

Consolidated Financial Results as at September 30, 2016

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Bank Austria's results for the first nine months of 2016:

Bank Austria posts net profit of EUR 1.2 billion for the first nine months

- **Sound operating performance from customer business despite market interest rates which are at a historically low level and persistently weak economic trends**
 - Lending volume up by 1 per cent to EUR 118 billion compared with the previous year
 - Customer deposits grow by 2 per cent to EUR 114 billion¹
- **Operating costs continue to decline thanks to strict cost management**
- **Net write-downs of loans down by a substantial 45 per cent to EUR 419 million, reflecting excellent risk management and generally positive trends in CEE and Austria**
- **Total charge for bank levies and other systemic charges up by EUR 40 million to EUR 272 million, a year-on-year increase of 17 per cent**
- **Net profit amounts to EUR 1.2 billion; the increase of EUR 493 million over the same period of the previous year is due to three factors:**
 - Operating income rises by 6 per cent or EUR 244 million to EUR 4.6 billion
 - Net write-downs of loans decline by 45 per cent or EUR 338 million to EUR 419 million
 - Operating costs further reduced by EUR 56 million compared with the same period of the previous year
- **Total capital ratio² up by 181 basis points on year-end 2015, to 16.7 per cent; Common Equity Tier 1 capital ratio² up by 185 basis points to 12.9 per cent**
- **Excellent direct funding ratio underlines the bank's strong liquidity position**
 - Loans to customers funded with customer deposits and the bank's own issues to the extent of 118.0 per cent

¹ Year-on-year comparisons for customer loans and customer deposits adjusted for changes in the consolidation perimeter

² Capital ratios have been calculated pursuant to Basel 3 transitional arrangements; net profit for the first six months of 2016 is included in regulatory capital and in capital ratios. Moreover, the capital base includes the shareholder contribution of EUR 1 bn received from UniCredit S.p.A. in August 2016.

Items in the income statement³

Net interest continued to be the most important income component, accounting for 55.7 per cent of total operating income. In the first nine months of 2016, net interest was EUR 2,540 million; despite the persistently low interest rate environment, net interest remained stable compared with the same period of the previous year (1-9 2015: EUR 2,542 million), due to volume growth.

Dividend income and other income from equity investments increased by 26.1 per cent to EUR 431 million (1-9 2015: EUR 342 million). The largest item within the total figure is the contribution from the Turkish joint venture.

Net fees and commissions declined slightly, by EUR 11 million or 1.1 per cent, to EUR 1,053 million (1-9 2015: EUR 1,064 million).

Net trading, hedging and fair value income was EUR 375 million, up by 21.4 per cent on the same period of the previous year (1-9 2015: 309 Millionen Euro). The increase was mainly due to proceeds from the sale of the equity interest in Visa-Europe.

Total **operating income** in the first nine months of 2016 was EUR 4,561 million, an increase of 5.6 per cent over the same period of the previous year (1-9 2015: EUR 4,317 million) which is mainly due to significantly higher dividend income and other income from equity investments and to the improvement in net trading income.

Operating costs were reduced by 2.5 per cent to EUR 2,228 million (1-9 2015: EUR 2,284 million) thanks to strict cost management and further efficiency enhancement.

Operating profit for the first nine months of 2016 was EUR 2,333 million, up by 14.7 per cent on the same period of the previous year (1-9 2015: EUR 2,034 million), mainly as a result of revenue growth in CEE, cost reductions in Austria and the proceeds from the sale of the equity interest in Visa-Europe.

Net write-downs of loans and provisions for guarantees and commitments in the first nine months of 2016 were EUR 419 million, down by 44.6 per cent on the same period of the previous year (1-9 2015: EUR 757 million). In Austria, a favourable trend in Retail Banking and large recoveries on loans previously written off

³ To ensure comparability, the comparative figures for the first nine months of 2015 have been adjusted. The income statement items relating to UkrSotsbank continue to be reflected in the item "Total profit or loss after tax from discontinued operations". Results include the CEE Division, which was demerged from UniCredit Bank Austria AG as at 30 September 2016. In the full-year results for 2016, the CEE Division's results for the first nine months will be included in the item "Total profit or loss after tax from discontinued operations".

resulted in a net release of loan loss provisions of EUR 60 million in the first nine months of 2016. The provisioning charge in CEE declined by 36.5 per cent to EUR 479 million (1-9 2015: EUR 754 million), reflecting the favourable trend in lending business recorded in almost all countries in Central and Eastern Europe.

Net operating profit – i.e. operating profit less net write-downs of loans, the key measure of operating performance – rose by 49.9 per cent to EUR 1,915 million in the first nine months of 2016 (1-9 2015: EUR 1,277 million), due to excellent risk management, cost reductions and the sale of the equity interest in Visa-Europe.

Cost growth in the operating divisions was successfully contained through strict cost management. These efforts were offset, however, by further increases in bank levies and other systemic charges. These charges, shown among non-operating income and expenses in the item "Systemic charges", were largely recognised in the first quarter of 2016 for the full year.

The balance of **non-operating income/expenses** between net operating profit and profit before tax in the first nine months of 2016 was a net charge of EUR 468 million compared with a net charge of EUR 287 million for the same period of the previous year. Within the non-operating items, the largest single item was the addition to the provision for the transfer of the defined-benefit obligation for active employees to the Austrian state pension system; the provision had to be increased by EUR 444 million following the amendment to the Austrian General Social Insurance Act passed by the Austrian parliament. Integration/restructuring costs in the first nine months of 2016 amounts to minus EUR 218 million, mainly due to the aforementioned increase of the provision.

Among the non-operating items, costs were also driven by **bank levies and other systemic charges**, which rose by a combined 17.2 per cent or EUR 40 million to EUR 272 million (1-9 2015: EUR 233 million) as a result of the rules at EU level concerning contributions to bank resolution funds and deposit guarantee schemes, under which the relevant charges had to be largely recognised in the first quarter for the full year 2016. The total charge for bank levies and other systemic charges has reached a level that is equal to about one-quarter of total payroll costs in Austria and CEE.

