attributable to second-round effects and the consequences of weaker labour markets and will thus be comparatively persistent. Many regional central banks have reacted in recent months to the higher inflation and the strong credit growth that drove private consumption and particularly the demand for imports by raising interest rates: The key interest rate was raised by 25 basis points in the Czech Republic, by a total of 75 basis points respectively in Hungary, Poland and Croatia, by 225 basis points in Romania and by as much as 500 basis points in Serbia.

The background of the especially dramatic tightening of monetary policy in Serbia and Romania is that both countries are highly dependent on an inflow of foreign funds as a result of high current account deficits. After these funds slowed somewhat recently as a result of the global worsening of liquidity conditions, and international investors became more risk-averse, the currencies have come under pressure and further increased inflation risks. Inflation expectations, which are not yet so established in the still relatively new market economies as they are in the euro area, also represent a risk factor for the future growth of the countries.

COMMENTARY TO VBAG CONSOLIDATED FINANCIAL STATEMENTS

Results

Once again, in the 1st quarter of 2008 the Group was able to continue the trend of the previous year and achieve a clear level of growth. The pre-tax profit increased compared to the 1st quarter of the previous year by more than 10 % to EUR 109 million. Adjusted for the result of a disposal group (the 1st quarter of 2007 included the result of NÖ Hypo amounting to EUR 5.5 million, which was deconsolidated at mid-year 2007), the increase even comes to 17 %.

The consolidated net income (net profit after taxes and minority interests) amounts to EUR 63 million and is thus EUR 6 million or 11 % over the results of the 1st quarter of 2007.

Once again, the greatest contributor to this growth was the net interest income. At EUR 228 million, it has increased by EUR 53 million or 30 % compared to the same period in the previous year. The Group's subsidiaries in Central and Eastern Europe contribute the largest portion to the growth, with a plus of EUR 22 million, followed by the Corporate segment, whose net interest income outdid the figure of the previous year by almost EUR 15 million.

Net fee and commission income rose during the reporting period by EUR 16 million or 41 % compared to the previous year, reaching EUR 53 million. The most significant gains compared to the previous year were made by the Group's subsidiaries in Central and Eastern Europe, with a plus of EUR 10 million. The net trading income, despite the difficult market environment, showed a pleasing growth of EUR 9 million to EUR 28 million.

The network of international branches was expanded by 26 outlets since the beginning of the year, bringing the number up to 470. In accordance with this expansion, personnel growth was also concentrated in the Group's subsidiaries in Central and Eastern Europe. The Group employed a total of 8,652 people as at the end of March. In accordance with this expansion, general administrative expenses rose by 28 % to EUR 171 million.

The other operating result is, at EUR 8 million, below the level of the previous year because during the comparative period last year profits realised in the real estate segment were already reported.

Despite the market turbulence during the months of February and March, the result from financial investments amounting to EUR 5 million could be kept stable. It is only slightly - EUR 2 million - less than the result for the 1st quarter of 2007. The available for sale reserve showed a decrease of EUR 157 million which has no effect on the income statement. Of this about EUR 50 million were due to the structured credit portfolio. The remaining decrease was due to the rest of the portfolio which consists, for the most part, of debt securities from sovereigns and banks with the highest creditworthiness. Because there was no worsening in the quality of the securities portfolio there was no need for impairment anywhere in the portfolio. A calming of the markets could be observed in April causing the available for sale reserve to rise again by almost EUR 30 million.

Balance Sheet and own funds

As of March 31, 2008, the Group's total assets stood at EUR 81 billion, which corresponds to an increase of 3 % or EUR 2.3 billion compared to December 31, 2007.

Loans and advances to customers went up by EUR 2.0 billion to EUR 41 billion with the Group's subsidiaries in Central and Eastern Europe (+ EUR 0.8 billion), the Investkredit Group (+ EUR 0.5 billion) and the Kommunalkredit Group (+ EUR 0.4 billion) showing the highest growth rates. The total volume of financial investments went down slightly, amounting to EUR 17.8 billion on March 31, 2008. The total volume of the structured credit portfolio currently stands at about EUR 2.5 billion, of which almost EUR 0.8 billion are securitised receivables from first-class sovereigns. The sub-prime volume has decreased compared to year-end 2007 by just 10 % to EUR 38 million.

During the 1st quarter of 2008, total primary deposits (customer deposits, debts evidenced by certificates and subordinated liabilities) rose by EUR 3.1 billion. On the one hand, customer deposits make an essential contribution to the refinancing of the expansion of loans, here a growth rate of 10 % or EUR 1 billion was achieved. On the other hand, despite difficult market conditions, the VBAG Group increased the number of issues it made in the 1st quarter, thereby increasing the debts evidenced by certificates by EUR 2.1 billion to EUR 35 billion. Whereas Kommunalkredit's issues totalled EUR 1.5 billion and VBAG's EUR 1.1 billion, redemptions reported by Investkredit totalled EUR 0.5 billion.

The VBAG Group's own funds calculated pursuant to the Austrian Banking Act amounted to EUR 4.3 billion as of March 31, 2008. Its tier one ratio (ratio of core capital to the assessment base for credit risk) amounts to 6.4 %. After deducting the capital requirements for market and operational risk, the equity ratio is now at 9.5 %. All told, the Group clearly exceeds the statutory equity requirement by EUR 0.7 billion. Through the internationally acclaimed issuance of EUR 500 million in participation capital that was successfully completed in May 2008 it was possible to sustainably strengthen the VBAG Group's level of own funds and bring the tier one ratio back to (even beyond) the targeted corridor of 6.8 % to 7.2 %.

