Bank Austria Member of UniCredit

Bank Austria IR Release

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Preliminary results[1] for the 2015 financial year:

Bank Austria posts net profit of about € 1.3 bn for 2015

- **Sound operating performance from customer business despite historically low market interest rates and persistently weak economic growth**
  - Lending volume up by 2.3% to € 116.4 bn, with growth of 4.1% in Austria while lending volume in CEE rose only slightly on account of negative exchange rate effects compared with the previous year
  - Significant year-on-year growth of 7.9% in customer deposits in Austria and CEE to a total of € 110.3 bn
- **Operating costs decline slightly, by 1.9%, thanks to strict cost management**
- **Net write-downs of loans up by 28.8% to € 1,007 mn**
  - The main reason for the increase is the conversion, required by law, of CHF loans in Croatia, which had a one-off impact of € 205 mn
  - Credit risk associated with Austrian customer business practically zero
- **Systemic charges including bank levies up by € 89 mn to € 326 mn, an increase of 37.7% over the previous year; the figure is equal to over 20% of profit before tax**
- **After deduction of non-controlling interests, net profit of € 1,325 mn matches the previous year's level although the participation in profits of the Markets subdivision of UniCredit's CIB Division expired at the end of 2014**
- **Total capital ratio[2] up by 142 basis points on year-end 2014, reaching 14.9%; Common Equity Tier 1 capital ratio[2] up by 71 basis points to 11.0%**
- **Excellent direct-funding ratio underlines the bank's strong liquidity position**
  - Customer loans funded with customer deposits and debt securities in issue to the extent of 119.6%

[1] The 2015 Annual Report will be published in the middle of March 2016.
[2] Capital ratios are calculated in conformity with Basel 3 transitional arrangements. Net profit is included in the calculation of regulatory capital and capital ratios.

Items in the income statement[3]

Net interest remained the most important income component, accounting for 57.6% of total operating income. In 2015, net interest was € 3,386 mn, down by 3.6% (2014: € 3,511 mn, reflecting persistently low interest rates, although the bank achieved volume growth).

Dividend income and other income from equity investments rose by 7.8% to € 535 mn (2014: € 496 mn). Our Turkish joint venture contributed a substantial € 349 mn to the total figure.

Net fees and commissions continued to develop favourably, rising by € 75 mn or 5.5% to € 1,439 mn (2014: € 1,364 mn). Particularly strong growth was seen in Austria, with growth of nearly 9% in net fees and commissions driven by very favourable developments in retail banking and in the CIB Division.

Net trading, hedging and fair value income was € 420 mn, down by 13.8% (2014: € 487 mn). The decline was mainly due to the fact that the contractual participation (following the sale of CAIB) in profits of the Markets subdivision of UniCredit's CIB Division ended (in 2014 the profit contribution amounted to € 98 mn).

Total **operating income** reached € 5,875 mn, a slight decline of 1.8% compared with the previous year (2014: € 5,982 mn). This development is mainly explained by the low interest rate environment and a significantly lower interest margin; moreover, the contractual participation in profits of the Markets subdivision of UniCredit's CIB Division ended.

Cost efficiency was further improved thanks to strict cost management and additional efficiency enhancement in 2015. This is of great importance in view of the banking sector's generally weak revenue performance, which reflects low levels of economic growth and demand, and in view of persistently low interest rates while additional burdens resulting from fiscal charges and regulatory requirements are steadily increasing. **Operating costs** in 2015 were € 3,076 mn, down by 1.9% (2014: € 3,136 mn).

Operating profit was € 2,800 mn, down by 1.6% on the previous year (2014: € 2,846 mn). The decrease was due to two effects on the revenue side: net interest was lower, reflecting historically low interest rates; and the contractual participation in profits of the Markets subdivision of UniCredit's CIB Division ended, leading to lower net trading, hedging and fair value income.

[3] To ensure comparability, the figures for 2014 have been adjusted. Most of the leasing activities were transferred to Bank Austria by the UniCredit parent company in 2014 and segment reporting has been adjusted to reflect the new structure. The income statement items relating to Ukrsotsbank continue to be reflected in the item "Total profit or loss after tax from discontinued operations".

Net write-downs of loans and provisions for guarantees and commitments in 2015 amounted to € 1,007 mn, an increase of 28.8% (2014: € 782 mn). The main reason for the higher provisioning charge was the significant increase in the third quarter, which largely resulted from the conversion, required by law, of CHF loans in Croatia; the charge in this context was € 205 mn. Loan loss provisions had to be further increased also in Russia and Ukraine in 2015. Overall, net write-downs of loans and provisions for guarantees and commitments in CEE rose significantly, by 50.8% to € 1,017 mn (2014: € 675 mn). Without the mandatory conversion of foreign currency loans, the provisioning charge in CEE would have increased by only 20.3%. The coverage ratio, i.e. the extent to which non-performing exposures are covered by loan loss provisions, improved significantly in the bank as a whole and in CEE. In Austria, the provisioning charge developed very favourably as a result of increased recoveries on loans for which provisions had previously been made and also because of lower additions to non-performing exposures; overall, there was a net release of provisions amounting to € 10 mn. The cost of risk (net write-downs of loans expressed in basis points of average loans to customers) rose from 68 to 86 basis points. The coverage ratio improved by 84 basis points to 56.3%.

In 2015, **net operating profit** was € 1,792 mn, down by 13.2% (2014: € 2,064 mn) as operating income declined in the market environment described above and because net write-downs of loans were higher, largely due to the one-off effect of mandatory conversion of CHF loans in Croatia.

The balance of **non-operating income and expenses** between net operating profit and profit before tax was a net expense of € 171 mn in 2015, a significant improvement over the previous year (2014: a net expense of € 331 mn). This effect was mainly due to the item integration/restructuring costs, which shows income of € 312 mn in the income statement for 2015 (2014: an expense of € 14 mn); however, for accounting reasons, this requires an offsetting entry in equity which leads to an almost neutral result from restructuring (minus € 27 mn).

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 – shown among non-operating income and expenses in the item **"systemic charges"**, which rose by 37.7% to € 326 mn (2014: € 237 mn).

In Austria, bank levies and other systemic charges totalled € 181 mn, of which € 134 mn related to the bank levy (2014: € 124 mn) and € 47 mn related to contributions to the deposit guarantee scheme and the bank resolution fund. In CEE the total charge was € 145 mn, of which bank levies (in Hungary and Slovakia) accounted for € 34 mn and other systemic charges totalled € 112 mn, whereof € 86 mn contributed to the deposit guarantee schemes and € 26 mn contributed to the bank resolution funds in Hungary, Croatia, Slovenia, Bulgaria and Romania.

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Profit before tax was € 1,621 mn, down by 6.5% (2014: € 1,733 mn) on account of the one-off charge in Croatia resulting from the mandatory conversion of CHF loans, and also against the background weak economic growth, low interest rates and significantly higher systemic charges in 2015.