In Austria, bank levies and other systemic charges totalled EUR 159 million, of which EUR 102 million related to the bank levy (1-9 2015: EUR 99 million) and EUR 57 million related to contributions to the deposit guarantee scheme and the bank resolution fund. In CEE the total charge was EUR 114 million, of which bank levies (in Hungary and in the Czech Republic and Slovakia) accounted for EUR 19 million and other systemic charges totalled EUR 95 million. Within this total amount, EUR 48 million contributed to the bank resolution

funds in Hungary, Bulgaria, Croatia, Slovenia, Romania, and the Czech Republic and Slovakia. The contribution in CEE countries to deposit guarantee schemes totalled EUR 47 million in the first nine months of 2016.

Profit before tax for the first nine months of 2016 was EUR 1,446 million, up by 46.1 per cent on the same period of the previous year (1-9 2015: EUR 990 million). **Net profit** increased by 74.3 per cent to EUR 1.156 million (1-9 2015: EUR 663 million). In the previous year, the Ukrainian banking subsidiary had a negative impact of EUR 213 million on overall results.

The following key financial data have been calculated on the basis of the above-mentioned results:

- The cost/income ratio was 48.8 per cent (1-9 2015: 52.9 per cent).
- The risk/earnings ratio (net write-downs of loans as a percentage of net interest income) was 14.1 per cent (1-9 2015: 26.2 per cent).
- The total capital ratio⁴ (based on all risks) was 16.7 per cent (year-end 2015: 14.9 per cent).
- The Common Equity Tier 1 capital ratio⁴ (based on all risks) was 12.9 per cent (year-end 2015: 11.0 per cent). The improvement in capital ratios resulted from the inclusion of the profit for the first half of 2016 and from a shareholder contribution of EUR 1 billion received from UniCredit S.p.A.

Results of the Divisions

Bank Austria reports its results in four Divisions: Retail & Corporates, Corporate & Investment Banking (CIB), Private Banking, and Central Eastern Europe (CEE). The bank also shows results for the Corporate Center.

Profit before tax generated by the **Retail & Corporates** Division in the first nine months of 2016 was EUR 294 million, up by a strong 29.2 per cent (1-9 2015: EUR 227 million) as operating income rose slightly, by 1.5 per cent, with a positive contribution coming from a one-off effect (share buyback of Visa), and costs were reduced by 7.1 per cent thanks to strict cost discipline.

A number of growth initiatives in the first nine months of 2016 were targeted at private customers, small businesses and independent professionals. With the launch of the new Bank Austria app, the Mobile Wallet, Bank Austria once more underlined its innovation leadership position in mobile online services. The bank is giving branches and the online marketplace, including the Online-Shop and the online branch, equal weight as channels for product sales and advisory services. Following the great success of 100 real estate specialists, Bank Austria is additionally making the expertise of about 100 investment specialists available to customers for advisory services. Since 1 January 2016, small businesses and independent professionals whose annual turnover does not exceed EUR 3 million have been served through the retail banking network. The number of

⁴ Capital ratios have been calculated pursuant to Basel 3 transitional arrangements; net profit for the first six months is included in regulatory capital and in capital ratios.

locations where these customer groups are being served has been almost doubled to 54. The transfer of responsibility for serving independent professionals and small businesses to the retail banking network has enabled Corporates to sharpen its focus on medium-sized and large companies in Austria and on its “strategic finance partner” service approach. Although companies’ investment propensity remained moderate, the volume of loans to corporate customers continued to rise.

At the end of September 2016, Total Financial Assets of the **Private Banking** Division amounted to EUR 24.2 billion, an increase of 4.9 per cent over September 2015. Nevertheless, profit before tax generated by Private Banking in the first nine months of 2016 declined by 17.5 per cent, to EUR 29 million. This was mainly due to the following factors: net interest income reflected the ongoing period of low interest rates; increased market volatility led many customers to stay invested in traditional asset classes with little need for advisory services; and results were impacted by an increase in systemic charges including the bank levy.

Despite these trends, assets under management increased by 19 per cent compared with the same period of the previous year, reflecting price gains in the portfolio and substantial net inflows of funds.

The **Corporate & Investment Banking (CIB)** Division generated a profit before tax of EUR 155 million in the first nine months of 2016 (1-9 2015: EUR 154 million). Performance was mainly supported by three positive trends: export finance and business in the extended international markets developed particularly favourably; structured acquisition finance picked up in the first nine months of 2016; and CIB won mandates from a number of renowned Austrian and multinational customers in cash management, trade finance and supply chain finance. UniCredit’s competitive strengths compared with local and international banks have been brought to bear in these areas. In addition, recoveries on loans previously written off contributed positively to the result.

In the first nine months of 2016 the **CEE Division** achieved a operating profit of EUR 1,950 million (1-9 2015: EUR 1,731 million), reflecting positive contributions from across the region and all product lines. At current rates the figure was up by 12.7 per cent compared to the same period of the previous year, adjusted for exchange rate movements the increase was 17.9 per cent.

Operating income has shown a sound development, with higher net trading income of EUR 328 million (1-9 2015: EUR 243 million), increased other income from equity investments of EUR 334 million (1-9 2015: EUR 232 million) and net fees and commissions of EUR 557 million (1-9 2015: EUR 530 million), additionally supported by the sale of VISA shares in several countries. Net interest income amounted to EUR 1,802 million (1-9 2015: EUR 1,799 million). Operating costs were up at EUR 1,121 million (1-9 2015: EUR 1,087 million). Loan loss provisions decreased significantly from EUR 754 million to EUR 479 million. Thus profit before tax generated by the CEE Division was EUR 1,364 million (1-9 2015: EUR 855 million) in the first nine months of 2016, which corresponds to an increase of 59.5 per cent at current rates and 67.7 per cent at constant rates.

