

Condensed income statement of the Bank Austria Group¹⁾

for the first nine months of 2014

(€ million)

RECAST ²⁾	QUARTERLY FIGURES			FIRST NINE MONTHS		CHANGE	
	Q1 2014	+ Q2 2014	+ Q3 2014	= 1-9 2014	1-9 2013	+/- €	+/- %
Net interest	841	866	884	2,592	2,597	-5	-0%
Dividend income and other income from equity investments	73	151	126	351	639	-289	-45%
Net fees and commissions	330	346	347	1,022	1,008	+15	+1%
Net trading, hedging and fair value income	112	138	150	400	471	-71	-15%
Net other expenses/income	20	30	47	96	74	+23	+31%
Operating income	1,376	1,531	1,554	4,461	4,788	-327	-7%
Payroll costs	-406	-404	-398	-1,208	-1,233	+25	-2%
Other administrative expenses	-385	-381	-373	-1,139	-1,105	-34	+3%
Recovery of expenses	0	0	0	0	1	-1	-74%
Amortisation, depreciation and impairment losses on intangible and tangible assets	-44	-37	-43	-124	-155	+31	-20%
Operating costs	-835	-822	-814	-2,471	-2,492	+21	-1%
Operating profit	541	710	740	1,990	2,296	-306	-13%
Net write-downs of loans and provisions for guarantees and commitments	-190	-142	-169	-501	-777	+276	-35%
Net operating profit	350	568	571	1,489	1,519	-30	-2%
Provisions for risks and charges	-4	-28	-95	-126	-114	-12	+10%
Integration/restructuring costs	-1	-6	-1	-8	-16	+8	-49%
Net income from investments	75	-20	12	67	-28	+95	n.m.
Profit before tax	421	515	487	1,423	1,362	+61	+4%
Income tax for the period	-64	-63	-73	-200	-183	-17	+9%
Total profit or loss after tax from discontinued operations	2	-27	6	-19	-15	-4	+27%
Profit for the period	359	425	420	1,204	1,164	+40	+3%
Non-controlling interests	-8	1	-4	-11	-31	+19	-63%
Net profit before PPA ³⁾	351	426	416	1,192	1,133	+59	+5%
Purchase Price Allocation effect	0	0	0	0	0	+0	n.m.
Goodwill impairment	0	0	0	0	-8	+8	-100%
Net profit ³⁾	351	426	416	1,192	1,125	+67	+6%

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 2014. / 3) Attributable to the owners of the parent company.

Segment reporting of the Bank Austria Group

1–9 2014/1–9 2013

(€ million)

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)	RECASTING DIFFEREN- CES ¹⁾	BANK AUSTRIA GROUP (PUBLISHED) ²⁾
Net interest	1–9 2014	699	47	245	1,846	–246	2,592	0	2,592
	1–9 2013	680	35	259	1,812	–191	2,597	–52	2,545
Dividends and other income from equity investments	1–9 2014	31	0	0	233	87	351	0	351
	1–9 2013	23	0	4	546	67	639	–31	608
Net fees and commissions	1–9 2014	361	73	73	573	–58	1,022	0	1,022
	1–9 2013	352	73	78	532	–28	1,008	–8	999
Net trading, hedging and fair value income/loss	1–9 2014	10	1	38	242	109	400	0	400
	1–9 2013	32	2	39	303	96	471	0	471
Net other expenses/income	1–9 2014	11	0	1	54	30	96	0	96
	1–9 2013	16	1	4	59	–6	74	–1	73
OPERATING INCOME	1–9 2014	1,113	122	356	2,949	–78	4,461	0	4,461
	1–9 2013	1,102	112	384	3,253	–61	4,788	–93	4,695
OPERATING COSTS	1–9 2014	–834	–87	–182	–1,190	–178	–2,471	0	–2,471
	1–9 2013	–838	–82	–168	–1,240	–164	–2,492	27	–2,466
OPERATING PROFIT	1–9 2014	278	35	175	1,758	–256	1,990	0	1,990
	1–9 2013	264	29	216	2,012	–225	2,296	–66	2,230
Net write-downs of loans and provisions for guarantees and commitments	1–9 2014	–59	0	8	–450	0	–501	0	–501
	1–9 2013	–134	–1	–38	–605	1	–777	20	–757
NET OPERATING PROFIT	1–9 2014	220	36	182	1,308	–256	1,489	0	1,489
	1–9 2013	130	29	178	1,407	–224	1,519	–47	1,472
Provisions for risks and charges	1–9 2014	0	0	0	–109	–16	–126	0	–126
	1–9 2013	0	–1	0	–5	–107	–114	0	–114
Integration/restructuring costs	1–9 2014	0	0	0	–8	0	–8	0	–8
	1–9 2013	0	0	4	–20	0	–16	0	–16
Net income/loss from investments	1–9 2014	–1	0	2	4	61	67	0	67
	1–9 2013	9	0	0	–35	–1	–28	0	–28
PROFIT BEFORE TAX	1–9 2014	219	36	185	1,195	–212	1,423	0	1,423
	1–9 2013	138	28	182	1,346	–333	1,362	–46	1,315
Income tax for the period	1–9 2014	–43	–9	–46	–172	70	–200	0	–200
	1–9 2013	–19	–7	–44	–130	18	–183	3	–180
Total profit or loss after tax from discontinued operations	1–9 2014	0	0	0	–80	61	–19	0	–19
	1–9 2013	0	0	0	–51	36	–15	–3	–18
PROFIT OR LOSS FOR THE PERIOD	1–9 2014	175	27	139	943	–80	1,204	0	1,204
	1–9 2013	119	20	139	1,165	–279	1,164	–46	1,118
Non-controlling interests	1–9 2014	–7	0	0	–20	15	–11	0	–11
	1–9 2013	–6	0	1	–48	22	–31	5	–26
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA	1–9 2014	168	27	139	923	–65	1,192	0	1,192
	1–9 2013	113	20	140	1,117	–257	1,133	–41	1,092
Purchase Price Allocation effect	1–9 2014	0	0	0	0	0	0	0	0
	1–9 2013	0	0	0	0	0	0	0	0
Goodwill impairment	1–9 2014	0	0	0	0	0	0	0	0
	1–9 2013	0	0	0	0	–8	–8	0	–8
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	1–9 2014	168	27	139	923	–65	1,192	0	1,192
	1–9 2013	113	20	140	1,117	–265	1,125	–41	1,084