The Group's strategy aims at focusing growth – and the allocation of capital required for such growth – on CEE countries where the outlook for growth and revenue generation is better on a sustainable basis, and at further reducing risk. In line with this strategy, UniCredit Bank Austria AG and UniCredit SpA signed a binding agreement to transfer Ukrsotsbank to the Alfa Group. The closing of the transaction is expected for 2016. Until then the Ukrainian banking subsidiary Ukrsotsbank will continue to be classified in the balance sheet as a disposal group held for sale. The income statement items of Ukrsotsbank have been combined and are shown together with write-downs and other charges in the item "total profit or loss after tax from discontinued operations". **Total profit or loss after tax from discontinued operations** is a loss of € 303 mn because the item reflects the impact of Ukrsotsbank's loss, which was not offset by income from the sale of real estate in Austria also included in this item of the income statement.

After deduction of non-controlling interests, **net profit** attributable to the owners of the parent company was € 1,325 mn, matching the previous year's figure (2014: € 1,329 mn).

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

- The cost/income ratio was 52.3% (2014: 52.4%).
- The risk/earnings ratio (net write-downs of loans as a percentage of net interest income) was 25.7% (2014: 19.5%).
- The total capital ratio (based on all risks) was 14.9% (2014: 13.4%).
- The Common Equity Tier 1 capital ratio (based on all risks) was a sound 11.0% (2014: 10.3%).

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.

In 2015 the **Retail & Corporates** Division generated about 25% of the Bank Austria Group's operating income and thus made a contribution of 70% to total operating income generated by Austrian customer business. With customer deposits and debt securities in issue totalling € 43 bn, the business segment is also an important source of funding for the bank.

2015 was characterised by persistently low interest rates and, as a consequence, a further decline in net interest. Credit expansion, averaging 2.9% for the year, was mainly achieved in the Retail subdivision via construction and housing finance while growth in direct funding (plus 4.8%) came mainly from business with corporate customers. The decline in customer interest rates in lending business was significantly stronger than on the deposit side. Overall, therefore, the interest margin continued to narrow. Although the other components of operating income developed favourably, especially net fees and commissions (plus 5.8%), total operating income was 3.9% lower than in the previous year. Operating costs declined by 1.1%, reflecting lower payroll costs and strict cost management. Net write-downs of loans and provisions for guarantees and commitments improved by € 29 mn on the previous year. The significantly higher charge for the bank levy and other systemic charges (€ 70 mn after € 48 mn in 2014) impacted net operating profit and was the main reason why **profit before tax** declined by € 58 mn (minus 17.7%) to € 269 mn.

Bank Austria is pursuing and accelerating its transformation, started in 2014, into a modern universal bank, in which branches and the digital marketplace, comprising the Online-Shop and the online branch, will have equal weight as channels for product sales and advisory services in the medium term. In 2015, 42 smaller branches were combined to form significantly larger branches with a wider offering of advisory services.
More than 40 branches throughout Austria currently have extended opening hours, with 30 branches in Vienna being available to customers from 9 a.m. to 6 p.m. and 10 branches in other Austrian regions offering their services from 8.30 a.m. to 5.30 p.m. in most cases. Some 35 branches throughout Austria were modernised according to the new branch design in 2015. The Retail subdivision achieved growth of 64.1% in construction and housing loans in 2015 and an increase of 27.6% in sales of mutual funds.

The bank will increasingly take advantage of advancing digitalisation in the coming years to serve its customers and streamline internal processes. In the medium term, banking services and advisory services will be available at branches and in the digital marketplace 24 hours a day and 7 days a week, at a significantly higher level of cost efficiency than has been the case so far. Branches will be considerably larger and offer a wider range of advisory services. Services for small businesses and independent professionals will also be significantly expanded and offered in some 70 locations from 2016.

Bank Austria is the leading bank for corporate customers in Austria and a financial partner of the Austrian business sector, serving the whole range of companies, from small businesses all the way to large companies. Although financing terms were extremely favourable in 2015, the year continued to see only moderate investment propensity on the part of corporate customers and credit demand was low. In this difficult environment Bank Austria achieved market share gains in the corporate finance sector. The market for deposits from companies grew by about 5% in 2015. Bank Austria benefited from this development and achieved gains in market share beyond average market growth.

In 2015, Bank Austria continued its initiative aimed at internationalisation, a key driver of growth. The bank provided corporate customers with product-specific know-how and made its international banking network available to them worldwide. In regional terms, the focus was on Central and Eastern Europe and China. Conversely, Bank Austria also provided extensive assistance to companies from other countries in expanding their business and setting up operations in Austria. The "UniCredit International Centers" have been established as internationalisation hubs: they help medium-sized companies which are active in the banking group's core markets in Europe and also in Asia and America to benefit from the advantages of a comprehensive cross-border business relationship with UniCredit Group.

Demand for real estate was again supported by extremely low interest rates in 2015. As a result, commercial real estate transactions reached a record volume. In this dynamic environment, and in the face of intense competition, the bank's Real Estate department achieved a new record level of € 3.1 bn in investment and development finance in Austria.

The **Corporate & Investment Banking (CIB)** Division focuses on serving multinational companies and major international customers, providing them with capital market services and investment banking solutions tailored to their specific needs. CIB also serves banks, asset managers, institutional customers, insurance companies and selected real estate customers.

In addition to its functions within the bank, CIB enables its customers to benefit from its capital market expertise, its market position based on the UniCredit Group network and a presence in all major financial centres around the world as well as from excellent access to our core regions in Western, Central and Eastern Europe and 50 countries worldwide, giving Bank Austria essential competitive advantages.

In 2015, the CIB business segment further expanded its leading market position in the segment of multinational companies. Its corporate finance business developed in a very positive manner in the face of a challenging and highly competitive market environment characterised by reluctance of customers to take up loans, a squeeze on margins and continued loan-bond substitution. Structured business, in particular, involving acquisitions, syndicated loans, capital market transactions, commodity trade finance and structured trade and export finance, grew at a rate well above that of the previous year; in many cases the growth rate was in the double-digit range.

Over the years, funding via the capital market has become a significant feature of business with corporate customers. Besides loan-based financing, bonds and loans against borrowers' notes have developed into an important second pillar in this context. CIB has benefited from this positive development, maintaining its position as market leader in this segment over the past years and acting in a leading capacity for attractive transactions.

Bank Austria's expertise and contacts to export credit agencies moreover opened up additional opportunities for corporate customers in Austria and other countries wishing to export their products and services – from working capital facilities with favourable interest rates to highly complex buyer finance arrangements for plant manufacturers. 2015 saw a significant rise in new export finance business compared with the previous year. Bank Austria's trade finance operations held up well despite a contracting market, with the bank maintaining its position as the undisputed market leader in this segment.

The Corporate & Investment Banking Division achieved a **profit before tax** of € 208 mn, exactly matching the good result of the previous year (2014: € 208 mn).

Bank Austria's **Private Banking** Division, with the two well-known brands Bank Austria Private Banking – the private banking arm of a major bank – and Schoellerbank – a traditional private banking institution – is the market leader in Austria's private banking market.

2015 saw the launching of the "UNIVERS" service model in Bank Austria's Private Banking Division: based on a transparent one-off fee, the customer can make investment decisions without considering the transaction costs. Customers with an investment volume of over € 600 mn had opted for this model by the end of 2015. It is targeted at investors looking for professional advice and execution, while preferring to take investment decisions themselves.