SEGMENT CORPORATES

Investkredit sees itself not only as a bank for corporates but also as a bank for entrepreneurs offering a broader, specialised service profile: the lending business, cash management, treasury sales, trade finance, investment banking, debt capital markets, and Group cross selling.

In the first quarter of 2008 the volume of loans diminished slightly. New business was below the level of the previous year, in particular due to the conditions. A downward trend could also be observed in capital market transactions made by corporates.

Business in Germany continued to develop positively, in this context financing for M&A transactions must be given particular emphasis. Thus, Investkredit Bank AG was able to further reinforce its market position. Classic corporate lending has also been burdened in Germany due to passing on the higher costs of refinancing. The internationalization of business activities continues to focus on Central and South Eastern Europe. For example, the first arrangement was concluded in Ukraine, providing expansion financing for a listed agricultural company. Furthermore, a Romanian wholesaler of building materials was guided on its expansion into Ukraine.

Outlook

For the total year 2008 Investkredit is counting on reduced growth of the loan portfolio. Reductions in profit due to the pressure on margins in the lending business should be compensated among other factors by the profits from derivatives.

Due to the very good deal flow, the second quarter in Germany should bring a continuing positive environment for acquisition finance for medium-sized German companies.

Investkredit is continuing its business strategy in Central and South Eastern Europe by opening a new representative office in Kiev.

SEGMENT PUBLIC FINANCE

The Kommunalkredit Group is the market leader in public finance. Approximately two thirds of all Austrian municipalities are among its customers. Another core market is Switzerland. As an internationally active niche market player, Kommunalkredit primarily finances municipalities, cities, regions and states as well as companies in the public sector sphere of influence throughout the whole OECD area. In Central and Eastern Europe it is active through the Dexia Kommunalkredit Bank – a joint venture with Dexia Crédit Local.

Kommunalkredit has been awarded a rating of Aa2 for long-term lending by Moody’s and AA- by the international rating agency Fitch, making Kommunalkredit the country's financially strongest bank.

Total assets rose in the first quarter of 2008 by EUR 327 million to EUR 33.1 billion. This increase is due mainly to the expansion of loans and advances to customers which went up by EUR 416 million. On the liabilities side – despite the turbulence on the capital markets – attractive refinancing opportunities were taken. Thus, for example, Kommunalkredit’s annual public-covered-bond issue was successfully placed within only a few hours with a volume of EUR 1 billion. The expansion of business (loans paid out) in the first quarter of 2008 from EUR 621 million was focused in particular on financing in the infrastructure and health sectors in Austria (EUR 258 million), Switzerland (EUR 176 million) and in the Western European member states of the European Union (EUR million). Business in Central and Eastern Europe was mainly carried out by Dexia Kommunalkredit Bank which is not included in the scope of consolidation.

The income situation developed in a thoroughly satisfactory manner in the first quarter. Net interest income rose compared to the previous year by 27% to EUR 28.7 million, which is already more than a third of the net interest income for the entire year 2007. General administrative expenses of EUR 10.4 million equate to slightly more than one fourth of the administrative expenses for fiscal 2007, corresponding to a cost-income ratio of 33.1%, an amount that also stands up well in international comparisons. In the quarter under review Kommunalkredit generated a pre-tax profit of EUR 21.3 million and a net profit of EUR 14.8 million and, based on these figures, a return on equity of 13.9%. The increase in core capital was due to the capital increase done in January in the amount of EUR 166.8 million.

SEGMENT RETAIL

Volksbank Wien AG

As part of its initiative to promote talents, Volksbank Wien has set itself the task of using educationally oriented exhibitions to awaken the interest of children. The first quarter of 2008 started with the "Animals in Vienna" exhibition, which is being shown until the end of June in the Schottenring branch's function room. In cooperation with Vienna's Natural History Museum, the exhibition was prepared from an educational perspective for schools and kindergartens. So far, more than 5,000 children have visited the exhibition.

Social and ethical responsibility is very important to Volksbank Wien. The aim of this year's charity "Alaska, the Therapy Pony and her Foster Children", is to provide 20 children growing up with foster parents therapeutic riding lessons for a year on the Shetland pony Alaska.

Like the previous years, Volksbank Wien's educational campaign for SMEs, "Fit for Business" offers interesting modules on relevant topics for entrepreneurs, such as the purchase and sale of companies or self-management. Working in small groups with the opportunity to go into the individual concerns of the participants is what distinguishes this evening course.

On the asset management side, the guarantee product, Come Back Garant, which was exclusively issued for Volksbank Wien, has been outstandig successful.

Volksbank Linz+Mühlviertel

Following the successful outcome of the 2007 financial year, Volksbank Linz+Mühlviertel planned on continuing the positive trend in the year 2008. Reaching this goal has turned out to be a particular challenge for Volksbank Linz+Mühlviertel because of the difficult economic environment which is due to the international financial crisis and the general weakening of the economy. Thus, it is all the more pleasing that business development in the first quarter of 2008 both in the lending and in the deposit business has been above the ambitious values budgeted. Developments in the services area were also satisfactory. The securities business came under slight pressure due to the sub-prime crisis and the developments on the stock exchange. However, by cutting costs, Volksbank Linz+Mühlviertel was partially able to compensate for the negative departure from the budget for the development of earnings.

