

## Erste Group: Preliminary result 2014

**2014 closed with profitable quarter, as loan growth re-emerges, asset quality improves and capital position strengthens; outlook confirmed**

### Financial data

#### Income statement

in EUR million	Q4 13	Q3 14	Q4 14	2013	2014
Net interest income	1,169.2	1,126.0	1,125.6	4,685.0	4,495.2
Net fee and commission income	462.8	465.8	497.1	1,806.5	1,869.8
Net trading and fair value result	34.6	28.4	75.8	218.8	242.3
Operating income	1,731.8	1,695.8	1,760.5	6,995.1	6,877.9
Operating expenses	-971.7	-887.3	-1,003.6	-3,896.1	-3,787.3
Operating result	760.1	808.5	756.9	3,099.0	3,090.7
Net impairment loss on non-fair value financial assets	-529.4	-878.8	-484.3	-1,774.4	-2,159.2
Post-provision operating result	230.8	-70.3	272.6	1,324.7	931.4
<b>Net result attributable to owners of the parent</b>	<b>-370.3</b>	<b>-554.2</b>	<b>42.0</b>	<b>60.3</b>	<b>-1,442.0</b>
Net interest margin (on average interest-bearing assets)	2.73%	2.68%	2.66%	2.69%	2.65%
Cost/income ratio	56.1%	52.3%	57.0%	55.7%	55.1%
Provisioning ratio (on average gross customer loans)	1.65%	2.75%	1.51%	1.37%	1.69%
Tax rate	-67.2%	-23.7%	49.6%	47.2%	-63.4%
Return on equity	-12.8%	-21.7%	1.7%	0.5%	-13.6%

#### Balance sheet

in EUR million	Dec 13	Sep 14	Dec 14	Dec 13	Dec 14
Cash and cash balances	9,301	8,010	7,835	9,301	7,835
Trading, financial assets	51,269	51,051	50,131	51,269	50,131
Loans and receivables to credit institutions	8,377	7,166	7,442	8,377	7,442
Loans and receivables to customers	119,945	120,451	120,834	119,945	120,834
Intangible assets	2,441	1,456	1,441	2,441	1,441
Miscellaneous assets	8,786	8,839	8,604	8,786	8,604
<b>Total assets</b>	<b>200,118</b>	<b>196,973</b>	<b>196,287</b>	<b>200,118</b>	<b>196,287</b>
Financial liabilities - held for trading	6,475	8,488	7,746	6,475	7,746
Deposits from banks	17,299	16,483	14,803	17,299	14,803
Deposits from customers	122,415	120,061	122,583	122,415	122,583
Debt securities issued	33,124	31,211	31,140	33,124	31,140
Miscellaneous liabilities	6,020	7,078	6,573	6,020	6,573
Total equity	14,785	13,652	13,443	14,785	13,443
<b>Total liabilities and equity</b>	<b>200,118</b>	<b>196,973</b>	<b>196,287</b>	<b>200,118</b>	<b>196,287</b>
Loan/deposit ratio	98.0%	100.3%	98.6%	98.0%	98.6%
NPL ratio	9.6%	8.9%	8.5%	9.6%	8.5%
NPL coverage (exc collateral)	63.1%	68.8%	68.9%	63.1%	68.9%
CET 1 ratio (phased-in)	11.4%	10.8%	10.6%	11.4%	10.6%

Adoption of IFRS 10 led to retrospective consolidation of several entities and additionally the new implemented structure of income statement and balance sheet resulted in retrospective changes in the presentation.

## HIGHLIGHTS

P&L 2014 compared with 2013; balance sheet 31 December 2014 compared with 31 December 2013

**Net interest income** declined to EUR 4,495.2 million (EUR 4,685.0 million), mainly due to the persistently low interest rate environment and FX translation effects. **Net fee and commission income** increased to EUR 1,869.8 million (EUR 1,806.5 million) on the back of an improved result from securities business and asset management. **The net trading and fair value** result rose to EUR 242.3 million (EUR 218.8 million). **Operating income** amounted to EUR 6,877.9 million (-1.7%; EUR 6,995.1 million).