Bank Austria's Private Banking Division serves 1,172 out of a total of 3,257 private foundations and 460 foundations set up by Austrian federal and provincial government agencies. On this basis, Bank Austria is the market leader in services for foundations, with a market share of 31%. Under its special initiative focusing on foundations, Bank Austria is committed to innovation as a factor helping to maintain Austria's attraction as a business location: the bank collected ideas and demands for modernising Austria's legislation on foundations and to improve the overall framework for private providers of risk capital. The ideas and demands were then presented to the relevant decision-makers. Bank Austria will continue its efforts in this area in 2016, in cooperation with the Austrian Association of Charitable Foundations.

2015 was a very successful year for the Private Banking Division: total financial assets grew by 6.7% to € 22.8 bn. Given the nature of private banking business, net fees and commissions were again the largest revenue component (64%), contributing € 114 mn to operating income. This was an increase of 4.6% on the previous year. In line with the Division's business strategy, fee-based income from asset management, including fund products, was up by 8.6% and most recently accounted for over three-quarters of net fees and commissions.

One-third of the 16.3% increase in assets under management to € 8.3 bn in 2015 is explained by good performance and two-thirds by ongoing net inflows of funds, which were positive in every quarter of 2015.

Profit before tax was € 51 mn, down by € 2.6 mn on the previous year's level. Over one half of the decrease is due to higher systemic charges (including bank levies).

The **CEE Division** reported a solid operating profit of € 2,341 mn in 2015, reflecting positive contributions from across the region despite methodological changes regarding subholding effects in Q2 2015; adjusted for exchange rate movements, the figure was up by 8.9% compared to the previous year. At current rates, operating profit remained at the same level as in 2014, when it was € 2,323 mn.

Operating income showed a strong development in 2015, with slightly weaker net interest income amounting to € 2,381 mn (2014: € 2,456 mn), higher net fees and commissions of € 718 mn (2014: € 702 mn) and an increased net trading income of € 329 mn (2014: € 266 mn). Other income from equity investments, reflecting mostly the net contribution from Turkey, was up at € 364 mn (2014: € 345 mn). Net other income amounted to € 24 mn (2014: € 55 mn). Including these effects, overall operating income therefore increased by 6.7% to € 3,816 mn (2014: € 3,824 mn) at constant rates and was flat at current rates.

Due to continued strict cost management the CEE Division was able to reduce operating costs compared with the previous year by 1.7% to € 1,475 mn (2014: € 1,501 mn). Even eliminating the exchange rate movements, operating costs were reduced in real terms: their increase at constant rates was kept at 3.2% and thus significantly below the weighted inflation rate in the region. The cost/income ratio therefore stood at a sound 38.7% (2014: 39.3%).

Net write-downs on loans in the CEE Division rose to € 1,017 mn (2014: € 675 mn) mainly driven by the newly introduced Consumer Credit Act in Croatia enforcing the conversion of Swiss Franc denominated loans and by additional provisions for Russia and for Ukrainian borrowers. Thus the CEE Division achieved a net operating profit of € 1,324 mn (2014: € 1,648 mn). Net profit was at € 604 mn in 2015, reflecting also the full P&L impact of € 367 mn from Ukrsotsbank.

In 2015 the economic environment for banks operating in Central and Eastern Europe (CEE) was largely positive. Despite some exceptions, most countries in the region showed strong economic growth and resilience against shifts in investor sentiment towards emerging markets, which was in good part related to their deep integration with the euro area and solid macroeconomic fundamentals. Banking sectors in most CEE countries remained profitable, although the overall level is normalizing compared to the pre-crisis period. A more sustainable funding model is moving forward in the region, with local deposits becoming a more important funding source. The average loans-to-deposits ratio improved significantly from 122% in 2008 to 101% in 2015. Looking forward, economic recovery is expected to further support lending, especially in countries which have been lagging behind so far. Non-performing loan ratios, which are currently high in some countries, should decline.

The CEE Division manages a network of about 2,300 branches (including the Turkish joint venture, which is accounted for using the equity method) in 13 countries in the region with about 47,500 employees. The Group continues to see itself as a long-term investor in this region and will expand its leading market position through sustainable growth in the coming years.

Statement of financial position[4]

Bank Austria's **total assets** as at 31 December 2015 were € 193.6 bn, up by 2.4% or € 4.5 bn on the end of the previous year (31 December 2014: € 189.1 bn).

On the assets side, **loans and receivables with customers** were € 116.4 bn, up by 2.3% or € 2.6 bn (31 December 2014: € 113.7 bn). **Loans and receivables with banks** increased by 5.5% to € 32.2 bn (31 December 2014: € 30.5 bn).

On the liabilities side, **deposits from customers** rose significantly, by 7.9% or € 8.1 bn, to € 110.3 bn (31 December 2014: € 102.3 bn). **Debt securities in issue** declined by 4.0% or € 1.2 bn to € 28.8 bn (31 December 2014: € 30.0 bn).

Direct funding – i.e. the sum total of customer deposits and debt securities in issue – totalled € 139.1 bn, up by 5.2% or € 6.9 bn (31 December 2014: € 132.3 bn), accounting for over two-thirds (71.9%) of total liabilities and equity.

This gives a **loans/direct-funding ratio** of 83.6%, which means that customer loans are covered by customer deposits and debt securities in issue to the extent of 119.6%.

Asset Quality

Net impaired loans declined to € 4.5 bn (-7.9% year to date) while the coverage ratio rose to a sound 56.3 % (+0.8 percentage points year to date). This means that asset quality at Bank Austria continued to develop positively. Gross impaired loans (€ 10.4 bn) declined both in CEE (€ 7.2 bn, -3.7% year to date) and – due to a highly favourable development - in Austria, where gross impaired loans totalled € 3.2 bn (-11.1% year to date). The increase in total write-downs of loans in CEE to € 4.3 bn (+4.1%) resulted mainly from the conversion, required by law, of CHF-denominated loans in Croatia and an increase of provisioning in Russia.

[4] In the statement of financial position, Ukrsotsbank is reflected in the items "Non-current assets and disposal groups classified as held for sale" and "Liabilities in disposal groups classified as held for sale" as the bank is in the process of being sold.

Regulatory capital resources and risk-weighted assets[5]

Regulatory capital, capital requirements and regulatory capital ratios are calculated in accordance with the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD IV) to implement Basel 3 in the European Union. Under the Austrian CRR Supplementary Regulation of 11 December 2013, these provisions are not yet fully applicable but will be gradually introduced over several years. For example, new deductions from Common Equity Tier 1 capital or capital components which are no longer eligible for inclusion under Basel 3 are not yet allowed to be fully taken into account pursuant to CRR / CRD IV in the second year of the transition period but to the extent defined for 2015 in the Austrian CRR Supplementary Regulation.

Movements in capital resources:

Total **regulatory capital**[6] as at 31 December 2015 was € 19.1 bn, up by € 1.5 bn on the end of the previous year (31 December 2014: € 17.5 bn).

The **total capital ratio**[7] based on all risks rose significantly, to a sound 14.9% (2014: 13.4%) and the **Common Equity Tier 1 capital ratio**[8] based on all risks increased to an excellent 11.0% (2014: 10.3%).

Total regulatory capital was € 18.6 bn, up by € 1.1 bn on year-end 2014**. Common Equity Tier 1 capital** (CET1) rose by € 0.4 bn to € 13.8 bn.