As early as 2004, Volksbank Linz+Mühlviertel decided to commit itself more in the areas of art and culture, in addition to its sports and social projects. This includes supporting a series of events at the Lentos Museum of Art in Linz, as part of a collaboration with Lentos. Several times a year, Lentos regularly invites personalities from the world or art and culture to a talk series entitles ‘Sundays at 11’. Under the patronage of Volksbank Linz+Mühlviertel, Lentos director Stella Rollig speaks with the invited guests in front of an audience about their activities and experiences in and with the world of art.

Bank für Ärzte und Freie Berufe AG – Die Ärztebank

The first quarter of 2008 went very well for Bank für Ärzte und Freie Berufe. Total assets as at the 31 March reporting date came to EUR 663 million. Net income was equally pleasing, coming in at EUR 559 thousand for the first quarter. This indicates that here too we may expect a year-on-year increase for the whole of 2008.

In order to carry on guaranteeing individual and top quality advice for the growing numbers of customers – the bank gained around 260 doctors as new customers in the first quarter of 2008 – ‘Ärztebank’ (the doctors' bank) is adding to its advisory staff. As Ärztebank no longer has room at its headquarters, we are moving them to a larger building in Kolingasse 4, which is in Vienna's 9th District.

Our new branch in Innsbruck's Museumstrasse starts operations on 1 June. The team supporting Regional Manager Mario Kometer is now complete and the offices are all on time and on budget.

Prof. Raimund Margreiter and the members of Ärztebank's Board of Management will celebrate the official opening on 3 July 2008.

IMMO-BANK Aktiengesellschaft

In the 1st quarter of 2008 IMMO-BANK AG continued to strengthen its positioning as a housing bank in the Volksbank sector and recorded a pleasing rise in profits. Thanks to the detailed know-how about financing residential real estate that is concentrated at the institute, this specialist institute has become known as a centre of competence for housing financing within the Volksbank AG Group. To round off the complete portfolio of everything to do with residential real estate, IMMO-BANK also operates subsidiaries such as real estate agents and building administration companies.

Since 1993 – because it has the status of a housing bank – it has been issuing tax-advantaged residential notes in the form of convertible bonds. These inexpensive and long-term instruments serve to refinance domestic housing projects.

IMMO-BANK AG was able to finish the 1st quarter 2008 clearly over budget. One outstanding detail was the successful placement on the market of a bond volume of EUR 55 million.

For the current 2008 financial year IMMO-BANK AG sees numerous ways to potentially further increase its market share. It will continue to be important to accompany domestic real estate investors as they enter the foreign markets in Central and Western Europe. In addition, the bank plans to both tighten the relationship of existing key customers to the institute as well as to acquire specialised market participants.

Volksbank International

During the 1st quarter of 2008, Retail Banking was the driver for the dynamic rise in growth and profitability of the VBI Group. Volksbank International is represented with a banking network in Slovakia, Czech Republic, Hungary, Croatia, Slovenia, Bosnia-Herzegovina, Serbia, Romania and the Ukraine and employs more than 5,100 staff.

Retail credit business grows considerably

The considerable growth of the retail credit volume is primarily due to the products and their processing being structured very simply and understandably. For this purpose, VBI initiated a group-wide project, with the aim of automating and accelerating the credit approval processes. Thus, success was already achieved within a short time, and the retail credit volume from EUR 3.889 billion (as of year-end 2007), increased by EUR 539 million to EUR 4.428 billion (as of 31st March 2008). This corresponds to growth of 14% (during the 1st quarter of 2008). In this respect, the most recent bank acquisitions appear to be worth mentioning: Volksbank, Banja Luka in Bosnia-Herzegovina (+ 33%) and the Volksbank in the Ukraine / Elektron Bank (+ 28%). Furthermore, the Volksbank, Czech Republic was able to expand its retail credit volume by 25% in the Czech Republic. The strong growth in mortgage loans is particularly worth highlighting – a product, which is increasingly developing into a group-wide key product.

Retail deposit business

As of 31st March 2008, the total deposit volume exceeded the EUR 2.7 billion range – growth of 5%, in comparison with year-end 2007. The largest growth drivers are the Volksbank, Czech Republic (+17%), Volksbank Banja Luka (13%) and Volksbank, Romania (+12%). In addition to the classic branch as a sales backbone, VBI is increasingly relying on innovative sales channels, in order to be even closer to the customer.

Franchise Banking – an innovation in customer acquisition

Volksbank International has adapted the franchise system to the finance sector and thereby profitably expanded its sales channel portfolio. The franchise sales outlet is subject to the Volksbank corporate design. The selection process for possible franchise partners is carried out with great care. The franchise sales outlets have developed extremely successfully and are a significant building block for the strong gains in market share for the Volksbank, Romania. The concept is currently also being rolled out in other CEE markets.

VB-LEASING International Holding GmbH

VB LEASING International is a joint venture between Österreichische Volksbank AG and VR LEASING AG. This strong banking background was of decisive importance for VB LEASING's development into a financing specialist during its fourteen-year history of movable property leasing. VB-Leasing International Holding GmbH, which is headquartered in Vienna, currently has subsidiaries in Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia and Romania.

In the first quarter of 2008 VB LEASING International increased its volume of new business by over 10% to yet another record level of almost EUR 385 million. This record level was only possible because of its high level of market penetration, professional expertise and strong vendor connections. Particularly the Car Lease and Services division was able to record growth of over 20%. This rise is mainly in the area of 'Cars and small utility vehicles', due to a plus in new business volume of 25% compared to the previous year.

