

Member of  UniCredit Group

Bank  Austria
Creditanstalt



Interim Report at 31 March 2007

BA-CA at a Glance

Income statement figures (in € m)

	Q1 2007	Q1 2006	+/-
Net interest income	890	633	40.6 %
Net fee and commission income	517	416	24.2 %
Net trading income	161	166	-3.1 %
Total revenues	1,618	1,220	32.5 %
Operating expenses	-849	-699	21.5 %
Operating profit	769	522	47.3 %
Profit before tax	688	421	63.4 %
Consolidated profit	535	308	73.8 %

Volume figures (in € m)

	31 MARCH 2007	31 DEC. 2006	+/-
Total assets	191,232	154,255	24.0 %
Loans and receivables with customers	100,931	80,104	26.0 %
Primary funds	105,146	80,317	30.9 %
Shareholders' equity (excluding minority interests)	13,423	9,927	35.2 %
Risk-weighted assets (banking book)	96,400	73,136	31.8 %

Key performance indicators (in %)

	Q1 2007	2006 ^{*)}	Q1 2006
Return on equity after tax (ROE)	16.9 %	15.8 %	17.9 %
Return on assets (ROA)	1.12 %	0.70 %	0.76 %
CEE contribution to profit before tax	44.3 %	44.9 %	41.8 %
Cost/income ratio	52.5 %	57.9 %	57.3 %
Net interest income/avg. risk-weighted assets (banking book)	3.67 %	3.50 %	3.40 %
Risk/earnings ratio	13.2 %	14.9 %	17.1 %
Provisioning charge/avg. risk-weighted assets (banking book)	0.48 %	0.52 %	0.58 %
Total capital ratio (end of period)	14.5 %	14.7 %	11.8 %
Tier 1 capital ratio (end of period)	10.8 %	11.6 %	8.2 %

^{*)} 2006 adjusted for one-off effects

Staff

	31 MARCH 2007	31 MARCH 2006	+/-
Bank Austria Creditanstalt (full-time equivalent)	47,287	32,825	44.1 %
Central and Eastern Europe	35,263	20,381	73.0 %
Austria and other subsidiaries	12,024	12,444	-3.4 %

Offices

	31 MARCH 2007	31 MARCH 2006	+/-
Bank Austria Creditanstalt	2,282	1,656	37.8 %
Central and Eastern Europe	1,873	1,256	49.1 %
Austria and other subsidiaries	409	400	2.3 %

Preface by Erich Hampel

Integration almost complete.
Jump in size in the first quarter of 2007.



Ladies and Gentlemen,

With the transfer and acquisition of the networks of UniCredit and HVB in Central and Eastern Europe, and of the Turkish units, Bank Austria Creditanstalt has assumed the holding company function for the CEE region (except Poland and Ukraine) as planned. In this interim report we are for the first time publishing financial statements covering the extended perimeter.

Eight banks with some 26,000 employees in 1,100 branches and total assets of € 37 bn have been added to Bank Austria Creditanstalt's group of consolidated companies. BA-CA has once more grown into new dimensions, a development which has had the expected effects on business volume and results: profit before tax for the first quarter of 2007 was € 688 m, up by € 267 m or 63 % on the same period of the previous year. The contribution of the new CEE subsidiaries to overall profits amounted to € 214 m.

The Interim Report at 31 March 2007 also shows the favourable development in the other business segments: over the past four quarters, the three segments of Austrian customer business have achieved a sustainable improvement in their profitability, with profit before tax rising strongly. On the revenue side, our efforts to further increase fee-based business were successful. On the cost side, we significantly enhanced efficiency by bundling and reorganising back-office processes; yet there is still some work ahead of us in this area. In the first quarter of 2007, despite the volatile market environment in early March, the Markets & Investment Banking Division exceeded the very strong performance achieved in the previous year.

Following the realignment of the CEE network, predominantly within BA-CA, UniCredit – as holding company and with a view to creating a clear governance structure – took over on 9 January 2007 the BA-CA shares held by HVB. At the Annual General Meeting of Bank Austria Creditanstalt AG on 3 May 2007, a resolution was adopted with a majority of 98.6 per cent of the voting rights to transfer to UniCredit S.p.A. the bearer shares held by minority shareholders against a cash compensation of € 129.4 per share pursuant to Section 1 of the Austrian Squeeze-out Act. Shareholders also passed a resolution at the AGM to raise the dividend from € 2.50 to € 4.00.

Within UniCredit Group, Bank Austria Creditanstalt now enjoys a better position than ever before, with 20 million customers, more than 50,000 employees and over 2,200 branches in 17 countries. We have considerably extended the geographic perimeter of our activities and we have been assigned responsibility for young and large markets – countries which are at an earlier stage of the growth cycle than the EU member states in the CEE region. This is strongly enhancing our growth and earnings potential while also having an impact on the risk profile and involving larger and faster-growing equity capital requirements as well as additional investments. With our equity capital base and our experience gained in mature markets, we are very well placed to use opportunities available in high-growth markets.

Erich Hampel
Chairman of the Management Board
of Bank Austria Creditanstalt

Bank Austria Creditanstalt in the First Three Months of 2007

Extension of perimeter produces jump in results from CEE operations.
Efficiency in Austrian business further enhanced.

Integration almost complete

Bank Austria Creditanstalt's interim financial statements as at 31 March 2007 by and large reflect the structure agreed by BA-CA's shareholders UniCredit, AVZ and "Betriebsratsfonds" (Employees' Council Fund) in the Restated Bank of the Regions Agreement in mid-March 2006. This means that within a period of one year, we have assumed the holding company function for CEE and, through the net effect of the sale of equity interests which became necessary and additions to the group of consolidated companies, significantly enlarged the scope of consolidation in our CEE business segment (see note (3) to the consolidated financial statements). Moreover, we have adjusted our Austrian business segments as defined for segment reporting purposes – details are given in the 2006 Annual Report – to the divisional structure of UniCredit Group; as part of this adjustment, a number of internal restructuring measures were implemented or initiated. These two fundamental changes are reflected in the balance sheet at 31 March 2007 and in the income statement for the first three months of 2007 as compared with the financial statements for 2006, and especially compared with the first quarter of 2006, a period which was not yet affected by the above restructuring processes.

DISPOSALS OF CONSOLIDATED COMPANIES DATA FOR THE FIRST QUARTER OF 2006	CONSOLIDATED TOTAL ASSETS € BN	PROFIT BEFORE TAX € M
HVB Splitska banka d.d., Split (as at 30 June 2006)	3.3	16.9
Bank BPH S.A., Kraków (as at 1 November 2006)	15.9	94.2
TOTAL	19.3	111.1
ADDITIONS TO CONSOLIDATED COMPANIES DATA FOR THE FIRST QUARTER OF 2007	CONSOLIDATED TOTAL ASSETS € BN	PROFIT BEFORE TAX € M
Koç Finansal Hizmetler A.Ş., Turkey	11.8	68.3
Zagrebačka banka d.d., Croatia	11.2	48.5
UniCredit Bulbank AD, Bulgaria	2.1	18.8
Živnostenská banka a.s., Czech Republic	1.8	5.5
UniBanka a.s., Slovakia	1.6	7.0
UniCredit Romania S.A., Romania	0.8	2.8
International Moscow Bank, Moscow	7.9	61.4
AS UniCredit Bank, Riga	0.5	1.1
TOTAL	37.7	213.6

Important factors to be taken into account in the assessment of results are the **sale** of HVB Splitska banka d.d., Split, and of Bank BPH S.A., Kraków, both of which were included in the figures for the first

quarter of 2006 (but not in the reporting period), and **additions** of CEE banking subsidiaries which were transferred to BA-CA from UniCredit and HVB at the beginning of 2007. UniCredit's "CEE Business Unit" was transferred to BA-CA AG as a contribution in kind in exchange for 55 million newly issued shares of BA-CA AG; through several transactions, we acquired the equity interest in International Moscow Bank (IMB) previously held by VTB Bank (France) S.A. and from HVB its majority interest in IMB as well as the banking subsidiaries and operations in the Baltic countries. All of the units mentioned above have been included in the group of consolidated companies of BA-CA for the first time as from 1 January 2007.

Results for the first quarter reflecting the new group of consolidated companies

Bank Austria Creditanstalt's consolidated profit for the first three months of 2007 was € 535 m, up by € 227 m or 74% on the first quarter of 2006. Profit before tax amounted to **€ 688 m**, an increase of **€ 267 m** or 63% over the comparative figure for the same period of the previous year. The newly consolidated banks in the CEE business segment (see table above) contributed **€ 214 m** to profit before tax for the first quarter of 2007.

Results reflect the impact of BA-CA's extended perimeter of activities resulting from the realignment of UniCredit Group's business in CEE, SEE and Turkey. When interpreting the large increase over the previous year, one should note that three months is the shortest reporting period and results for a quarter may be subject to accidental fluctuations. A comparison of Q1 2007 with Q1 2006 primarily shows developments in the intervening three-month periods, thus mainly reflecting progress in the course of 2006.

The combination within BA-CA of the banking networks in CEE except Poland and Ukraine has strengthened our market position in countries where we have a multiple presence and where we are now pursuing internal integration projects; moreover, as a result of this combination, the perimeter of our operations has been extended by large and very dynamic markets which are at earlier stages of the growth cycle than the EU member states in the CEE region. This brings higher growth rates while also involving larger investment and capital requirements.

The inclusion of the new banking subsidiaries in BA-CA's financial statements has given the bank a **new dimension** and has also resulted in a higher **growth momentum** of income and expense items. A pro-forma income statement (see chart below) shows the comparative figures for the first quarter of 2006 adjusted to reflect the new

scope of consolidation. This facilitates an assessment of the bank's performance in its new structure.

The comparison of changes in items of BA-CA's income statement with the pro-forma figures shows that the newly added banks are highly profitable, with substantial volumes of classic banking business and comparatively favourable cost/income ratios.

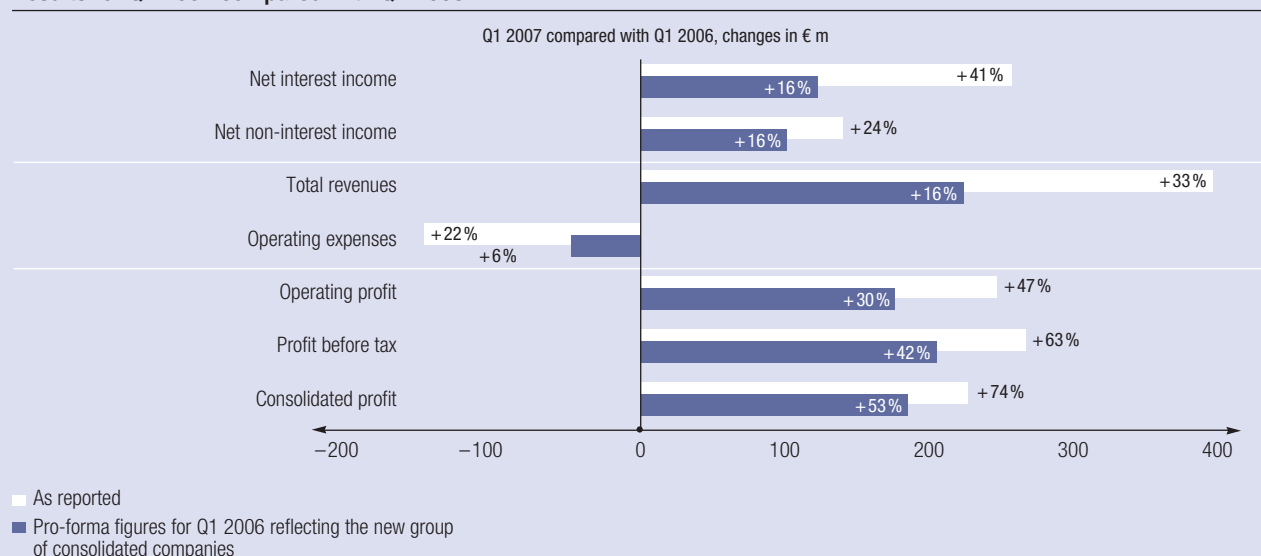
Net interest income achieved by BA-CA in the first quarter of 2007 was € 890 m, up by 41% on the reported figure for the same period of the previous year (reflecting the extended perimeter plus the performance) and 16% on the pro-forma figure (performance only). This means that about one half of the increase in absolute terms was due to the performance of the new subsidiaries. **Net non-interest income** totalled € 727 m, up by 24% on the previous year and 16% higher than the pro-forma figure. Most of this increase was accounted for by net fee and commission income, with regard to both absolute size and growth momentum. Net trading income reached € 161 m, almost matching the strong performance of the first quarter of 2006 and representing 46% of the net trading income generated in 2006 as a whole. The Vienna-based trading team, Romania, Hungary, Slovakia and our subsidiary in the Cayman Islands achieved strong growth.