The increase in Common Equity Tier 1 capital as at 31 December 2015 is mainly due to the inclusion of preliminary net profit 2015 and the fact that unrealised gains on assets and liabilities measured at fair value were eligible for inclusion for the first time under Section 2 of the Austrian CRR Supplementary Regulation. In addition, Tier 2 capital was strengthened through three eligible new issues totalling € 0.9 bn.

In 2015, the **total risk exposure amount** (RWAs) decreased to **€ 128.4** bn, **down by € 2.1** bn or -1.6%; a low increase in credit risk was offset by declines in market risk and operational risk.

At the end of 2015, the **leverage ratio**[8] to be calculated under Basel 3 was a conservative 5.8% in conformity with Basel 3 transitional rules.

[5] Calculated on an IFRS basis.
[6] Calculated on an IFRS basis.
[7] Capital ratios are calculated in conformity with Basel 3 transitional arrangements. Net profit is included in the calculation of regulatory capital and capital ratios.
[8] Leverage ratio calculated on the basis of the inclusion of net profit.

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Bank Austria at a Glance

(Preliminary consolidated financial statements for 2015)

Income statement figures

(€ million)	2015	2014 1)	+/–
Net interest	3,386	3,511	–3.6%
Dividend income and other income from equity investments	535	496	+7.8%
Net fees and commissions	1,439	1,364	+5.5%
Net trading, hedging and fair value income	420	487	–13.8%
Operating income	5,875	5,982	–1.8%
Operating costs	–3,076	–3,136	–1.9%
Operating profit	2,800	2,846	–1.6%
Net write-downs of loans and provisions for guarantees and commitments	–1,007	–782	+28.8%
Net operating profit	1,792	2,064	–13.2%
Profit before tax	1,621	1,733	–6.5%
Net profit attributable to the owners of the parent company	1,325	1,329	–0.3%

Volume figures

(€ million)	31 DEC. 2015	31 DEC. 2014	+/–
Total assets	193,638	189,118	+2.4%
Loans and receivables with customers	116,377	113,732	+2.3%
Direct funding (deposits from customers and debt securities in issue)	139,148	132,285	+5.2%
Equity	15,394	14,925	+3.1%
Risk-weighted assets (overall) 2)	128,259	130,351	–1.6%

Key performance indicators

	2015	2014
Return on equity after tax (ROE)	9.4%	9.7%
Cost/income ratio 1)	52.3%	52.4%
Cost of risk (provisioning charge/avg. lending volume) 1)	0.86%	0.68%
Loans and receivables with customers/direct funding	83.6%	86.0%
Leverage ratio 3)	5.8%	5.6%
Common Equity Tier 1 capital ratio 4)	11.0%	10.3%
Tier 1 capital ratio 4)	11.0%	10.3%
Total capital ratio 4)	14.9%	13.4%

Staff

	31 DEC. 2015	31 DEC. 2014 1)	+/–
Bank Austria (full-time equivalent)	35,534	36,192	–658
Central Eastern Europe business segment	24,143	24,124	19
Ukraine (held for sale)	4,343	4,830	–487
Austria (other business segments)	7,048	7,237	–190

1) Comparative figures for 2014 recast to reflect the current structure and methodology. / 2) Regulatory risk-weighted assets, not adjusted. / 3) Leverage ratio under Basel 3 based on the current status of transitional arrangements. / 4) Capital ratios based on all risks under Basel 3 (transitional) and IFRSs.

Condensed income statement of the Bank Austria Group[1)]

for the year ended 31 December 2015

(€ million)

RECAST [2)]	QUARTERLY FIGURES					RECAST [2)]	CHANGE	
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	+/– €	+/– %
Net interest	816	871	847	852	3,386	3,511	–125	–3.6%
Dividend income and other income from equity investments	98	136	107	193	535	496	+39	+7.8%
Net fees and commissions	341	373	350	375	1,439	1,364	+75	+5.5%
Net trading, hedging and fair value income	107	124	78	111	420	487	–67	–13.8%
Net other expenses/income	20	19	22	34	95	124	–29	–23.0%
Operating income	1,383	1,522	1,405	1,566	5,875	5,982	–107	–1.8%
Payroll costs	–390	–404	–384	–384	–1,562	–1,648	+86	–5.2%
Other administrative expenses	–320	–338	–331	–367	–1,356	–1,318	–39	+3.0%
Recovery of expenses	0	0	0	0	1	1	–0	–2.0%
Amortisation, depreciation and impairment losses on intangible and tangible assets	–41	–35	–36	–47	–159	–172	+14	–7.9%
Operating costs	–751	–776	–751	–798	–3,076	–3,136	+61	–1.9%
Operating profit	632	746	653	768	2,800	2,846	–47	–1.6%
Net write-downs of loans and provisions for guarantees and commitments	–210	–181	–366	–250	–1,007	–782	–226	+28.8%
Net operating profit	**422**	**564**	**288**	**518**	**1,792**	**2,064**	**–272**	**–13.2%**
Provisions for risks and charges	–8	0	–43	–85	–137	–147	+10	–6.8%
Systemic charges	–103	–72	–58	–94	–326	–237	–89	+37.7%
Integration/restructuring costs	–1	–1	–3	317	312	–14	+326	n.m.
Net income/loss from investments	0	2	1	–22	–20	66	–86	n.m.
Profit before tax	**310**	**493**	**184**	**634**	**1,621**	**1,733**	**–112**	**–6.5%**
Income tax for the period	–60	–69	–49	92	–86	–296	+209	–70.9%
Total profit or loss after tax from discontinued operations	–60	–123	25	–145	–303	–132	–172	>100%
Profit or loss for the period	190	301	160	581	1,232	1,306	–74	–5.7%
Non-controlling interests	7	–9	11	84	93	23	+70	>100%
Net profit or loss before PPA [3)]	198	291	172	664	1,325	1,329	–4	–0.3%
Purchase Price Allocation effect	0	0	0	0	0	0	0	n.m.
Goodwill impairment	0	0	0	0	0	0	0	n.m.
Net profit or loss [3)]	**198**	**291**	**172**	**664**	**1,325**	**1,329**	**–4**	**–0.3%**

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 2015. / 3) Attributable to the owners of the parent company.

