

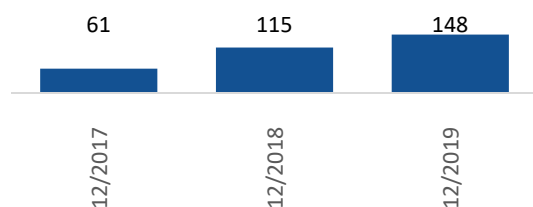
Association of Volksbanks

Preliminary results

As at 31 December 2019

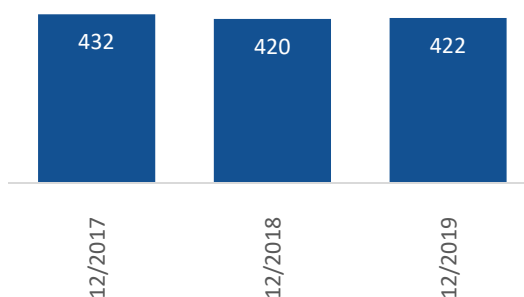
Result after taxes

Euro million



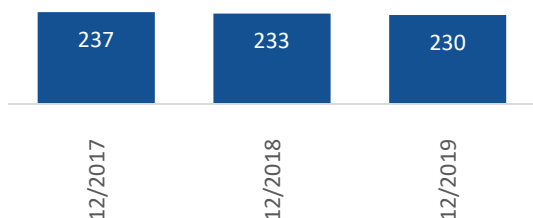
Net interest income

Euro million



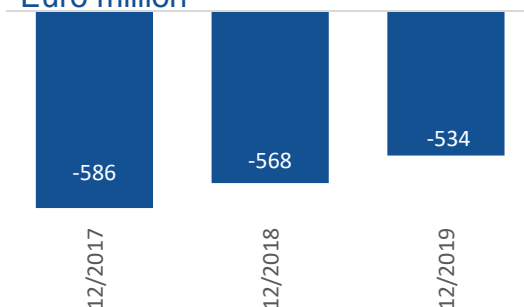
Net fee & commission income

Euro million

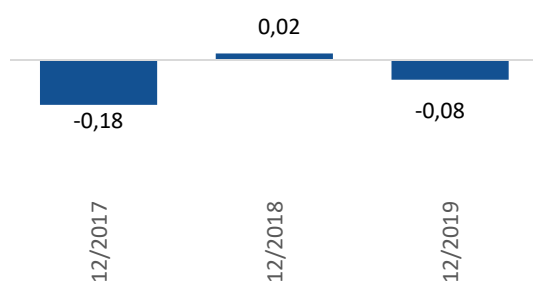


General administrative expenses

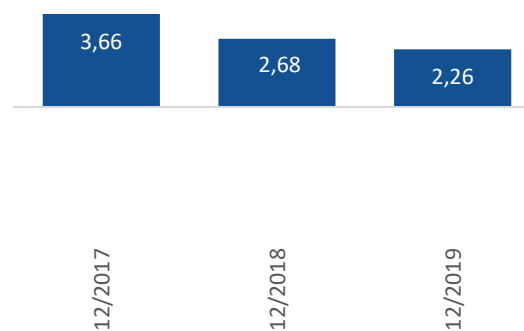
Euro million



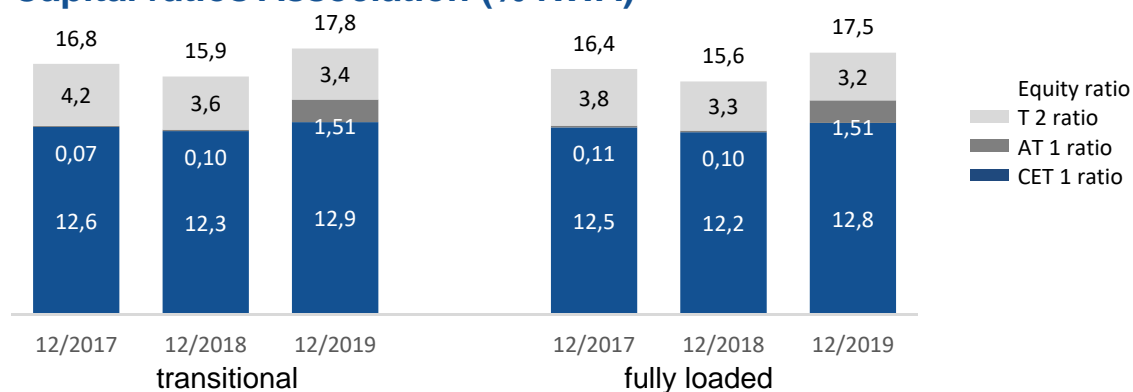
Risk provision in % of total assets



NPL Ratio in %



Capital ratios Association (% RWA)