Total revenues rose by 33% to € 1,618 m; on a pro-forma basis they grew by 16%. In absolute terms, the increase in total revenues was € 397 m (pro forma: € 224 m), two and a half times (or four and a

half times) the cost growth of € 150 m (pro forma: € 48 m). **Operating expenses** rose by 22% (pro forma: 6%). The cost/income ratio thus improved from 57.3% in the first quarter of 2006 to 52.5% most recently. Based on the current perimeter, the cost/income ratio in the first quarter of 2006 would have been 57.5%. This shows that the improvement is due to greater efficiency achieved in the other business segments in the meantime: in Austrian customer business – mainly in the Retail Division – the cost/income ratio improved from 65.0% to 55.4%.

Revenue growth and the slow increase in costs in the first quarter of 2007 resulted in an **operating profit** of € 769 m, with the new subsidiaries accounting for € 244 m of the total. Operating profit increased by € 247 m (+47%, pro forma: +30%). **Net writedowns of loans and provisions for guarantees and commitments** remained under control in the first quarter of 2007: at € 117 m, the figure was 8% (pro forma: 3%) higher than in the previous year. As net interest income rose strongly, the risk/earnings ratio declined from 17.1% to 13.2%. **Net income from investments** (€ 58 m compared with € 10 m) for the first time included the share of Bank BPH's current profits, in accordance with the terms and conditions of the sale, in the amount of € 38 m. **Consolidated profit** was € 535 m (after € 308 m in the first quarter of 2006); the contribution from the newly consolidated units was € 159 m. Earnings per share (based on 202 million shares and on an annualised basis) were € 10.58 (after € 8.37 in the first quarter of 2006).

Results for Q1 2007 compared with Q1 2006



Review of BA-CA's development by quarter and by region

The larger group of consolidated companies and the resulting jump in size have changed the structure of BA-CA and the relationship between the two core markets of Austria and CEE. The interim financial statements also show that business in Austria has developed favourably over the past year.

The favourable development can be seen from an analysis of operating profit over time; this excludes one-off effects which had a significant influence on profits in the second, third and fourth quarters of 2006 (capital gains, higher credit risk standards, restructuring provisions; see 2006 Annual Report).

While the operating profit in the CEE business segment for the first quarter of 2006 (including HVB Splitska banka and Bank BPH) reached € 221 m, the figure for the fourth quarter of 2006 (without HVB Splitska banka and without the contribution from Bank BPH for 2 months) was € 129 m. In the first quarter of 2007, based on the new perimeter, the operating profit of the CEE business segment was € 368 m, up by two-thirds on the level a year ago. This means that the CEE business segment in the new structure accounts for almost one half (48%) of BA-CA's total operating profit, with the new sub-

sidiaries contributing almost one-third (32%). The new CEE business segment represents 43% (€ 43.7 bn) of BA-CA's average risk-weighted assets.

The three business segments in Austrian customer business made good progress (see chart), contributing 38% to BA-CA's operating profit (Q1 2006: 41%). The increase of 35% over the previous year resulted from revenue growth of 6% (mainly supported by net fee and commission income, while net interest income stagnated) and a cost reduction of 10%. Both developments are reflected in the trend observed in the past few quarters, with some fluctuations.

As in the previous year, the Markets & Investment Banking (MIB) Division achieved an excellent performance in the first quarter of 2007, contributing 14% to BA-CA's operating profit.

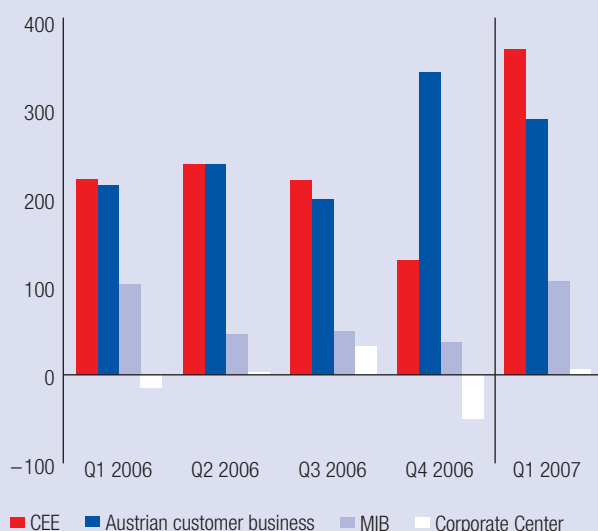
Growth and capital efficiency

The growth trend in BA-CA's quarterly results was accompanied by consolidation processes. Average risk-weighted assets (RWA, banking book and market risk equivalent) declined in the course of 2006 as a result of the disposals of consolidated companies mentioned above; with the inclusion of the new CEE subsidiaries in the first quarter of 2007, average RWA rose to € 101.3 bn, exceeding the previous year's level (old group of consolidated companies) by 29%. In the CEE business segment, RWA doubled as a result of the extended perimeter and the above-average growth of the new CEE subsidiaries. In the three segments of Austrian customer business, average risk-weighted assets were € 48.6 bn, slightly lower than in the preceding quarter and 2% higher than a year before. This reflects our efforts to expand customer business – not least in the interest of corporate customers – with a focus on offering capital market products having a low impact on the balance sheet, and by structuring our own credit portfolio through placements in the secondary market and through hedging operations to keep capital requirements low.

Higher profitability

Return on equity rose significantly from the fourth quarter of 2006 to the first quarter of 2007. At 20.7% before tax and 16.9% after tax, ROE was slightly lower than in the first quarter of 2006. This can be explained by the fact that the significant rise in profits was accompanied by an even more pronounced increase in equity, which we will use to support the stronger growth momentum to be expected in BA-CA's new structure.

Extended perimeter in CEE business segment and improved operating performance in Austria
(operating profit in € m)



Key performance indicators

	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06
Profit before tax, € m	688	265	384	444	421
Consolidated profit	535	208	280	324	308
ROE before tax	20.7%	13.4%	19.9%	23.3%	22.3%
ROE after tax	16.9%	11.2%	15.9%	18.6%	17.9%
Cost/income ratio	52.5%	58.8%	58.3%	57.3%	57.3%
Risk/earnings ratio	13.2%	13.0%	16.7%	13.0%	17.1%
Risk-weighted assets, € bn	101.3	78.7	82.1	79.8	78.5

Note: Q2/06, Q3/06 and Q4/06 adjusted for one-off effects.

Balance sheet and capital resources

Over the past twelve months, Bank Austria Creditanstalt's balance sheet has reflected the changes in the group of consolidated companies. As a result of the sale of HVB Splitska banka and Bank BPH, total assets declined from € 163.8 bn in March 2006 to € 154.3 bn at year-end 2006, a decrease of 2.9%. At the end of March 2007 (after the inclusion of the new CEE subsidiaries as at the beginning of 2007), total assets were € 191.2 bn, up by 24% on the year-end 2006 level and 17% higher than in March 2006 (see chart).

Calculated on a pro-forma basis, the additions to the group of consolidated companies increased total assets at the end of 2006 by € 37.1 bn to € 191.4 bn. From the end of 2006 to the end of March 2007, total assets remained almost constant on this basis (–€ 145 m, –0.01%). While there was little change in individual asset items and liabilities items, the comparison of total assets at the end of March 2007 with the year-end 2006 figure as reported thus shows the jump in total assets resulting from the larger group of consolidated companies.

A substantial increase of 26% to a total of € 100.9 bn in loans and receivables with customers accounted for more than half (56%) of the € 37.0 bn increase in **total assets** (March 2007 / December 2006). Loans and receivables with customers thus represented 53% of total assets, compared with 52% at year-end 2006. Although loans and receivables with banks increased at a disproportionately low rate (+18%), they made the second-largest contribution, € 5.7 bn, to the growth of total assets. Cash and cash balances, which have been fluctuating strongly, rose by € 2.3 bn to more than double the year-end 2006 figure.

On the **liabilities** side, balance sheet growth was also mainly driven by customer business. Deposits from customers increased strongly, by € 24.2 bn or 44%. Debt certificates including bonds did not keep

pace with this growth, rising by only 2% compared with year-end 2006. Primary funds, i.e. the sum total of deposits from customers and debt certificates including bonds, grew by € 24.8 bn or 31%, accounting for 55% of the balance sheet total. At the end of March 2007, deposits from banks were 15% higher than at year-end 2006, contributing € 7.0 bn to balance sheet growth.

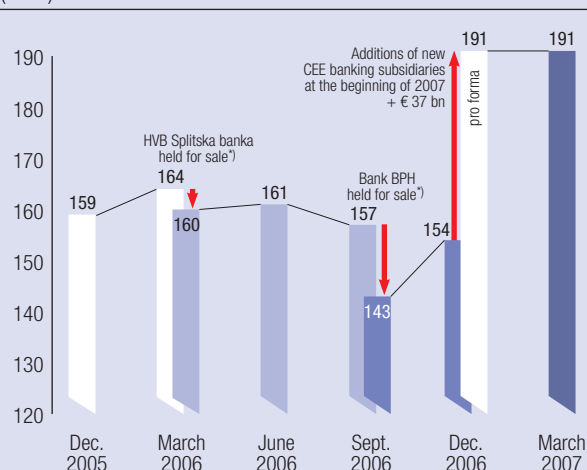
Overall, the structural changes in the balance sheet show the importance of traditional banking business at the CEE subsidiaries that have been added to BA-CA's group of consolidated companies.

In the balance sheet at 31 March 2007, equity is stated at € 14.1 bn (+39%). Changes in the group of consolidated companies accounted for € 1.3 bn of the total increase of € 3.9 bn, and € 1,966 m resulted from the capital increase; net profit (€ 563 m), foreign currency translation and changes in reserves in accordance with IAS 39 contributed € 620 m. Equity totalled € 14.1 bn, of which minority interests were € 636 m (4.5% compared with 2.1% at year-end 2006). Our partners in Turkey account for a significant proportion of minority interests.

Capital resources pursuant to the Austrian Banking Act (as at 31 March 2007)

The assessment basis pursuant to the Austrian Banking Act (banking book) increased by € 23.3 bn (+31.8%) to € 96.4 bn compared with the year-end 2006 figure. Almost all of the increase resulted from the transfer of UniCredit banking subsidiaries to the BA-CA Group and the acquisition of HVB subsidiaries in the first quarter of 2007. The capital

Total assets by quarter (€ bn)



*) Stated in the balance sheet items "Non-current assets classified as held for sale" and "Liabilities directly associated with non-current assets classified as held for sale" for the last time

requirement for the banking book increased by € 1.9 bn compared with year-end 2006.