Segment reporting of the Bank Austria Group

1–12 2015/1–12 2014

(€ million)

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)	RECASTING DIFFER-ENCES [1]	BANK AUSTRIA GROUP (PUBLISHED) [2]
Net interest	1–12 2015	895	58	294	2,381	–242	3,386	0	3,386
	1–12 2014	974	64	302	2,456	–285	3,511	–78	3,433
Dividends and other income from equity investments	1–12 2015	29	0	0	364	142	535	0	535
	1–12 2014	40	0	0	345	111	496	0	496
Net fees and commissions	1–12 2015	506	114	104	718	–3	1,439	0	1,439
	1–12 2014	479	109	84	702	–10	1,364	3	1,367
Net trading, hedging and fair value income/loss	1–12 2015	34	3	48	329	7	420	0	420
	1–12 2014	24	2	52	266	143	487	0	487
Net other expenses/income	1–12 2015	23	2	5	24	42	95	0	95
	1–12 2014	31	0	1	55	37	124	–18	106
OPERATING INCOME	**1–12 2015**	**1,486**	**177**	**451**	**3,816**	**–55**	**5,875**	**0**	**5,875**
	1–12 2014	**1,548**	**175**	**440**	**3,824**	**–3**	**5,982**	**–93**	**5,890**
OPERATING COSTS	**1–12 2015**	**–1,096**	**–121**	**–215**	**–1,475**	**–168**	**–3,076**	**0**	**–3,076**
	1–12 2014	**–1,108**	**–116**	**–208**	**–1,501**	**–204**	**–3,136**	**37**	**–3,099**
OPERATING PROFIT	**1–12 2015**	**390**	**56**	**235**	**2,341**	**–223**	**2,800**	**0**	**2,800**
	1–12 2014	**440**	**59**	**232**	**2,323**	**–207**	**2,846**	**–56**	**2,790**
Net write-downs of loans and provisions for guarantees and commitments	1–12 2015	–28	0	25	–1,017	12	–1,007	0	–1,007
	1–12 2014	–56	0	3	–675	–55	–782	89	–693
NET OPERATING PROFIT	**1–12 2015**	**363**	**56**	**260**	**1,324**	**–210**	**1,792**	**0**	**1,792**
	1–12 2014	**383**	**59**	**236**	**1,648**	**–262**	**2,064**	**33**	**2,097**
Provisions for risks and charges	1–12 2015	–4	–1	–8	–68	–56	–137	0	–137
	1–12 2014	1	–1	0	–137	–9	–147	14	–133
Systemic charges	1–12 2015	–70	–5	–36	–155	–60	–326	0	–326
	1–12 2014	–48	–3	–31	–120	–35	–237	0	–237
Integration/restructuring costs	1–12 2015	0	0	0	–8	320	312	0	312
	1–12 2014	0	–1	0	–7	–5	–14	1	–13
Net income/loss from investments	1–12 2015	–20	0	–8	2	6	–20	0	–20
	1–12 2014	–9	0	2	13	60	66	–2	64
PROFIT BEFORE TAX	**1–12 2015**	**269**	**51**	**208**	**1,094**	**–1**	**1,621**	**0**	**1,621**
	1–12 2014	**327**	**53**	**208**	**1,396**	**–251**	**1,733**	**45**	**1,778**
Income tax for the period	1–12 2015	–73	–13	–52	–169	221	–86	0	–86
	1–12 2014	–69	–13	–52	–212	50	–296	9	–287
Total profit or loss after tax from discontinued operations	1–12 2015	0	0	1	–423	120	–303	0	–303
	1–12 2014	0	0	0	–206	75	–132	0	–132
PROFIT OR LOSS FOR THE PERIOD	**1–12 2015**	**196**	**38**	**157**	**502**	**340**	**1,232**	**0**	**1,232**
	1–12 2014	**259**	**40**	**156**	**977**	**–126**	**1,306**	**54**	**1,360**
Non-controlling interests	1–12 2015	–12	0	0	102	2	93	0	93
	1–12 2014	–8	0	0	25	6	23	1	23
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA	**1–12 2015**	**184**	**38**	**157**	**604**	**342**	**1,325**	**0**	**1,325**
	1–12 2014	**250**	**40**	**156**	**1,003**	**–120**	**1,329**	**54**	**1,383**
Purchase Price Allocation effect	1–12 2015	0	0	0	0	0	0	0	0
	1–12 2014	0	0	0	0	0	0	0	0
Goodwill impairment	1–12 2015	0	0	0	0	0	0	0	0
	1–12 2014	0	0	0	0	0	0	0	0
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	**1–12 2015**	**184**	**38**	**157**	**604**	**342**	**1,325**	**0**	**1,325**
	1–12 2014	**250**	**40**	**156**	**1,003**	**–120**	**1,329**	**54**	**1,383**

1) The segment results have been recast. The difference compared to Bank Austria's results is presented in a separate column showing "Recasting differences", which for 2014 mainly relate to the transfer of Leasing subsidiaries in Russia, the Czech Republic, Slovakia, Romania, Croatia, Austria, Hungary and some Leasing entities in Serbia and Slovenia to Bank Austria. Recasting differences also relate to the sale of UniCredit CAIB Poland S.A.

2) The comparative figures for 2014 and 2015 reflect the accounting figures.

Segment reporting of the Bank Austria Group

1–12 2015/1–12 2014

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)	RECASTING DIFFER-ENCES 1)	BANK AUSTRIA GROUP (PUBLISHED) 2)
Risk-weighted assets	**1–12 2015**	**19,671**	**524**	**8,766**	**96,823**	**7,462**	**133,246**	**0**	**133,246**
(RWA) (avg.) 3)	**1–12 2014**	**19,696**	**600**	**8,394**	**85,579**	**9,339**	**123,609**	**1,473**	**125,081**
Loans to customers	**1–12 2015**	**44,856**	**618**	**13,691**	**57,102**	**109**	**116,377**	**0**	**116,377**
(end of period)	**1–12 2014**	**43,208**	**588**	**12,502**	**56,786**	**664**	**113,749**	**–17**	**113,732**
Direct funding (end of period) 4)	**1–12 2015**	**42,889**	**9,079**	**10,426**	**58,709**	**18,045**	**139,148**	**0**	**139,148**
	1–12 2014	**42,767**	**8,990**	**8,758**	**52,243**	**19,512**	**132,269**	**15**	**132,285**
Cost/income ratio excl. bank levy in %	*1–12 2015*	*73.7*	*68.5*	*47.8*	*38.7*	*n.m.*	*52.3*	*n.m.*	*52.3*
	1–12 2014	*71.6*	*66.3*	*47.2*	*39.3*	*n.m.*	*52.4*	*n.m.*	*52.6*
Risk/earnings ratio in % 5)	*1–12 2015*	*3.0*	*n.m.*	*n.m.*	*37.1*	*n.m.*	*25.7*	*n.m.*	*25.7*
	1–12 2014	*5.5*	*n.m.*	*n.m.*	*24.1*	*n.m.*	*19.5*	*n.m.*	*17.6*

1) The segment results have been recast. The difference compared to Bank Austria's results is presented in a separate column showing "Recasting differences", which for 2014 mainly relate to the transfer of Leasing subsidiaries in Russia, the Czech Republic, Slovakia, Romania, Croatia, Austria, Hungary and some Leasing entities in Serbia and Slovenia to Bank Austria. Recasting differences also relate to the sale of UniCredit CAIB Poland S.A.

2) The comparative figures for 2014 and 2015 reflect the accounting figures.

3) Turkey consolidated on a proportionate basis.

4) Direct funding: deposits from customers and debt securities in issue.