The strongest performance was recorded by the subsidiaries in the Czech Republic and Poland with EUR 85 million each. Slovenia achieved the greatest increase year on year.

For the current business year 2008, the focus is on unfolding the quality campaign that was launched last year, the expansion of fleet management and operate lease. In addition, VB LEASING International is emphasising the expansion of its international vendor connections under the slogan 'Think global act local', highlighting it by appearances at internationally acclaimed fairs.

SEGMENT REAL ESTATE

The first quarter showed a positive development in real estate financing: Profitability and productivity showed the same trends as the previous year. Increased refinancing costs are, for the most part, achievable.

Immoconsult was able to conclude leasing contracts in the first quarter of 2008 with a total volume of about EUR 75 million. In 2008, two new foreign companies began operations in Ukraine and Croatia.

Currently two office buildings are being completed by the project development company PREMIUMRED: 'North Gate' in Warsaw and 'Premium Plaza' in Bucharest. 'Premium Point' in Bucharest is scheduled for completion at the beginning of 2009.

Europolis was able to expand its rental space in the first quarter of 2008 by an additional 4% to 778,110 m². Ikea could be won over as the new major tenant at Europolis Park Poland Central, with a rental space of about 15,000 m². Despite the increases in sales in the first quarter of 2007 the result could be kept at the level of the previous year. Net interest income rose due to the 12% higher earnings from rentals as well as from the inclusion of the lending business. Europolis' real estate assets increased in the first quarter from EUR 1.4 billion to EUR 1.5 billion. Development projects were pushed forward in Poland, the Czech Republic, Slovakia, Romania, Ukraine and Russia. Two additional real estate project developments were started in Hungary and Romania.

Outlook

In future, the services of Immoconsult in Ukraine will be expanded to include full-service leasing and structured leasing for large volume projects.

Europolis is counting on transferring office space in Prague and Bucharest in 2008. The logistics centres in Bucharest and Warsaw will be expanded. Construction of the flexibly designed office building 'Amazon Court' in Prague will be continued. At the Polish logistics park 'Poland Central', the first warehouse is to be 100% rented and the construction of additional buildings is set to begin. In Hungary the expansion of the M1 Logistics Park is underway. The investment focus is on Russia, Ukraine, and Romania.

SEGMENT FINANCIAL MARKETS

VBAG´s funding activities again were facing the influence of the ongoing market and trust crisis and thus of the lack in market liquidity. However, the need for medium- to long-term refinancing – although at increased prices – was entirely covered, predominately backed by the continuing retail demand for structured investment products and the successful introduction of new credit linked note products for the target group of retail and investment books of local banks. While for a time, benchmark size bonds in syndicated format were issued by major international banks only, particularly in this difficult market environment, our strategy of direct marketing has proved itself outstandingly. Thanks to the proximity of the Fixed Income & Derivatives Department to institutional customers and active customer contact, a considerable volume of new issues could be placed. A major source for funding was built up by continuously placing Schuldschein-loans to institutional key customers.

Furthermore the structuring of our planned Tier1 capital transaction was completed and will be placed with a volume of EUR 500 million in the 2nd quarter in order to support VBAG´s ongoing organic growth of risk weight assets in 2008.

The Institutional Investor Relations Department has been strengthening its efforts to increase our name recognition as well as making our outstanding financial performance information available for credit analysts and institutional investors throughout the region.

Trading with interest-rate and currency products clearly outdid its profit targets for the first quarter. The turnover in treasury business with corporate clients was increased and also more business deals were concluded through the VB-ONE treasury platform. Aside from expanding trading activities, the refinancing and support for the VB sector were the activities that were traditionally the most important during the reporting period.

By employing an improved reporting system, VB Consulting increased the informative quality of the evaluations in the customer securities business and by making a consultant guide available it created a direct benefit for the consultants in the local Volksbanks.

In the first quarter of 2008 our asset management company “Volksbank Invest” and our division for structured retail investment products “Volksbank Strukturierte Investments” began to combine their expertise and to open up new dimensions through customer-oriented sales strategies. Following orientation workshops with employees and an active dialogue with our most important sales partners, the Austrian Volksbanks and retail banks of Volksbank Intertational AG were communicating the new orientation in a combined press release.

INCOME STATEMENT

	1-3/2008 in € thousand	1-3/2007 in € thousand	Changes in € thousand	Changes %
Interest and similar income and expenses	228,031	172,826	55,205	31.94 %
Income from companies measured at equity	214	2,474	-2,260	-91.36 %
Net interest income	228,245	175,300	52,945	30.20 %
Risk provisions	-33,684	-19,108	-14,576	76.29 %
Net fee and commission income	53,264	37,692	15,573	41.32 %
Net trading income	27,911	18,621	9,290	49.89 %
General administrative expenses	-171,012	-133,685	-37,327	27.92 %
Other operating result	-89	7,551	-7,640	-101.18 %
Income from financial investments	4,505	6,743	-2,238	-33.19 %
Income from the disposal group	0	5,479	-5,479	-100.00 %
Result for the period before taxes	**109,141**	**98,593**	**10,547**	**10.70 %**
Income taxes	-13,286	-8,047	-5,240	65.11 %
Income taxes of the disposal group	0	-72	72	-100.00 %
Result for the period after taxes	**95,854**	**90,475**	**5,379**	**5.95 %**
Profit attributable to shareholders of the parent company (Consolidated net income)	**63,082**	**56,995**	**6,086**	**10.68 %**
Profit attributable to minority interest (Minority interests)	32,773	33,480	-707	-2.11 %

