

**VOLKSBANK WIEN**

**preliminary results**

**as of 31 Dec 2018**

## KEY FIGURES OF VOLKSBANK WIEN AG

Euro million 31 Dec 2018 31 Dec 2017 31 Dec 2016

### Statement of financial position

<b>Total assets</b>	<b>11,505</b>	<b>10,616</b>	<b>10,008</b>
<b>Loans and receivables customers (net)</b>	<b>5,366</b>	<b>4,752</b>	<b>4,282</b>
<b>Amounts owed to customers</b>	<b>6,344</b>	<b>5,791</b>	<b>4,691</b>
<b>Debts evidenced by certificates</b>	<b>467</b>	<b>488</b>	<b>725</b>
<b>Subordinated liabilities</b>	<b>418</b>	<b>426</b>	<b>29</b>

### Own funds according to Basel III for the VOLKSBANK WIEN AG group

Common equity tier 1 capital (CET1)	594	533	449
Additional tier 1 capital (AT1)	0	0	0
<b>Tier 1 capital (T1)</b>	<b>594</b>	<b>533</b>	<b>449</b>
Tier 2 capital (T2)	406	407	7
<b>Own funds</b>	<b>1,000</b>	<b>941</b>	<b>456</b>
Risk weighted exposure amount - credit risk	3,189	2,721	2,433
Total risk exposure amount settlement risk	0	0	0
Total risk exposure amount market risk	86	112	153
Total risk exposure amount operational risk	552	579	586
Total risk for credit valuation adjustment	55	59	60
Other risk exposure amount	279	0	0
<b>Total risk exposure amount</b>	<b>4,161</b>	<b>3,470</b>	<b>3,233</b>
<b>Common equity tier 1 capital ratio<sup>1)</sup></b>	<b>14.28%</b>	<b>15.37%</b>	<b>13.88%</b>
<b>Tier 1 capital ratio<sup>1)</sup></b>	<b>14.28%</b>	<b>15.37%</b>	<b>13.88%</b>
<b>Equity ratio<sup>1)</sup></b>	<b>24.04%</b>	<b>27.11%</b>	<b>14.10%</b>

### Income statement

	<b>1-12/2018</b>	<b>1-12/2017</b>	<b>1-12/2016</b>
Net interest income	124.7	120.7	93.6
Risk provision	4.8	2.4	-13.6
Net fee and commission income	53.8	53.8	41.1
Net trading income	1.0	5.6	4.9
Result from financial investments	9.2	-1.0	7.9
Other operating result	100.2	65.2	39.0
General administrative expenses	-222.3	-204.9	-174.4
Restructuring result	-4.0	1.3	3.1
Result from companies measured at equity	4.5	6.2	10.3
<b>Result before taxes</b>	<b>72.0</b>	<b>49.4</b>	<b>11.7</b>
Income taxes	-1.5	4.6	13.3
<b>Result after taxes</b>	<b>70.5</b>	<b>54.0</b>	<b>25.0</b>
Non-controlling interest	0.0	0.0	-1.4
<b>Consolidated net income</b>	<b>70.5</b>	<b>54.0</b>	<b>23.6</b>

### Key ratios<sup>2)</sup>

<b>Operating cost-income-ratio</b>	<b>78.8%</b>	<b>82.8%</b>	<b>85.2%</b>
<b>ROE before taxes</b>	<b>12.1%</b>	<b>9.5%</b>	<b>2.9%</b>
<b>ROE after taxes</b>	<b>11.9%</b>	<b>10.4%</b>	<b>6.1%</b>
<b>ROE consolidated net income</b>	<b>12.0%</b>	<b>10.5%</b>	<b>5.8%</b>
<b>NPL ratio</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.5%</b>
<b>Net interest margin</b>	<b>1.1%</b>	<b>1.1%</b>	<b>0.9%</b>
<b>Leverage ratio</b>	<b>4.7%</b>	<b>4.3%</b>	<b>3.8%</b>
<b>Net stable funding ratio</b>	<b>124.2%</b>	<b>131.7%</b>	<b>118.1%</b>
<b>Loan deposit ratio</b>	<b>82.7%</b>	<b>79.8%</b>	<b>80.5%</b>
<b>Coverage ratio I</b>	<b>29.8%</b>	<b>27.0%</b>	<b>25.3%</b>
<b>Coverage ratio III</b>	<b>104.7%</b>	<b>103.7%</b>	<b>96.2%</b>