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 – Q4 2015 / Q1 – Q4 2014

(€ million)

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST) 1)
Net interest	Q4 2015	223	14	75	594	–54	852
	Q3 2015	223	15	72	597	–60	847
	Q2 2015	225	15	75	615	–58	871
	Q1 2015	224	15	73	574	–70	816
	Q4 2014	243	16	74	602	–77	858
	Q3 2014	242	16	72	644	–74	899
	Q2 2014	247	16	81	612	–71	885
	Q1 2014	242	15	77	598	–63	869
Dividends and other income from equity investments	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
	Q4 2014	9	0	0	112	24	145
	Q3 2014	10	0	0	95	21	126
	Q2 2014	12	0	0	90	49	151
	Q1 2014	9	0	0	48	16	73
Net fees and commissions	Q4 2015	128	33	27	189	–2	375
	Q3 2015	125	25	21	178	1	350
	Q2 2015	127	25	35	183	1	373
	Q1 2015	126	30	21	168	–4	341
	Q4 2014	121	36	22	168	–4	343
	Q3 2014	117	24	21	183	–1	344
	Q2 2014	119	24	20	184	–1	346
	Q1 2014	122	25	21	168	–4	331
Net trading, hedging and fair value income/loss	Q4 2015	9	1	10	88	4	111
	Q3 2015	–2	1	8	74	–2	78
	Q2 2015	18	1	17	83	4	124
	Q1 2015	8	1	12	85	1	107
	Q4 2014	14	1	14	28	29	87
	Q3 2014	2	1	9	107	30	149
	Q2 2014	6	1	8	69	55	139
	Q1 2014	3	0	20	61	28	112
Net other expenses/income	Q4 2015	8	0	4	13	8	34
	Q3 2015	7	0	0	1	14	22
	Q2 2015	3	0	0	6	10	19
	Q1 2015	4	1	0	4	10	20
	Q4 2014	8	0	0	–3	7	12
	Q3 2014	7	0	0	33	12	52
	Q2 2014	6	0	0	17	8	33
	Q1 2014	10	0	0	7	9	27
OPERATING INCOME	**Q4 2015**	**374**	**48**	**116**	**1,015**	**12**	**1,566**
	Q3 2015	**357**	**40**	**101**	**917**	**–11**	**1,405**
	Q2 2015	**390**	**41**	**127**	**980**	**–16**	**1,522**
	Q1 2015	**366**	**48**	**106**	**904**	**–41**	**1,383**
	Q4 2014	**396**	**53**	**110**	**907**	**–20**	**1,445**
	Q3 2014	**377**	**40**	**102**	**1,062**	**–11**	**1,570**
	Q2 2014	**390**	**41**	**110**	**972**	**41**	**1,554**
	Q1 2014	**385**	**40**	**118**	**882**	**–13**	**1,413**
OPERATING COSTS	**Q4 2015**	**–267**	**–31**	**–59**	**–400**	**–41**	**–798**
	Q3 2015	**–271**	**–30**	**–50**	**–357**	**–43**	**–751**
	Q2 2015	**–279**	**–30**	**–54**	**–370**	**–43**	**–776**
	Q1 2015	**–280**	**–30**	**–52**	**–347**	**–41**	**–751**
	Q4 2014	**–292**	**–30**	**–61**	**–391**	**–49**	**–823**
	Q3 2014	**–262**	**–28**	**–47**	**–377**	**–53**	**–767**
	Q2 2014	**–276**	**–30**	**–51**	**–367**	**–50**	**–774**
	Q1 2014	**–277**	**–29**	**–49**	**–366**	**–51**	**–772**

1) Quarterly figures based on recast data only.

Segment reporting of the Bank Austria Group

Q1 – Q4 2015 / Q1 – Q4 2014

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST) 1)
OPERATING PROFIT	**Q4 2015**	**107**	**17**	**57**	**615**	**–28**	**768**
	Q3 2015	**87**	**11**	**50**	**560**	**–54**	**653**
	Q2 2015	**111**	**10**	**73**	**610**	**–59**	**746**
	Q1 2015	**86**	**17**	**55**	**556**	**–82**	**632**
	Q4 2014	**104**	**23**	**49**	**516**	**–69**	**623**
	Q3 2014	**114**	**13**	**55**	**685**	**–64**	**803**
	Q2 2014	**113**	**12**	**59**	**605**	**–10**	**780**
	Q1 2014	**108**	**11**	**69**	**516**	**–64**	**641**
Net write-downs of loans and provisions for guarantees and commitments	Q4 2015	–21	0	24	–264	11	–250
	Q3 2015	–7	0	1	–359	0	–366
	Q2 2015	30	1	7	–219	0	–181
	Q1 2015	–29	0	–8	–175	2	–210
	Q4 2014	11	0	–4	–204	–52	–250
	Q3 2014	–16	0	–8	–156	–1	–181
	Q2 2014	–4	0	28	–168	–1	–144
	Q1 2014	–48	0	–13	–146	–1	–208
NET OPERATING PROFIT	**Q4 2015**	**86**	**17**	**81**	**351**	**–18**	**518**
	Q3 2015	**79**	**10**	**52**	**200**	**–54**	**288**
	Q2 2015	**141**	**11**	**80**	**390**	**–58**	**564**
	Q1 2015	**57**	**17**	**47**	**382**	**–80**	**422**
	Q4 2014	**114**	**23**	**45**	**312**	**–121**	**373**
	Q3 2014	**99**	**13**	**47**	**529**	**–65**	**622**
	Q2 2014	**110**	**12**	**88**	**437**	**–11**	**636**
	Q1 2014	**61**	**11**	**56**	**370**	**–65**	**433**
Provisions for risks and charges	Q4 2015	–4	0	–8	–66	–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
	Q4 2014	2	–1	0	–6	–3	–9
	Q3 2014	0	0	0	–92	–3	–95
	Q2 2014	0	0	0	–30	–3	–32
	Q1 2014	0	0	0	–10	0	–11
Systemic charges	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
	Q4 2014	–12	–1	–8	–23	–9	–52
	Q3 2014	–12	–1	–8	–25	–9	–54
	Q2 2014	–12	–2	–7	–25	–9	–55
	Q1 2014	–12	0	–8	–48	–8	–76
Integration/restructuring costs	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
	Q4 2014	0	–1	0	1	–4	–5
	Q3 2014	0	0	0	–1	0	–1
	Q2 2014	0	0	0	–6	0	–6
	Q1 2014	0	0	0	–1	0	–1
Net income/loss from investments	Q4 2015	–18	0	–8	2	1	–22
	Q3 2015	0	0	0	0	0	1
	Q2 2015	–3	0	0	0	4	2
	Q1 2015	1	0	0	–1	0	0
	Q4 2014	–10	0	0	8	–1	–3
	Q3 2014	1	0	0	6	5	12
	Q2 2014	–1	0	0	–1	–17	–19
	Q1 2014	0	0	2	0	73	75

1) Quarterly figures based on recast data only.

