

Association of Volksbanks

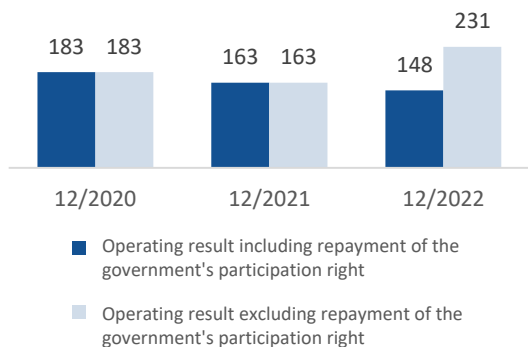
Preliminary results

according to IFRS

as at 31 December 2022

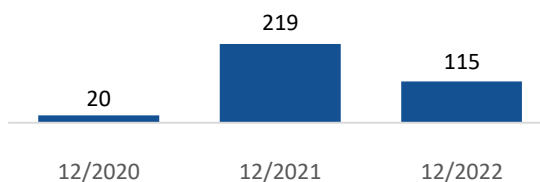
Operating Result

Euro million



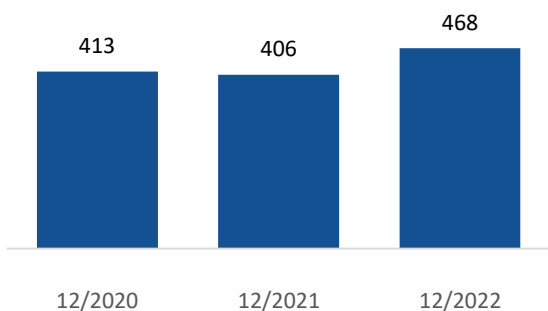
Result after taxes

Euro million



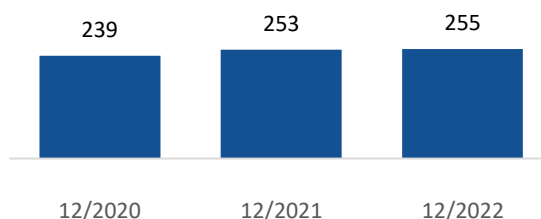
Net interest income

Euro million



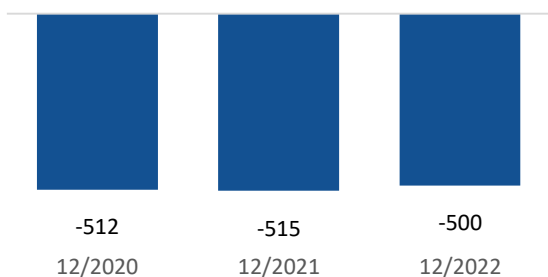
Net fee & commission income

Euro million

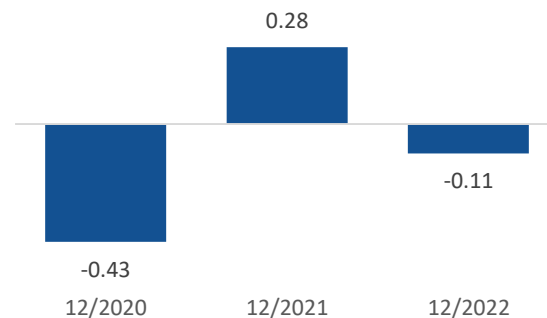


General administrative expenses

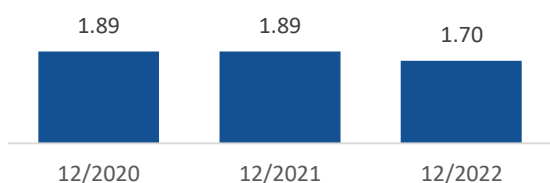
Euro million



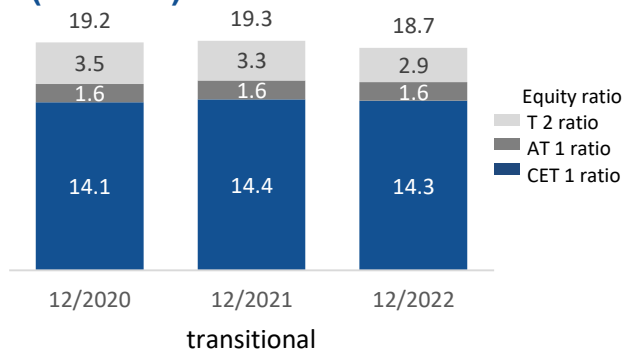
Risk provision in % of total assets



NPL Ratio %



Capital ratios (% RWA)