### Resources

	<b>1-12/2018</b>	<b>1-12/2017</b>	<b>1-12/2016</b>
<b>Staff average</b>	<b>1,299</b>	<b>1,284</b>	<b>1,139</b>
Thereof domestic	1,299	1,284	1,139
	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
<b>Staff at end of period</b>	<b>1,290</b>	<b>1,327</b>	<b>1,242</b>
Thereof domestic	1,290	1,327	1,242
<b>Number of branches</b>	<b>70</b>	<b>78</b>	<b>78</b>
Thereof domestic	70	78	78
<b>Number of customers</b>	<b>360,545</b>	<b>372,396</b>	<b>368,935</b>

1) In relation to total risk

2) The operating cost-income-ratio is the ratio between operating income and operating expenses. Operating income includes net interest income, net fee and commission income, net trading income and if positive other operating result and result from discontinued operation. Operating expenses include general administrative expenses and if negative other operating result and result from discontinued operation. Other operating result and result from discontinued operation is displayed net of other taxes, deconsolidation result and valuation result according to IFRS 5. The ROE before taxes indicates the result before taxes in relation to average equity including non-controlling interest. The ROE after taxes indicates the result after taxes in relation to average equity including non-controlling interest. The ROE consolidated net income indicates the consolidated net income in relation to average equity including non-controlling interest. The NPL ratio indicates the portfolio of non-performing loans in relation to the total exposure of all loans to and receivables from customers. The net interest margin shows the net interest income in relation to total assets. The leverage ratio indicates the business volume (CCF-weighted off-balance positions plus derivatives add-on, replacement value of derivatives, disallowance of derivative claims and financial volume) in relation to the tier 1 capital (CET1 + AT1). The net stable funding ratio indicates the available stable funding in relation to the necessary stable funding. The loan deposit ratio indicates the total amount of loan accounts, overdraft facilities less syndicated loans in relation to the total amount of savings deposits, demand deposits, fixed term deposits and debts evidenced by certificates. The coverage ratio I indicates the coverage ratio of non-performing loans by risk provisions. The coverage ratio III indicates the coverage ratio of non-performing loans by risk provisions and collaterals.