**General administrative expenses** declined to EUR 3,787.3 million (-2.8%; EUR 3,896.1 million), mainly due to lower personnel expenses on the back of lower average headcount and decreased depreciation and amortisation. This led to an **operating result** of EUR 3,090.7 million (-0.3%; EUR 3,099.0 million) and an improved **cost/income ratio** of 55.1% (55.7%).

**Net impairment loss on financial assets not measured at fair value through profit or loss** went up to EUR 2,159.2 million or 169 basis points of average customer loans (+21.7%; EUR 1,774.4 million or 137 basis points). This rise was attributable in particular to additional risk costs in Romania incurred in connection with the accelerated NPL reduction. The NPL ratio declined substantially to 8.5% (9.6%) on the back of successful NPL sales in Romania. The **NPL coverage ratio** improved significantly to 68.9% (63.1%).

**Other operating result** amounted to EUR -1,752.9 million (EUR -1,008.6 million). This was primarily due to the write-down of goodwill in the amount of EUR 475.0 million as well as of brand and customer relationships in Romania of EUR 489.8 million in total. At EUR 256.3 million (EUR 311.0 million) levies on banking activities were again significant: EUR 130.5 million (EUR 166.5 million) in Austria, EUR 31.5 million (EUR 41.2 million) in Slovakia and EUR 94.2 million (EUR 103.4 million) in Hungary – including EUR 47.9 million in banking tax. In addition, the item other operating result included EUR 336.8 million in expenses resulting from the consumer loan law passed by the Hungarian parliament. The net burden of the law and the conversion of the foreign-currency loans was EUR 312.2 million.

Taxes on income rose to EUR 509.4 million due to a negative change in deferred taxes (net) in the amount of EUR 197.0 million. The **net result attributable to owners of the parent** amounted to EUR -1,442.0 million (EUR 60.3 million).

**Total equity** (IFRS) declined to EUR 13.4 billion (EUR 14.8 billion). **Common equity tier 1 capital** (CET 1, Basel 3 phased-in) decreased to EUR 10.6 billion versus EUR 11.2 billion (Basel 2.5). **Total risk (risk-weighted assets)** including credit, market and operational risk, Basel 3 phased-in) increased to EUR 100.6 billion (EUR 97.9 billion). The **common equity tier 1 ratio** (CET 1, Basel 3 phased-in) stood at 10.6% versus 11.4% (Basel 2.5). The **common equity tier 1 ratio** (CET 1, Basel 3 final) increased quarter on quarter from 10.5% to 10.6%. The **total capital ratio** (Basel 3 phased-in) stood at 15.7% versus 16.3% (Basel 2.5).

**Total assets** amounted to EUR 196.3 billion (EUR 200.1 billion). **Loans and advances to customers (net)** increased moderately to EUR 120.8 billion (EUR 119.9 billion). The **loan-to-deposit ratio** stood at 98.6% (98.0%)

## OUTLOOK

### Operating environment anticipated to be conducive to credit expansion

Real GDP growth is expected to be between 2% and 3% in all major CEE markets, except Croatia, driven by rising domestic demand. For Austria, a real GDP growth below 1% is forecast.

### Return on tangible equity (ROTE) expected at 8-10% in 2015 (YE 14 TE: EUR 8.4 billion)

Operating result is expected to decline in the mid-single digits on the back of lower but sustainable operating results in Hungary (due to FX conversion related effects of lower average volume and the expected reversal of a positive 2014 trading effect in 2015) and Romania (lower unwinding impact) as well as the persistent low interest rate environment.

For 2015, loan growth in the low single digits and a significant decline in risk costs are anticipated. Banking levies are expected to amount to about EUR 360 million in 2015, including contributions to European bank resolution and deposit insurance funds. Related discussions with the Austrian government are still ongoing.

### Risks to guidance

Consumer protection initiatives for example potential pre-election CHF legislation in Croatia as well as geopolitical risks (Eastern Ukraine conflict, Greece) could have a negative impact on Erste Group's operating environment.