Key figures

Euro million	31 Dec 2022	31 Dec 2021	31 Dec 2020
Balance sheet			
Total assets	29,224	32,095	29,370
Loans and receivables customers	22,116	21,563	21,287
Amounts owed to customers	22,105	22,747	22,153
Debts evidenced by certificates	1,682	1,877	1,470
Subordinated liabilities	454	494	577
Own funds			
Common equity tier 1 capital (CET1)	2,020	1,978	2,002
Additional tier 1 capital (AT1)	220	220	220
Tier 1 capital (T1)	2,240	2,198	2,222
Tier 2 capital (T2)	409	460	494
Own funds	2,648	2,658	2,716
Risk weighted exposure amount credit risk	12,895	12,496	12,903
Total risk exposure amount settlement risk	0	0	0
Total risk exposure amount market risk	21	27	38
Total risk exposure amount operational risk	1,231	1,231	1,184
Total risk for credit valuation adjustment	13	9	50
Total risk exposure amount	14,160	13,763	14,175
Common equity tier 1 capital ratio	14.3 %	14.4 %	14.1 %
Tier 1 capital ratio	15.8 %	16.0 %	15.7 %
Equity ratio	18.7 %	19.3 %	19.2 %
Income statement			
	1-12/2022	1-12/2021	1-12/2020
Net interest income	467.6	405.9	413.1
Risk provision	-31.3	89.4	-126.0
Net fee and commission income	255.4	253.4	239.1
Net trading income	4.0	3.6	-0.5
Result from financial instruments and investment properties	-15.0	17.5	5.9
Other operating result	-64.2	-2.2	37.3
General administrative expenses	-499.6	-515.3	-511.8
Result from companies measured at equity	-0.6	-1.3	-0.3
Result before taxes	116.4	251.0	56.8
Income taxes	-1.5	-31.8	-36.8
Result after taxes	114.9	219.1	20.0
Result attributable to non-controlling interest	0.0	0.0	0.0
Result of the Group	114.8	219.1	20.0
Operating result	148.2	162.8	183.2
Key ratios			
	1-12/2022	1-12/2021	1-12/2020
Cost-income-ratio	76.9 %	77.3 %	73.6 %
ROE before taxes	4.9 %	10.9 %	2.5 %
ROE after taxes	4.8 %	9.5 %	0.9 %
Net interest margin	1.6 %	1.3 %	1.4 %
NPL ratio	1.7 %	1.9 %	1.9 %
Leverage ratio	7.4 %	6.6 %	7.3 %
Liquidity coverage ratio	164.9 %	223.7 %	194.0 %
Net stable funding ratio	135.4 %	138.0 %	141.3 %
Loan deposit ratio	102.9 %	91.3 %	92.6 %
Coverage ratio I	33.2 %	35.6 %	40.1 %
Coverage ratio III	105.6 %	105.4 %	107.4 %
Resources			
	1-12/2022	1-12/2021	1-12/2020
Staff average	3,071	3,211	3,366
Thereof domestic	3,071	3,211	3,366
	31 Dec 2022	31 Dec 2021	31 Dec 2020
Staff at end of period	3,033	3,128	3,268
Thereof domestic	3,033	3,128	3,268
Number of branches	236	243	249
Thereof domestic	236	243	249
Number of customers	987,933	1,021,805	1,046,303

The preliminary equity ratios are displayed in relation to total risk.

The 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 net interest margin shows the net interest income in relation to total assets.

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 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 liquidity coverage ratio (LCR) describes the ratio of highly liquid assets to net outflows over the next 30 days assuming a stress scenario, and thus the ability to cover short-term liquidity outflows.

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 and fixed term deposits.

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.

Staff figures are calculated based on full-time equivalent.