BALANCE SHEET AS AT MARCH 31, 2008

	Mar. 31, 2008 in € thousand	Dec. 31, 2007 in € thousand	Changes in € thousand	%
ASSETS				
Liquid funds	2,797,043	3,200,392	-403,349	-12.60 %
Loans and advances to credit institutions (gross)	12,057,537	11,367,838	689,698	6.07 %
Loans and advances to customers (gross)	41,092,772	39,047,815	2,044,957	5.24 %
Risk provisions (-)	-526,214	-502,414	-23,800	4.74 %
Trading assets	932,025	1,008,738	-76,713	-7.60 %
Financial investments	17,773,474	18,195,539	-422,066	-2.32 %
Assets for operating lease	1,500,032	1,417,796	82,235	5.80 %
Companies measured at equity	135,177	103,091	32,086	31.12 %
Participations	264,637	249,417	15,220	6.10 %
Intangible assets	454,090	455,087	-997	-0.22 %
Tangible fixed assets	313,005	308,409	4,595	1.49 %
Tax assets	184,540	141,291	43,249	30.61 %
Other assets	3,950,260	3,647,829	302,430	8.29 %
TOTAL ASSETS	**80,928,376**	**78,640,829**	**2,287,547**	**2.91 %**
LIABILITIES AND EQUITY				
Amounts owed to credit institutions	22,882,801	24,200,454	-1,317,653	-5.44 %
Amounts owed to customers	11,888,227	10,850,921	1,037,306	9.56 %
Debts evidenced by certificates	35,178,149	33,108,714	2,069,435	6.25 %
Trading liabilities	383,954	329,024	54,931	16.70 %
Provisions	198,010	203,763	-5,753	-2.82 %
Tax liabilities	163,623	160,770	2,853	1.77 %
Other liabilities	5,347,102	4,873,324	473,778	9.72 %
Liabilities of the disposal group	1,954,090	1,966,480	-12,390	-0.63 %
Equity	2,932,419	2,947,380	-14,961	-0.51 %
Shareholder´s equity	1,533,299	1,600,384	-67,085	-4.19 %
Minority interests	1,399,120	1,346,996	52,124	3.87 %
LIABILITIES AND EQUITY	**80,928,376**	**78,640,829**	**2,287,547**	**2.91 %**

CHANGES IN THE GROUP´S EQUITY

in € thousand	Sub-scribed Capital *	Capital reserves	Retained earnings	Currency Reserve	Valuation reserves pursuant to IAS 39 [2)]		Share-holder´s equity	Minority interests	Equity
					Available for sale reserve	Hedging reserve			
As at January 1, 2007	**340,118**	**494,096**	**614,587**	**27,901**	**34,540**	**5,547**	**1,516,790**	**1,329,039**	**2,845,829**
Consolidated net income [1)]			56,995				56,995	33,480	90,475
Dividends paid			-36,081				-36,081	-814	-36,895
Change in currency reserve				915			915	1,889	2,803
Valuation pursuant to IAS 39 [3)]					10,032	391	10,423	773	11,195
Change in treasury stock	-8	-54					-62		-62
Change due to reclassifications shown under minority interests and capital increases			190				190	89,833	90,023
Changes from Companies measured at equity, not affecting profit or loss				399	362		760	737	1,497
As at March 31, 2007	**340,110**	**494,042**	**635,691**	**29,215**	**44,934**	**5,938**	**1,549,930**	**1,454,935**	**3,004,865**
As at January 1, 2008	**339,960**	**493,709**	**800,705**	**19,577**	**-59,898**	**6,330**	**1,600,384**	**1,346,996**	**2,947,380**
Consolidated net income [1)]			63,082				63,082	32,773	95,854
Dividends paid							0	-3,614	-3,614
Change in currency reserve				-669			-669	-37	-706
Valuation pursuant to IAS 39 [2)]					-116,379	865	-115,514	-40,403	-155,917
Change in treasury stock	-58	-203					-261		-261
Change due to reclassifications shown under minority interests and capital increases			-22				-22	76,685	76,663
Changes from Companies measured at equity, not affecting profit or loss				732	-14,433		-13,701	-13,280	-26,981
As at March 31, 2008	**339,902**	**493,506**	**863,765**	**19,641**	**-190,710**	**7,195**	**1,533,299**	**1,399,120**	**2,932,419**

Contributions from companies measured at equity, not affecting profit or loss

	Mar. 31, 2007	Mar. 31, 2008
Available for sale reserve	-898	-14,555
Currency reserve	2,291	3,113
	1,393	**-11,441**

* The subscribed capital reported corresponds to the figures reported in the financial statements of Österreichische Volksbanken-AG.

1) The currency transaltion differences amounting to € 29 thousand (1-3/2007: € 13 thousand) for shareholder’s equity and € 33 thousand (1-3/2007: € 15 thousand) for minority interests resulted from the application of the average rates of exchange in the income statement.

2) In the first quarter 2008, an amount of € 66 thousand (1-3/2007: € 814 thousand) previously recognised in the available for sale reserve was reclassified and shown in the income statement.

3) As at March 31, 2008 the available for sale reserve included deferred taxes of € 54,349 thousand (March 31, 2007: € -14,000 thousand). The hedging reserve contains deferred taxes standing at € -2,370 thousand at the balance sheet date (March 31, 2007: € -1,971 thousand).