Net consolidated profit (after minorities) of the CEE Division was EUR 1,128 million (1-9 2015: EUR 508 million), which means a plus of 122.1 per cent at current rates and 143.9 per cent at constant rates compared to the same period of the previous year.

The transfer of the CEE Division, including the shareholdings of CEE subsidiaries, from UniCredit Bank Austria AG to UniCredit S.p.A. has been successfully completed and became effective as at October 1, 2016. Bank Austria's results for the first nine months of 2016 therefore include the CEE Division for the last time in all P&L lines, the year-end results for 2016 of Bank Austria will include the CEE results for the first nine months as discontinued operations.

Statement of financial position⁵

Bank Austria's **total assets** as at 30 September 2016 were EUR 194.6 billion⁶, up by 0.5 per cent or EUR 1 billion on the year-end 2015 level (31 December 2015: EUR 193.6 billion).

On the assets side, **loans and receivables with customers** were EUR 117.8 billion, up by 1.2 per cent or EUR 1.4 billion (31 December 2015: EUR 116.4 billion). **Loans and receivables with banks** declined by 11 per cent to EUR 28.7 billion (31 December 2015: 32.2 billion).

On the liabilities side, **deposits from customers** rose by 3 per cent to EUR 113.7 billion (31 December 2015: EUR 110.3 billion). **Debt securities in issue** declined by 13 per cent to EUR 24.9 billion as securities matured (31 December 2015: 28.8 billion). **Direct funding** – i.e. the sum total of customer deposits, debt securities in issue and financial liabilities at fair value – totalled EUR 139.0 billion, remaining more or less unchanged. This gives a loans/direct funding ratio of 84.7 per cent, which means that customer loans are covered by customer deposits and debt securities in issue to the extent of 118.0 per cent.

As at 30 September 2016, the **leverage ratio** to be calculated under Basel 3 was an excellent 6.7 per cent in conformity with Basel 3 transitional rules.

Total regulatory capital⁷ as at 30 September 2016 was EUR 21.1 billion, up by EUR 2 billion on year-end 2015. The increase resulted mainly from the inclusion of the profit for the first half of 2016 and from the shareholder contribution received from UniCredit S.p.A. in August 2016.

⁵ Comparisons based on published figures for the previous year.

⁶ Shareholding interest in Yapı Kredi in Turkey accounted for using the equity method (i.e. included only in the item "Investments in associates and joint ventures").

⁷ Calculated on an IFRS basis.

The **total capital ratio**⁸ based on all risks was an excellent 16.7 per cent as at 30 September 2016 and the **Common Equity Tier 1 capital ratio** based on all risks was an excellent 12.9 per cent.

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⁸ Capital ratios are calculated in conformity with Basel 3 transitional arrangements; net profit for the first six months is included in regulatory capital and in capital ratios.

Bank Austria at a Glance

Income statement figures

(€ million)	1–9 2016 ¹⁾	1–9 2016 ²⁾	1–9 2015 ³⁾	+/-
Net interest	728	2,540	2,542	-0.0%
Dividend income and other income from equity investments	97	431	342	+26.1%
Net fees and commissions	505	1,053	1,064	-1.1%
Net trading, hedging and fair value income	48	375	309	+21.4%
Operating income	1,490	4,561	4,317	+5.6%
Operating costs	-1,104	-2,228	-2,284	-2.5%
Operating profit	386	2,333	2,034	+14.7%
Net write-downs of loans and provisions for guarantees and commitments	60	-419	-757	-44.6%
Net operating profit	446	1,915	1,277	+49.9%
Profit before tax	85	1,446	990	+46.1%
Total profit or loss after tax from discontinued operations	1,109	9	-158	n. m.
Net profit attributable to the owners of the parent company	1,086	1,156	663	+74.3%

Volume figures

(€ million)	30 SEPT. 2016 ¹⁾	30 SEPT. 2016 ²⁾	31 DEC. 2015	+/-
Total assets	194,551	194,620	193,638	+0.5%
Loans and receivables with customers	58,019	117,804	116,377	+1.2%
Direct funding ⁴⁾	74,361	139,036	139,695	-0.5%
Equity	17,720	17,790	15,394	+15.6%
Risk-weighted assets (overall) ⁵⁾	126,636	126,636	128,259	-1.3%

Key performance indicators

	30 SEPT. 2016	2015
Return on equity after tax (ROE) ³⁾	10.5%	9.4%
Cost/income ratio ³⁾	48.8%	52.4%
Cost of risk (provisioning charge/avg. lending volume) ³⁾	0.48%	0.86%
Loans and receivables with customers/direct funding	84.7%	83.3%
Leverage ratio ⁶⁾	6.7%	5.8%
Common Equity Tier 1 capital ratio ⁷⁾	12.9%	11.0%
Tier 1 capital ratio ⁷⁾	12.9%	11.0%
Total capital ratio ⁷⁾	16.7%	14.9%

Staff

	30 SEPT. 2016	31 DEC. 2015 ³⁾	+/-
Bank Austria (full-time equivalent)	35,295	35,534	-239
Central Eastern Europe business segment	24,460	24,141	318
Ukraine (held for sale)	4,141	4,344	-203
Austria (other business segments)	6,694	7,048	-354

Offices

	30 SEPT. 2016	31 DEC. 2015 ³⁾	+/-
Bank Austria	1,460	1,510	-50
Central Eastern Europe business segment	1,054	1,065	-11
Ukraine (held for sale)	238	240	-2
Austria (other business segments)	168	205	-37

1) Accounting figures in the interim financial statements after the application of IFRS 5 in connection with the CEE demerger.

2) Before the application of IFRS 5 in connection with the CEE demerger, i. e. contributions from the CEE Division included in the various items of the income statement and of the statement of financial position.

3) Comparative figures for 2015 recast to reflect the current structure and methodology.

4) Deposits from customers, debt securities in issue, and financial liabilities at fair value.

5) Regulatory risk-weighted assets, unadjusted.

6) Leverage ratio under Basel 3 based on the current status of transitional arrangements.