## Statement of comprehensive income

INCOME STATEMENT		1-12/2018	1-12/2017	Changes	
	Note	Euro thousand	Euro thousand	Euro thousand	%
Interest and similar income		200,313	187,594	12,719	6.78 %
Interest and similar expenses		-75,527	-66,872	-8,655	12.94 %
Valuation result - modification		-58	0	-58	100.00 %
Net interest income	4	124,728	120,722	4,006	3.32 %
Risk provision	5	4,832	2,430	2,402	98.87 %
Fee and commission income		80,250	79,099	1,151	1.45 %
Fee and commission expenses		-26,428	-25,321	-1,106	4.37 %
Net fee and commission income	6	53,822	53,778	44	0.08 %
Net trading income	7	990	5,597	-4,607	-82.32 %
Result from financial investments	8	9,172	-954	10,126	< -200.00 %
Other operating result	9	100,166	65,206	34,960	53.62 %
General administrative expenses	10	-222,258	-204,876	-17,382	8.48 %
Restructuring result	11	-4,027	1,276	-5,303	< -200.00 %
Result from companies measured at equity		4,534	6,177	-1,644	-26.61 %
<b>Result before taxes</b>		<b>71,959</b>	<b>49,356</b>	<b>22,603</b>	<b>45.79 %</b>
Income taxes	12	-1,468	4,626	-6,094	-131.73 %
<b>Result after taxes</b>		<b>70,491</b>	<b>53,982</b>	<b>16,509</b>	<b>30.58 %</b>
<b>Result attributable to shareholders of the parent company (Consolidated net result)</b>					
		<b>70,465</b>	<b>53,972</b>	<b>16,493</b>	<b>30.56 %</b>
thereof from continued operation		70,465	53,972	16,493	30.56 %
Result attributable to non-controlling interest		26	11	16	148.37 %
thereof from continued operation		26	11	16	148.37 %
<b>Other comprehensive income</b>					
		1-12/2018	1-12/2017	Changes	
		Euro thousand	Euro thousand	Euro thousand	%
<b>Result after taxes</b>		<b>70,491</b>	<b>53,982</b>	<b>16,509</b>	<b>30.58 %</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Revaluation of obligation of defined benefit plans (including deferred taxes)		1,954	1,975	-21	-1.09 %
Revaluation reserve (including deferred taxes)		422	0	422	100.00 %
Fair value reserve - equity instruments (including deferred taxes)		-1,026	0	-1,026	100.00 %
Revaluation of own credit risk (including deferred taxes)		-1,836	0	-1,836	100.00 %
<b>Total items that will not be reclassified to profit or loss</b>		<b>-486</b>	<b>1,975</b>	<b>-2,462</b>	<b>-124.63 %</b>
<b>Items that may be reclassified to profit or loss</b>					
Fair value reserve - debt instruments (including deferred taxes)					
Change in fair value		-909	32,258	-33,167	-102.82 %
Net amount transferred to profit or loss		104	-306	410	-134.00 %
Change from companies measured at equity		-1,172	1,857	-3,029	-163.11 %
<b>Total items that may be reclassified to profit or loss</b>		<b>-1,977</b>	<b>33,809</b>	<b>-35,786</b>	<b>-105.85 %</b>
<b>Other comprehensive income total</b>		<b>-2,463</b>	<b>35,785</b>	<b>-38,248</b>	<b>-106.88 %</b>
<b>Comprehensive income</b>		<b>68,028</b>	<b>89,767</b>	<b>-21,739</b>	<b>-24.22 %</b>
<b>Comprehensive income attributable to shareholders of the parent company</b>					
		<b>68,000</b>	<b>89,755</b>	<b>-21,755</b>	<b>-24.24 %</b>
thereof from continued operation		68,000	89,755	-21,755	-24.24 %
Comprehensive income attributable to non-controlling interest		28	12	16	134.34 %
thereof from continued operation		28	12	16	134.34 %

Interest and similar income included income in the amount of euro 183,179 thousand (1-12/2017: euro 176,689 thousand), which are calculated based on effective interest method.