CASH FLOW STATEMENT

in € thousand	1-3/2008	1-3/2007
Cash and cash equivalent at the end of previous period	**3,200,392**	**1,199,865**
Cash flow from operating activities	-471,949	766,205
Cash flow from investing activities	91,921	-99,074
Cash flow from financing activities	-23,321	39,671
Cash and cash equivalent at the end of period	**2,797,043**	**1,906,667**

NOTES TO THE INTERIM FINANCIAL STATEMENTS AS OF 31 MARCH 2008

1) General

The interim report as of March 31, 2008 of the Österreichische Volksbanken-AG (VBAG) has been prepared in accordance with all IFRS / IAS published by the In-ternational Accounting Standards Board (IASB) as well as all interpretations (IFRIC / SIC) issued by the International Financial Reporting Interpretations Committee and the Standing Interpretations Comittee respectively as adopted for use in the Euro-pean 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 and for the year ended December 31, 2007.

These condensed consolidated interim financial statements were approved by the members of the Managing Board on May 27, 2008 and have not been audited.

There were no changes during the reporting periode in the accounting and valuation methods. Due to the implementation of IFRS 7 the comparison figures were adjusted. These measures will improve transparency and comparability for the follow-ing periods without affecting the results.

In preparing this interim report the judgements and estimates were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2007.

In the first quarter of 2008 there were no events or changes in circumstances that would indicate an impairment of goodwill, therefore no impairment tests were carried out for goodwill.

VBAG's 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

In the first quarter of 2008, capital increases were completed at three VBI banking subsidiaries, in the course of which VBI took over the shares of third party share-holders. The resulting goodwill amounting to € 241 thousand was recognised under assets.

3) Events after the end of the reported interim period

In May 2008 VBAG issued participation capital amounting to € 500 million.

4) Notes to the income statement

Interest and similar income and expenses

Tsd €	1-3/2008	1-3/2007
Interest and similar income	1,436,649	1,121,283
Interest and similar expense	-1,208,618	-948,458
Interest and similar income and expenses	**228,031**	**172,826**

Net fee and commission income

in € thousand	1-3/2008	1-3/2007
Fee and commission income	87,354	50,967
Fee and commission expenses	-34,089	-13,275
Net fee and commission income	**53,264**	**37,692**

General administrative expenses

in € thousand	1-3/2008	1-3/2007
Staff expenses	-89,328	-69,976
Administrative expenses	-71,313	-54,100
Depreciation of fixed assets	-10,370	-9,609
General administrative expenses	**-171,012**	**-133,685**

Income from financial investments

in € thousand	1-3/2008	1-3/2007
Result from financial investments at fair value through profit or loss / Portfolio hedge	-8,938	3,042
Result from financial investments at fair value through profit or loss and from underlying instruments for portfolio hedges	76,492	-48,200
Result from revaluation of derivatives	-85,429	51,243
Result from fair value hedges	-587	-345
Result from revaluation of underlying instruments	5,156	-185,927
Result from revaluation of derivatives	-5,744	185,581
Result from other derivatives (investment book)	-1,367	258
exchange rate related	-436	-3,559
interest rate related	-1,675	3,802
credit related	0	141
others	744	-126
Result from available for sale financial investments	59	814
Result from held to maturity financial investments	1,254	2,435
Result from partcipating interests, assets for operating lease and other financial investments	14,084	538
Income from financial investments	**4,505**	**6,743**

5) Notes to the consolidated Balance sheet

Loans and advances to credit institutions

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Measured at fair value through profit or loss	211,191	213,067
Measured available for sale	413,051	412,304
Measured at amortised cost	11,433,295	10,742,467
Loans and advances to credit institutions	**12,057,537**	**11,367,838**

Loans and advances to customers

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Measured at fair value through profit or loss	3,583,927	3,532,287
Measured available for sale	1,342,951	1,487,605
Measured at amortised cost	36,165,895	34,027,923
Loans and advances to customers	**41,092,772**	**39,047,815**

Loans and advances to credit institutions and customers comprise non-interest bearing receivables amounting to € 218,866 thousand (Dec. 31, 2007: € 204,492 thousand).

Financial investments

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Financial investments at fair value through profit or loss	6,296,788	6,695,786
Debt securities	5,934,834	6,438,079
Equity and other variable-yield securities	361,954	257,707
Financial investments available for sale	7,586,922	7,463,369
Debt securities	7,427,606	7,422,153
Equity and other variable-yield securities	159,316	41,215
Financial investments held to maturity	3,889,764	4,036,384
Financial investments	**17,773,474**	**18.195,539**

Loans and advances to credit institutions and to customers as well as financial investments measured at fair value through profit or loss

Loans and advances to credit institutions and customers as well as financial investments have been designated to the category at fair value through profit or loss as the Group manages these receivables on a fair value basis in accordance with its investment strategy. Internal reporting and performance measurement of these receivables are conducted on a fair value basis.

On March 31, 2008, the maximum credit risk for loans and advances measured at fair value through profit or loss stood at € 3,795,117 thousand (Dec. 31, 2007: € 3,745,354 thousand).

In the first quarter of 2008 no credit risk changes occured in the fair value of loans and advances to credit institutions and customers measured at fair value through profit and loss.

Participations

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Investments in affiliates not consolidated	146,255	143,252
Participating interests	91,660	81,922
Investments in other companies	26,722	24,244
Participations	**264,637**	**249,417**

Companies measured at equity and participations comprise divestments of holdings in the first quarter of 2008, totalling a carrying amount of € 16,878 thousand (Dec. 31, 2007: € 74,086 thousand). Proceeds from these divestments amounted to € 5,314 thousand (Dec. 31, 2007: € 27,853 thousand) and are shown under income from financial investments.
All participations are valued at amortised costs. No participation is listed on a stock exchange.