In the reporting period, net capital resources rose by € 3.2 bn (+29.7%) to € 14.0 bn. This was mainly due to three factors: the capital increase at BA-CA AG, the transfer to BA-CA of new banking subsidiaries, and an increase in supplementary elements.

This resulted in a Tier 1 capital ratio of 10.80% as at 31 March 2007 (year-end 2006: 11.62%) and a total capital ratio of 14.49% (year-end 2006: 14.73%).

Development of business segments

Retail Division

€ M	Q1/07	SHARE	Q1/06	SHARE	CHANGE	
Net interest income	185	21 %	189	30 %	-4	-2 %
Net non-interest income	137	19 %	126	21 %	11	9 %
Total revenues	322	20 %	316	26 %	7	2 %
Operating expenses	-235	28 %	-275	39 %	40	-15 %
Operating profit	88	11 %	41	8 %	47	>100 %
Net writedowns of loans	-51	43 %	-49	45 %	-2	4 %
Net income from investments	12	21 %	1	15 %	11	>100 %
Profit before tax	48	7 %	-6	-2 %	54	n.m.
Risk-weighted assets (avg.)	16,563	16 %	16,282	21 %	282	2 %
Allocated equity	1,056	8 %	1,177	16 %	-120	-10 %
Cost/income ratio	72.8 %		87.1 %			
Risk/earnings ratio	27.3 %		25.6 %			
ROE before tax	18.1 %		-2.2 %			

n.m. = not meaningful

Measures taken in the past year to enhance efficiency in the Retail Division are beginning to prove effective: operating profit for the first quarter of 2007 was € 88 m, more than double the figure for the same period of the previous year. A turnaround in the result before tax produced a significant profit. The improvement is mainly due to the 15% reduction of operating expenses year on year, with a slight increase in total revenues (+2%).

The moderate growth of revenues reflects significant movements in individual items. **Net interest income** almost matched the previous year's level, with opposite trends seen in loans and deposits. This pattern is typical of the upward phase of the interest rate cycle which started a year ago. Overall lending volume showed little growth, the net effect of a continued increase in loans to private customers,

mainly in the area of residential construction finance, and a decline in lending to small businesses, especially in short-term loans sensitive to interest rate movements. The squeeze on margins continued, as can be seen very clearly from a comparison of Q1 2007 with Q1 2006. On the deposits side, volumes of time and savings deposits and of the bank's own issues were significantly higher; in combination with the positive trend in margins – despite increases in customer interest rates – this development more than offset the weak lending business. Our new “ErfolgsKapital fix” savings product, which we offer through branches and via Internet banking, got off to a good start.

Net fee and commission income matched the high level achieved in the preceding quarter and was 9% higher than in the first quarter of the previous year. Contributions to the increase came from account services and payment services, electronic banking and derivatives; commissions from securities business remained below the very high level of the first quarter of 2006, which saw the successful launch of guarantee bonds including R.I.CH. In January we introduced BA-CA **AnlageCheck**, a product which we use for analysing the needs of affluent customers and providing advice to better meet their investment preferences. In March 2007 we launched **FokusInvest**, a standardised asset management product with active portfolio management according to various risk/return categories; this product is offered for investments of at least € 15,000.

The largest contribution to the improvement in the Retail Division's performance came from **operating expenses**, which were € 40 m lower than a year before. The cost/income ratio declined from 87.1% to 72.8%, a level that is still higher than the target figure. Following the one-off increase in risk standards in the two preceding quarters, **net writedowns of loans** (€ 51 m) in the first quarter of 2007 again reflected the current provisioning charge; as a result of volume growth, it was slightly higher (+4%) than for the same period of the previous year. **Net income from investments** (€ 12 m compared with € 1 m) includes capital gains of € 12 m on the sale of shares in CA Immobilien AG. Based on **profit before tax** of € 48 m, ROE before tax reached 18.1%; without the capital gains, ROE before tax was 13.5%.

In March we introduced **ErfolgsCenter Business**, a new business model for the small business sub-segment which will initially be offered to 3,500 selected customers in the Vienna area. The main features of this business model are longer opening hours and the settlement of transactions via telephone and electronic channels (including BusinessNet). This new approach will enhance cost efficiency for customers and the bank.

Private Banking & Asset Management

€ M	Q1/07	SHARE	Q1/06	SHARE	CHANGE	
Net interest income	4	0%	3	0%	1	50%
Net non-interest income	40	6%	38	6%	2	6%
Total revenues	45	3%	41	3%	4	9%
Operating expenses	-23	3%	-25	4%	2	-7%
Operating profit	22	3%	16	3%	6	34%
Net writedowns of loans	0	0%	0	0%	0	n.m.
Net income from investments	0	0%	0	3%	0	n.m.
Profit before tax	22	3%	16	4%	6	39%
Risk-weighted assets (avg.)	441	0%	504	1%	-63	-13%
Allocated equity	233	2%	163	2%	70	43%
Cost/income ratio	51.1 %		60.2 %			
Risk/earnings ratio	0.3 %		2.6 %			
ROE before tax	37.3 %		38.3 %			

Private Banking & Asset Management (PB&AM) was created in the divisionalisation process in 2006 by combining the relevant operations previously included in the Private Customers Austria segment. PB&AM comprises Asset Gathering and Asset Management. The first pillar, Asset Gathering, includes Schoellerbank as a private banking unit operating independently in the market; BANKPRIVAT, which operates under an independent brand name and primarily services top customers recommended by BA-CA; and Asset Management GmbH (AMG), which acts as BA-CA's competence centre for asset management in the widest sense, the creation of structured products, and for brokerage services for active investors. In the Asset Management sector – the second pillar of PB&AM's business – Pioneer Investments Austria operates within the Pioneer Group, which is active on a worldwide basis.

In the first quarter of 2007, **Private Banking** activities focused on BANKPRIVAT, a private banking unit which became a profit centre in 2006. In September 2006, the defined target customers – high net worth individuals with investments exceeding € 1 m and private foundations – started to be transferred from the Retail segment; the transfer is being implemented systematically. As a result of this transfer and also thanks to successful efforts to win new customers, total financial assets at BANKPRIVAT were over 10% higher than at the end of 2006 and in March 2006. Schoellerbank and AMG also achieved significant volume growth.

Overall, investors tended to prefer direct deposits to managed products in the first quarter of 2007. Assets under management remained stable. Given the uncertainty which the renewed market weakness at the end of February / the beginning of March 2007 caused among investors, this development may be seen as a success. In this environment there was again strong demand for GarantieAnleihe products, of which € 75 m (compared with € 37.3 m in Q1 2006) were sold under the BA-CA label and an additional € 45 m by Schoellerbank.

With the use of our new AnlageCheck advisory tool and especially with the successful launch of FokusInvest, our standardised asset management product, at the beginning of March, we can now effectively meet the needs of investors who prefer active investment management with a flexible response to changes in market opportunities, but do not yet qualify for personalised asset management services.

In **Asset Management**, Pioneer Investments Austria achieved 0.7% growth in volume in the first quarter of 2007 and gained market share. Strong demand was seen for guarantee funds, including the new PIA Power Energie.

The income statement for the first quarter of 2007 shows revenue growth of 9% on the previous year. The most important income component is net fee and commission income (€ 33 m of a total of € 45 m), reflecting the structure of PB&AM's business. Operating expenses were considerably reduced compared with the preceding quarter, a period characterised by special expenses in connection with rebranding and various restructuring measures; operating expenses were also 7% lower than in the same period of the previous year.

On this basis, the Division's cost/income ratio declined from over 60% to 51.1%. Profit before tax reached € 22 m, up by 39% year on year. ROE was 37.3%.

Corporates Division

€ M	Q1/07	SHARE	Q1/06	SHARE	CHANGE	
Net interest income	161	18 %	159	25 %	1	1 %
Net non-interest income	119	16 %	96	16 %	23	24 %
Total revenues	280	17 %	255	21 %	25	10 %
Operating expenses	-101	12 %	-98	14 %	-3	3 %
Operating profit	179	23 %	157	30 %	22	14 %
Net writedowns of loans	-17	15 %	-23	22 %	6	-27 %
Net income from investments	2	4 %	5	54 %	-3	-60 %
Profit before tax	164	24 %	139	33 %	25	18 %
Risk-weighted assets (avg.)	31,554	31 %	30,827	39 %	727	2 %
Allocated equity	2,301	17 %	2,442	32 %	-140	-6 %
Cost/income ratio	36.0 %		38.4 %			
Risk/earnings ratio	10.7 %		14.7 %			
ROE before tax	28.5 %		22.7 %			

Over the past twelve months, the Corporates Division has benefited from an upward trend in its **profits** – except for one-off effects in the third and fourth quarters of 2006 (increase in risk provisioning standards) – and further improved the **quality of results**: profit before tax for the first quarter of 2007 (€ 164 m) was 18% higher than in the same period of the previous year. The improvement was achieved mainly on the revenue side, with net non-interest income gaining in weight. While business was significantly expanded, risk-weighted assets rose only slightly, keeping capital allocation at a low level. Net writedowns of loans were lower than in preceding periods, and costs remained under control. The trend experienced by the various profit centres in the Corporates Division was well-balanced.

Total revenues in the first quarter of 2007 were € 280 m, up by 10% on the previous year. (The comparative figure for the first quarter of 2006 included an amount of over € 3 m from CA IB Corporate Finance, which has in the meantime been transferred to MIB.) **Net interest income** increased only slightly; this was partly due to the level of income from equity interests and to funding requirements for subsidiaries. Current business (at the level of BA-CA AG) reflects the current phase of the business and interest-rate cycles and the ample liquidity enjoyed by the corporate sector: the volume of deposits rose strongly, with margins slightly improving; on the assets side, margins were maintained while lending volume increased only slightly. A positive exception to this pattern was seen in Financial Institutions, where the contribution from interest rates rose strongly on both sides of the balance sheet.

Net fee and commission income (up by 16% to € 104 m) again accounted for the major part of revenue growth, with contributions coming from almost all sub-segments. In business with corporate customers, growth was achieved in derivatives for risk management and securities business; the International Corporates sector generated higher fees and commissions largely as a result of structuring activities, which have been a focus of our operations; in the area of real estate customers, loan commissions and treasury business were the decisive factors; leasing operations recorded significantly higher fee and commission income as a result of strong business growth in this sector.

Growth of 10% in total revenues compared with a 3% increase in costs. **Operating expenses** have steadily declined over the past three quarters. The main factors in this context are process costs and, quite generally, efforts to enhance efficiency in cooperation with Administration Services (AS). New customer service models with a fine segmentation in the corporate banking business make it possible to target sales activities and reduce costs. The cost/income ratio was 36%, down from 41.2% for 2006 as a whole.

Operating profit increased by 14% to € 179 m compared with the same period of the previous year. Higher credit risk standards applied in the second half of 2006 had led to a one-off increase in loan loss provisions. **Net writedowns of loans** in the first quarter of 2007 amounted to € 17 m, reflecting current provisioning needs. The risk/earnings ratio was 10.7%, down by 4 percentage points year on year. While this historically low level may partly be explained by the current economic conditions, it also shows the improvement in corporate balance sheets in past years, a process in which banks worked with their customers ahead of the introduction of Basel II. We were successful in strongly reducing provisioning requirements in business with both large international corporates and medium-sized companies. This development was supported by our active portfolio management via the secondary market and the risk transfer via credit derivatives.