7) Capital ratios based on all risks under Basel 3 (transitional) and IFRS.

Condensed income statement of the Bank Austria Group¹⁾

for the first nine months of 2016

(€ million)

RECAST ²⁾	QUARTERLY FIGURES			FIRST NINE MONTHS		CHANGE	
	Q1 2016	+ Q2 2016	+ Q3 2016	= 1-9 2016	1-9 2015	+/- €	+/- %
Net interest	826	839	876	2,540	2,542	-1	-0.0%
Dividend income and other income from equity investments	100	188	143	431	342	+89	+26.1%
Net fees and commissions	339	354	360	1,053	1,064	-11	-1.1%
Net trading, hedging and fair value income	78	193	105	375	309	+66	+21.4%
Net other expenses/income	27	93	42	162	61	+101	>100%
Operating income	1,369	1,667	1,524	4,561	4,317	+244	+5.6%
Payroll costs	-375	-381	-366	-1,122	-1,181	+60	-5.0%
Other administrative expenses	-342	-319	-327	-988	-990	+3	-0.3%
Recovery of expenses	0	0	0	0	0	-0	-69.3%
Amortisation, depreciation and impairment losses on intangible and tangible assets	-38	-40	-41	-118	-113	-6	+5.0%
Operating costs	-755	-740	-733	-2,228	-2,284	+56	-2.5%
Operating profit	615	927	792	2,333	2,034	+300	+14.7%
Net write-downs of loans and provisions for guarantees and commitments	-144	-146	-129	-419	-757	+338	-44.6%
Net operating profit	471	781	662	1,915	1,277	+638	+49.9%
Provisions for risks and charges	11	-9	4	6	-51	+58	n.m.
Systemic charges	-172	-55	-46	-272	-233	-40	+17.2%
Integration/restructuring costs	-206	-4	-8	-218	-5	-213	>100%
Net income/loss from investments	12	1	2	16	2	+14	>100%
Profit before tax	117	714	615	1,446	990	+456	+46.1%
Income tax for the period	-58	-89	-82	-229	-179	-50	+27.7%
Total profit or loss after tax from discontinued operations	12	-12	8	9	-158	+166	n.m.
Profit for the period	72	614	541	1,226	653	+573	+87.7%
Non-controlling interests	-13	-46	-11	-70	10	-80	n.m.
Net profit ³⁾	59	567	530	1,156	663	+493	+74.3%

n.m. = not meaningful. / 1) Bank Austria's income statement as presented in this table is a reclassified format corresponding to the format used for segment reporting. / 2) Recast to reflect the consolidation perimeter and business structure in 2016. For the purposes of this presentation, the CEE Division, which is classified as held for sale in accordance with IFRS 5, continues to be included with its contributions to the various items of the income statement. / 3) Attributable to the owners of the parent company.

Segment reporting of the Bank Austria Group

1–9 2016/1–9 2015

(€ million)

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST, BEFORE CEE ACC. TO IFRS 5)	RECASTING DIFFER- ENCES, CEE ADJ. ACC. TO IFRS 5 ¹⁾	BANK AUSTRIA GROUP ²⁾
Net interest	1–9 2016	640	43	225	1,802	-171	2,540	-1,812	728
	1–9 2015	669	45	218	1,799	-190	2,542	-1,828	713
Dividends and other income from equity investments	1–9 2016	23	0	0	334	74	431	-334	97
	1–9 2015	24	0	0	232	85	342	-232	109
Net fees and commissions	1–9 2016	367	79	56	557	-6	1,053	-548	505
	1–9 2015	378	82	76	530	-2	1,064	-529	535
Net trading, hedging and fair value income/loss	1–9 2016	11	3	25	328	8	375	-327	48
	1–9 2015	23	2	38	243	3	309	-264	45
Net other expenses/income	1–9 2016	85	-1	1	50	26	162	-50	112
	1–9 2015	15	1	0	14	31	61	-11	50
OPERATING INCOME	1–9 2016	1,127	125	307	3,071	-69	4,561	-3,071	1,490
	1–9 2015	1,110	130	333	2,818	-73	4,317	-2,864	1,453
OPERATING COSTS	1–9 2016	-764	-92	-154	-1,121	-96	-2,228	1,123	-1,104
	1–9 2015	-823	-92	-155	-1,087	-126	-2,284	1,092	-1,191
OPERATING PROFIT	1–9 2016	362	33	152	1,950	-164	2,333	-1,948	386
	1–9 2015	287	38	177	1,731	-199	2,034	-1,772	262
Net write-downs of loans and provisions for guarantees and commitments	1–9 2016	18	0	32	-479	9	-419	479	60
	1–9 2015	-7	0	1	-754	4	-757	754	-3
NET OPERATING PROFIT	1–9 2016	380	33	185	1,471	-155	1,915	-1,468	446
	1–9 2015	280	38	178	977	-196	1,277	-1,018	259
Provisions for risks and charges	1–9 2016	-11	0	0	17	0	6	-17	-11
	1–9 2015	0	0	0	-3	-48	-51	5	-46
Systemic charges	1–9 2016	-66	-5	-30	-122	-50	-272	122	-150
	1–9 2015	-50	-4	-24	-114	-41	-233	114	-119
Integration/restructuring costs	1–9 2016	-4	0	0	-10	-204	-218	10	-208
	1–9 2015	0	0	0	-5	0	-5	5	0
Net income/loss from investments	1–9 2016	-5	0	0	7	14	16	-7	9
	1–9 2015	-2	0	0	-1	5	2	0	2
PROFIT BEFORE TAX	1–9 2016	294	29	155	1,364	-395	1,446	-1,361	85
	1–9 2015	227	35	154	855	-281	990	-894	96
Income tax for the period	1–9 2016	-52	-7	-38	-196	64	-229	192	-37
	1–9 2015	-55	-9	-39	-132	55	-179	161	-18
Total profit or loss after tax from discontinued operations	1–9 2016	0	0	0	-14	23	9	1,100	1,109
	1–9 2015	0	0	0	-232	74	-158	731	574
PROFIT OR LOSS FOR THE PERIOD	1–9 2016	242	21	116	1,154	-308	1,226	-69	1,157
	1–9 2015	172	26	115	491	-152	653	-2	651
Non-controlling interests	1–9 2016	-45	0	0	-25	0	-70	0	-70
	1–9 2015	-9	0	0	17	2	10	-1	9
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	1–9 2016	197	21	116	1,128	-308	1,156	-69	1,086
	1–9 2015	163	26	115	508	-150	663	-3	660
Risk-weighted assets (RWA) (avg.) ³⁾	1–9 2016	17,370	605	7,942	95,232	7,397	128,546	0	128,546
	1–9 2015	19,107	633	8,731	97,328	8,679	134,478	0	134,478
Loans to customers (end of period)	1–9 2016	44,362	665	13,106	59,868	-197	117,804	-59,785	58,019
	1–9 2015	44,251	638	13,669	58,092	-120	116,530	-52,684	63,846
Direct funding (end of period) ⁴⁾	1–9 2016	42,571	9,965	9,949	60,644	15,908	139,036	-64,676	74,361
	1–9 2015	43,208	9,601	10,939	57,806	18,816	140,370	-57,589	82,781
Cost/income ratio in %	1–9 2016	67.8	73.5	50.4	36.5	140.1	48.8	n.m.	74.1
	1–9 2015	74.2	70.8	46.7	38.6	171.5	52.9	n.m.	82.0
Risk/earnings ratio in % ⁵⁾	1–9 2016	n.m.	n.m.	n.m.	22.4	n.m.	14.1	n.m.	n.m.
	1–9 2015	1.0	n.m.	n.m.	37.1	n.m.	26.2	n.m.	0.3