## PERFORMANCE IN DETAIL

January-December 2014 compared with January-December 2013

in EUR million	2013	2014	Change
Net interest income	4,685.0	4,495.2	-4.1%
Net fee and commission income	1,806.5	1,869.8	3.5%
Net trading and fair value result	218.8	242.3	10.7%
Operating income	6,995.1	6,877.9	-1.7%
Operating expenses	-3,896.1	-3,787.3	-2.8%
<b>Operating result</b>	<b>3,099.0</b>	<b>3,090.7</b>	<b>-0.3%</b>
Net impairment loss on financial assets not measured at fair value through profit or loss	-1,774.4	-2,159.2	21.7%
Other operating result	-1,008.6	-1,752.9	73.8%
Levies on banking activities	-311.0	-256.3	-17.6%
<b>Pre-tax result from continuing operations</b>	<b>378.4</b>	<b>-803.2</b>	<b>n/a</b>
Taxes on income	-178.5	-509.4	>100.0%
<b>Net result for the period</b>	<b>199.9</b>	<b>-1,312.6</b>	<b>n/a</b>
Net result attributable to non-controlling interests	139.6	129.4	-7.3%
<b>Net result attributable to owners of the parent</b>	<b>60.3</b>	<b>-1,442.0</b>	<b>n/a</b>

### Net interest income

Net interest income declined to EUR 4,495.2 million (EUR 4,685.0 million), mainly due to continuing subdued loan demand in a low interest rate environment. The net interest margin (net interest income as a percentage of average interest-bearing assets) contracted from 2.69% to 2.65%.

### Net fee and commission income

Net fee and commission income increased to EUR 1,869.8 million (EUR 1,806.5 million) due, among others, to improved results from the securities business, asset management, and brokerage commissions.

### Net trading and fair value result

The net trading and fair value result rose to EUR 242.3 million (EUR 218.8 million), mainly due to valuation results for securities and derivatives held for trading. Swaps entered into with the Hungarian National Bank to secure refinancing of foreign-currency loans had a positive impact of EUR 32.4 million. A corresponding negative counter effect was shown in other operative result.

## General administrative expenses

in EUR million	2013	2014	Change
Personnel expenses	2,232.4	2,184.2	-2.2%
Other administrative expenses	1,146.0	1,136.9	-0.8%
Depreciation and amortisation	517.7	466.1	-10.0%
<b>General administrative expenses</b>	<b>3,896.1</b>	<b>3,787.3</b>	<b>-2.8%</b>

**General administrative expenses** declined to EUR 3,787.3 million (EUR 3,896.1 million) (currency-adjusted: -1.5%). **Personnel expenses** decreased to EUR 2,184.2 million (EUR 2,232.4 million) (currency-adjusted: -1.1%). Further cost savings were achieved in **other administrative expenses** which decreased on the back of lower office-related expenses to EUR 1,136.9 million (EUR 1,146.0 million) (currency-adjusted: +1.1%). **Depreciation and amortisation** declined to EUR 466.1 million (EUR 517.7 million) (currency-adjusted: -1.5%). The line item other administrative expenses included deposit insurance contributions in the amount of EUR 87.6 million (EUR 77.2 million). The line item depreciation and amortisation included the straight-line amortisation of intangible assets (i.e. customer relationships) in the amount of EUR 37.0 million (EUR 65.2 million).

The **headcount** increased slightly by 0.9% partly due to the expanded consolidation scope to 46,067; average headcount went down to 45,996 (46,842).