The Corporates Division's profit before tax (€ 164 m) and the lower capital allocation resulted in a significant year-on-year improvement in **ROE before tax** from 22.7% to 28.5%. (The decline in equity allocated to the Corporates Division is related to the fact that capital allocation to the business segments in BA-CA AG is now based on differentiated rates, which benefits the Corporates Division; see note 28 in the notes to the consolidated financial statements).

Markets & Investment Banking (MIB)

€ M	Q1/07	SHARE	Q1/06	SHARE	CHANGE
Net interest income	43	5%	14	2%	29 >100%
Net non-interest income	123	17%	118	20%	5 4%
Total revenues	166	10%	132	11%	34 26%
Operating expenses	-60	7%	-30	4%	-29 96%
Operating profit	106	14%	102	20%	4 4%
Net writedowns of loans	0	0%	0	0%	0 n.m.
Net income from investments	1	1%	0	-2%	1 n.m.
Profit before tax	105	15%	102	24%	3 3%
Risk-weighted assets (avg.)	4,431	4%	3,281	4%	1,149 35%
Allocated equity	429	3%	240	3%	189 79%
Cost/income ratio	36.0%		23.0%		
Risk/earnings ratio	0.0%		0.0%		
ROE before tax	97.7%		170.0%		

In 2006, the Markets & Investment Banking (MIB) Division was established within UniCredit Group on a group-wide basis. It operates on the basis of global product responsibilities, focusing on the markets of Germany, Austria, Italy and CEE (including the Polish market); Turkey and Russia are those countries where the strongest growth is to be achieved in the future. Within BA-CA we bundled trading and sales as well as investment banking competencies at the beginning of 2007. Capital market-related business areas of large-volume investment banking were transferred from the Corporates Division to MIB, in particular structured finance, syndication business and the entire CA IB Corporate Finance with equity capital markets business, M&A advisory services and merchant banking.

MIB performed excellently in the first quarter of 2007: **total revenues** – reflected in various income items, depending on the chosen trading strategies and the market situation – amounted to € 166 m, exceeding the very high figure for the previous year by one quarter (+26%). Major factors were the excellent performance of equity trading, equity sales and fixed-income and currency trading in CEE markets, despite the fact that especially stock markets experienced a temporary correction in late February / early March. Net fee and commission income (€ 35 m) was double the average figure for the previous year, making a substantial contribution to profits.

The favourable trend in revenues was supported in equal measure by trading activities and **customer business**, a focal area of business in recent years. CA IB subsidiaries were involved in major transactions, further demonstrating their expertise in connection with capital increases for real estate companies. In **equity capital markets** business, a transaction to be mentioned in this context is the successful IPO of the real estate developer Warimpex in Warsaw and Vienna in the first quarter of 2007. On the **Fixed Income** side, on behalf of the Republic of Slovenia, UniCredit Group placed a € 1 bn benchmark bond. In Austria, it lead-managed the € 100 m bond for Klausner, a sawmill company. **Financing A/EEMEA** was successfully active in Russia in the first quarter of 2007. UniCredit Group acted as MLA and sub-underwriter of a syndicated USD 1.8 bn bridge facility for Evraz Group, the largest integrated steel company in Russia, for the company's acquisition project in America. UniCredit Group was also involved in Golden Telekom's first internationally syndicated loan in the amount of USD 275 m. In **M&A business**, the Group advised Mid Europa Partners on the acquisition of mobile telephone operator Bite in Lithuania and Latvia, with a transaction volume of € 443 m.

After deduction of **operating expenses** of € 60 m, operating profit was € 106 m, up by 4% on the strong performance in the same period of the previous year. The increase in costs was due to the consolidation effect of the integration of CA IB and to changes in internal cost allocation. In the first quarter of 2007, the cost/income ratio was 36.0%, significantly lower than the previous year's average of 41.6%. Equity allocated to MIB was 3% of the total figure for the bank. MIB's **profit before tax** amounted to € 105 m, accounting for about 15% of the bank's total profit before tax.

Central Eastern Europe (CEE)

€ M	Q1/07	SHARE	Q1/06	SHARE	CHANGE	
Net interest income	472	53 %	279	44 %	193	69 %
Net non-interest income	275	38 %	182	31 %	93	51 %
Total revenues	747	46 %	461	38 %	286	62 %
Operating expenses	-380	45 %	-240	34 %	-140	58 %
Operating profit	368	48 %	221	42 %	147	66 %
Net writedowns of loans	-50	42 %	-38	35 %	-12	32 %
Net income from investments	3	6 %	-3	-29 %	6	n.m.
Profit before tax	305	44 %	179	42 %	126	71 %
Risk-weighted assets (avg.)	43,673	43 %	25,805	33 %	17,868	69 %
Allocated equity	6,611	56 %	3,948	52 %	2,663	67 %
Cost/income ratio	50.8 %		52.1 %			
Risk/earnings ratio	10.5 %		13.5 %			
ROE before tax	18.5 %		18.1 %			

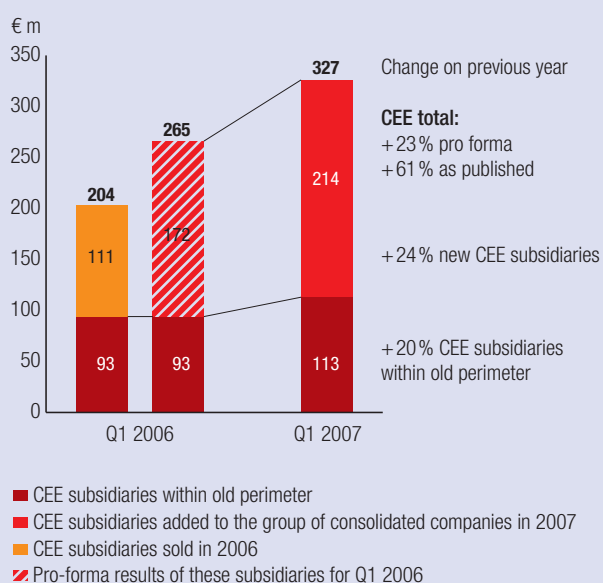
In the CEE business segment, the comparison with the previous year primarily shows the net effect of changes in the group of consolidated companies: income statement figures for the first quarter of 2006 still included HVB Splitska banka and Bank BPH, two banks which have been sold in the meantime. The banking subsidiaries taken over by BA-CA are consolidated in the reporting period for the first time (see chart).

Profit before tax for the first quarter of 2007 was € 305 m, up by 71% on the same period of the previous year; the new banking subsidiaries contributed € 214 m to the total figure. The increase over the previous year was € 126 m or 71%; the comparative figure for the first quarter of 2006 included a profit contribution of € 111 m from the banks which were subsequently sold. As a result of the larger group of consolidated companies, total revenues rose by 62%, more strongly than operating expenses (58%) and net writedowns of loans (32%). This shows that young, fast-growing banks were added to the CEE business segment. Average risk-weighted assets also increased substantially (+69%), and allocated equity rose at a similar rate. For this reason, return on equity before tax increased only slightly, from 18.1% to 18.5%.

In the new scope of consolidation, Turkey, Russia and Croatia are the new heavyweights. The units in these countries account for the following proportions of risk-weighted assets: Turkey: 18%, Russia: 15% and Croatia (where the market leadership position is held): 15% – the combined figure is almost one half of total risk-weighted assets. The contributions to profit before tax from these three countries are 21%, 19% and 13%, respectively – together just over 50% of the total figure.

On a pro-forma basis, in the perimeter of the first quarter of 2007, the combined profit before tax of our CEE subsidiaries increased by 23%, with profits at the new subsidiaries growing somewhat faster than at the subsidiaries which made up the old perimeter. A pro-forma calculation on a constant perimeter basis shows that total revenues rose by over 20%, with net interest income and net fee and commission income making equal contributions to growth. The increase in costs (about 15%) was considerably lower than revenue growth. A more pronounced rise in operating expenses in connection with the current growth initiative in Russian retail banking and with the merger of our units in Turkey was offset by the overall favourable trend in other countries.

Jump in profits in CEE business segment Profit before tax of CEE subsidiaries



Outlook

Preliminary data suggest that in the first quarter of 2007 economic growth in Austria was slightly higher than expected, almost matching the level of the fourth quarter of 2006. Exports remained strong and private consumption started to grow during the first quarter of 2007, with sentiment improving as the labour market recovered. In the remaining part of the year, industrial activity will probably weaken while domestic demand is expected to remain robust. Overall, growth will therefore again reach 3% in 2007. Despite the favourable economic trend, there are signs of a slowdown in credit demand caused by interest rate increases. Bank deposits held by private households have risen strongly against a background of higher interest rates and developments in personal income; volatility in financial markets is having an adverse impact on investments in mutual funds.

In the CEE region, economic growth in 2006 in the ten new EU member states as well as in Turkey and Russia was about 6%. In 2007, growth is expected to slow to somewhat over 5% in the new EU member states and in Turkey, while still reaching 6% to 7% in Russia. An exception is Hungary, where growth will probably be under 3% on account of the austerity programme. Economic growth in CEE is largely being driven by booming investments and robust consumption. Although exports are experiencing dynamic increases in most of these countries, the foreign trade balances are adversely affected by strong domestic demand and the import pull. Until now, unused capacity and strong currencies have permitted strong growth with only moderate inflation. Inflationary pressure is however gradually increasing. In the countries with relatively low inflation levels, interest rates are rising. An exception are those countries where structural disinflation continues: in Russia and Romania, interest rates have fallen until recently. The catching-up process in the banking sector (financial intermediation, market penetration with banking products, etc.) is still under way; however, competition is also intensifying in the fast-growing markets.

In this environment we expect that revenues in **Austrian** customer business will remain at the current level and that we will be able to keep costs at least at a constant level, based on measures implemented in the past quarters to enhance efficiency. This should result in a significant increase in operating profit, mainly in the Retail Division. Profit before tax in the three Austrian customer segments will improve in the absence of the one-off effects which had an impact in the previous year. In view of the inherent volatility in financial markets, the strong performance of the Markets & Investment Banking Division in the first quarter of 2007 cannot be projected into the future, as can be seen from trends in the previous year. But we expect that MIB will

again make a strong contribution to profits. In the **CEE** business segment, local mergers are currently being implemented or will take place, and we are broadening our market position through organic growth in retail banking, including operations in Russia. Using growth opportunities in the new countries within our perimeter will therefore require larger investments as well as high and growing capital allocation. We are very well placed in this respect.

Overall, although data for a single quarter should not be used for projections, the interim financial statements as at the end of March 2007 fully confirm the starting position for our annual planning figures, both in respect of the expected jump in size based on the extended perimeter and the related growth of income and expenses.