1) For segment reporting purposes, the comparative figures for 2015 have been recast to reflect the consolidation perimeter and the segment structure used in segment reporting for 2016. For Bank Austria as a whole the differences between recast figures for 2015 and published figures for 2015 are shown in the column "Recasting differences". These differences mainly relate to application of IFRS 5 in connection with the CEE demerger, but also to the transfer of Leasing subsidiaries in Croatia, Bosnia and Herzegovina, Slovenia and Serbia. 2016 recasting differences relate to IFRS 5 adjustments only. / 2) The comparative figures 2015 and 2016 reflect the accounting figures / 3) Turkey consolidated on a proportionate basis / 4) Direct funding: deposits from customers, debt securities in issue and financial liabilities at fair value / 5) Risk/earnings ratio: net write-downs of loans and provisions for guarantees and commitments measured against net interest and dividends and other income from equity investments / n.m. = not meaningful

Segment reporting of the Bank Austria Group

Q1 – Q3 2016/Q1 – Q4 2015

(€ million)

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST, BEFORE CEE ACC. TO IFRS 5) ¹⁾
Net interest	Q3 2016	211	16	78	622	-51	876
	Q2 2016	216	13	72	599	-61	839
	Q1 2016	214	14	75	581	-58	826
	Q4 2015	223	15	74	596	-55	853
	Q3 2015	223	15	71	599	-60	848
	Q2 2015	224	15	74	619	-59	873
	Q1 2015	222	15	73	581	-71	820
Dividends and other income from equity investments	Q3 2016	7	0	0	106	29	143
	Q2 2016	5	0	0	153	30	188
	Q1 2016	11	0	0	75	14	100
	Q4 2015	5	0	0	132	56	193
	Q3 2015	4	0	0	67	36	107
	Q2 2015	17	0	0	92	27	136
	Q1 2015	4	0	0	73	22	98
Net fees and commissions	Q3 2016	123	26	20	193	-2	360
	Q2 2016	121	26	18	190	-2	354
	Q1 2016	123	27	17	174	-2	339
	Q4 2015	128	33	27	189	-2	375
	Q3 2015	125	26	20	178	0	350
	Q2 2015	127	26	35	184	1	373
	Q1 2015	126	31	21	168	-4	341
Net trading, hedging and fair value income/loss	Q3 2016	8	1	8	76	12	105
	Q2 2016	5	1	11	182	-6	193
	Q1 2016	-2	1	6	70	2	78
	Q4 2015	9	1	10	88	4	111
	Q3 2015	-3	1	8	74	-2	78
	Q2 2015	18	1	17	83	5	124
	Q1 2015	8	1	12	86	0	108
Net other expenses/income	Q3 2016	5	0	0	25	12	42
	Q2 2016	74	-1	1	13	5	93
	Q1 2016	6	0	0	12	9	27
	Q4 2015	9	0	4	14	9	36
	Q3 2015	8	0	0	4	11	22
	Q2 2015	3	0	0	7	9	19
	Q1 2015	5	1	0	3	11	20
OPERATING INCOME	Q3 2016	354	42	105	1,023	0	1,524
	Q2 2016	422	40	102	1,136	-33	1,667
	Q1 2016	351	42	99	912	-35	1,369
	Q4 2015	373	49	116	1,018	12	1,568
	Q3 2015	357	41	100	923	-15	1,406
	Q2 2015	388	41	127	985	-17	1,524
	Q1 2015	365	48	106	911	-42	1,387
OPERATING COSTS	Q3 2016	-242	-30	-47	-383	-32	-733
	Q2 2016	-252	-31	-47	-378	-32	-740
	Q1 2016	-270	-31	-60	-360	-32	-755
	Q4 2015	-272	-31	-55	-401	-39	-798
	Q3 2015	-269	-30	-50	-361	-43	-752
	Q2 2015	-277	-31	-53	-373	-43	-778
	Q1 2015	-277	-31	-52	-352	-41	-753
OPERATING PROFIT	Q3 2016	112	13	58	640	-32	792
	Q2 2015	170	9	55	758	-66	927
	Q1 2016	80	11	39	552	-67	615
	Q4 2015	102	18	61	617	-27	771
	Q3 2015	88	11	50	561	-57	653
	Q2 2015	111	10	73	611	-59	746
	Q1 2015	88	17	54	558	-83	634