## Headcount as of end of the period

	Dec 13	Dec 14	Change
<b>Domestic</b>	<b>15,659</b>	<b>15,550</b>	<b>-0.7%</b>
Erste Group, EB Oesterreich and subsidiaries	8,388	8,324	-0.8%
Haftungsverbund savings banks	7,271	7,226	-0.6%
<b>Abroad</b>	<b>30,011</b>	<b>30,517</b>	<b>1.7%</b>
Česká spořitelna Group	10,432	10,504	0.7%
Banca Comercială Română Group	7,020	7,054	0.5%
Slovenská sporiteľňa Group	4,206	4,275	1.6%
Erste Bank Hungary Group	2,778	2,766	-0.4%
Erste Bank Croatia Group	2,584	2,754	6.6%
Erste Bank Serbia	922	955	3.6%
Savings banks subsidiaries	1,100	1,166	6.0%
Other subsidiaries and foreign branch offices	969	1,043	7.6%
<b>Total</b>	<b>45,670</b>	<b>46,067</b>	<b>0.9%</b>

## Operating result

Driven by lower net interest income, operating income declined to EUR 6,877.9 million (-1.7%; EUR 6,995.1 million). As general administrative expenses were reduced at the same time to EUR 3,787.3 million (-2.8%; EUR 3,896.1 million), the operating result remained stable at EUR 3,090.7 million (-0.3%; EUR 3,099.0 million).

## Gains/losses from financial assets and liabilities not measured at fair value through profit or loss (net)

Gains/losses from financial assets and liabilities not measured at fair value through profit and loss (net) declined to EUR 18.3 million (EUR 62.4 million), mainly due to the negative contribution from the repurchase of financial liabilities.

## Net impairment loss on financial assets not measured at fair value through profit or loss (net)

Net impairment loss on financial assets (net) rose to EUR 2,159.2 million (EUR 1,774.4 million), mainly due to higher risk costs in Romania. This development was largely attributable to the rise in the balance of the allocation and release of provisions for the lending business together with the costs of direct loan write-offs offset by income received from the recovery of loans already written off to EUR 2,120.4 million (EUR 1,726.5 million). Net impairment loss on financial assets not measured at fair value through profit or loss, based on the average volume of customer loans, amounted to 169 basis points (137 basis points). In addition, this line item included net impairment loss on financial assets – held to maturity and financial assets – available for sale in the amount of EUR -38.8 million (EUR -47.9 million).

## Other operating result

Other operating result amounted to EUR -1,752.9 million (EUR -1,008.6 million). This was primarily attributable to write-downs: overall, goodwill write-downs amounted to EUR 475.0 million (thereof EUR 319.1 million in Ro-

mania, EUR 61.4 million in Croatia, and EUR 94.5 million for participations in Austria). In addition, an amount of EUR 489.8 million was written down in Romania for customer relationships and brand.

Other operating result also included expenses of EUR 336.8 million resulting from a consumer loan law passed by the Hungarian parliament. The negative net impact of the law and the conversion of the foreign-currency loans was EUR 312.2 million.

**Levies on banking activities** declined to EUR 256.3 million (EUR 311.0 million). Banking levies charged in Austria amounted to EUR 130.5 million (EUR 166.5 million) and in Slovakia to EUR 31.5 million (EUR 41.2 million). The Hungarian banking levies in the amount of EUR 94.2 million (EUR 103.4 million) comprised a banking tax in the amount of EUR 47.9 million (EUR 49.0 million) and a financial transaction tax in the amount of EUR 46.3 million (EUR 54.4 million). The latter included expenses of EUR 8.8 million (EUR 7.0 million) for the programme subsidising repayment of foreign-currency loans.

### Net result

Pre-tax result from continuing operations amounted to EUR -803.2 million (EUR 378.4 million). The net result attributable to owners of the parent declined to EUR -1,442.0 million (EUR 60.3 million).

## FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Fourth quarter of 2014 compared to third quarter of 2014

in EUR million	Q4 13	Q1 14	Q2 14	Q3 14	Q4 14
<b>Income statement</b>					
Net interest income	1,169.2	1,123.9	1,119.7	1,126.0	1,125.6
Net fee and commission income	462.8	452.1	454.9	465.8	497.1
Dividend income	21.6	14.6	15.4	33.0	11.3
Net trading and fair value result	34.6	50.4	87.7	28.4	75.8
Net result from equity method investments	2.1	3.1	8.3	0.1	4.2
Rental income from investment properties & other operating leases	41.6	46.5	45.1	42.5	46.5
Personnel expenses	-553.4	-545.9	-546.1	-515.0	-577.2
Other administrative expenses	-285.1	-292.4	-265.2	-264.2	-315.1
Depreciation and amortisation	-133.1	-125.0	-121.8	-108.0	-111.3
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	38.1	-3.7	4.9	13.2	4.0
Net impairment loss on financial assets not measured at fair value through profit or loss	-529.4	-364.2	-431.9	-878.8	-484.3
Other operating result	-488.4	-119.8	-1,152.0	-356.8	-124.3
Levies on banking activities	-63.9	-99.8	-54.3	-54.6	-47.6
<b>Pre-tax result from continuing operations</b>	<b>-219.6</b>	<b>239.5</b>	<b>-781.0</b>	<b>-414.0</b>	<b>152.2</b>
Taxes on income	-147.5	-99.7	-235.9	-98.3	-75.5
<b>Net result for the period</b>	<b>-367.1</b>	<b>139.8</b>	<b>-1,016.9</b>	<b>-512.3</b>	<b>76.7</b>
Net result attributable to non-controlling interests	3.2	36.5	16.2	42.0	34.7
<b>Net result attributable to owners of the parent</b>	<b>-370.3</b>	<b>103.3</b>	<b>-1,033.1</b>	<b>-554.2</b>	<b>42.0</b>

**Net interest income** was stable at EUR 1,125.6 million (EUR 1,126.0 million). **Net fee and commission income** increased to EUR 497.1 million (+6.7%; EUR 465.8 million). The **net trading and fair value result** improved significantly to EUR 75.8 million (EUR 28.4 million) including a positive impact of EUR 32.4 million relating to swaps with the Hungarian National Bank to secure the refinancing of foreign-currency loans at fixed exchange rates. A corresponding negative counter effect was shown in other operative result.

**General administrative expenses** rose to EUR 1,003.6 million (+13.1%; EUR 887.3 million). Personnel expenses increased to EUR 577.2 million (+12.1%; EUR 515.0 million). This was partly related to a one-off expense for partial retirement of EUR 21.5 million. Depreciation and amortisation rose to EUR 111.3 (+3.0%; EUR 108.0 million). Other administrative expenses went up to EUR 315.1 million (+19.2%; EUR 264.2 million), primarily due to a rise in marketing expenses. The cost/income ratio stood at 57.0% (52.3%).

**Gains/losses from financial assets and liabilities not measured at fair value through profit and loss (net)** declined to EUR 4.0 million (EUR 13.2 million), mainly due to the negative contribution from the repurchase of financial liabilities.

**Net impairment loss on financial assets not measured at fair value through profit or loss** went down to EUR -484.3 million (EUR -878.8 million), mostly due to higher risk costs in Romania in the previous quarter.

**Other operating result** amounted to EUR -124.3 million (EUR -356.8 million). In previous periods, all charges resulting from the Hungarian consumer loan law were reported under this item, in the third quarter in the amount of EUR 230.5 million. In the fourth quarter total expenses for the Hungarian consumer loan law were recalculated, which resulted in lower expenses by EUR 24.0 million. **Levies on banking activities** amounted to EUR 47.6 million (EUR 54.6 million). Thereof, EUR 12.4 million (EUR 11.7 million) were paid in Hungary: financial transaction taxes of EUR 10.1 million (EUR 9.4 million) plus EUR 2.3 million (EUR 2.3 million) for the programme subsidising repayment of foreign-currency loans. In Austria, banking taxes amounted to EUR 35.2 million (EUR 32.1 million). In Slovakia, no banking tax was payable in the fourth quarter (EUR 10.8 million).

**Pre-tax result** stood at EUR 152.2 million (EUR -414.0 million). The **net result attributable to owners of the parent** amounted to EUR 42.0 million (EUR -554.2 million).