Segment reporting of the Bank Austria Group

Q1 – Q4 2015 / Q1 – Q4 2014

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST) [1]
PROFIT BEFORE TAX	**Q4 2015**	**45**	**16**	**54**	**243**	**277**	**634**
	Q3 2015	**66**	**10**	**45**	**173**	**–110**	**184**
	Q2 2015	**119**	**9**	**73**	**357**	**–66**	**493**
	Q1 2015	**39**	**16**	**36**	**321**	**–102**	**310**
	Q4 2014	**94**	**20**	**37**	**292**	**–138**	**305**
	Q3 2014	**87**	**12**	**40**	**418**	**–72**	**485**
	Q2 2014	**97**	**11**	**80**	**375**	**–40**	**523**
	Q1 2014	**49**	**11**	**50**	**311**	**–1**	**420**
Income tax for the period	Q4 2015	–12	–4	–14	–38	159	92
	Q3 2015	–17	–2	–11	–17	–2	–49
	Q2 2015	–30	–3	–18	–53	34	–69
	Q1 2015	–15	–4	–10	–60	29	–60
	Q4 2014	–21	–5	–9	–41	–12	–88
	Q3 2014	–17	–3	–10	–68	23	–75
	Q2 2014	–22	–3	–20	–51	30	–66
	Q1 2014	–9	–3	–12	–52	9	–66
Total profit or loss after tax from discontinued operations	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
	Q4 2014	0	0	0	–126	13	–113
	Q3 2014	0	0	0	–41	47	6
	Q2 2014	0	0	0	–35	8	–27
	Q1 2014	0	0	0	–4	6	2
PROFIT (LOSS) FOR THE PERIOD	**Q4 2015**	**33**	**12**	**41**	**13**	**482**	**581**
	Q3 2015	**49**	**7**	**35**	**145**	**–75**	**160**
	Q2 2015	**89**	**7**	**56**	**158**	**–9**	**301**
	Q1 2015	**25**	**13**	**25**	**186**	**–58**	**190**
	Q4 2014	**73**	**15**	**28**	**125**	**–137**	**104**
	Q3 2014	**70**	**9**	**30**	**309**	**–2**	**416**
	Q2 2014	**75**	**8**	**60**	**289**	**–2**	**430**
	Q1 2014	**40**	**8**	**38**	**255**	**15**	**356**
Non-controlling interests	Q4 2015	–3	0	0	86	0	84
	Q3 2015	–4	0	0	14	1	11
	Q2 2015	–3	0	0	–8	1	–9
	Q1 2015	–3	0	0	9	1	7
	Q4 2014	–2	0	0	33	3	35
	Q3 2014	–3	0	0	–2	1	–4
	Q2 2014	–1	0	0	1	1	0
	Q1 2014	–2	0	0	–7	1	–8
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA	**Q4 2015**	**30**	**12**	**41**	**100**	**482**	**664**
	Q3 2015	**45**	**7**	**35**	**159**	**–74**	**172**
	Q2 2015	**87**	**7**	**56**	**150**	**–8**	**291**
	Q1 2015	**22**	**13**	**25**	**195**	**–58**	**198**
	Q4 2014	**71**	**15**	**28**	**158**	**–134**	**139**
	Q3 2014	**67**	**9**	**30**	**307**	**–1**	**412**
	Q2 2014	**74**	**8**	**60**	**290**	**–1**	**430**
	Q1 2014	**38**	**8**	**38**	**248**	**16**	**348**
Purchase Price Allocation effect	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
	Q4 2014	0	0	0	0	0	0
	Q3 2014	0	0	0	0	0	0
	Q2 2014	0	0	0	0	0	0
	Q1 2014	0	0	0	0	0	0

1) Quarterly figures based on recast data only.

Bank Austria Member of UniCredit

Segment reporting of the Bank Austria Group

Q1–Q4 2015/Q1–Q4 2014

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST) 1)
Goodwill impairment	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
	Q4 2014	0	0	0	0	0	0
	Q3 2014	0	0	0	0	0	0
	Q2 2014	0	0	0	0	0	0
	Q1 2014	0	0	0	0	0	0
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	**Q4 2015**	**30**	**12**	**41**	**100**	**482**	**664**
	Q3 2015	**45**	**7**	**35**	**159**	**–74**	**172**
	Q2 2015	**87**	**7**	**56**	**150**	**–8**	**291**
	Q1 2015	**22**	**13**	**25**	**195**	**–58**	**198**
	Q4 2014	**71**	**15**	**28**	**158**	**–134**	**139**
	Q3 2014	**67**	**9**	**30**	**307**	**–1**	**412**
	Q2 2014	**74**	**8**	**60**	**290**	**–1**	**430**
	Q1 2014	**38**	**8**	**38**	**248**	**16**	**348**
Risk-weighted assets (RWA) (avg.) 2)	**Q4 2015**	**18,600**	**530**	**8,290**	**95,110**	**7,003**	**129,532**
	Q3 2015	**19,320**	**511**	**9,095**	**97,151**	**6,648**	**132,725**
	Q2 2015	**20,292**	**520**	**9,015**	**98,768**	**7,818**	**136,413**
	Q1 2015	**20,472**	**534**	**8,665**	**96,242**	**8,380**	**134,294**
	Q4 2014	**19,525**	**558**	**8,487**	**90,126**	**8,826**	**127,522**
	Q3 2014	**19,816**	**617**	**8,461**	**86,307**	**8,970**	**124,171**
	Q2 2014	**20,052**	**623**	**8,227**	**84,201**	**9,311**	**122,414**
	Q1 2014	**19,391**	**604**	**8,401**	**81,683**	**10,249**	**120,328**
Loans to customers (end of period)	**Q4 2015**	**44,856**	**618**	**13,691**	**57,102**	**109**	**116,377**
	Q3 2015	**44,312**	**627**	**13,788**	**57,733**	**76**	**116,535**
	Q2 2015	**44,576**	**607**	**13,204**	**58,586**	**253**	**117,226**
	Q1 2015	**44,311**	**599**	**12,751**	**58,533**	**1,317**	**117,511**
	Q4 2014	**43,208**	**588**	**12,502**	**56,786**	**664**	**113,749**
	Q3 2014	**43,100**	**599**	**12,856**	**58,155**	**823**	**115,533**
	Q2 2014	**43,157**	**635**	**12,984**	**57,545**	**1,339**	**115,661**
	Q1 2014	**42,812**	**636**	**13,060**	**55,231**	**1,822**	**113,560**
Direct funding (end of period) 3)	**Q4 2015**	**42,889**	**9,079**	**10,426**	**58,709**	**18,045**	**139,148**
	Q3 2015	**43,396**	**9,441**	**10,939**	**57,785**	**18,280**	**139,842**
	Q2 2015	**43,317**	**9,055**	**10,013**	**56,084**	**18,141**	**136,608**
	Q1 2015	**43,213**	**9,660**	**9,086**	**54,572**	**19,721**	**136,251**
	Q4 2014	**42,767**	**8,990**	**8,758**	**52,243**	**19,512**	**132,269**
	Q3 2014	**42,063**	**9,163**	**8,870**	**50,800**	**19,499**	**130,396**
	Q2 2014	**40,531**	**8,352**	**8,509**	**49,104**	**18,358**	**124,854**
	Q1 2014	**40,581**	**8,585**	**8,802**	**48,050**	**17,884**	**123,903**
Cost/income ratio excl. bank levy in %	Q4 2015	*71.4*	*64.0*	*51.0*	*39.4*	*329.9*	*50.9*
	Q3 2015	*75.7*	*73.3*	*50.0*	*39.0*	*400.9*	*53.5*
	Q2 2015	*71.5*	*74.4*	*42.5*	*37.8*	*273.8*	*51.0*
	Q1 2015	*76.5*	*63.7*	*48.6*	*38.5*	*100.8*	*54.3*
	Q4 2014	*73.8*	*56.0*	*55.2*	*43.1*	*248.6*	*56.9*
	Q3 2014	*69.6*	*68.6*	*46.1*	*35.5*	*475.3*	*48.9*
	Q2 2014	*70.9*	*71.5*	*46.2*	*37.8*	*123.5*	*49.8*
	Q1 2014	*71.9*	*72.1*	*41.7*	*41.5*	*385.5*	*54.7*
Risk/earnings ratio in % 4)	Q4 2015	*9.1*	*0.3*	*n.m.*	*36.4*	*n.m.*	*23.9*
	Q3 2015	*3.3*	*2.0*	*n.m.*	*54.1*	*n.m.*	*38.3*
	Q2 2015	*n.m.*	*n.m.*	*n.m.*	*31.0*	*n.m.*	*18.0*
	Q1 2015	*12.9*	*n.m.*	*10.9*	*27.0*	*n.m.*	*23.0*
	Q4 2014	*n.m.*	*n.m.*	*5.7*	*28.6*	*n.m.*	*24.9*
	Q3 2014	*6.3*	*0.3*	*10.7*	*21.1*	*n.m.*	*17.6*
	Q2 2014	*1.4*	*n.m.*	*n.m.*	*24.0*	*n.m.*	*13.9*
	Q1 2014	*18.9*	*0.7*	*17.4*	*22.6*	*n.m.*	*22.0*