Segment reporting of the Bank Austria Group

Q1 – Q3 2016/Q1 – Q4 2015

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST, BEFORE CEE ACC. TO IFRS 5) ¹⁾
Net write-downs of loans and provisions for guarantees and commitments	Q3 2016	21	0	-1	-149	-1	-129
	Q2 2016	3	0	33	-189	7	-146
	Q1 2016	-7	0	0	-140	3	-144
	Q4 2015	-21	0	24	-266	11	-251
	Q3 2015	-7	0	1	-359	0	-365
	Q2 2015	30	1	7	-220	1	-182
	Q1 2015	-29	0	-8	-175	3	-210
NET OPERATING PROFIT	Q3 2016	133	13	58	491	-32	662
	Q2 2016	173	9	88	569	-59	781
	Q1 2016	74	11	39	412	-64	471
	Q4 2015	81	18	85	352	-16	520
	Q3 2015	81	10	52	202	-57	288
	Q2 2015	141	11	80	391	-59	565
	Q1 2015	58	17	46	383	-80	424
Provisions for risks and charges	Q3 2016	-11	0	0	14	0	4
	Q2 2016	-1	0	0	-8	0	-9
	Q1 2016	0	0	0	12	0	11
	Q4 2015	-4	0	-8	-65	-8	-85
	Q3 2015	0	0	0	1	-44	-43
	Q2 2015	0	0	0	0	0	0
	Q1 2015	0	0	0	-4	-4	-8
Systemic charges	Q3 2016	-13	-1	-7	-14	-12	-46
	Q2 2016	-13	-1	-7	-22	-12	-55
	Q1 2016	-40	-3	-16	-86	-26	-172
	Q4 2015	-20	-1	-12	-41	-19	-94
	Q3 2015	-13	-1	-7	-26	-11	-58
	Q2 2015	-19	-2	-7	-33	-11	-72
	Q1 2015	-18	-1	-11	-55	-18	-103
Integration/restructuring costs	Q3 2016	-4	0	0	-4	0	-8
	Q2 2016	0	0	0	-4	0	-4
	Q1 2016	0	0	0	-2	-204	-206
	Q4 2015	0	0	0	-4	321	317
	Q3 2015	0	0	0	-3	0	-3
	Q2 2015	0	0	0	-1	0	-1
	Q1 2015	0	0	0	-1	0	-1
Net income/loss from investments	Q3 2016	0	0	0	0	3	2
	Q2 2016	-10	0	0	0	10	1
	Q1 2016	5	0	0	7	1	12
	Q4 2015	-18	0	-8	-3	1	-28
	Q3 2015	0	0	0	0	0	0
	Q2 2015	-3	0	0	0	4	2
	Q1 2015	1	0	0	-1	0	0
PROFIT BEFORE TAX	Q3 2016	106	12	51	486	-41	615
	Q2 2016	150	8	81	535	-60	714
	Q1 2016	38	8	22	343	-294	117
	Q4 2015	40	16	58	238	278	630
	Q3 2015	67	10	45	174	-113	184
	Q2 2015	119	9	74	358	-66	494
	Q1 2015	41	16	34	323	-102	313
Income tax for the period	Q3 2016	-22	-3	-13	-65	20	-82
	Q2 2016	-20	-3	-20	-78	32	-89
	Q1 2016	-10	-2	-6	-53	12	-58
	Q4 2015	-8	-4	-15	-38	156	92
	Q3 2015	-14	-2	-11	-17	-5	-49
	Q2 2015	-27	-2	-18	-54	32	-69
	Q1 2015	-13	-4	-10	-61	28	-61

Segment reporting of the Bank Austria Group

Q1 – Q3 2016/Q1 – Q4 2015

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST, BEFORE CEE ACC. TO IFRS 5) ¹⁾
Total profit or loss after tax from discontinued operations	Q3 2016	0	0	0	7	2	8
	Q2 2016	0	0	0	-23	11	-12
	Q1 2016	0	0	0	3	10	12
	Q4 2015	0	0	1	-192	46	-145
	Q3 2015	0	0	0	-11	37	25
	Q2 2015	0	0	0	-146	22	-123
	Q1 2015	0	0	0	-74	15	-60
PROFIT (LOSS) FOR THE PERIOD	Q3 2016	84	9	38	428	-19	541
	Q2 2016	130	6	61	433	-17	614
	Q1 2016	28	6	17	292	-272	72
	Q4 2015	32	12	44	8	480	577
	Q3 2015	53	7	35	146	-81	160
	Q2 2015	92	6	56	158	-12	301
	Q1 2015	28	12	24	187	-59	192
Non-controlling interests	Q3 2016	-4	0	0	-7	0	-11
	Q2 2016	-37	0	0	-10	0	-46
	Q1 2016	-4	0	0	-9	0	-13
	Q4 2015	-3	0	0	86	0	83
	Q3 2015	-4	0	0	16	1	13
	Q2 2015	-3	0	0	-8	1	-9
	Q1 2015	-3	0	0	9	1	7
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA	Q3 2016	80	9	38	421	-19	530
	Q2 2016	94	6	61	423	-17	567
	Q1 2016	24	6	17	284	-272	59
	Q4 2015	29	12	44	94	481	659
	Q3 2015	49	7	35	162	-80	173
	Q2 2015	89	6	56	151	-11	292
	Q1 2015	25	12	24	196	-58	199
Purchase Price Allocation effect	Q3 2016	0	0	0	0	0	0
	Q2 2016	0	0	0	0	0	0
	Q1 2016	0	0	0	0	0	0
	Q4 2015	0	0	0	0	0	0
	Q3 2015	0	0	0	0	0	0
	Q2 2015	0	0	0	0	0	0
	Q1 2015	0	0	0	0	0	0
Goodwill impairment	Q3 2016	0	0	0	0	0	0
	Q2 2016	0	0	0	0	0	0
	Q1 2016	0	0	0	0	0	0
	Q4 2015	0	0	0	0	0	0
	Q3 2015	0	0	0	0	0	0
	Q2 2015	0	0	0	0	0	0
	Q1 2015	0	0	0	0	0	0
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	Q3 2016	80	9	38	421	-19	530
	Q2 2016	94	6	61	423	-17	567
	Q1 2016	24	6	17	284	-272	59
	Q4 2015	29	12	44	94	481	659
	Q3 2015	49	7	35	162	-80	173
	Q2 2015	89	6	56	151	-11	292
	Q1 2015	25	12	24	196	-58	199