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

Amounts owed to customers

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Measured at fair value through profit or loss	10,425	10,253
Measured at amortised costs	11,877,802	10,840,668
Savings deposits	1,510,416	1,468,830
Other deposits	10,367,386	9,371,838
Amounts owed to customers	**11,888,227**	**10,850,921**

Amounts owed to customers have been designated to the category at fair value through profit or loss as the Group manages these financial liabilities on a fair value basis in accordance with its investment strategy. Internal reporting and performance measurement of these liabilities are conducted on a fair value basis.
The carrying amount of the amounts owed to customers designated at fair value through profit or loss is € 59 thousand lower than the contractual amount at maturity (Dec. 31, 2007: the carrying amount exceeds the redemption amount by € 44 thousand).

Debts evidenced by certificates

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Measured at fair value through profit or loss	140,322	161,310
Measured at amortised costs	35,037,827	32,947,403
Debts evidenced by certificates	**36,178,149**	**33,108,714**

Debts evidenced by certificates have been designated to the category at fair value through profit or loss as the Group manages these financial liabilities on a fair value basis in accordance with its investment strategy or because derivatives are embedded in these liabilities. Internal reporting and performance measurement of these liabilities are conducted on a fair value basis.
The carrying amount of debts evidenced by certificates which are reported at fair value through profit or loss exceeds the redemption amount at the end of the life of such certificates by € 3,287 thousand (Dec. 31, 2007: € 8,838 thousand).
In the first quarter of 2008 the valuation of liabilities, which is recognised directly in the income statement, includes a change of fair value amounting to € 8,464 thousand (Dec. 31, 2007: € 2,480 thousand), which can be attributed to a change in credit risk.

Subordinated liabilities

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Measured at fair value through profit or loss	54,563	57,511
Measured at amortised costs	1,899,526	1,908,969
Subordinated liabilities	**1,954,090**	**1,966,480**

Subordinated liabilities have been designated to the category at fair value through profit or loss as the Group manages these financial liabilities on a fair value basis in accordance with its investment strategy or because derivatives are embedded in these liabilities. Internal reporting and performance measurement of these liabilities are conducted on a fair value basis.
The carrying amount of the subordinated liabilities measured at fair value through profit or loss with an amount of € 9,937 thousand is below the redemption amount at the end of maturity (Dec. 31, 2007: € 6,989 thousand).
The item subordinated liabilities comprises hybrid tier one capital standing at € 424,232 thousand (Dec. 31, 2007: € 422,442 thousand) on the balance sheet date.

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:

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Subscribed capital (less treasury stocks)	330,819	330,853
Open reserves (including differential amounts and minority interests)	2,493,802	2,447,604
Funds for general banking risks	21,624	21,730
Intangible assets	-25,487	-25,251
Net loss	-6,219	-8,171
Core capital (tier I capital) before deductions	2,814,539	2,766,765
Deductions from core capital (50 % deduction pursuant to Section 23 (13), and Section 29 (1) and (2) Austrian Banking Act)	-71,366	0
Core capital (tier I capital) after deductions	2,743,174	2,766,765
Supplementary capital	535,257	540,056
Eligible subordinated liabilities	908,462	910,464
Hidden reserves pursuant to Section 57 (1) Austrian Banking Act	116,437	115,702
Revaluation reserves	862	1,612
Supplementary capital (tier II capital) before deductions	1,561,018	1,567,834
Deductions from supplementary capital (50 % deduction pursuant to Section 23 (13), and Section 29 (1) and (2) Austrian Banking Act)	-71,366	-83,540
Supplementary capital (tier II capital) after deductions	1,489,653	1,484,294
Short-term subordinated liabilities (tier III capital)	18,457	6,772
Eligible qualifying capital	**4,251,283**	**4,257,831**
Capital requirement	3,601,622	3,138,259
Surplus capital	649,661	1,119,572
Core capital ratio (tier I) (in relation to the assessment base pursuant to Section 22 Austrian Banking Act - credit risk)	6.39 %	7.19 %
Equity ratio (solvency ratio) (in relation to the credit risk after deduction of capital requirements for market and operational risk)	9.51 %	10.91 %

The item open reserves includes the hybrid tier one capital totalling € 424,232 thousand (Dec. 31, 2007: € 422,442 thousand). The risk-weighted assessment base as defined in the Austrian Banking Act and the ensuing equity requirement showed the following changes:

in € thousand	Mar. 31, 2008	Dec. 31, 2007
Risk-weighted assessment base pursuant to Section 22 Austrian Banking Act	42.935.088	38.502.339
Of which 8 % minimum capital requirement for credit risk	3.434.807	3.080.187
Capital requirement for position risk in debt instruments, equities, foreign exchange and commodities - market risk	33.326	58.072
Capital requirement for operational risk	133.489	0
Total capital requirement	**3.601.622**	**3.138.259**

The risk-weighted assessment base of the first quarter of 2008 has been calculated according to the standard approach. Beginning with 2008 the counterparty risk of the trading book is shown in the capital requirement for credit risk, in previous periods it was recognised in the capital requirement for position risk in debt instruments, equities, foreign exchange and commodities.