## DEVELOPMENT OF THE BALANCE SHEET

31 December 2014 compared with 31 December 2013

in EUR million	Dec 13	Dec 14	Change
<b>Assets</b>			
Cash and cash balances	9,301	7,835	-15.8%
Trading, financial assets	51,269	50,131	-2.2%
Loans and receivables to credit institutions	8,377	7,442	-11.2%
Loans and receivables to customers	119,945	120,834	0.7%
Intangible assets	2,441	1,441	-41.0%
Miscellaneous assets	8,786	8,604	-2.1%
<b>Total assets</b>	<b>200,118</b>	<b>196,287</b>	<b>-1.9%</b>
<b>Liabilities and equity</b>			
Financial liabilities - held for trading	6,475	7,746	19.6%
Deposits from banks	17,299	14,803	-14.4%
Deposits from customers	122,415	122,583	0.1%
Debt securities issued	33,124	31,140	-6.0%
Miscellaneous liabilities	6,020	6,573	9.2%
Total equity	14,785	13,443	-9.1%
<b>Total liabilities and equity</b>	<b>200,118</b>	<b>196,287</b>	<b>-1.9%</b>

**Trading and investment securities** declined slightly to EUR 50.1 billion (EUR 51.3 billion). The rise in the line item financial assets – available for sale did not fully offset the decline in the line items financial assets – held to maturity, financial assets – held for trading, and financial assets – at fair value through profit or loss.

**Loans and receivables to credit institutions (net)** decreased to EUR 7.4 billion (EUR 8.4 billion). **Loans and receivables to customers (net)** rose to EUR 120.8 billion (EUR 119.9 billion) despite continuing subdued credit demand in some business segments and significant declines in Romania and Hungary. **Allowances for loans and receivables to customers** shown as part of loans and receivables to customers decreased to EUR 7.5 billion (EUR 7.8 billion).

The **NPL ratio**, non-performing loans as a percentage of loans to customers, declined significantly to 8.5% (9.6%). The **NPL coverage ratio** improved to 68.9% (63.1%).

Due to the recognition of impairments including goodwill, customer relationships and brand, **intangible assets** declined to EUR 1.4 billion (EUR 2.4 billion). **Miscellaneous assets** were largely unchanged at EUR 8.6 billion (EUR 8.8 billion) despite a write-down of deferred tax assets.

**Financial liabilities – held for trading** increased to EUR 7.7 billion (EUR 6.5 billion) due to interest yield changes.

**Deposits from banks** decreased to EUR 14.8 billion (EUR 17.3 billion), reflecting a decline in overnight deposits from credit institutions. **Deposits from customers** increased moderately to EUR 122.6 billion (EUR 122.4 bil-

lion) despite a negative impact of EUR 1.8 billion related to the final deconsolidation of the Czech pension fund. The **loan-to-deposit ratio** stood at 98.6% (98.0%).

**Debt securities in issue**, in particular bonds as well as mortgage and public sector covered bonds, declined to EUR 31.1 billion (EUR 33.1 billion) due to redemptions. **Miscellaneous liabilities** rose to EUR 6.6 billion (EUR 6.0 billion).

Erste Group's **total equity** (IFRS) declined to EUR 13.4 billion (EUR 14.8 billion). After regulatory deductions and filter according to the CRR, **tier 1 capital** (Basel 3 phased-in) amounted to EUR 10.6 billion (year-end 2013, Basel 2.5: EUR 11.6 billion), **common equity tier 1 capital** (CET1, Basel 3 phased-in) stood at EUR 10.6 billion (year-end 2013, Basel 2.5: EUR 11.2 billion). **Total risk (risk-weighted assets)** including credit, market and operational risk, Basel 3 phased-in) increased to EUR 100.6 billion (EUR 97.9 billion).

As of 2014, Erste Group calculates consolidated regulatory capital according to Basel 3. In 2014, the calculation follows the requirements as defined within the capital requirements regulation (CRR) taking into consideration transitional provisions as defined within the Austrian "CRR-Begleitverordnung". These transitional provisions define the percentages applicable to eligible capital instruments and regulatory deduction items as well as filters. The **total capital ratio** (Basel 3 phased-in) in relation to the total risk (total eligible qualifying capital in relation to total risk pursuant to CRR) was 15.7% as of 31 December 2014 (year-end 2013, Basel 2.5: 16.3%), well above the legal minimum requirement.