1) Quarterly figures based on recast data only.
2) Turkey consolidated on a proportionate basis.
3) Direct funding: deposits from customers and debt securities in issue.
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 31 December 2015

Assets

(€ million)

	31 DEC. 2015	31 DEC. 2014
Cash and cash balances	2,146	1,942
Financial assets held for trading	3,013	3,533
Financial assets at fair value through profit or loss	89	110
Available-for-sale financial assets	24,810	22,148
Held-to-maturity investments	484	572
Loans and receivables with banks	32,214	30,542
Loans and receivables with customers	116,377	113,732
Hedging derivatives	3,290	3,952
Changes in fair value of portfolio hedged items (+/–)	41	–99
Investments in associates and joint ventures	4,741	4,644
Property, plant and equipment	2,132	2,147
of which held for investment	*827*	*896*
Intangible assets	221	171
Tax assets	448	570
a) current tax assets	94	72
b) deferred tax assets	353	499
Non-current assets and disposal groups classified as held for sale	2,467	3,600
Other assets	1,167	1,554
TOTAL ASSETS	**193,638**	**189,118**

Liabilities and equity

(€ million)

	31 DEC. 2015	31 DEC. 2014
Deposits from banks	23,432	23,696
Deposits from customers	110,346	102,271
Debt securities in issue	28,802	30,014
Financial liabilities held for trading	2,642	3,454
Financial liabilities at fair value through profit or loss	547	670
Hedging derivatives	2,782	3,302
Changes in fair value of portfolio hedged items (+/–)	–101	84
Tax liabilities	214	165
a) current tax liabilities	46	58
b) deferred tax liabilities	169	107
Liabilities included in disposal groups classified as held for sale	1,977	1,845
Other liabilities	2,773	2,617
Provisions for risks and charges	4,830	6,076
a) post-retirement benefit obligations	3,697	5,665
b) other provisions	1,133	411
Equity	15,394	14,925
of which non-controlling interests (+/–)	*238*	*193*
TOTAL LIABILITIES AND EQUITY	**193,638**	**189,118**

Lending volume and asset quality[1)]

(€ million)

	31 DEC. 2015	31 DEC. 2014	+/– €	+/–
Bank Austria as a whole				
Gross loans to customers	123,068	120,536	+2,532	+2.1%
Total write-downs	−6,691	−6,804	+113	−1.7%
Net loans to customers	116,377	113,732	+2,645	+2.3%
Gross non-performing exposures	10,381	11,057	−675	−6.1%
… % of gross loans to customers	*8.4%*	*9.2%*		*−0.7pp*
Specific write-downs	−5,842	−6,130	+287	−4.7%
Coverage ratio	*56.3%*	*55.4%*		*+0.8pp*
Net non-performing exposures	4,539	4,927	−388	−7.9%
… % of net loans to customers	*3.9%*	*4.3%*		*−0.4pp*
Central Eastern Europe (CEE)				
Gross loans to customers	61,439	60,544	+896	+1.5%
Total write-downs	−4,337	−4,165	−172	+4.1%
Net loans to customers	57,102	56,378	+724	+1.3%
Gross non-performing exposures	7,220	7,499	−279	−3.7%
… % of gross loans to customers	*11.8%*	*12.4%*		*−0.6pp*
Specific write-downs	−3,857	−3,836	−21	+0.5%
Coverage ratio	*53.4%*	*51.2%*		*+2.3pp*
Net non-performing exposures	3,363	3,662	−300	−8.2%
… % of net loans to customers	*5.9%*	*6.5%*		*−0.6pp*
Austria				
Gross loans to customers	61,629	59,992	+1,636	+2.7%
Total write-downs	−2,354	−2,639	+284	−10.8%
Net loans to customers	59,274	57,353	+1,921	+3.3%
Gross non-performing exposures	3,162	3,557	−396	−11.1%
… % of gross loans to customers	*5.1%*	*5.9%*		*−0.8pp*
Specific write-downs	−1,985	−2,293	+308	−13.4%
Coverage ratio	*62.8%*	*64.5%*		*−1.7pp*
Net non-performing exposures	1,177	1,264	−88	−7.0%
… % of net loans to customers	*2.0%*	*2.2%*		*−0.2pp*

1) 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 2014 reflect the figures in the statement of financial position.
pp = percentage points

Consolidated capital resources and risk-weighted assets

Consolidated capital resources

(€ million)

	31 DEC. 2015	31 DEC. 2014
Paid-in capital instruments (excl. own Common Equity Tier 1 instruments)	1,681	1,681
Reserves (incl. profit) and minority interests	13,602	13,183
Adjustments to Common Equity Tier 1	–878	–860
Transitional adjustments to Common Equity Tier 1*)	–244	–539
Common Equity Tier 1 (CET1)	**14,162**	**13,465**
Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries	90	154
Adjustments to Additional Tier 1	0	0
Transitional adjustments to Additional Tier 1*)	–90	–154
Additional Tier 1 (AT1)	**0**	**0**
Tier 1 capital (T1=CET1+AT1)	**14,162**	**13,465**
Tier 2 capital and qualifying Tier 2 instruments issued by subsidiaries	4,897	4,080
Adjustments to Tier 2 capital	158	96
Transitional adjustments to Tier 2 capital*)	–146	–113
Tier 2 capital (T2)	**4,909**	**4,062**
Total regulatory capital (TC=T1+T2)	**19,070**	**17,527**

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

Risk-weighted assets

(€ million)

	31 DEC. 2015	31 DEC. 2014
a) Credit risk pursuant to standardised approach	69,241	68,896
b) Credit risk pursuant to internal ratings-based (IRB) approach	43,920	43,879
c) Other (contribution to default fund of a central counterparty [CCP])	3	220
Credit risk	113,164	112,995
Position, foreign exchange and commodity risk	3,974	4,643
Operational risk	10,716	12,068
Risk positions for credit value adjustments (CVA)	405	644
TOTAL RWAS	**128,259**	**130,351**

Capital ratios

	31 DEC. 2015	31 DEC. 2014
Common Equity Tier 1 ratio*)	11.0%	10.3%
Tier 1 ratio*)	11.0%	10.3%
Total capital ratio*)	14.9%	13.4%

*) 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.