Income statement of the Bank Austria Creditanstalt Group

for the first quarter of 2007

	(Notes)	1 JAN. – 31 MARCH 2007 € M	1 JAN. – 31 MARCH 2006 € M	CHANGE	
				€ M	IN %
Net interest		852	599	253	42.2
Dividend income		9	15	–5	–36.8
Income from investments in companies valued at equity		29	19	10	49.7
Net interest income	(4)	890	633	257	40.6
Net fee and commission income	(5)	517	416	101	24.2
Net trading income	(6)	161	166	–5	–3.1
Net other operating income/expenses	(7)	49	5	45	>100
TOTAL REVENUES		1,618	1,220	397	32.5
Staff expenses		–502	–401	–101	25.2
Other administrative expenses		–275	–230	–45	19.8
Amortisation, depreciation and impairment losses on intangible and tangible assets		–72	–68	–4	6.1
OPERATING EXPENSES	(8)	–849	–699	–150	21.5
OPERATING PROFIT		769	522	247	47.3
Provisions for risks and charges		–18	–2	–16	>100
Goodwill impairment		–	–	–	–
Net writedowns of loans and provisions for guarantees and commitments	(9)	–117	–108	–9	8.4
Net income from investments		58	10	48	>100
Integration costs		–3	–	–3	–
PROFIT BEFORE TAX		688	421	267	63.4
Income tax		–125	–80	–45	56.1
NET PROFIT		563	341	222	65.1
Minority interests		–29	–34	5	–14.8
CONSOLIDATED PROFIT		535	308	227	73.8

Key figures

	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Earnings per share (in €)	3.23 2.65 ^{*)}	2.09 –
ROE before tax	20.7 %	22.3 %
ROE after tax	16.9 %	17.9 %
Cost/income ratio	52.5 %	57.3 %
Risk/earnings ratio	13.2 %	17.1 %

^{*)} based on the number of shares after the capital increase

Income statement of the Bank Austria Creditanstalt Group

by quarter

€ M	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Net interest	852	627	627	602	599
Dividend income	9	6	62	47	15
Income from investments in companies valued at equity	29	42	18	17	19
Net interest income	890	675	707	666	633
Net fee and commission income	517	381	413	457	416
Net trading income	161	34	55	94	166
Net other operating income/expenses	49	22	25	14	5
TOTAL REVENUES	1,618	1,111	1,199	1,231	1,220
Staff expenses	-502	-401	-400	-404	-401
Other administrative expenses	-275	-190	-249	-235	-230
Amortisation, depreciation and impairment losses on intangible and tangible assets	-72	-63	-50	-67	-68
OPERATING EXPENSES	-849	-653	-699	-706	-699
OPERATING PROFIT	769	458	500	525	522
Provisions for risks and charges	-18	-105	-4	-	-2
Goodwill impairment	-	-	-	-8	-
Net writedowns of loans and provisions for guarantees and commitments	-117	-287	-197	-87	-108
Net income from investments	58	1,600	6	698	10
Integration costs	-3	-248	-	-	-
PROFIT BEFORE TAX	688	1,418	305	1,128	421
Income tax	-125	75	-51	-84	-80
NET PROFIT	563	1,493	254	1,044	341
Minority interests	-29	-4	-37	-36	-34
CONSOLIDATED PROFIT	535	1,489	217	1,008	308

Key figures

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Earnings per share (in €)	3.23 2.65 ^{*)}	10.13 -	1.48 -	6.86 -	2.09 -
ROE before tax	20.7 %	61.9 %	14.6 %	56.8 %	22.3 %
ROE after tax	16.9 %	68.4 %	11.2 %	55.3 %	17.9 %
Cost/income ratio	52.5 %	58.8 %	58.3 %	57.3 %	57.3 %
Risk/earnings ratio	13.2 %	42.5 %	27.9 %	13.0 %	17.1 %

^{*)} based on the number of shares after the capital increase

Balance sheet of the Bank Austria Creditanstalt Group

at 31 March 2007

Assets

	(Notes)	31 MARCH 2007	31 DEC. 2006	CHANGE	
		€ M	€ M	€ M	IN %
Cash and cash balances		3,890	1,584	2,306	> 100
Financial assets held for trading	(10)	17,487	16,676	811	4.9
Financial assets at fair value through profit and loss	(11)	595	487	108	22.3
Available-for-sale financial assets	(12)	10,846	9,697	1,149	11.9
Held-to-maturity investments	(13)	9,399	5,772	3,628	62.9
Loans and receivables with banks	(14)	38,233	32,486	5,747	17.7
Loans and receivables with customers	(15)	100,931	80,104	20,828	26.0
Investments in associates and joint ventures		1,687	1,890	-203	-10.7
Property, plant and equipment	(16)	2,047	1,373	674	49.1
Intangible assets	(17)	2,737	1,052	1,685	> 100
Tax assets		1,141	998	143	14.3
Non-current assets and disposal groups classified as held for sale		165	15	150	> 100
Other assets	(18)	2,074	2,123	-49	-2.3
TOTAL ASSETS		191,232	154,255	36,977	24.0

Liabilities and equity

	(Notes)	31 MARCH 2007	31 DEC. 2006	CHANGE	
		€ M	€ M	€ M	IN %
Deposits from banks	(19)	55,340	48,309	7,031	14.6
Deposits from customers	(20)	79,201	54,969	24,231	44.1
Debt certificates including bonds	(21)	25,945	25,347	598	2.4
Financial liabilities held for trading	(22)	4,967	5,264	-297	-5.6
Financial liabilities at fair value through profit and loss	(23)	1,820	1,731	89	5.1
Tax liabilities		749	587	162	27.6
Liabilities included in disposal groups classified as held for sale		71	-	71	-
Other liabilities	(24)	4,118	3,394	724	21.3
Provisions	(25)	4,800	4,513	286	6.3
Insurance reserves		163	-	163	-
Equity		14,059	10,140	3,919	38.7
of which: minority interests		636	213	423	> 100
TOTAL LIABILITIES AND EQUITY		191,232	154,255	36,977	24.0

Cash flow statement

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006 ^{*)}
CASH AND CASH EQUIVALENTS AT END OF PREVIOUS PERIOD	1,584	1,859
Cash flows from operating activities	715	-56
Cash flows from investing activities	1,662	331
Cash flows from financing activities	31	-22
Effects of exchange rate changes	-102	4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,890	2,116

^{*)} The minimum reserve of BA-CA was reclassified from cash and cash balances to loans and receivables, resulting in changes in the comparative figures for the previous year.
The amount of cash and cash equivalents stated in the cash flow statement includes the cash holdings of non-current assets and disposal groups classified as held for sale.

Statement of changes in equity of the Bank Austria Creditanstalt Group

€ M	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	RESERVES IN ACCORDANCE WITH IAS 39 ^{*)}	ACTUARIAL LOSSES IN ACCORDANCE WITH IAS 19	SHARE- HOLDERS' EQUITY	MINORITY INTERESTS	EQUITY
As at 1 January 2006	1,069	2,751	3,954	-293	125	-734	6,871	650	7,521
Capital increase							-		-
Shares in controlling companies		-1					-1	2	1
Business combinations							-		-
Recognised income and expenses			308	-34	-25		249	31	280
Dividend paid							-		-
Other changes			-3				-3		-3
AS AT 31 MARCH 2006	1,069	2,750	4,258	-327	100	-734	7,116	683	7,799
*) Reserves in accordance with IAS 39									
	1 Jan. 2006	31 March 2006							
Cash flow hedge reserve	-111	-132							
Available-for-sale reserve	236	232							
Total	125	100							

€ M	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	RESERVES IN ACCORDANCE WITH IAS 39 ^{*)}	ACTUARIAL LOSSES IN ACCORDANCE WITH IAS 19	SHARE- HOLDERS' EQUITY	MINORITY INTERESTS	EQUITY
As at 1 January 2007	1,069	2,859	6,482	-73	347	-757	9,927	213	10,140
Capital increase	400	1,566					1,966		1,966
Changes in the group of consolidated companies			1,094	-149	-1		944	389	1,333
Shares in controlling companies							-		-
Business combinations							-		-
Recognised income and expenses			535	10	42		586	34	620
Dividend paid							-		-
Other changes							-		-
AS AT 31 MARCH 2007	1,469	4,425	8,111	-213	388	-757	13,423	636	14,059
*) Reserves in accordance with IAS 39									
	1 Jan. 2007	31 March 2007							
Cash flow hedge reserve	-175	-160							
Available-for-sale reserve	522	548							
Total	347	388							

Statement of recognised income and expenses

€ M	2007	2006
Gains on assets held for sale (available-for-sale reserve)	35	2
Gains on cash flow hedges (cash flow hedge reserve)	20	-32
Foreign currency translation – exchange differences	17	-39
Foreign currency translation relating to assets held for sale	-	1
Actuarial losses on defined-benefit plans	-	-
Taxes on items directly recognised in equity	-15	6
Recognised directly in equity	57	-62
Net profit	563	341
TOTAL OF INCOME AND EXPENSES RECOGNISED IN THE REPORTING PERIOD	620	280
Shareholders' equity	586	249
Minority interests	34	31

This presentation does not include the effects resulting from changes in the group of consolidated companies.

Notes to the Consolidated Financial Statements

of Bank Austria Creditanstalt

The interim report of the Bank Austria Creditanstalt Group has been prepared in accordance with International Financial Reporting Standards (IFRSs). IAS 34 was applied to the interim report. The interim report covers the first three months of 2007 (1 January 2007 to 31 March 2007) and compares this period with the same period of the previous year.

As a result of the change in Bank Austria Creditanstalt's consolidation system to meet the reporting requirements of UniCredit, some of the comparative figures for the previous year had to be determined by approximation. This does not affect the overall conformity of the interim consolidated financial statements with IFRSs.

During the reporting period, no financial instruments with a dilutive effect on the bearer shares were outstanding. Therefore basic earnings per share in accordance with IAS 33 equal diluted earnings per share in accordance with IAS 33. Based on the average number of shares outstanding, earnings per share for the first three months of 2007 were € 3.23. As the earnings of the new companies added to the group of consolidated companies are included as from 1 January 2007 (control), the calculation of the relevant figure in economic terms for earnings per share is based on the number of shares after the capital increase. Calculated on the basis of 202,031,740 shares, earnings per share for the first three months of 2007 were € 2.65 (comparative figure for the same period of the previous year before the capital increase: € 2.09). The annualised figures are € 10.58 for the reporting period and € 8.37 for the same period of the previous year before the capital increase. (Figure for the whole of 2006 based on the average number of shares in 2006: € 20.56).

In the first quarter of 2007, the following UniCredit subsidiaries were transferred to Bank Austria Creditanstalt AG:

- | | |
|---------------------------------------|---|
| – Koç Finansal Hizmetler A.Ş., Turkey | – Zagrebačka banka d.d., Croatia |
| – Bulbank AD, Bulgaria | – Živnostenská banka a.s., Czech Republic |
| – UniBanka a.s., Slovakia | – UniCredit Romania S.A., Romania |

The transfer was made in the form of a contribution in kind; in exchange, UniCredit S.p.A. received 55,000,000 new no-par value shares which do not carry dividend rights for 2006 at an issue price of € 105.33. In the IFRS financial statements, the transfer of the companies transferred as a contribution in kind was based on Group book values (totalling € 1,974.9 m), the acquired preliminary goodwill amounts to € 345.9 m. In accordance with IFRS 3, paragraph 3 (b), IFRS 3 does not apply to business combinations involving entities under common control.

Moreover, Bank Austria Creditanstalt AG, Vienna, took over from Bayerische Hypo- und Vereinsbank AG, Munich, its shareholding interest in International Moscow Bank, Moscow, for a purchase price of € 1,395.5 m. On 10 January 2007, Bank Austria Creditanstalt paid US\$ 20.4 million to VTB Bank (France) SA for its share of the capital increase at International Moscow Bank effected in the meantime. With effect from that date, BA-CA's shareholding interest in International Moscow Bank was 19.77 per cent and the total purchase price in this connection was US\$ 415.4 m. Following this transaction, Bank Austria Creditanstalt AG now holds 95.19 % of the voting share capital; preliminary goodwill of International Moscow Bank amounts to € 818.3 m. Bank Austria Creditanstalt also acquired HVB Latvia AS, Latvia, for a purchase price of € 76.2 m. The goodwill resulting from the transaction is € 11.5 m.

All companies mentioned above were included in the group of consolidated companies as from 1 January 2007.

(1) Significant accounting policies

(2) Earnings per share

(3) Changes in the group of consolidated companies in 2007

In the first quarter of 2007, a capital increase of € 484.6 m was carried out at Zagrebačka banka d.d. As a result, Bank Austria Creditanstalt's shareholding interest in Zagrebačka banka d.d., Zagreb, rose from 81.91 % to 84.49 %.