Segment reporting of the Bank Austria Group

Q1 – Q3 2016/Q1 – Q4 2015

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST, BEFORE CEE ACC. TO IFRS 5) ¹⁾
Risk-weighted assets (RWA) (avg.) ²⁾	Q3 2016	17,070	588	7,741	95,499	7,085	127,983
	Q2 2016	17,365	602	8,032	95,697	7,400	129,095
	Q1 2016	17,675	625	8,052	94,500	7,708	128,560
	Q4 2015	17,971	641	8,329	95,002	7,609	129,552
	Q3 2015	18,517	628	8,819	97,057	7,704	132,725
	Q2 2015	19,357	629	8,805	98,736	8,888	136,413
	Q1 2015	19,447	642	8,568	96,192	9,445	134,294
Loans to customers (end of period)	Q3 2016	44,362	665	13,106	59,868	-197	117,804
	Q2 2016	44,450	648	13,940	59,242	-101	118,178
	Q1 2016	44,565	640	13,675	58,045	139	117,064
	Q4 2015	44,795	629	13,572	57,353	54	116,402
	Q3 2015	44,251	638	13,669	58,092	-120	116,530
	Q2 2015	44,514	618	13,087	59,069	-56	117,233
	Q1 2015	44,249	610	12,638	59,342	665	117,505
Direct funding (end of period) ³⁾	Q3 2016	42,571	9,965	9,949	60,644	15,908	139,036
	Q2 2016	42,508	9,891	10,456	59,770	17,446	140,070
	Q1 2016	43,644	9,714	9,741	61,123	18,387	142,608
	Q4 2015	42,715	9,223	10,426	58,728	18,590	139,683
	Q3 2015	43,208	9,601	10,939	57,806	18,816	140,370
	Q2 2015	43,107	9,235	10,013	56,103	18,690	137,147
	Q1 2015	42,987	9,856	9,086	54,563	20,357	136,848
Cost/income ratio in %	Q3 2016	68.4	69.8	44.4	37.4	n.m.	48.1
	Q2 2016	59.7	77.3	46.2	33.3	97.0	44.4
	Q1 2016	77.1	73.8	61.0	39.5	90.9	55.1
	Q4 2015	72.8	63.3	47.3	39.4	330.2	50.9
	Q3 2015	75.3	74.0	49.7	39.2	289.4	53.5
	Q2 2015	71.4	75.2	42.1	37.9	251.8	51.0
	Q1 2015	76.0	64.3	49.4	38.7	97.6	54.3
Risk/earnings ratio in % ⁴⁾	Q3 2016	n.m.	n.m.	1.0	20.5	n.m.	12.7
	Q2 2016	n.m.	0.1	n.m.	25.2	n.m.	14.2
	Q1 2016	2.9	0.9	n.m.	21.4	n.m.	15.5
	Q4 2015	9.1	0.3	n.m.	36.5	n.m.	24.0
	Q3 2015	3.3	2.0	n.m.	53.9	n.m.	38.2
	Q2 2015	n.m.	n.m.	n.m.	30.9	n.m.	18.0
	Q1 2015	13.0	n.m.	10.9	26.8	n.m.	22.8

1) The quarterly figures for 2015 have been recast to reflect the consolidation perimeter and the segment structure used in segment reporting for 2016.

2) Turkey consolidated on a pro-rata basis.

3) Direct funding: deposits from customers, debt securities in issue and financial liabilities at fair value.

4) Risk/earnings ratio: net write-downs of loans and provisions for guarantees and commitments measured against net interest and dividends and other income from equity investments.

n.m. = not meaningful

Statement of Financial Position of the Bank Austria Group at 30 September 2016

Assets

(€ million)

	30 SEPT. 2016 ¹⁾	30 SEPT. 2016 PRO FORMA ²⁾	31 DEC. 2015
Cash and cash balances	177	2,410	2,146
Financial assets held for trading	1,179	3,210	3,013
Financial assets at fair value through profit or loss	13	29	89
Available-for-sale financial assets	15,852	26,887	24,810
Held-to-maturity investments	248	705	484
Loans and receivables with banks	12,525	28,698	32,214
Loans and receivables with customers	58,019	117,804	116,377
Hedging derivatives	3,107	3,592	3,290
Changes in fair value of portfolio hedged items (+/-)	36	113	41
Investments in associates and joint ventures	1,826	4,910	4,741
Property, plant and equipment	1,164	2,192	2,132
Intangible assets	11	243	221
Tax assets	325	454	448
a) current tax assets	53	73	94
b) deferred tax assets	271	382	353
Non-current assets and disposal groups classified as held for sale	99,426	2,052	2,467
Other assets	642	1,321	1,167
TOTAL ASSETS	194,551	194,620	193,638

Liabilities and equity

(€ million)

	30 SEPT. 2016 ¹⁾	30 SEPT. 2016 PRO FORMA ²⁾	31 DEC. 2015
Deposits from banks	14,090	22,190	23,432
Deposits from customers	55,815	113,681	110,346
Debt securities in issue	18,111	24,922	28,802
Financial liabilities held for trading	1,170	2,531	2,642
Financial liabilities at fair value through profit or loss	434	434	547
Hedging derivatives	2,481	3,102	2,782
Changes in fair value of portfolio hedged items (+/-)	-121	-57	-101
Tax liabilities	30	267	214
a) current tax liabilities	7	49	46
b) deferred tax liabilities	23	219	169
Liabilities included in disposal groups classified as held for sale	78,101	1,571	1,977
Other liabilities	2,084	3,434	2,773
Provisions for risks and charges	4,635	4,755	4,830
a) post-retirement benefit obligations	4,115	4,138	3,697
b) other provisions	520	617	1,133
Equity	17,720	17,790	15,394
of which non-controlling interests (+/-)	212	212	238
TOTAL LIABILITIES AND EQUITY	194,551	194,620	193,638

1) Statement of financial position in accordance with IFRS 5 (CEE presented as a disposal group in the items "Non-current assets and disposal groups classified as held for sale" and "Liabilities included in disposal groups classified as held for sale"). / 2) CEE contributions included in the various items of the statement of financial position.