Key figures of the Association of Volksbanks

Euro million	31 Dec 2019	31 Dec 2018	31 Dec 2017
Balance sheet			
Total assets	27,496	26,603	25,361
Loans and receivables customers	21,251	20,502	19,407
Amounts owed to customers	21,729	21,555	20,850
Debts evidenced by certificates	1,482	529	624
Subordinated liabilities	598	634	671
Own funds according to Basel III for the association of Volksbanks			
Common equity tier 1 capital (CET1)	1,908	1,800	1,673
Additional tier 1 capital (AT1)	224	14	10
Tier 1 capital (T1)	2,131	1,814	1,683
Tier 2 capital (T2)	506	523	553
Own funds	2,638	2,338	2,237
Risk weighted exposure amount - credit risk	13,426	12,400	11,793
Total risk exposure amount settlement risk	0	0	0
Total risk exposure amount market risk	85	86	112
Total risk exposure amount operational risk	1,262	1,288	1,369
Total risk for credit valuation adjustment	44	56	60
Other risk exposure amount	0	845	0
Total risk exposure amount	14,817	14,675	13,333
Common equity tier 1 capital ratio	12.87%	12.27%	12.55%
Tier 1 capital ratio	14.38%	12.36%	12.62%
Equity ratio	17.80%	15.93%	16.77%
Income statement			
	1-12/2019	1-12/2018	1-12/2017
Net interest income	422.4	419.8	431.8
Risk provision	-22.1	6.3	-45.4
Net fee and commission income	229.6	233.5	236.9
Net trading income	-0.9	-0.7	14.4
Result from financial instruments and investment properties	29.4	-3.1	-2.8
Other operating result	55.2	28.4	-2.8
General administrative expenses	-534.2	-568.2	-585.5
Restructuring result	0.0	-4.2	1.3
Result from companies measured at equity	0.1	11.5	-7.6
Result from discontinued operations	0.0	0.0	0.0
Result before taxes	179.5	123.5	40.1
Income taxes	-31.0	-8.3	21.0
Result after taxes	148.5	115.2	61.2
Result attributable to non-controlling interest	0.0	0.0	0.0
Result of the Group	148.4	115.2	61.1
Key ratios			
	1-12/2019	1-12/2018	1-12/2017
Operating cost-income-ratio	80.1%	84.7%	85.5%
ROE before taxes	8.5%	6.7%	2.3%
ROE after taxes	4.9%	6.3%	3.5%
ROE consolidated net income	7.0%	6.3%	3.5%
Net interest margin	1.5%	1.6%	1.7%
Return on capital employed	0.5%	0.4%	0.2%
Debt to equity ratio	11.24	13.06	13.18
NPL ratio	2.3%	2.7%	3.7%
Leverage ratio	7.5%	6.4%	6.2%
Net stable funding ratio	133.5%	125.9%	130.0%
Loan deposit ratio	104.7%	95.6%	94.9%
Coverage ratio I	38.6%	35.7%	37.4%
Coverage ratio III	104.4%	103.3%	101.6%
Resources			
	1-12/2019	1-12/2018	1-12/2017
Staff average	3,604	3,903	4,203
Thereof domestic	3,598	3,863	4,139
Thereof abroad	6	40	64
	31 Dec 2019	31 Dec 2018	31 Dec 2017
Staff at end of period	3,496	3,778	4,129
Thereof domestic	3,496	3,740	4,068
Thereof abroad	0	38	61
Number of branches	267	304	343
Thereof domestic	267	303	340
Thereof abroad	0	1	3
Number of customers	1,072,639	1,109,145	1,133,431

Equity ratios are displayed in relation to total risk.

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

The return on capital employed indicates the result after taxes in relation zu total assets.

The debt to equity ratio indicates equity in relation to liabilities.

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 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.

All ratios were displayed without including discontinued operation or disposal group.