Statement of comprehensive income of Verbund

INCOME STATEMENT	1-12/2022	1-12/2021	Changes	
	Euro thousand	Euro thousand	Euro thousand	%
Interest and similar income	550,382	491,692	58,690	11.94 %
thereof using the effective interest method	517,140	460,580	56,560	12.28 %
Interest and similar expenses	-82,809	-85,829	3,020	-3.52 %
Net interest income	467,573	405,863	61,710	15.20 %
Risk provision	-31,302	89,449	-120,751	-134.99 %
Fee and commission income	279,312	277,340	1,971	0.71 %
Fee and commission expenses	-23,907	-23,975	68	-0.28 %
Net fee and commission income	255,405	253,366	2,039	0.80 %
Net trading income	4,013	3,571	442	12.39 %
Result from financial instruments and investment properties	-14,971	17,473	-32,443	-185.68 %
Other operating result	-64,212	-2,208	-62,004	> 200.00 %
General administrative expenses	-499,563	-515,279	15,716	-3.05 %
Result from companies measured at equity	-587	-1,284	698	-54.32 %
Result before taxes	116,356	250,950	-134,595	-53.63 %
Income taxes	-1,485	-31,810	30,325	-95.33 %
Result after taxes	114,871	219,140	-104,269	-47.58 %
Result attributable to shareholders of the parent company (Consolidated net result)	114,847	219,144	-104,297	-47.59 %
Result attributable to non-controlling interest	24	-4	28	< -200.00 %
Other comprehensive income				
	1-12/2022	1-12/2021	Changes	
	Euro thousand	Euro thousand	Euro thousand	%
Result after taxes	114,871	219,140	-104,269	-47.58 %
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of obligation of defined benefit plans (including deferred taxes)	20,316	6,501	13,814	> 200.00 %
Revaluation reserve (including deferred taxes)	60	0	60	100.00 %
Fair value reserve - equity instruments (including deferred taxes)	93	2,781	-2,688	-96.65 %
Revaluation of own credit risk (including deferred taxes)	587	-1,621	2,208	-136.24 %
Total items that will not be reclassified to profit or loss	21,056	7,662	13,394	174.82%
Items that may be reclassified to profit or loss				
Fair value reserve - debt instruments (including deferred taxes)				
Change in fair value	-7,867	-837	-7,030	> 200.00 %
Net amount transferred to profit or loss	-2	-13	11	-81.27 %
Cash flow hedge reserve (including deferred taxes)				
Change in fair value (effective hedge)	-721	-11	-710	> 200.00 %
Net amount transferred to profit or loss	-10	-18	9	-48.42 %
Change in deferred taxes arising from untaxed reserve	9	0	9	100.00 %
Change from companies measured at equity	3,152	1,755	1,397	79.58 %
Total items that may be reclassified to profit or loss	-5,438	876	-6,314	< -200.00 %
Other comprehensive income total	15,618	8,538	7,080	82.92 %
Comprehensive income	130,489	227,678	-97,189	-42.69 %
Comprehensive income attributable to shareholders of the parent company	130,465	227,689	-97,224	-42.70 %
Comprehensive income attributable to non-controlling interest	24	-11	35	< -200.00 %

Consolidated financial statements of Verbund

	31 Dec 2022 Euro thousand	31 Dec 2021 Euro thousand	Changes Euro thousand	%
ASSETS				
Liquid funds	3,473,153	6,921,391	-3,448,238	-49.82 %
Loans and receivables credit institutions	123,038	256,567	-133,528	-52.04 %
Loans and receivables customers	22,115,988	21,563,128	552,860	2.56 %
Assets held for trading	25,592	39,750	-14,157	-35.62 %
Financial investments	2,377,968	2,383,476	-5,508	-0.23 %
Investment property	36,439	37,512	-1,073	-2.86 %
Companies measured at equity	94,234	91,696	2,539	2.77 %
Participations	126,898	130,588	-3,690	-2.83 %
Intangible assets	1,373	1,687	-314	-18.61 %
Tangible assets	388,527	404,314	-15,787	-3.90 %
Tax assets	116,930	101,624	15,307	15.06 %
Current taxes	6,678	4,909	1,769	36.04 %
Deferred taxes	110,253	96,715	13,537	14.00 %
Other assets	337,433	147,838	189,596	128.25 %
Assets held for sale	6,602	15,879	-9,276	-58.42 %
TOTAL ASSETS	29,224,176	32,095,448	-2,871,272	-8.95 %
LIABILITIES				
Amounts owed to credit institutions	1,812,239	3,796,629	-1,984,390	-52.27 %
Amounts owed to customers	22,105,097	22,746,798	-641,701	-2.82 %
Debts evidenced by certificates	1,681,529	1,876,601	-195,072	-10.39 %
Lease liabilities	171,893	169,155	2,739	1.62 %
Liabilities held for trading	27,835	42,397	-14,562	-34.35 %
Provisions	170,425	206,352	-35,927	-17.41 %
Tax liabilities	7,366	12,402	-5,037	-40.61 %
Current taxes	3,092	8,731	-5,639	-64.58 %
Deferred taxes	4,273	3,671	602	16.41 %
Other liabilities	357,799	418,231	-60,432	-14.45 %
Liabilities held for sale	0	0	0	0.00 %
Subordinated liabilities	454,062	494,160	-40,098	-8.11 %
Total nominal value cooperative capital shares	3,016	3,336	-320	-9.60 %
Subscribed capital	288,346	288,484	-138	-0.05 %
Additional tier 1 capital	217,722	217,722	0	0.00 %
Reserves	1,926,766	1,821,154	105,612	5.80 %
Non-controlling interest	80	2,025	-1,945	-96.05 %
TOTAL LIABILITIES	29,224,176	32,095,448	-2,871,272	-8.95 %