7) Number of staff

Number of staff employed during the first quarter of 2008:

	Average number of staff		Number of staff at end of period	
	1-3/2008	1-3/2007	Mar. 31, 2008	Dec. 31, 2007
Domestic	2,224	2,434	2,258	2,193
Foreign	6,307	4,512	6,394	6,148
Total	**8,531**	**6,946**	**8,652**	**8,341**

The average staff number of the first quarter 2007 includes 428 employees of the NÖ Hypo sub-group as the deconsolidation of NÖ Hypo took place on July 2, 2007.

8) Branches

	Mar. 31, 2008	Dec. 31, 2007
Domestic	49	49
Foreign	470	444
Total number of branches	519	**493**

9) Segment reporting

a) Segment reporting by business segments

in € thousand	Public Finance	Corporates	Retail	Real Estate	Financial Markets	Other Operations	Group result
Net interest income							
1-3/2008	28,710	40,314	121,009	39,312	16,105	-17,204	**228,245**
1-3/2007	22,693	25,588	93,014	33,743	11,167	-10,906	**175,300**
Risk provisions							
1-3/2008	223	1,743	-24,040	-11,755	-1,202	1,347	**-33,684**
1-3/2007	-550	-5,289	-13,262	898	-902	-1	**-19,108**
Net fee and commission income							
1-3/2008	3,724	4,843	32,846	1,592	8,339	1,921	**53,264**
1-3/2007	3,895	2,734	21,072	395	8,430	1,165	**37,692**
Net trading income							
1-3/2008	-119	1,244	3,728	2,777	19,998	284	**27,911**
1-3/2007	601	1,261	2,591	-1,626	16,947	-1,152	**18,621**
General administrative expenses							
1-3/2008	-11,472	-19,216	-105,569	-15,674	-14,003	-5,077	**-171,012**
1-3/2007	-9,496	-15,777	-82,039	-12,123	-12,078	-2,172	**-133,685**
Other operating result							
1-3/2008	122	-820	1,747	380	59	-818	**89**
1-3/2007	107	-902	863	5,949	99	1,435	**7,551**
Of which impairment of goodwill							
1-3/2008	*0*	*0*	*0*	*0*	*0*	*0*	***0***
1-3/2007	*0*	*0*	*0*	*0*	*0*	*0*	***0***
Income from financial investments							
1-3/2008	-942	-4,926	1,279	4,185	2,212	2,697	**4,505**
1-3/2007	6,336	776	-9	-185	4,010	-4,186	**6,743**
Result from discontinued operations - NÖ Hypo							
1-3/2008	0	0	0	0	0	0	**0**
1-3/2007	0	0	0	0	0	5,479	**5,479**
Pre-tax profit							
1-3/2008	**20,247**	**23,181**	**31,000**	**20,057**	**31,508**	**-16,852**	**109,141**
1-3/2007	**23,586**	**8,390**	**22,229**	**27,051**	**27,674**	**-10,337**	**98,593**
Total assets							
Mar. 31, 2008	33,151,824	10,922,056	20,963,751	7,142,467	6,416,302	2,331,976	**80,928,376**
Dec. 31, 2007	32,824,325	11,058,629	19,334,235	6,454,152	5,909,094	3,060,394	**78,640,829**
Loans and advances to customers							
Mar. 31, 2008	13,933,880	6,909,559	15,077,076	4,210,744	432,553	528,961	**41,092,772**
Dec. 31, 2007	13,518,307	6,961,958	14,066,074	3,627,259	430,710	443,506	**39,047,815**
Amounts owed to customers							
Mar. 31, 2008	810,112	1,270,135	7,192,272	842,505	2,141,595	-368,392	**11,888,227**
Dec. 31, 2007	659,684	913,751	6,881,289	1,060,064	1,640,351	-304,218	**10,850,921**
Debts evidenced by certificates inclusive subordinated liabilities							
Mar. 31, 2008	21,714,929	2,143,000	1,191,447	858,729	0	11,224,133	**37,132,238**
Dec. 31, 2007	20,185,403	2,664,896	1,057,728	854,782	0	10,312,385	**35,075,194**

b) Segment reporting by geographical markets

in € thousand	Austria	Central and Eastern Europe	Other Markets	Group result
Net interest income				
1-3/2008	71,817	117,053	39,375	**228,245**
1-3/2007	55,562	95,267	24,470	**175,300**
Risk provisions				
1-3/2008	-11,989	-20,155	-1,540	**-33,684**
1-3/2007	-7,985	-9,964	-1,158	**-19,108**
Net fee and commission income				
1-3/2008	24,631	29,735	-1,102	**53,264**
1-3/2007	19,657	15,818	2,216	**37,692**
Net trading income				
1-3/2008	22,654	2,112	3,146	**27,911**
1-3/2007	17,174	1,949	-502	**18,621**
General administrative expenses				
1-3/2008	-68,433	-89,438	-13,140	**-171,012**
1-3/2007	-58,181	-67,465	-8,038	**-133,685**
Other operating result				
1-3/2008	379	-367	-101	**-89**
1-3/2007	3,361	4,086	105	**7,551**
Income from financial investments				
1-3/2008	1,519	3,877	-891	**4,505**
1-3/2007	-2,502	638	8,606	**6,743**
Result from discontinued operations - NÖ Hypo				
1-3/2008	0	0	0	**0**
1-3/2007	5,479	0	0	**5,479**
Pre-tax profit				
1-3/2008	**40,578**	**42,816**	**25,747**	**109,141**
1-3/2007	**32,566**	**40,329**	**25,699**	**98,593**