Statement of comprehensive income

INCOME STATEMENT	1-12/2019 Euro thousand	1-12/2018 Euro thousand	Changes Euro thousand	%
Interest and similar income	525,414	520,801	4,613	0.89 %
thereof using the effective interest method	503,141	494,490	8,650	1.75 %
Interest and similar expenses	-103,042	-100,970	-2,073	2.05 %
Net interest income	422,371	419,831	2,540	0.61 %
Risk provision	-22,050	6,313	-28,363	< -200.00 %
Fee and commission income	257,681	267,271	-9,590	-3.59 %
Fee and commission expenses	-28,113	-33,816	5,702	-16.86 %
Net fee and commission income	229,568	233,455	-3,887	-1.67 %
Net trading income	-937	-678	-260	38.37 %
Result from financial instruments and investment properties	29,430	-3,076	32,505	< -200.00 %
Other operating result	55,169	28,432	26,737	94.04 %
General administrative expenses	-534,188	-568,157	33,969	-5.98 %
Restructuring result	0	-4,170	4,170	-100.00 %
Result from companies measured at equity	119	11,524	-11,405	-98.97 %
Result before taxes	179,482	123,475	56,007	45.36 %
Income taxes	-31,030	-8,276	-22,754	> 200.00 %
Result after taxes	148,451	115,199	33,253	28.87 %
Result attributable to shareholders of the parent company (Consolidated net result)	148,431	115,173	33,259	28.88 %
thereof from continued operation	148,431	115,173	33,259	28.88 %
Result attributable to non-controlling interest	20	26	-6	-23.37 %
thereof from continued operation	20	26	-6	-23.37 %
Other comprehensive income				
	1-12/2019 Euro thousand	1-12/2018 Euro thousand	Changes Euro thousand	%
Result after taxes	148,451	115,199	33,253	28.87 %
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of obligation of defined benefit plans (including deferred taxes)	-10,424	3,858	-14,282	< -200.00 %
Revaluation reserve (including deferred taxes)	952	1,282	-329	-25.70 %
Fair value reserve - equity instruments (including deferred taxes)	17,056	-5,679	22,735	< -200.00 %
Revaluation of own credit risk (including deferred taxes)	-422	-1,836	1,414	-77.02 %
Total items that will not be reclassified to profit or loss	7,162	-2,376	9,538	< -200.00 %
Items that may be reclassified to profit or loss				
Currency reserve	-12,498	-4,032	-8,466	> 200.00 %
Fair value reserve - debt instruments (including deferred taxes)				
Change in fair value	-493	-2,361	1,868	-79.12 %
Net amount transferred to profit or loss	0	131	-131	-99.85 %
Change in deferred taxes arising from untaxed reserve	0	80	-80	-100.00 %
Change from companies measured at equity	3,608	-2,481	6,089	< -200.00 %
Total items that may be reclassified to profit or loss	-9,383	-8,662	-721	8.32 %
Other comprehensive income total	-2,221	-11,038	8,817	-79.88 %
Comprehensive income	146,230	104,161	42,070	40.39 %
Comprehensive income attributable to shareholders of the parent company	146,211	104,132	42,078	40.41 %
Comprehensive income attributable to non-controlling interest	20	28	-8	-30.14 %