In the course of the new corporate branding process, HVB Bank Hungary and HVB Bank Latvia were renamed in the first quarter of 2007; the two banks are now operating under the name of UniCredit Bank.

Effects of changes in the group of consolidated companies

Assets	31 DEC. 2006 € M	ADDITIONS OF CONSOLIDATED SUBSIDIARIES ^{*)}	31 DEC. 2006 PRO FORMA
Cash and cash balances	1,584	1,427	3,010
Financial assets held for trading	16,676	1,153	17,829
Financial assets at fair value through profit and loss	487	101	588
Available-for-sale financial assets	9,697	1,361	11,058
Held-to-maturity investments	5,772	4,367	10,138
Loans and receivables with banks	32,486	5,987	38,472
Loans and receivables with customers	80,104	20,859	100,963
Investments in associates and joint ventures	1,890	55	1,944
Property, plant and equipment	1,373	705	2,079
Intangible assets	1,052	441	1,494
Tax assets	998	167	1,166
Non-current assets and disposal groups classified as held for sale	15	154	169
Other assets	2,123	345	2,468
TOTAL ASSETS	154,255	37,122	191,377

Liabilities and equity	31 DEC. 2006 € M	ADDITIONS OF CONSOLIDATED SUBSIDIARIES ^{*)}	31 DEC. 2006 PRO FORMA
Deposits from banks	48,309	6,905	55,213
Deposits from customers	54,969	23,870	78,839
Debt certificates including bonds	25,347	1,183	26,530
Financial liabilities held for trading	5,264	82	5,347
Financial liabilities at fair value through profit and loss	1,731	–	1,731
Tax liabilities	587	76	663
Liabilities included in disposal groups classified as held for sale	–	61	61
Other liabilities	3,394	1,114	4,508
Provisions	4,513	283	4,797
Insurance reserves	–	162	162
Equity	10,140	3,386	13,526
TOTAL LIABILITIES AND EQUITY	154,255	37,122	191,377

^{*)} incl. intercompany items

Notes

Notes to the income statement

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Interest income from	2,387	1,458
Loans and receivables and money market transactions	1,871	1,141
Financial instruments	273	163
Financial instruments held for trading	129	75
Other	114	79
Interest expenses for	-1,535	-860
Deposits	-1,231	-484
Debt certificates including bonds and other	-303	-376
NET INTEREST	852	599
Dividend income	9	15
Income from investments in companies valued at equity	29	19
NET INTEREST INCOME	890	633

(4) Net interest income

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Lending business	42	35
Other services and advisory business	348	260
Other	127	121
NET FEE AND COMMISSION INCOME	517	416

(5) Net fee and commission income

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Equity-related transactions	55	87
Interest-rate and currency-related transactions	106	79
NET TRADING INCOME	161	166

(6) Net trading income

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Other operating income	57	23
Other operating expenses	-8	-18
NET OTHER OPERATING INCOME/EXPENSES	49	5

(7) Net other operating income / expenses

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Staff expenses	502	401
Wages and salaries	346	290
Social security contributions	90	60
Expenses for retirement benefits and other benefits	66	51
Other administrative expenses	275	230
Amortisation, depreciation and impairment losses on intangible and tangible assets	72	68
OPERATING EXPENSES	849	699

(8) Operating expenses

€ M	1 JAN. – 31 MARCH 2007	1 JAN. – 31 MARCH 2006
Allocations to provisions	201	205
Releases from provisions	-87	-91
Recoveries of loans and receivables previously written off	-7	-13
Direct write-offs	11	7
NET WRITEDOWNS OF LOANS AND PROVISIONS FOR GUARANTEES AND COMMITMENTS	117	108

(9) Net writedowns of loans and provisions for guarantees and commitments

Notes to the balance sheet

(10) Financial assets held for trading

€ M	31 MARCH 2007			31 DEC. 2006
	LISTED	UNLISTED	TOTAL	
Financial assets (non-derivatives)	9,845	2,426	12,272	11,085
Debt securities	9,323	1,537	10,860	9,603
Equity instruments and other securities	523	889	1,412	1,483
Positive market values of derivative financial instruments	91	5,124	5,215	5,590
TOTAL	9,937	7,550	17,487	16,676

(11) Financial assets at fair value through profit and loss

€ M	31 MARCH 2007			31 DEC. 2006
	LISTED	UNLISTED	TOTAL	
Debt securities	218	44	262	204
Equity instruments and other securities	16	317	333	283
TOTAL	234	361	595	487

In the first three months of 2007, the positive effect in the Bank Austria Creditanstalt Group's income statement from financial assets at fair value through profit and loss was € 2 m.

(12) Available-for-sale financial assets

€ M	31 MARCH 2007			31 DEC. 2006
	LISTED	UNLISTED	TOTAL	
Debt securities	5,052	2,001	7,053	5,739
Equity instruments and other securities	194	3,599	3,793	3,958
TOTAL	5,246	5,600	10,846	9,697

(13) Held-to-maturity investments

€ M	31 MARCH 2007	31 DEC. 2006
Debt securities	9,399	5,772

(14) Loans and receivables with banks – breakdown by product

€ M	31 MARCH 2007	31 DEC. 2006
Loans to central banks	3,993	1,409
Loans to banks	34,240	31,077
Current accounts and demand deposits	4,845	4,368
Money market placements	29,395	26,710
TOTAL	38,233	32,486
Loan loss provisions deducted from loans and receivables	36	6

Notes

Notes to the balance sheet continued

€ M	31 MARCH 2007	31 DEC. 2006
Loans	72,201	54,984
Current accounts	14,047	14,042
Credit cards and personal loans	8,321	5,464
Finance leases	6,362	5,613
TOTAL	100,931	80,104
Loan loss provisions deducted from loans and receivables	3,545	2,655

(15) Loans and receivables with customers – breakdown by product

€ M	31 MARCH 2007	31 DEC. 2006
Assets for operational use	1,549	839
Owned	1,495	785
Land and buildings	1,073	570
Other	422	215
Leased	55	54
Investment property	498	535
TOTAL	2,047	1,373

(16) Property, plant and equipment

€ M	31 MARCH 2007	31 DEC. 2006
Goodwill	2,395	836
Other intangible assets	342	217
TOTAL	2,737	1,052

(17) Intangible assets

€ M	31 MARCH 2007	31 DEC. 2006
Positive market values of derivative hedging instruments	1,017	1,207
Other	1,057	916
TOTAL	2,074	2,123

(18) Other assets

€ M	31 MARCH 2007	31 DEC. 2006
Deposits from central banks	9,081	7,554
Deposits from banks	46,259	40,754
Current accounts and demand deposits	9,069	8,714
Money market deposits by banks	37,190	32,040
TOTAL	55,340	48,309

(19) Deposits from banks

€ M	31 MARCH 2007	31 DEC. 2006
Current accounts and demand deposits	34,048	27,172
Other liabilities	45,153	27,797
TOTAL	79,201	54,969

(20) Deposits from customers

(21) Debt certificates including bonds

€ M	31 MARCH 2007	31 DEC. 2006
Listed securities	12,802	12,005
Bonds	12,400	11,600
Other securities	402	405
Unlisted securities	13,142	13,342
Bonds	10,836	10,859
Other securities	2,307	2,484
<i>of which: certificates of deposit</i>	<i>1,846</i>	<i>2,339</i>
TOTAL	25,945	25,347
<i>of which: subordinated liabilities</i>	<i>5,650</i>	<i>5,385</i>

(22) Financial liabilities held for trading

€ M	31 MARCH 2007			31 DEC. 2006
	LISTED	UNLISTED	TOTAL	
Negative fair values of derivative financial instruments	159	4,690	4,849	5,194
Other	40	78	118	70
TOTAL	199	4,769	4,967	5,264

(23) Financial liabilities at fair value through profit and loss

€ M	31 MARCH 2007			31 DEC. 2006
	LISTED	UNLISTED	TOTAL	
Debt securities	191	1,629	1,820	1,731

On balance, a positive change of € 8 m in the fair values of other debt securities totalling € 1,820 m was recognised in the income statement. In the first three months of 2007, changes in fair values resulting from changes in BA-CA's own credit rating (debt certificates including bonds, and financial liabilities at fair value through profit and loss) were € 3.1 m.

(24) Other liabilities

€ M	31 MARCH 2007	31 DEC. 2006
Negative market values of derivative hedging instruments	1,385	1,440
Other	2,733	1,954
TOTAL	4,118	3,394

(25) Provisions

€ M	31 MARCH 2007	31 DEC. 2006
Provisions for retirement benefits and similar obligations	3,751	3,714
Other provisions	1,048	799
TOTAL	4,800	4,513

Notes

Additional IFRS disclosures

In the first quarter of 2007 and in the year 2006, the BA-CA Group employed the following average numbers of staff (full-time equivalents*):

Employees

	Q1 2007	2006
Salaried staff	34,187	30,884
Other employees	101	109
TOTAL	34,288	30,993
<i>of which: in Austria</i>	<i>10,952</i>	<i>11,118</i>
<i>of which: abroad</i>	<i>23,336</i>	<i>19,875</i>

*) Average full-time equivalents of staff employed in the BA-CA Group (consolidated companies, Turkey at 100%), excluding apprentices and employees on unpaid sabbatical or maternity/paternity leave

(26) Employees

In Slovakia, HVB Bank Slovakia a.s. and UniBanka a.s. merged as at 1 April 2007. The name of the merged bank is UniCredit Bank a.s.

The Austrian Federal Ministry of Social Affairs and Consumer Protection confirmed, by its decision of 26 April 2007, that an internal service regulation agreed in February 2007 is equivalent to the "BA-CA ASVG pension equivalent". The resulting actuarial effects are currently being determined.

The Bulgarian banking subsidiaries of Bank Austria Creditanstalt – Bulbank, HVB Bank Biochim and Hebros Bank – merged to form the new UniCredit Bulbank as at 27 April 2007 after official confirmation by the competent authorities. The bank's official name will be UniCredit Bulbank AD.

At the Annual General Meeting on 3 May 2007, a resolution was adopted with a majority of 98.6 per cent of the voting rights to transfer to UniCredit S.p.A. the BA-CA bearer shares held by minority shareholders against a cash compensation of € 129.40 pursuant to Section 1 of the Austrian Squeeze-out Act.

(27) Events after the date of the interim financial statements

Segment reporting and quarterly data

The primary segment reporting format is based on the internal reporting structure of business segments, which reflects management responsibilities in the Bank Austria Creditanstalt Group in 2007. The business segments are presented as independent units with their own capital resources and responsibility for their own results.

The definition of business segments is primarily based on organisational responsibility for customers.

Retail

Responsibility for the Retail Division covers Bank Austria Creditanstalt AG's business with private customers and small businesses and the credit card business.

Private Banking & Asset Management

The Private Banking & Asset Management Division comprises the subsidiaries BANKPRIVAT, Schoellerbank AG, Asset Management Gesellschaft AMG and Pioneer Investments Austria.

Corporates

The Corporates Division covers the sub-segment Large Corporates (multinational corporates, financial institutions, public sector) and Real Estate, business with medium-sized companies and cus-

(28) Segment reporting

tomers using specific products (e.g. derivatives) as well as the activities of BA-CA Wohnbaubank AG, BA-CA Real Invest GmbH and the leasing business of the Bank Austria Creditanstalt Leasing Group. The subsidiary CA IB Corporate Finance has been allocated to the Markets & Investment Banking Division with effect from 2007.