## Statement of financial position as at 31 December 2018

	Note	31 Dec 2018 Euro thousand	31 Dec 2017 Euro thousand	Changes Euro thousand	%
<b>ASSETS</b>					
Liquid funds	13	1,565,504	1,813,951	-248,447	-13.70 %
Loans and receivables credit institutions	14, 15	1,986,640	1,703,912	282,728	16.59 %
Loans and receivables customers	14, 15	5,365,676	4,752,381	613,295	12.91 %
Assets held for trading	16	60,496	69,167	-8,671	-12.54 %
Financial investments	15, 17	2,091,440	1,842,992	248,448	13.48 %
Investment property	18	32,329	30,764	1,565	5.09 %
Companies measured at equity	19	37,835	30,753	7,083	23.03 %
Participations	20	43,073	43,222	-149	-0.34 %
Intangible assets	21	21,995	23,418	-1,424	-6.08 %
Tangible assets	22	66,632	132,078	-65,446	-49.55 %
Tax assets	23	61,718	47,429	14,289	30.13 %
Current taxes		4,541	1,513	3,029	> 200.00 %
Deferred taxes		57,177	45,917	11,260	24.52 %
Other assets	24	114,175	123,977	-9,802	-7.91 %
Assets held for sale	25	57,979	2,437	55,542	> 200.00 %
<b>TOTAL ASSETS</b>		<b>11,505,492</b>	<b>10,616,482</b>	<b>889,011</b>	<b>8.37 %</b>
<b>LIABILITIES</b>					
Amounts owed to credit institutions	26	3,060,759	2,743,551	317,207	11.56 %
Amounts owed to customers	27	6,344,232	5,791,374	552,858	9.55 %
Debts evidenced by certificates	28	466,675	487,507	-20,832	-4.27 %
Liabilities held for trading	29	75,416	82,010	-6,594	-8.04 %
Provisions	30, 31	79,651	83,772	-4,120	-4.92 %
Tax liabilities	23	1,842	6,843	-5,000	-73.07 %
Current taxes		758	5,692	-4,934	-86.68 %
Deferred taxes		1,085	1,151	-66	-5.76 %
Other liabilities	32	440,676	428,148	12,527	2.93 %
Subordinated liabilities	33	418,355	425,778	-7,423	-1.74 %
Equity	35	617,887	567,499	50,388	8.88 %
Shareholders' equity		614,001	563,606	50,395	8.94 %
Non-controlling interest	35	3,886	3,893	-7	-0.18 %
<b>TOTAL LIABILITIES</b>		<b>11,505,492</b>	<b>10,616,482</b>	<b>889,011</b>	<b>8.37 %</b>

## Segment reporting by business segments

1-12/2018

Euro thousand	Retail	CO	Consolidation	Total
Net interest income	102,011	22,717	0	124,728
Risk provisions	952	3,881	0	4,832
Net fee and comission income	57,014	-3,259	67	53,822
Net trading income	250	740	0	990
Result from financial investments	2,959	9,399	-3,186	9,172
Other operating result	8,851	135,360	-44,045	100,166
General administrative expenses	-141,119	-128,304	47,164	-222,258
Restructuring result	-4,270	243	0	-4,027
Result from companies measured at equity	4,321	213	0	4,534
Result from discontinued operations	0	0	0	0
<b>Result before taxes</b>	<b>30,969</b>	<b>40,989</b>	<b>0</b>	<b>71,959</b>
Income taxes	78	-1,546	0	-1,468
<b>Result after taxes</b>	<b>31,048</b>	<b>39,443</b>	<b>0</b>	<b>70,491</b>

31/12/2018

<b>Total assets</b>	<b>6,466,527</b>	<b>6,447,649</b>	<b>-1,408,683</b>	<b>11,505,492</b>
Loans and advances to customers	5,151,092	264,826	-50,243	5,365,676
Companies measured at equity	29,077	8,759	0	37,835
Amounts owed to customers	5,396,956	1,013,883	-66,607	6,344,232
Debts evidenced by certificates, incl. subordinated liabilities	114,562	770,468	0	885,030

1-12/2017

Euro thousand	Retail	CO	Consolidation	Total
Net interest income	94,834	25,888	0	120,722
Risk provisions	410	2,020	0	2,430
Net fee and comission income	58,904	-5,434	307	53,778
Net trading income	283	5,314	0	5,597
Result from financial investments	2,695	-471	-3,178	-954
Other operating result	8,775	89,505	-33,075	65,206
<i>Of which impairment of goodwill</i>	<i>-8,262</i>	<i>0</i>	<i>0</i>	<i>-8,262</i>
General administrative expenses	-121,517	-119,297	35,938	-204,876
Restructuring result	321	955	0	1,276
Result from companies measured at equity	-180	6,358	0	6,177
Result from discontinued operations	0	0	0	0
<b>Result before taxes</b>	<b>44,525</b>	<b>4,838</b>	<b>-7</b>	<b>49,356</b>
Income taxes	-2,328	6,952	2	4,626
<b>Result after taxes</b>	<b>42,197</b>	<b>11,790</b>	<b>-5</b>	<b>53,982</b>