Statement of financial position as at 31 December 2019

	31 Dec 2019 Euro thousand	31 Dec 2018 Euro thousand	Changes Euro thousand	%
ASSETS				
Liquid funds	2,071,712	1,731,644	340,068	19.64 %
Loans and receivables credit institutions	431,109	469,491	-38,382	-8.18 %
Loans and receivables customers	21,250,646	20,502,248	748,399	3.65 %
Assets held for trading	56,044	56,312	-268	-0.48 %
Financial investments	2,578,976	2,468,431	110,545	4.48 %
Investment property	47,533	47,097	436	0.93 %
Companies measured at equity	92,234	88,499	3,735	4.22 %
Participations	130,479	109,022	21,457	19.68 %
Intangible assets	3,377	998	2,379	> 200.00 %
Tangible assets	481,864	327,245	154,619	47.25 %
Tax assets	130,018	139,676	-9,658	-6.91 %
Current taxes	10,239	7,570	2,669	35.26 %
Deferred taxes	119,779	132,106	-12,327	-9.33 %
Other assets	168,127	153,166	14,961	9.77 %
Assets held for sale	53,554	509,183	-455,629	-89.48 %
TOTAL ASSETS	27,495,673	26,603,011	892,661	3.36 %
LIABILITIES				
Amounts owed to credit institutions	412,189	595,091	-182,902	-30.74 %
Amounts owed to customers	21,729,089	21,555,395	173,694	0.81 %
Debts evidenced by certificates	1,481,917	529,329	952,588	179.96 %
Lease liabilities	183,300	0	183,300	100.00 %
Liabilities held for trading	76,868	71,785	5,084	7.08 %
Provisions	256,136	250,120	6,016	2.41 %
Tax liabilities	21,329	19,626	1,703	8.68 %
Current taxes	17,486	8,705	8,781	100.87 %
Deferred taxes	3,843	10,920	-7,078	-64.81 %
Other liabilities	487,948	508,850	-20,903	-4.11 %
Liabilities held for sale	0	544,420	-544,420	-100.00 %
Subordinated liabilities	597,542	634,052	-36,510	-5.76 %
Total nominal value cooperative capital shares	4,547	4,249	298	7.02 %
Subscribed capital	286,725	299,844	-13,119	-4.38 %
Additional tier 1 capital	221,292	0	221,292	100.00 %
Reserves	1,734,644	1,588,086	146,557	9.23 %
Non-controlling interest	2,146	2,164	-18	-0.85 %
TOTAL LIABILITIES	27,495,673	26,603,011	892,661	3.36 %

Segment reporting by business segments
1-12/2019

Euro thousand	CO	Vienna	Lower Austria	Styria	Carinthia	Upper Austria	Salzburg	Tyrol	Vorarlberg	Physicians	Consolidation	Total
Net interest income	12,528	100,244	62,440	47,983	27,382	38,935	49,835	45,169	24,825	12,974	54	422,371
Risk provision	1,412	-8,590	-5,313	-5,828	-1,204	-1,050	-421	2,197	-3,248	-4	0	-22,050
Net fee and comission income	-2,818	58,413	29,264	25,017	14,205	23,624	25,920	30,752	19,049	6,750	-606	229,568
Net trading income	-2,554	259	337	42	18	19	-12	97	820	42	-6	-937
Result from financial instruments and investment properties	23,083	1,874	2,374	1,453	-96	2,250	2,426	-506	-84	316	-3,660	29,430
Other operating result	144,627	4,345	1,962	723	1,121	1,045	-275	486	44,102	373	-143,340	55,169
General administrative expenses	-124,274	-141,638	-75,403	-59,984	-35,218	-58,330	-62,784	-61,948	-42,000	-19,990	147,380	-534,188
Restructuring result	0	0	0	0	0	0	0	0	0	0	0	0
Result from companies measured at equity	0	-376	495	0	0	0	0	0	0	0	0	119
Result before taxes	52,005	14,532	16,157	9,406	6,208	6,492	14,689	16,247	43,464	461	-178	179,482
Income taxes	-2,171	-8,174	-4,043	-2,904	-761	-2,112	-4,274	-7,157	175	351	41	-31,030
Result after taxes	49,834	6,358	12,113	6,502	5,447	4,380	10,415	9,090	43,639	812	-138	148,451
31/12/2019												
Total assets	7,595,658	6,548,704	3,523,644	2,804,538	1,454,759	2,423,027	2,962,365	3,406,578	2,016,483	1,009,326	-6,249,409	27,495,673
Loans and receivables customers	259,776	5,294,076	2,851,614	2,319,718	1,166,124	1,889,566	2,339,888	2,827,071	1,617,757	777,778	-92,721	21,250,646
Companies measured at equity	15	43,815	7,206	4,577	5,742	15,682	10,297	26	20	4,854	0	92,234
Amounts owed to customers	1,280,697	5,254,307	3,097,714	1,900,605	1,255,178	2,117,416	2,255,816	2,664,071	1,171,795	827,880	-96,391	21,729,089
Debts evidenced by certificates, including subordinated liabilities	1,758,843	112,981	12,190	11,300	25,451	23,382	52,541	38,137	58,365	11,738	-25,468	2,079,460