Bank Austria Group: equity

(€ million)

Equity as at 1 January 2016	15,394
Shareholder contribution	+ 1,000
Forex translation reserve	+ 422
Change in afs/cash-flow hedge reserve	+ 149
Change in pension and similar liabilities IAS 19	- 291
Net profit (loss) for the period	+ 1,086
Non-controlling interests	- 26
Other items	- 14
Equity as at 30 September 2016	17,720

Lending volume and asset quality¹⁾

(€ million)

	30 SEPT. 2016	31 DEC. 2015	+/- €	+/-
Bank Austria as a whole				
Gross loans to customers	124,138	123,068	+1,070	+0.9%
Total write-downs	-6,334	-6,691	+357	-5.3%
Net loans to customers	117,804	116,377	+1,427	+1.2%
Gross non-performing exposures	9,517	10,381	-864	-8.3%
... % of gross loans to customers	7.7%	8.4%		-0.8pp
Specific write-downs	-5,622	-5,842	+220	-3.8%
Coverage ratio	59.1%	56.3%		+2.8pp
Net non-performing exposures	3,895	4,539	-644	-14.2%
... % of net loans to customers	3.3%	3.9%		-0.6pp
Central Eastern Europe (CEE)				
Gross loans to customers	64,054	61,439	+2,615	+4.3%
Total write-downs	-4,186	-4,337	+151	-3.5%
Net loans to customers	59,868	57,102	+2,766	+4.8%
Gross non-performing exposures	6,592	7,220	-627	-8.7%
... % of gross loans to customers	10.3%	11.8%		-1.5pp
Specific write-downs	-3,850	-3,857	+7	-0.2%
Coverage ratio	58.4%	53.4%		+5.0pp
Net non-performing exposures	2,742	3,363	-620	-18.4%
... % of net loans to customers	4.6%	5.9%		-1.3pp
Austria				
Gross loans to customers	60,084	61,629	-1,545	-2.5%
Total write-downs	-2,148	-2,354	+206	-8.7%
Net loans to customers	57,935	59,274	-1,339	-2.3%
Gross non-performing exposures	2,925	3,162	-236	-7.5%
... % of gross loans to customers	4.9%	5.1%		-0.3pp
Specific write-downs	-1,772	-1,985	+213	-10.7%
Coverage ratio	60.6%	62.8%		-2.2pp
Net non-performing exposures	1,153	1,177	-24	-2.0%
... % of net loans to customers	2.0%	2.0%		+0.0pp

1) CEE Division included on a pro forma basis, corresponding to the presentation at the end of 2015. Ukraine (classified as held for sale) and Turkey (accounted for using the equity method) are no longer included in the relevant items of the statement of financial position and the income statement. Comparative figures for 2015 reflect the figures in the statement of financial position.

pp = percentage points

Consolidated capital resources and risk-weighted assets

Consolidated capital resources

(€ million)

	30 SEPT. 2016	31 DEC. 2015
Paid-in capital instruments (excl. own Common Equity Tier 1 instruments)	1,681	1,681
Reserves (incl. profit) and minority interests	15,497	13,602
Adjustments to Common Equity Tier 1	-690	-878
Transitional adjustments to Common Equity Tier 1 ^{*)}	-168	-244
Common Equity Tier 1 (CET1)	16,320	14,162
Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries	50	90
Adjustments to Additional Tier 1	0	0
Transitional adjustments to Additional Tier 1 ^{*)}	-50	-90
Additional Tier 1 (AT1)	0	0
Tier 1 capital (T1=CET1+AT1)	16,320	14,162
Tier 2 capital and qualifying Tier 2 instruments issued by subsidiaries	4,803	4,897
Adjustments to Tier 2 capital	34	158
Transitional adjustments to Tier 2 capital ^{*)}	-34	-146
Tier 2 capital (T2)	4,803	4,909
Total regulatory capital (TC=T1+T2)	21,123	19,070

^{*)} according to the Austrian CRR Supplementary Regulation (CRR-Begleitverordnung) of 11 Dec. 2013

Risk-weighted assets

(€ million)

	30 SEPT. 2016	31 DEC. 2015
a) Credit risk pursuant to standardised approach	67,377	69,241
b) Credit risk pursuant to internal ratings-based (IRB) approach	45,272	43,920
c) Other (contribution to default fund of a central counterparty [CCP])	7	3
Credit risk	112,656	113,164
Settlement risk	0	0
Position, foreign exchange and commodity risk	3,464	3,974
Operational risk	10,141	10,716
Additional risk exposure amount due to fixed overheads	5	0
Risk positions for credit value adjustments (CVA)	370	405
TOTAL RWAS	126,636	128,259

Capital ratios

	30 SEPT. 2016	31 DEC. 2015
Common Equity Tier 1 ratio ^{*)}	12.9%	11.0%
Tier 1 ratio ^{*)}	12.9%	11.0%
Total capital ratio ^{*)}	16.7%	14.9%

^{*)} based on all risks

Deviating from IFRS 11, the Yapı Kredi sub-group companies continue to be included on a proportionate basis in the calculation of consolidated capital resources and risk-weighted assets for regulatory purposes.