Segment reporting by business segments
1-12/2022

Euro thousand	CO	Vienna	Lower Austria	Styria	Carinthia	Upper Austria	Salzburg	Tyrol	Vorarlberg	ÖÄAB	Consolidation	Total
Net interest income	15,174	112,525	66,686	48,724	28,442	40,144	56,522	56,230	27,592	15,559	-26	467,573
Risk provision	777	-10,304	-3,493	47	-1,360	-5,218	-8,736	1,770	-4,028	-757	0	-31,302
Net fee and commission income	-6,085	65,924	33,941	25,341	15,616	28,176	31,918	35,104	17,993	8,500	-1,022	255,405
Net trading income	1,217	276	385	224	258	273	-5	133	1,153	99	0	4,013
Result from financial instruments and investment properties	-7,454	-1,386	-736	-1,670	-876	-785	-734	3,155	-2,893	51	-1,642	-14,971
Other operating result	156,021	-7,535	-11,958	-8,224	-3,694	-6,252	-2,122	-11,636	-4,476	-3,718	-160,619	-64,212
General administrative expenses	-137,279	-129,530	-74,060	-54,350	-35,507	-53,527	-57,946	-62,341	-37,273	-19,986	162,236	-499,563
Result from companies measured at equity	0	-528	-59	0	0	0	0	0	0	0	0	-587
Annual result before taxes	22,372	29,443	10,706	10,091	2,877	2,810	18,898	22,415	-1,931	-251	-1,072	116,356
Income taxes	9,985	5,170	-5,112	2,089	-1,175	-1,417	-5,186	-6,424	72	650	-137	-1,485
Annual result after taxes	32,356	34,612	5,593	12,180	1,702	1,392	13,712	15,991	-1,858	399	-1,209	114,871
31 Dec 2022												
Total assets	8,832,508	6,726,795	3,657,631	2,776,588	1,520,847	2,599,482	3,075,093	3,501,230	1,993,108	1,059,246	-6,518,353	29,224,176
Loans and receivables customers	-538	5,498,507	2,996,741	2,354,400	1,177,945	2,118,476	2,458,058	2,950,157	1,730,487	843,795	-12,041	22,115,988
Companies measured at equity	0	45,514	6,971	4,577	5,742	15,963	10,340	43	20	5,063	0	94,234
Amounts owed to customers	1,045,308	5,746,913	3,095,084	1,849,209	1,376,455	2,100,144	2,419,380	2,431,889	1,089,536	978,829	-27,649	22,105,097
Debts evidenced by certificates, including subordinated liabilities	2,028,110	94,474	1,701	1,755	6,789	803	14,720	7,223	22,982	0	-42,966	2,135,591