1-12/2018

Euro thousand	CO	Vienna	Lower Austria	Styria	Carinthia	Upper Austria	Salzburg	Tyrol	Vorarlberg	Physicians	Consolidation	Total
Net interest income	12,911	101,809	60,764	46,471	26,439	37,970	47,849	45,900	27,250	12,467	0	419,831
Risk provision	3,881	851	-1,362	4,986	-2,121	-2	-2,458	1,421	1,295	-179	0	6,313
Net fee and comission income	-3,259	57,553	28,798	25,106	14,250	23,306	24,169	31,228	26,504	5,981	-182	233,455
Net trading income	821	218	-113	-67	51	29	-10	313	-1,682	-161	-76	-678
Result from financial instruments and investment properties	6,591	3,850	-3	-1,048	-613	-484	-1,205	150	-4,226	76	-6,164	-3,076
Other operating result	135,360	1,256	3,720	-972	2,562	2,425	1,174	-209	10,137	129	-127,149	28,432
General administrative expenses	-128,304	-142,252	-73,431	-58,866	-35,437	-57,258	-64,347	-62,463	-49,817	-20,911	124,927	-568,157
Restructuring result	243	-4,270	0	-273	-150	280	0	0	0	0	0	-4,170
Result from companies measured at equity	0	5,509	-72	0	0	0	0	0	0	0	6,087	11,524
Result before taxes	28,244	24,523	18,302	15,338	4,980	6,266	5,173	16,341	9,461	-2,597	-2,557	123,475
Income taxes	1,320	-286	-4,505	-2,879	-1,723	339	298	-3,944	2,742	466	-105	-8,276
Result after taxes	29,564	24,237	13,798	12,459	3,258	6,605	5,471	12,397	12,203	-2,131	-2,662	115,199
31 Dec 2018												
Total assets	6,473,685	6,475,523	3,436,945	2,709,858	1,398,071	2,413,423	2,774,249	3,291,871	2,425,358	949,805	-5,745,777	26,603,011
Loans and receivables customers	290,565	5,172,007	2,775,869	2,258,889	1,129,798	1,800,235	2,163,461	2,713,376	1,538,755	734,176	-74,884	20,502,248
Companies measured at equity	15	40,081	7,206	4,577	5,742	15,682	10,297	26	20	4,854	0	88,499
Amounts owed to customers	1,013,883	5,396,995	3,022,928	1,912,817	1,209,679	2,150,477	2,177,277	2,661,927	1,225,143	850,877	-66,607	21,555,395
Debts evidenced by certificates, including subordinated liabilities	771,980	114,559	19,425	30,956	29,339	25,134	58,313	57,860	66,436	16,151	-26,772	1,163,381

Own funds of the Association of Volksbanks

Euro thousand	31 Dec 2019	31 Dec 2018
Common tier I capital: Instruments and reserves		
Capital instruments including share premium accounts	775,917	771,417
Retained earnings	1,404,394	1,327,569
Accumulated other comprehensive income (and other reserves)	-180,525	-226,954
Amount of capital instruments subject to phase out from CET1	7,358	9,811
Non-controlling interest	0	0
Common tier I capital before regulatory adjustments	2,007,145	1,881,842
Common tier I capital: regulatory adjustments		
Regulatory value adjustments	0	0
Goodwill (net of related tax liability)	0	0
Intangible assets (net of related tax liability)	-3,377	-998
Value adjustments due to the requirement for prudent valuation	-1,537	-1,885
Regulatory adjustments - transitional provisions	0	0
Unrealised gains (0 %; 2017: 20 %)	0	0
Loss of the current financial year (0 %; 2017: 20 %)	0	0
Intangible assets (0 %; 2017: 20 %)	0	0
Qualifying AT1 deductions that exceeds the AT1 capital of the institution	0	0
Additional CET 1 deductions pursuant to article 3 CRR	-94,771	-78,702
Total regulatory adjustments	-99,685	-81,586
Common equity tier I capital - CET1	1,907,459	1,800,256
Additional tier I capital: instruments		
Capital instruments including share premium accounts	223,570	14,153
Additional tier I capital before regulatory adjustments	223,570	14,153
Additional tier I capital: regulatory adjustments		
Regulatory adjustments - transitional provisions	0	0
Loss of the current financial year (0 %; 2017: 20 %)	0	0
Intangible assets (0 %; 2017: 20 %)	0	0
Qualifying AT1 deductions that exceeds the AT1 capital of the institution	0	0
Total regulatory adjustments	0	0
Additional tier I capital - AT1	223,570	14,153
Tier I capital (CET1 + AT1)	2,131,029	1,814,409
Tier II capital - instruments and provisions		
Capital instruments including share premium accounts	467,896	477,369
Capital instruments subject to phase out from tier II	38,548	45,836
Tier II capital before regulatory adjustments	506,443	523,205
Tier II capital: regulatory adjustments		
Regulatory adjustments - transitional provisions	0	0
Total regulatory adjustments	0	0
Tier II capital - T2	506,443	523,205
Own funds	2,637,473	2,337,614
Common equity tier I capital ratio (tier I)	12.87 %	12.27 %
Tier I capital ratio	14.38 %	12.36 %
Equity ratio	17.80 %	15.93 %
each in relation to total risk exposure amount		