CEE

The CEE business segment includes the commercial banking units of the Bank Austria Creditanstalt Group in the region of Central and Eastern Europe. From 2007, the CEE segment also includes the CEE units transferred from UniCredit and HVB to the Bank Austria Creditanstalt Group. Corporate finance business for CEE customers is being transferred to the Markets & Investment Banking Division.

Markets & Investment Banking

The Markets & Investment Banking Division essentially comprises the treasury activities of Bank Austria Creditanstalt AG. With effect from the beginning of 2007, this Division also includes the business of CA IB Corporate Finance (previously included in the Corporates Division) and the corporate finance business for CEE customers.

Corporate Center

“Corporate Center” covers all equity interests that are not assigned to other segments. Also included are inter-segment eliminations and other items which cannot be assigned to other business segments.

Methods

Net interest income is split up according to the market interest rate method. Costs are allocated to the individual business segments from which they arise. Goodwill arising on acquisitions is also assigned to the individual business segments.

The result of each business segment is measured by the profit before tax and the net profit after tax earned by the respective segment. In addition to the cost/income ratio, the return on equity is one of the key ratios used for controlling the business segments. The segment reporting data also show the net profit after tax.

The interest rate applied to investment of equity allocated to the business segments corresponds to the 3-month EURIBOR plus a margin of the average 5-year UniCredit credit spread. The rate applied to the business segments for investment of equity is determined for one year as part of the budgeting process.

Overhead costs are allocated proportionately to direct and indirect costs.

Capital allocated to the business segments in BA-CA AG previously amounted to 7% of risk-weighted assets. This previously uniform percentage rate was changed with effect from the beginning of 2007; the bank uses differentiated percentage rates according to the individual business segments:

Retail	6.00%
Private Banking & Asset Management	5.90%
Corporates	6.45%
CEE	6.45%
Markets & Investment Banking	6.80%

Capital allocation to subsidiaries reflects the equity capital actually available.

Notes

Additional IFRS disclosures continued

Segment reporting Q1 2007 / Q4 2006 / Q3 2006 / Q2 2006 / Q1 2006

€ M		RETAIL DIVISION	PRIVATE BANKING & ASSET MANAGEMENT DIVISION	CORPORATES DIVISION	CENTRAL EASTERN EUROPE DIVISION	MARKETS & INVESTMENT BANKING DIVISION	CORPORATE CENTER	BA-CA GROUP
Net interest income	Q1 2007	185	4	161	472	43	25	890
	Q4 2006	184	4	186	238	47	16	675
	Q3 2006	196	4	150	274	46	36	707
	Q2 2006	198	3	158	257	17	33	666
	Q1 2006	189	3	159	279	14	-12	633
Net fee and commission income	Q1 2007	144	33	104	207	35	-6	517
	Q4 2006	146	28	102	92	17	-3	381
	Q3 2006	125	32	77	165	18	-4	413
	Q2 2006	131	33	105	172	27	-11	457
	Q1 2006	133	32	90	159	9	-7	416
Net trading income	Q1 2007	-	-	-	52	85	24	161
	Q4 2006	-	-	-2	-5	27	13	33
	Q3 2006	-	-	2	22	20	9	54
	Q2 2006	-1	-1	-	60	45	-11	93
	Q1 2006	-1	-	-1	28	108	31	166
Net other operating income/expenses	Q1 2007	-7	7	15	16	4	15	49
	Q4 2006	-4	12	2	-1	1	11	22
	Q3 2006	-8	6	14	-9	2	20	25
	Q2 2006	-1	8	8	-1	2	-1	14
	Q1 2006	-6	5	7	-5	1	3	5
Net non-interest income	Q1 2007	137	40	119	275	123	32	728
	Q4 2006	142	40	102	86	45	21	436
	Q3 2006	118	38	94	178	40	25	493
	Q2 2006	129	40	114	231	74	-23	565
	Q1 2006	126	38	96	182	118	27	588
TOTAL REVENUES	Q1 2007	322	45	280	747	166	58	1,618
	Q4 2006	326	44	288	324	92	36	1,111
	Q3 2006	314	42	244	451	87	61	1,199
	Q2 2006	327	43	272	488	91	10	1,232
	Q1 2006	316	41	255	461	132	16	1,220
OPERATING EXPENSES	Q1 2007	-235	-23	-101	-380	-60	-52	-849
	Q4 2006	-172	-32	-113	-195	-54	-87	-653
	Q3 2006	-267	-24	-110	-231	-37	-30	-699
	Q2 2006	-264	-25	-115	-251	-45	-6	-706
	Q1 2006	-275	-25	-98	-240	-30	-31	-699
OPERATING PROFIT	Q1 2007	88	22	179	368	106	6	769
	Q4 2006	154	13	175	129	37	-50	458
	Q3 2006	47	18	134	220	49	32	500
	Q2 2006	63	19	157	238	46	3	526
	Q1 2006	41	16	157	221	102	-15	522
Provisions for risks and charges	Q1 2007	-2	-	-	-14	-2	-	-18
	Q4 2006	-10	-	-	-2	-6	-88	-105
	Q3 2006	5	-	-	-5	-	-3	-4
	Q2 2006	-1	-	1	3	-	-3	-
	Q1 2006	-	-1	-	-2	-	-	-2

€ M		RETAIL DIVISION	PRIVATE BANKING & ASSET MANAGEMENT DIVISION	CORPORATES DIVISION	CENTRAL EASTERN EUROPE DIVISION	MARKETS & INVESTMENT BANKING DIVISION	CORPORATE CENTER	BA-CA GROUP
Goodwill impairment	Q1 2007	–	–	–	–	–	–	–
	Q4 2006	–	–	–	–	–	–	–
	Q3 2006	–	–	–	–	–	–	–
	Q2 2006	–8	–	–	–	–	–	–8
	Q1 2006	–	–	–	–	–	–	–
Net writedowns of loans and provisions for guarantees and commitments	Q1 2007	–51	–	–17	–50	–	–	–117
	Q4 2006	–169	–	–73	–44	1	–2	–287
	Q3 2006	–142	–	–23	–29	–	–3	–197
	Q2 2006	–55	–	–4	–30	1	1	–87
	Q1 2006	–49	–	–23	–38	–	2	–108
Net income from investments	Q1 2007	12	–	2	3	1	39	58
	Q4 2006	1	–	–1	4	–	1,595	1,600
	Q3 2006	2	–1	–1	10	2	–7	6
	Q2 2006	–	–	4	–6	5	695	698
	Q1 2006	1	–	5	–3	–	6	10
Integration costs	Q1 2007	–	–	–	–2	–	–	–3
	Q4 2006	–1	–1	–	–12	–31	–203	–248
	Q3 2006	–	–	–	–	–	–	–
	Q2 2006	–	–	–	–	–	–	–
	Q1 2006	–	–	–	–	–	–	–
PROFIT BEFORE TAX	Q1 2007	48	22	164	305	105	45	688
	Q4 2006	–24	11	101	76	1	1,253	1,418
	Q3 2006	–87	17	109	196	51	19	305
	Q2 2006	–1	19	158	204	53	696	1,128
	Q1 2006	–6	16	139	179	102	–8	421
Income tax	Q1 2007	–12	–6	–38	–59	–24	14	–125
	Q4 2006	10	1	–24	–16	–10	114	75
	Q3 2006	21	–4	–25	–38	–9	4	–51
	Q2 2006	1	–4	–35	–45	–9	8	–84
	Q1 2006	2	–4	–31	–35	–18	6	–80
NET PROFIT	Q1 2007	36	16	126	246	80	59	563
	Q4 2006	–14	12	78	60	–9	1,367	1,493
	Q3 2006	–67	13	85	158	43	23	254
	Q2 2006	–	14	122	159	44	705	1,044
	Q1 2006	–4	12	108	144	84	–2	341
Risk-weighted assets (average, Austrian Banking Act)	Q1 2007	16,563	441	31,554	43,673	4,431	4,613	101,275
	Q4 2006	17,051	455	32,602	21,056	3,290	4,291	78,745
	Q3 2006	16,690	404	32,735	25,281	3,206	3,788	82,104
	Q2 2006	16,231	400	30,909	26,739	3,287	2,209	79,776
	Q1 2006	16,282	504	30,827	25,805	3,281	1,768	78,467
Equity allocated (average)	Q1 2007	1,056	233	2,301	6,611	429	2,669	13,300
	Q4 2006	1,191	208	2,510	3,486	318	1,452	9,166
	Q3 2006	1,206	170	2,550	3,172	309	960	8,367
	Q2 2006	1,163	148	2,373	3,950	378	–67	7,946
	Q1 2006	1,177	163	2,442	3,948	240	–422	7,548

Notes

Additional IFRS disclosures continued

€ M		RETAIL DIVISION	PRIVATE BANKING & ASSET MANAGEMENT DIVISION	CORPORATES DIVISION	CENTRAL EASTERN EUROPE DIVISION	MARKETS & INVESTMENT BANKING DIVISION	CORPORATE CENTER	BA-CA GROUP
<i>Return on equity before tax in %</i>	<i>Q1 2007</i>	18.1	37.3	28.5	18.5	97.7	<i>n.m.^{*)}</i>	20.7
	<i>Q4 2006</i>	−8.2	21.5	16.2	8.7	0.9	<i>n.m.</i>	61.9
	<i>Q3 2006</i>	−29.0	40.7	17.2	24.7	66.5	<i>n.m.</i>	14.6
	<i>Q2 2006</i>	−0.3	50.7	26.6	20.6	55.7	<i>n.m.</i>	56.8
	<i>Q1 2006</i>	−2.2	38.3	22.7	18.1	170.0	<i>n.m.</i>	22.3
<i>Return on equity after tax before deduction of minority interests in %</i>	<i>Q1 2007</i>	13.7	27.5	21.9	14.9	75.0	<i>n.m.</i>	16.9
	<i>Q4 2006</i>	−4.7	22.8	12.4	6.9	−11.8	<i>n.m.</i>	65.2
	<i>Q3 2006</i>	−22.2	31.0	13.3	19.9	55.0	<i>n.m.</i>	12.2
	<i>Q2 2006</i>	0.1	38.7	20.6	16.1	46.1	<i>n.m.</i>	52.6
	<i>Q1 2006</i>	−1.4	29.2	17.6	14.5	140.3	<i>n.m.</i>	18.1
<i>Cost/income ratio in %</i>	<i>Q1 2007</i>	72.8	51.1	36.0	50.8	36.0	<i>n.m.</i>	52.5
	<i>Q4 2006</i>	52.8	71.4	39.2	60.2	59.3	<i>n.m.</i>	58.8
	<i>Q3 2006</i>	85.0	57.0	45.0	51.3	43.2	<i>n.m.</i>	58.3
	<i>Q2 2006</i>	80.7	57.1	42.4	51.3	49.3	<i>n.m.</i>	57.3
	<i>Q1 2006</i>	87.1	60.2	38.4	52.1	23.0	<i>n.m.</i>	57.3
<i>Risk/earnings ratio in %</i>	<i>Q1 2007</i>	27.3	<i>n.m.</i>	10.7	10.5	—	<i>n.m.</i>	13.2
	<i>Q4 2006</i>	91.6	<i>n.m.</i>	39.2	18.5	1.4	<i>n.m.</i>	42.5
	<i>Q3 2006</i>	72.2	<i>n.m.</i>	15.5	10.6	0.6	<i>n.m.</i>	27.9
	<i>Q2 2006</i>	27.8	<i>n.m.</i>	2.6	11.7	6.2	<i>n.m.</i>	13.0
	<i>Q1 2006</i>	25.6	<i>n.m.</i>	14.7	13.5	—	<i>n.m.</i>	17.1