1-12/2021

Euro thousand	CO	Vienna	Lower Austria	Styria	Carinthia	Upper Austria	Salzburg	Tyrol	Vorarlberg	ÖÄAB	Consolidation	Total
Net interest income	14,976	92,437	59,296	43,011	23,918	36,706	50,325	48,619	24,315	12,291	-32	405,863
Risk provision	-1,602	18,166	11,144	13,623	2,893	9,968	6,975	12,933	11,008	4,342	0	89,449
Net fee and commission income	-5,095	63,655	34,460	25,880	15,383	27,215	29,557	36,207	18,587	8,462	-945	253,366
Net trading income	1,781	164	458	214	116	201	-4	-28	595	74	0	3,571
Result from financial instruments and investment properties	9,528	5,901	324	1,170	-884	-190	747	1,451	722	100	-1,395	17,473
Other operating result	164,748	6,212	-924	-1,960	-343	1,954	567	-152	141	-389	-172,063	-2,208
General administrative expenses	-131,740	-138,456	-78,897	-58,699	-36,289	-59,221	-61,499	-63,772	-38,579	-21,073	172,945	-515,279
Result from companies measured at equity	0	-1,230	-54	0	0	0	0	0	0	0	0	-1,284
Annual result before taxes	52,596	46,849	25,806	23,240	4,793	16,632	26,668	35,258	16,791	3,807	-1,490	250,950
Income taxes	1,324	-5,093	-6,034	-2,868	-1,007	-1,818	-8,774	-4,662	-2,307	-607	36	-31,810
Annual result after taxes	53,920	41,756	19,773	20,372	3,786	14,814	17,894	30,596	14,484	3,200	-1,454	219,140
31 Dec 2021												
Total assets	11,329,046	6,605,152	3,623,460	2,739,749	1,514,847	2,468,524	3,037,612	3,488,540	1,943,186	1,082,396	-5,737,063	32,095,448
Loans and receivables customers	115,830	5,304,555	2,946,589	2,290,245	1,170,620	1,974,317	2,395,480	2,897,033	1,655,362	828,105	-15,008	21,563,128
Companies measured at equity	15	41,576	8,372	4,577	5,742	15,963	10,340	26	20	5,063	0	91,696
Amounts owed to customers	1,152,479	5,822,450	3,123,671	1,857,281	1,368,967	2,175,222	2,493,025	2,656,800	1,152,779	997,295	-53,170	22,746,798
Debts evidenced by certificates, including subordinated liabilities	2,213,000	99,074	1,701	4,273	8,833	2,983	34,684	8,413	37,471	3,188	-42,859	2,370,761

Own funds of the Association of Volksbanks - Transitional (preliminary)

Euro thousand	31 Dec 2022	31 Dec 2021
Common tier I capital: Instruments and reserves		
Capital instruments including share premium accounts	786,904	787,067
Retained earnings	1,668,483	1,622,148
Accumulated other comprehensive income (and other reserves)	-268,910	-326,664
Amount of capital instruments subject to phase out from CET1	0	3,336
Common tier I capital before regulatory adjustments	2,186,476	2,085,886
Common tier I capital: regulatory adjustments		
Regulatory value adjustments	0	0
Intangible assets (net of related tax liability)	-1,373	-1,687
Cash flow hedge reserve	760	30
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-961	-374
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	11	1
Value adjustments due to the requirement for prudent valuation	-1,275	-1,092
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-39,352	-9,560
Insufficient coverage for non-performing exposures	-4,407	-5,026
Other foreseeable tax charges	-210	-219
Regulatory adjustments - transitional provisions	44,045	36,635
Adjustments to be made due to transitional regulations under IFRS 9	44,045	36,635
Qualifying AT1 deductions that exceeds the AT1 capital of the institution	0	0
Additional CET1 deductions pursuant to article 3 CRR	-163,927	-126,359
Total regulatory adjustments	-166,690	-107,651
Common equity tier I capital - CET1	2,019,787	1,978,235
Additional tier I capital: instruments		
Capital instruments including share premium accounts	220,000	220,000
Additional tier I capital before regulatory adjustments	220,000	220,000
Additional tier I capital: regulatory adjustments		
Total regulatory adjustments	0	0
Additional tier I capital - AT1	220,000	220,000
Tier I capital (CET1 + AT1)	2,239,787	2,198,235
Tier II capital - instruments and provisions		
Capital instruments including share premium accounts	408,640	438,533
Capital instruments subject to phase out from tier II	0	21,591
Tier II capital before regulatory adjustments	408,640	460,124
Tier II capital: regulatory adjustments		
Total regulatory adjustments	0	0
Tier II capital - T2	408,640	460,124
Own funds total - TC (T1 + T2)	2,648,427	2,658,359
Common equity tier I capital ratio	14.26 %	14.37 %
Tier I capital ratio	15.82 %	15.97 %
Equity ratio	18.70 %	19.31 %
each in relation to total risk exposure amount		

