

Condensed income statement of the Bank Austria Group¹⁾

for the first half of 2014

(€ million)

RECAST ²⁾	QUARTERLY FIGURES		HALF-YEAR FIGURES		CHANGE OVER PREVIOUS YEAR	
	Q1 2014	+ Q2 2014	= H1 2014	H1 2013	+/- €	+/- %
Net interest	841	866	1,708	1,716	-8	-0%
Dividend income and other income from equity investments	73	151	224	310	-86	-28%
Net fees and commissions	330	346	675	671	+4	+1%
Net trading, hedging and fair value income	112	138	250	313	-63	-20%
Net other expenses/income	20	30	50	31	+19	+61%
Operating income	1,376	1,531	2,907	3,041	-134	-4%
Payroll costs	-406	-404	-810	-834	+24	-3%
Other administrative expenses	-385	-381	-766	-741	-24	+3%
Recovery of expenses	0	0	0	1	-1	-89%
Amortisation, depreciation and impairment losses on intangible and tangible assets	-44	-37	-81	-104	+23	-22%
Operating costs	-835	-822	-1,657	-1,679	+22	-1%
Operating profit	541	710	1,250	1,362	-112	-8%
Net write-downs of loans and provisions for guarantees and commitments	-190	-142	-332	-514	+182	-35%
Net operating profit	350	568	918	848	+70	+8%
Provisions for risks and charges	-4	-28	-31	-97	+66	-68%
Integration/restructuring costs	-1	-6	-7	-6	-1	+19%
Net income from investments	75	-20	55	-2	+57	n.m.
Profit before tax	421	515	935	743	+192	+26%
Income tax for the period	-64	-63	-126	-117	-9	+8%
Total profit or loss after tax from discontinued operations	2	-27	-25	-23	-2	+10%
Profit for the period	359	425	784	604	+180	+30%
Non-controlling interests	-8	1	-8	-21	+13	-64%
Net profit before PPA ³⁾	351	426	776	583	+193	+33%
Purchase Price Allocation effect	0	0	0	0	+0	n.m.
Goodwill impairment	0	0	0	-5	+5	-100%
Net profit ³⁾	351	426	776	578	+198	+34%

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

1–6 2014/1–6 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	1–6 2014	467	32	168	1,195	–154	1,708	0	1,708
	1–6 2013	455	23	179	1,197	–138	1,716	–31	1,685
Dividends and other income from equity investments	1–6 2014	21	0	0	138	65	224	0	224
	1–6 2013	19	0	4	249	38	310	–11	299
Net fees and commissions	1–6 2014	243	48	47	377	–40	675	0	675
	1–6 2013	240	51	58	348	–26	671	–4	667
Net trading, hedging and fair value income/loss	1–6 2014	8	1	29	136	76	250	0	250
	1–6 2013	24	1	28	212	48	313	0	313
Net other expenses/income	1–6 2014	8	1	1	22	18	50	0	50
	1–6 2013	11	0	4	27	–11	31	–1	30
OPERATING INCOME	1–6 2014	747	82	245	1,868	–35	2,907	0	2,907
	1–6 2013	749	75	273	2,034	–89	3,041	–47	2,994
OPERATING COSTS	1–6 2014	–565	–59	–124	–793	–117	–1,657	0	–1,657
	1–6 2013	–569	–56	–113	–830	–111	–1,679	18	–1,661
OPERATING PROFIT	1–6 2014	183	23	121	1,075	–152	1,250	0	1,250
	1–6 2013	180	20	159	1,204	–200	1,362	–30	1,333
Net write-downs of loans and provisions for guarantees and commitments	1–6 2014	–47	0	15	–300	0	–332	0	–332
	1–6 2013	–89	0	–25	–400	1	–514	12	–502
NET OPERATING PROFIT	1–6 2014	136	23	136	775	–152	918	0	918
	1–6 2013	91	19	134	803	–199	848	–18	831
Provisions for risks and charges	1–6 2014	0	0	0	–33	2	–31	0	–31
	1–6 2013	0	0	0	–5	–92	–97	0	–97
Integration/restructuring costs	1–6 2014	0	0	0	–7	0	–7	0	–7
	1–6 2013	0	0	0	–6	0	–6	0	–6
Net income/loss from investments	1–6 2014	–1	0	2	–2	56	55	0	55
	1–6 2013	–2	0	1	–1	0	–2	0	–2
PROFIT BEFORE TAX	1–6 2014	134	23	139	734	–94	935	0	935
	1–6 2013	89	19	135	791	–291	743	–18	726
Income tax for the period	1–6 2014	–28	–6	–35	–105	47	–126	0	–126
	1–6 2013	–13	–5	–33	–80	14	–117	1	–116
Total profit or loss after tax from discontinued operations	1–6 2014	0	0	0	–39	14	–25	0	–25
	1–6 2013	0	0	0	–53	30	–23	–2	–24
PROFIT OR LOSS FOR THE PERIOD	1–6 2014	107	17	104	589	–33	784	0	784
	1–6 2013	75	14	102	658	–246	604	–18	586
Non-controlling interests	1–6 2014	–3	0	0	–15	11	–8	0	–8
	1–6 2013	–4	0	1	–39	21	–21	6	–15
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY BEFORE PPA	1–6 2014	103	17	104	574	–22	776	0	776
	1–6 2013	72	14	103	619	–225	583	–12	571
Purchase Price Allocation effect	1–6 2014	0	0	0	0	0	0	0	0
	1–6 2013	0	0	0	0	0	0	0	0
Goodwill impairment	1–6 2014	0	0	0	0	0	0	0	0
	1–6 2013	0	0	0	0	–5	–5	0	–5
NET PROFIT OR LOSS ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	1–6 2014	103	17	104	574	–22	776	0	776
	1–6 2013	72	14	103	619	–230	578	–12	566