31 Dec 2017

<b>Total assets</b>	<b>5,952,603</b>	<b>6,008,002</b>	<b>-1,344,123</b>	<b>10,616,482</b>
Loans and advances to customers	4,423,419	383,526	-54,564	4,752,381
Companies measured at equity	21,992	8,761	0	30,753
Amounts owed to customers	5,234,090	623,209	-65,926	5,791,374
Debts evidenced by certificates, incl. subordinated liabilities	126,065	787,220	0	913,285

## Own funds

The own funds of the VBW credit institution group which were calculated pursuant to the (CRR) can be broken down as follows:

Euro thousand	31 Dec 2018	31 Dec 2017
Common tier I capital: Instruments and reserves		
Capital instruments including share premium accounts	341,416	324,241
Retained earnings	380,421	145,730
Accumulated other comprehensive income (and other reserves)	-97,606	96,190
Amount of capital instruments subject to phase out from CET1	8,363	9,907
Non-controlling interest	0	779
Common tier I capital before regulatory adjustments	632,594	576,846
Common tier I capital: regulatory adjustments		
Regulatory value adjustments	0	0
Intangible assets (net of related tax liability)	-21,995	-23,418
Value adjustments due to the requirement for prudent valuation	-1,338	-2,228
Regulatory adjustments - transitional provisions	0	-5,294
Unrealised gains (0 %; 2017: 20 %)	0	-9,978
Intangible assets (0 %; 2017: 20 %)	0	4,684
Amount exceeding the threshold of 17.65 %	-5,526	0
Qualifying AT1 deductions that exceeds the AT1 capital of the institution	0	-4,684
Additional CET 1 deductions pursuant to article 3 CRR	-9,434	-7,788
Total regulatory adjustments	-38,292	-43,411
<b>Common equity tier 1 capital - CET1</b>	<b>594,302</b>	<b>533,435</b>
Additional tier 1 capital: instruments		
Capital instruments including share premium accounts	0	0
Additional tier 1 capital before regulatory adjustments	0	0
Additional tier 1 capital: regulatory adjustments		
Regulatory adjustments - transitional provisions	0	-4,684
Intangible assets (0 %; 2017: 20 %)	0	-4,684
Qualifying AT1 deductions that exceeds the AT1 capital of the institution	0	4,684
Total regulatory adjustments	0	0
<b>Additional tier 1 capital - AT1</b>	<b>0</b>	<b>0</b>
<b>Tier 1 capital (CET1 + AT1)</b>	<b>594,302</b>	<b>533,435</b>
Tier 2 capital - instruments and provisions		
Capital instruments including share premium accounts	405,991	406,563
Capital instruments subject to phase out from tier 2	0	649
Tier 2 capital before regulatory adjustments	405,991	407,212
Tier 2 capital: regulatory adjustments		
Regulatory adjustments - transitional provisions	0	0
CET1 instruments of financial sector entities	0	0
Total regulatory adjustments	0	0
<b>Tier 2 capital - T2</b>	<b>405,991</b>	<b>407,212</b>
<b>Own funds</b>	<b>1,000,293</b>	<b>940,647</b>
Common equity tier 1 capital ratio (tier I)	14.28 %	15.37 %
Tier 1 capital ratio	14.28 %	15.37 %
Equity ratio	24.04 %	27.11 %
each in relation to total risk exposure amount		

The risk-weighted assessment amounts as defined in CRR can be broken down as follows:

Euro thousand	31 Dec 2018	31 Dec 2017
Risk weighted exposure amount - credit risk	3,188,634	2,720,792
Total risk exposure amount - settlement risk	33	77
Total risk exposure amount for position, foreign exchange and commodities risks	85,885	111,792
Total risk exposure amount for operational risk	552,151	578,570
Total risk exposure amount for credit valuation adjustment (cva)	55,024	59,092
Other exposure amounts	279,376	0
<b>Total risk exposure amount</b>	<b>4,161,104</b>	<b>3,470,323</b>