^{*)} not meaningful

Information required under Austrian law

(29) Consolidated capital resources and regulatory capital requirements

Capital resources and capital requirements of the Bank Austria Creditanstalt group of credit institutions

€ M	31 MARCH 2007	31 DEC. 2006
Core capital (Tier 1)	10,407	8,501
<i>Paid-in capital</i>	1,469	1,069
<i>Capital reserve</i>	7,547	2,154
<i>Revenue reserve</i>	1,056	1,054
<i>Reserve pursuant to Section 23 (6) of the Austrian Banking Act</i>	2,072	2,072
<i>Untaxed reserves</i>	83	83
<i>Differences on consolidation pursuant to Section 24 (2) of the Austrian Banking Act</i>	- 3,342	225
<i>Fund for general banking risks</i>	2,150	2,150
<i>- Intangible assets</i>	- 629	- 306
Supplementary elements (Tier 2)	4,520	3,158
<i>Undisclosed reserves</i>	99	9
<i>Supplementary capital</i>	924	912
<i>Participation capital</i>	-	-
<i>Revaluation reserve</i>	68	57
<i>Subordinated capital</i>	3,429	2,180
Deductions	- 954	- 886
NET CAPITAL RESOURCES (TIER 1 PLUS TIER 2 MINUS DEDUCTIONS)	13,973	10,773
REQUIREMENT FOR THE BANKING BOOK	7,712	5,851
Assessment basis (banking book)	96,400	73,136
<i>Tier 1 capital ratio</i>	10.80 %	11.62 %
<i>Total capital ratio</i>	14.49 %	14.73 %
AVAILABLE TIER 3	496	496
Requirement for the trading book and for open foreign exchange positions	336	245
REQUIREMENT COVERED BY TIER 3	336	245

Capital requirements of the Bank Austria Creditanstalt group of credit institutions pursuant to the Austrian Banking Act as at 31 March 2007

€ M RISK WEIGHTINGS	ASSETS AND OFF-BALANCE SHEET POSITIONS	WEIGHTED AMOUNTS	CAPITAL REQUIREMENT
0 %	41,439	-	-
10 %	1,072	107	9
20 %	14,744	2,949	236
50 %	19,281	9,640	771
100 %	71,491	71,491	5,719
Investment certificates	1,435	579	46
ASSETS	149,462	84,766	6,781
Off-balance sheet positions	51,368	11,615	929
Special off-balance sheet positions	10,031	19	2
BANKING BOOK	210,861	96,400	7,712

Income Statement

of our Consolidated Banking Subsidiaries in CEE¹⁾

€ M	TURKEY ²⁾			RUSSIA			CROATIA		
	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%
Net interest income	114.1	105.5	+ 8 %	76.9	57.6	+ 34 %	65.0	66.3	- 2 %
Net fee and commission income	52.0	50.7	+ 3 %	25.0	9.5	>100 %	26.3	22.8	+ 15 %
Net trading income	6.8	3.7	+ 86 %	5.7	24.6	- 77 %	5.6	3.5	+ 63 %
Net other operating income/expenses	10.7	5.1	>100 %	1.7	0.0	-	3.1	2.9	+ 5 %
Net non-interest income	69.5	59.4	+ 17 %	32.4	34.1	- 5 %	35.0	29.2	+ 20 %
TOTAL REVENUES	183.6	164.9	+ 11 %	109.3	91.7	+ 19 %	100.0	95.5	+ 5 %
OPERATING EXPENSES	-92.2	-89.7	+ 3 %	-40.6	-34.1	+ 19 %	-56.6	-59.9	- 5 %
OPERATING PROFIT	91.4	75.2	+ 21 %	68.7	57.6	+ 19 %	43.4	35.6	+ 22 %
Provisions for risk and charges	-13.4	-6.1	>100 %	0.0	0.0	-	-0.5	-0.3	+ 67 %
Net writedowns on loans	-9.9	-7.9	+ 24 %	-7.2	-4.0	+ 83 %	-1.4	-5.9	- 76 %
Net income from investments	0.4	0.7	- 47 %	0.0	0.0	-	1.2	1.6	- 24 %
Integration costs	-0.1	0.0	-	0.0	0.0	-	0.0	0.0	-
PROFIT BEFORE TAX	68.3	61.9	+ 10 %	61.4	53.7	+ 14 %	42.7	31.0	+ 38 %

Cost/income ratio	50.2 %	54.4 %		37.2 %	37.2 %		56.6 %	62.7 %	
Exchange rate	1.849	1.597		34.479	33.730		7.366	7.342	
Appreciation/depreciation against the euro	- 14 %			- 2 %			0 %		

€ M	CZECH REPUBLIC			SLOVAKIA			SLOVENIA		
	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%
Net interest income	49.6	43.7	+ 14 %	19.7	18.3	+ 7 %	7.8	7.8	- 0 %
Net fee and commission income	25.8	23.9	+ 8 %	5.6	6.4	- 12 %	4.2	3.7	+ 12 %
Net trading income	0.6	5.8	- 90 %	7.3	- 1.1	-	0.7	- 0.5	-
Net other operating income/expenses	0.4	- 0.9	-	0.6	0.0	-	0.0	0.0	-
Net non-interest income	26.9	28.9	- 7 %	13.5	5.3	>100 %	4.8	3.2	+ 53 %
TOTAL REVENUES	76.5	72.6	+ 5 %	33.2	23.6	+ 40 %	12.7	11.0	+ 15 %
OPERATING EXPENSES	-34.5	-33.4	+ 3 %	-17.0	-15.4	+ 11 %	-6.9	-6.3	+ 9 %
OPERATING PROFIT	42.0	39.2	+ 7 %	16.2	8.3	+ 95 %	5.7	4.7	+ 23 %
Provisions for risk and charges	0.0	0.0	-	0.0	1.3	-	0.0	0.0	-
Net writedowns on loans	-4.1	-5.1	- 20 %	-1.6	-1.7	- 1 %	-1.1	-1.0	+ 14 %
Net income from investments	0.0	-5.3	-	0.3	1.2	- 76 %	0.0	0.2	-
Integration costs	-0.2	0.0	-	-0.2	0.0	-	0.0	0.0	-
PROFIT BEFORE TAX	37.8	28.8	+ 31 %	14.7	9.2	+ 60 %	4.6	3.9	+ 19 %

Cost/income ratio	45.1 %	46.0 %		51.2 %	64.9 %		54.7 %	57.5 %	
Exchange rate	28.037	28.581		34.347	37.497				
Appreciation/depreciation against the euro	2 %			9 %					

1) Q1 2006 pro forma

2) pro quota

BULGARIA			ROMANIA			HUNGARY					
Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%			
44.9	38.6	+ 16 %	22.9	32.3	− 29 %	35.1	28.4	+ 23 %			
17.5	12.8	+ 36 %	18.9	14.6	+ 29 %	18.3	13.8	+ 33 %			
1.7	4.1	− 58 %	17.5	4.8	>100 %	4.9	3.0	+ 65 %			
0.6	1.2	− 47 %	− 1.3	− 0.1	−	0.0	0.0	−			
19.9	18.2	+ 9 %	35.2	19.3	+ 82 %	23.2	16.7	+ 39 %			
64.7	56.8	+ 14 %	58.1	51.6	+ 13 %	58.3	45.2	+ 29 %			
− 27.0	− 26.2	+ 3 %	− 28.5	− 25.0	+ 14 %	− 28.6	− 21.3	+ 34 %			
37.7	30.6	+ 23 %	29.5	26.5	+ 11 %	29.7	23.9	+ 24 %			
0.1	0.3	− 66 %	0.0	0.0	−	0.0	0.0	−			
− 6.8	− 4.0	+ 69 %	− 5.0	− 7.9	− 37 %	− 3.9	− 3.0	+ 27 %			
0.2	6.2	− 97 %	0.1	− 0.2	−	1.1	0.0	−			
0.0	0.0	−	− 0.1	− 0.4	− 83 %	− 1.0	0.0	−			
31.1	33.1	− 6 %	24.6	18.1	+ 36 %	25.9	20.9	+ 24 %			
41.8 %	46.0 %		49.1 %	48.5 %		49.0 %	47.1 %				
1.956	1.956		3.381	3.574		252.318	256.138				
0 %			6 %			2 %					
BOSNIA			SERBIA			BALTICS			CEE BANKS TOTAL		
Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%	Q1 2007	Q1 2006	%
18.3	7.5	>100 %	8.2	6.5	+ 28 %	2.8	4.4	− 37 %	465	417	+ 12 %
7.2	4.0	+ 80 %	3.9	2.7	+ 45 %	0.1	0.7	− 89 %	205	166	+ 24 %
0.8	0.0	−	1.2	1.6	− 27 %	− 0.7	0.4	−	52	50	+ 4 %
0.3	0.8	− 61 %	− 0.1	− 0.1	− 28 %	0.0	0.0	− 88 %	16	9	+ 82 %
8.3	4.8	+ 72 %	5.0	4.2	+ 19 %	− 0.6	1.1	−	273	224	+ 22 %
26.5	12.3	>100 %	13.3	10.7	+ 24 %	2.2	5.5	− 60 %	738	641	+ 15 %
− 17.8	− 8.2	>100 %	− 7.0	− 6.0	+ 17 %	− 1.3	− 4.3	− 69 %	− 358	− 330	+ 9 %
8.7	4.1	>100 %	6.2	4.6	+ 34 %	0.9	1.2	− 28 %	380	311	+ 22 %
− 0.1	0.0	−	0.0	0.0	−	0.0	0.0	−	− 14	− 5	>100 %
0.7	− 1.8	−	− 1.1	− 2.3	− 53 %	0.6	− 0.8	−	− 41	− 45	− 10 %
0.0	0.0	−	0.0	0.0	+ 50 %	0.0	0.0	−	3	4	− 25 %
− 0.4	0.0	−	0.0	0.0	−	− 0.4	0.0	−	− 2	0	>100 %
9.0	2.4	>100 %	5.1	2.3	>100 %	1.1	0.5	>100 %	326	265	+ 23 %
67.2 %	66.5 %		53.1 %	56.6 %		59.4 %	77.5 %		48.5 %	51.5 %	
1.956	1.956		80.042	87.045							
0 %			9 %								

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Ratings

	LONG-TERM	SUBORDINATED LIABILITIES	SHORT-TERM
Moody's ¹⁾	Aa2	Aa3	P-1
Standard & Poor's ²⁾	A+	A	A-1

1) Grandfathered debt remains rated Aa2, subordinated debt rating remains Aa3.

2) Grandfathered debt and subordinated debt rating remain rated AA+.

Financial calendar

11 May 2007 Dividend payment date

3 August 2007 Results for the first six months of 2007

13 November 2007 Results for the first nine months of 2007

All information is available electronically at <http://ir.ba-ca.com>

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Notes

This report contains forward-looking statements relating to the future performance of Bank Austria Creditanstalt. These statements reflect estimates which we have made on the basis of all information available to us at present. Should the assumptions underlying forward-looking statements prove incorrect, or should risks – such as those mentioned in the risk report – materialise to an extent not anticipated, actual results may vary from those expected at present. Market share data are based on the most recent information available at the editorial close of the Interim Report.

"Bank Austria Creditanstalt" (BA-CA) as used in this report refers to the group of consolidated companies. "Bank Austria Creditanstalt AG" as used in this report refers to the parent company. In adding up rounded figures and calculating the percentage rates of changes, slight differences may result compared with totals and rates arrived at by adding up component figures which have not been rounded off.

Disclaimer

This edition of our Interim Report is prepared for the convenience of our English-speaking readers. It is based on the German original, which is the authentic version and takes precedence in all legal aspects.

Editorial close of this Interim Report

9 May 2007