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 Baltics, Bulgaria, Russia, 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.

Segment reporting of the Bank Austria Group

1–6 2014/1–6 2013

		RETAIL & CORPORATES	PRIVATE BANKING	CORPORATE & INVESTMENT BANKING (CIB)	CENTRAL EASTERN EUROPE (CEE)	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)	RECASTING DIFFERENCES ¹⁾	BANK AUSTRIA GROUP (PUBLISHED) ²⁾
Risk-weighted assets (RWA) (avg.) ³⁾	1–6 2014	17,596	613	8,314	82,394	14,327	123,245	0	123,245
	1–6 2013	17,806	724	9,619	87,857	15,788	131,794	–2,103	129,690
Loans to customers (end of period)	1–6 2014	40,242	635	15,347	57,091	4,284	117,599	0	117,599
	1–6 2013	40,857	627	14,757	57,911	5,451	119,603	–588	119,014
Primary funds (end of period) ⁴⁾	1–6 2014	40,483	8,352	8,527	48,398	19,211	124,971	0	124,971
	1–6 2013	41,208	7,821	9,186	45,857	16,481	120,552	175	120,727
Cost/income ratio excl. bank levy in %	1–6 2014	72.3	70.1	44.1	40.5	n.m.	53.7	n.m.	53.7
	1–6 2013	73.5	73.4	35.5	38.9	n.m.	52.4	n.m.	52.6
Risk/earnings ratio in % ⁵⁾	1–6 2014	9.7	0.9	9.0	22.5	n.m.	17.2	n.m.	17.2
	1–6 2013	18.9	1.5	14.0	27.7	n.m.	25.4	n.m.	25.3

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 Baltics, Bulgaria, Russia, 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 using the proportionate method. 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 June 2014

Assets

(€ million)

	30 JUNE 2014	31 DEC. 2013 ¹⁾
Cash and cash balances	1,780	2,375
Financial assets held for trading	2,278	2,207
Financial assets at fair value through profit or loss	162	343
Available-for-sale financial assets	23,110	19,746
Held-to-maturity investments	580	633
Loans and receivables with banks	22,173	22,316
Loans and receivables with customers	117,599	114,880
Hedging derivatives	3,262	2,839
Changes in fair value of portfolio hedged items (+/-)	0	33
Investments in associates and joint ventures	4,409	4,463
Property, plant and equipment	2,177	2,096
<i>of which held for investment</i>	844	800
Intangible assets	167	162
Tax assets	1,055	945
a) current tax assets	86	72
b) deferred tax assets	969	872
Non-current assets and disposal groups classified as held for sale	3,002	3,714
Other assets	1,369	1,103
TOTAL ASSETS	183,124	177,857

Liabilities and equity

(€ million)

	30 JUNE 2014	31 DEC. 2013 ¹⁾
Deposits from banks	26,635	24,145
Deposits from customers	95,842	96,978
Debt securities in issue	29,129	27,302
Financial liabilities held for trading	1,785	1,505
Financial liabilities at fair value through profit or loss	748	797
Hedging derivatives	2,741	2,220
Changes in fair value of portfolio hedged items (+/-)	20	0
Tax liabilities	692	508
a) current tax liabilities	38	21
b) deferred tax liabilities	655	487
Liabilities included in disposal groups classified as held for sale	1,545	2,242
Other liabilities	2,733	2,124
Provisions for risks and charges	5,368	4,985
a) post-retirement benefit obligations	5,011	4,630
b) other provisions	357	355
Equity	15,884	15,050
<i>of which non-controlling interests (+/-)²⁾</i>	258	340
TOTAL LIABILITIES AND EQUITY	183,124	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 UkrSotsbank 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.