## Own funds

The following table shows the own funds of the VBW credit institution group pursuant to CRR - fully loaded:

<b>Euro thousand</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
<b>Common tier I capital: Instruments and reserves</b>		
Capital instruments including share premium accounts	341,416	324,241
Retained earnings	380,421	145,730
Accumulated other comprehensive income (and other reserves)	-97,606	96,190
Common tier I capital before regulatory adjustments	624,231	566,160
<b>Common tier I capital: regulatory adjustments</b>		
Intangible assets (net of related tax liability)	-21,995	-23,418
Value adjustments due to the requirement for prudent valuation	-1,338	-2,228
Amount exceeding the threshold of 17.65 %	-7,002	0
Additional CET 1 deductions pursuant to article 3 CRR	-9,434	-9,735
Total regulatory adjustments	-39,768	-35,381
<b>Common equity tier 1 capital - CET1</b>	<b>584,463</b>	<b>530,780</b>
<b>Additional tier 1 capital: instruments</b>		
Capital instruments including share premium accounts	0	0
<b>Additional tier 1 capital: regulatory adjustments</b>		
Qualifying AT1 deductions that exceeds the AT1 capital of the institution	0	0
Total regulatory adjustments	0	0
<b>Additional tier 1 capital - AT1</b>	<b>0</b>	<b>0</b>
<b>Tier 1 capital (CET1 + AT1)</b>	<b>584,463</b>	<b>530,780</b>
<b>Tier 2 capital - instruments and provisions</b>		
Capital instruments including share premium accounts	414,354	416,470
Tier 2 capital before regulatory adjustments	414,354	416,470
<b>Tier 2 capital: regulatory adjustments</b>		
Total regulatory adjustments	0	0
<b>Tier 2 capital - T2</b>	<b>414,354</b>	<b>416,470</b>
<b>Own funds</b>	<b>998,817</b>	<b>947,250</b>
Common equity tier 1 capital ratio (tier I)	14.06 %	15.32 %
Tier 1 capital ratio	14.06 %	15.32 %
Equity ratio	24.02 %	27.33 %
each in relation to total risk exposure amount		

The risk-weighted assessment amounts as defined in CRR can be broken down as follows:

<b>Euro thousand</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
Risk weighted exposure amount - credit risk	3,184,944	2,715,925
Total risk exposure amount - settlement risk	33	77
Total risk exposure amount for position, foreign exchange and commodities risks	85,885	111,792
Total risk exposure amount for operational risk	552,151	578,570
Total risk exposure amount for credit valuation adjustment (cva)	55,024	59,092
Other exposure amounts	279,376	0
<b>Total risk exposure amount</b>	<b>4,157,414</b>	<b>3,465,456</b>

## Amounts owed to customers

<b>Euro million</b>	<b>31 Dec 2018</b>
Saving deposits	2,175.7
Other deposits	4,168.5

## Distribution of loans and receivables to customers by customer industries

	<b>31 Dec 2018</b>
Private households	2,301.2
Financial services incl. Banks	97.8
Public authorities	32.0
Real estate	1,927.2
Construction industry	131.6
Tourism	133.8
Trade and repairs	216.3
Physicians/healthcare	116.1
Agriculture and forestry	152.3
Others	307.9

## Distribution of loans and receivables to customers by customer segments

	<b>31 Dec 2018</b>
Retail	2,301.0
SME	2,576.0
Corporates	256.4
Public sector	32.0
Others	250.8

## Largest 25 customer exposures

Top 25 exposures represent 10.5 % of Association's total loans and receivables to customers (largest single customer exposure: 1.2 % of total loans and receivables to customers).

## additional information from individual financial Statement (UGB) as of 31 Dec 2018

<b>Euro million</b>	<b>31 Dec 2018</b>
Available Distributable Items (ADIs)	78.3
§ 57/1 BWG reserves	17.9