Risk weighted assessment amounts

Euro thousand	31 Dec 2019	31 Dec 2018
Risk weighted exposure amount - credit risk	13,426,207	12,399,813
Total risk exposure amount - settlement risk	0	33
Total risk exposure amount for position, foreign exchange and commodities risks	84,611	85,885
Total risk exposure amount for operational risk	1,262,082	1,288,285
Total risk exposure amount for credit valuation adjustment (cva)	44,462	55,996
Other risk exposure amount	0	845,173
Total risk exposure amount	14,817,361	14,675,185

Own funds of the Association of Volksbanks - fully loaded

Euro thousand	31 Dec 2019	31 Dec 2018
Common tier I capital: Instruments and reserves		
Capital instruments including share premium accounts	775,917	771,417
Retained earnings	1,404,394	1,327,569
Accumulated other comprehensive income (and other reserves)	-180,525	-266,297
Common tier I capital before regulatory adjustments	1,999,786	1,872,031
Common tier I capital: regulatory adjustments		
Regulatory value adjustments	0	0
Goodwill (net of related tax liability)	0	0
Intangible assets (net of related tax liability)	-3,377	-998
Value adjustments due to the requirement for prudent valuation	-1,537	-1,885
Additional CET 1 deductions pursuant to article 3 CRR	-94,771	-78,702
Total regulatory adjustments	-99,685	-81,586
Common equity tier I capital - CET1	1,900,101	1,790,445
Additional tier I capital: instruments		
Capital instruments including share premium accounts	223,570	14,153
Additional tier I capital before regulatory adjustments	223,570	14,153
Additional tier I capital: regulatory adjustments		
Total regulatory adjustments	0	0
Additional tier I capital - AT1	223,570	14,153
Tier I capital (CET1 + AT1)	2,123,671	1,804,598
Tier II capital - instruments and provisions		
Capital instruments including share premium accounts	472,420	483,501
Tier II capital before regulatory adjustments	472,420	483,501
Tier II capital: regulatory adjustments		
Total regulatory adjustments	0	0
Tier II capital - T2	472,420	483,501
Own funds	2,596,091	2,288,100
Common equity tier I capital ratio (tier I)	12.82 %	12.20 %
Tier I capital ratio	14.33 %	12.30 %
Equity ratio	17.52 %	15.59 %
each in relation to total risk exposure amount		

Risk weighted assessment amounts

Euro thousand	31 Dec 2019	31 Dec 2018
Risk weighted exposure amount - credit risk	13,426,207	12,399,813
Total risk exposure amount - settlement risk	0	33
Total risk exposure amount for position, foreign exchange and commodities risks	84,611	85,885
Total risk exposure amount for operational risk	1,262,082	1,288,285
Total risk exposure amount for credit valuation adjustment (cva)	44,462	55,996
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Amounts owed to customers

Euro million	31 Dec 2019
Saving deposits	8,201.3
Other deposits	13,527.7

Distribution of loans and receivables to customers by customer industries

	31 Dec 2019
Private households	8,641.5
Financial services incl. Banks	200.8
Public authorities	284.1
Real estate	5,679.1
Construction industry	668.8
Tourism	1,614.9
Trade and repairs	973.8
Physicians/healthcare	788.6
Agriculture and forestry	691.0
Others	1,994.3

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

	31 Dec 2019
Retail	8,641.5
SME	10,907.2
Corporates	530.8
Public sector	284.1
Others	1,173.3

Largest 25 customer exposures

Top 25 exposures represent 4.1 % of Association's total loans and receivables to customers (largest single customer exposure: 0.4 % of total loans and receivables to customers).

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