Segment reporting of the Bank Austria Group

1–9 2014/1–9 2013

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)	RECASTING DIFFEREN- CES ¹⁾	BANK AUSTRIA GROUP (PUBLISHED) ²⁾
Risk-weighted assets (RWA) (avg.) ³⁾	1–9 2014	17,643	614	8,363	83,431	14,047	124,098	0	124,098
	1–9 2013	17,678	682	9,255	86,732	15,032	129,379	-1,932	127,447
Loans to customers (end of period)	1–9 2014	40,145	599	12,924	57,737	3,762	115,167	0	115,167
	1–9 2013	40,349	642	13,340	58,127	4,732	117,190	219	117,409
Primary funds (end of period) ⁴⁾	1–9 2014	42,007	9,163	8,885	50,070	20,411	130,536	0	130,536
	1–9 2013	39,217	7,969	8,327	46,020	16,637	118,170	687	118,857
Cost/income ratio excl. bank levy in %	1–9 2014	71.8	69.0	44.3	39.0	n.m.	52.5	n.m.	52.5
	1–9 2013	73.4	73.3	38.6	36.7	n.m.	49.7	n.m.	50.1
Risk/earnings ratio in % ⁵⁾	1–9 2014	8.1	0.5	3.1	21.7	n.m.	17.0	n.m.	17.0
	1–9 2013	19.1	1.5	14.5	25.7	n.m.	24.0	n.m.	24.0

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 2013 mainly relate to the transfer of Leasing subsidiaries in the Baltics and in Bulgaria, Russia, the Czech Republic, Slovakia and Romania to Bank Austria. Recasting differences in dividends and other income from equity investments also relate to the sale of the equity stake in UniCredit Leasing SpA.

2) The comparative figures for 2013 and 2014 reflect the accounting figures, restatements are included as described in the notes.

3) Turkey consolidated on a pro-rata basis. Corporate Center: including Kazakhstan (until disposal).

4) Primary funds: 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

Statement of Financial Position of the Bank Austria Group

at 30 September 2014

Assets

(€ million)

	30 SEPT. 2014	31 DEC. 2013 ¹⁾
Cash and cash balances	1,893	2,375
Financial assets held for trading	2,837	2,207
Financial assets at fair value through profit or loss	105	343
Available-for-sale financial assets	22,004	19,746
Held-to-maturity investments	577	633
Loans and receivables with banks	29,469	22,941 ³⁾
Loans and receivables with customers	115,167	114,255 ³⁾
Hedging derivatives	3,725	2,839
Changes in fair value of portfolio hedged items (+/-)	0	33
Investments in associates and joint ventures	4,516	4,463
Property, plant and equipment	1,976	2,096
<i>of which held for investment</i>	847	800
Intangible assets	162	162
Tax assets	1,046	945
a) current tax assets	65	72
b) deferred tax assets	981	872
Non-current assets and disposal groups classified as held for sale	4,458	3,714
Other assets	1,548	1,103
TOTAL ASSETS	189,483	177,857

Liabilities and equity

(€ million)

	30 SEPT. 2014	31 DEC. 2013 ¹⁾
Deposits from banks	25,593	24,530 ³⁾
Deposits from customers	99,914	96,593 ³⁾
Debt securities in issue	30,623	27,302
Financial liabilities held for trading	2,497	1,505
Financial liabilities at fair value through profit or loss	729	797
Hedging derivatives	3,176	2,220
Changes in fair value of portfolio hedged items (+/-)	47	0
Tax liabilities	775	508
a) current tax liabilities	41	21
b) deferred tax liabilities	734	487
Liabilities included in disposal groups classified as held for sale	1,953	2,242
Other liabilities	2,561	2,124
Provisions for risks and charges	5,457	4,985
a) post-retirement benefit obligations	5,021	4,630
b) other provisions	437	355
Equity	16,157	15,050
<i>of which non-controlling interests (+/-) ²⁾</i>	254	340
TOTAL LIABILITIES AND EQUITY	189,483	177,857

1) Prior year figures were restated due to IFRS 10 and IFRS 11. This relates to the inclusion of the real estate investment fund "Real Invest Europe" in the consolidation perimeter, and to the presentation of the entities of the Yapı Kredi Group using the equity method instead of proportionate consolidation.

2) Due to an error in the calculation of the additional non-controlling interests in Ukrspotsbank as a consequence of the merger of both Ukrainian banks and the simultaneous capital increase in December 2013, the non-controlling interest in Bank Austria Group as at 31 December 2013 was shown too high, by €145 million, while the group's own retained earnings were shown too low by the same amount. The figures have been restated. There was no effect on total equity as at 31 December 2013.

3) Due to a change related to the sector to which a counterparty belongs, the previous year's figures for loans and debt towards banks and loans and debt towards customers have been restated to allow a meaningful comparison between periods.