Risk weighted assessment amounts

Euro thousand	31 Dec 2022	31 Dec 2021
Risk weighted exposure amount - credit risk	12,894,912	12,496,033
Total risk exposure amount - settlement risk	109	0
Total risk exposure amount for position, foreign exchange and commodities risks	20,971	27,414
Total risk exposure amount for operational risk	1,230,868	1,230,868
Total risk exposure amount for credit valuation adjustment (cva)	13,135	8,914
Total risk exposure amount	14,159,995	13,763,229

Own funds of the Association of Volksbanks - Fully loaded (preliminary)

Euro thousand	31 Dec 2022	31 Dec 2021
Common tier I capital: Instruments and reserves		
Capital instruments including share premium accounts	786,904	787,067
Retained earnings	1,668,483	1,622,148
Accumulated other comprehensive income (and other reserves)	-268,910	-326,664
Common tier I capital before regulatory adjustments	2,186,476	2,082,551
Common tier I capital: regulatory adjustments		
Regulatory value adjustments	0	0
Intangible assets (net of related tax liability)	-1,373	-1,687
Cash flow hedge reserve	760	30
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-961	-374
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	11	1
Value adjustments due to the requirement for prudent valuation	-1,275	-1,092
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-39,352	-9,560
Insufficient coverage for non-performing exposures	-4,407	-5,026
Other foreseeable tax charges	-210	-219
Additional CET1 deductions pursuant to article 3 CRR	-163,927	-126,359
Total regulatory adjustments	-210,735	-144,286
Common equity tier I capital - CET1	1,975,742	1,938,264
Additional tier I capital: instruments		
Capital instruments including share premium accounts	220,000	220,000
Additional tier I capital before regulatory adjustments	220,000	220,000
Additional tier I capital: regulatory adjustments		
Total regulatory adjustments	0	0
Additional tier I capital - AT1	220,000	220,000
Tier I capital (CET1 + AT1)	2,195,742	2,158,264
Tier II capital - instruments and provisions		
Capital instruments including share premium accounts	408,640	438,533
Tier II capital before regulatory adjustments	408,640	438,533
Tier II capital: regulatory adjustments		
Total regulatory adjustments	0	0
Tier II capital - T2	408,640	438,533
Own funds total - TC (T1 + T2)	2,604,382	2,596,797
Common equity tier I capital ratio	14.00 %	14.11 %
Tier I capital ratio	15.56 %	15.72 %
Equity ratio	18.45 %	18.91 %
each in relation to total risk exposure amount		

Risk weighted assessment amounts

Euro thousand	31 Dec 2022	31 Dec 2021
Risk weighted exposure amount - credit risk	12,850,867	12,466,157
Total risk exposure amount - settlement risk	109	0
Total risk exposure amount for position, foreign exchange and commodities risks	20,971	27,414
Total risk exposure amount for operational risk	1,230,868	1,230,868
Total risk exposure amount for credit valuation adjustment (cva)	13,135	8,914
Total risk exposure amount	14,115,950	13,733,353

Amounts owed to customers

Euro million	31 Dec 2022	31 Dec 2021
Saving deposits	6,220.0	7,009.5
Giro- and term deposits	15,885.3	15,737.3

Distribution of loans and receivables (gross) to customers by customer industries

	31 Dec 2022	31 Dec 2021
Private households	8,884.2	8,685.5
Financial services incl. Banks	198.5	207.3
Public authorities	256.5	293.2
Real estate	6,304.7	6,072.0
Construction industry	648.6	634.8
Tourism	1,573.9	1,614.1
Trade and repairs	944.9	918.9
Physicians/healthcare	669.8	713.5
Agriculture and forestry	710.2	695.7
Others	2,338.9	2,001.6

Distribution of loans and receivables (gross) to customers by customer segments ¹

	31 Dec 2022	31 Dec 2021
Retail	8,884.2	8,685.5
SME	11,160.7	10,964.4
Corporates	560.4	599.5
Public sector	256.5	293.2
Others	1,668.5	1,293.8

Largest 25 customer exposures

Top 25 exposures represent 4.8 % (PY: 4.4 %) of Association's total loans and receivables to customers (largest single customer exposure: 0.4 % (PY: 0.4 %) of total loans and receivables to customers).

1) The definition of customer segments is derived from the regulatory segmentation criteria.