The **tier 1 ratio** (Basel 3 phased-in), which includes the capital requirements for credit, market and operational risk, stood at 10.6% (year-end 2013, Basel 2.5: 11.8%). The **common equity tier 1 ratio** (Basel 3 phased-in) amounted to 10.6% as of 31 December 2014 (year-end 2013, Basel 2.5: 11.4%).

## SEGMENT REPORTING

January- December 2014 compared with January- December 2013

Erste Group introduced a new segment reporting, starting from 1 January 2014 that is based on the matrix organisation and provides comprehensive information to assess the business line and geographic performance. However, the segmentation criteria for corporate business were also changed with no retrospective adjustments. The former local large corporate business (included in the SME segment in 2013) was reallocated either to the Large Corporates segment or to the SME segment, depending on annual turnover thresholds.

The tables and information below provide a brief overview and focus on selected and summarised items. At [www.erstegroup.com](http://www.erstegroup.com) additional information is available in Excel format.

## BUSINESS SEGMENTS

### Retail

in EUR million	2013	2014	Change
Net interest income	2,216.8	2,175.1	-1.9%
Net fee and commission income	1,053.4	1,050.3	-0.3%
Net trading and fair value result	62.2	59.8	-3.8%
Operating income	3,361.0	3,317.4	-1.3%
Operating expenses	-1,839.2	-1,814.3	-1.4%
Operating result	1,521.8	1,503.1	-1.2%
Cost/income ratio	54.7%	54.7%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-466.0	-671.7	44.1%
Other result	-93.0	-393.2	>100.0%
Net result attributable to owners of the parent	739.0	271.7	-63.2%
Return on allocated capital	37.3%	13.6%	

The Retail segment comprises the entire business with private individuals, free professionals and micros in the responsibility of account managers in the retail network of the local banks cooperating with their specialised subsidiaries (such as factoring, leasing and asset management companies).

The decrease in net interest income was driven by lower income from unwinding as well as lower deposit volumes and margins in Romania and shrinking loan volumes and margins in Hungary. These developments were partly offset by positive contributions from deposits in Austria and growing lending business in Slovakia. Rental income increased due to the consolidation of a leasing subsidiary in Croatia. Cost saving measures in the Czech Republic and Romania led to a reduction in operating expenses. Although the decrease in costs could not fully offset the net interest income decline and operating result decreased, cost/income ratio remained stable. The deterioration of net impairment loss on financial assets not measured at FV through P&L was driven by significantly higher risk costs in Romania on the back of the accelerated NPL reduction. The line item other result included expenses related to the Hungarian consumer loan law in an amount of EUR 304.4 million (further expenses of EUR 32.4 million related to the conversion of the foreign currency loans were included in the segment Asset/Liability Management & Local Corporate Center). This triggered the significant decrease of the net result attributable to the owners of the parent.

### SME

in EUR million	2013	2014	Change
Net interest income	671.0	569.4	-15.1%
Net fee and commission income	231.2	198.4	-14.2%
Net trading and fair value result	29.1	31.9	9.7%
Operating income	937.9	832.7	-11.2%
Operating expenses	-288.0	-292.8	1.7%
Operating result	650.0	539.9	-16.9%
Cost/income ratio	30.7%	35.2%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-455.0	-461.1	1.3%
Other result	-34.2	0.6	n/a
Net result attributable to owners of the parent	109.9	50.4	-54.2%
Return on allocated capital	6.8%	3.6%	

The SME segment consists of business with clients which are in the responsibility of the local corporate account managers, mainly consisting of micros, SMEs, small public sector companies and small financial institutions (e.g. third party leasing companies).

The decline in net interest income and in net fee and commission income were primarily related to the reallocation of a local large corporate portfolio, which in 2013 had been shown in the SME segment, to the Large Corporate segment: Operating expenses increased slightly; the cost/income ratio rose. Net impairment loss on financial assets not measured at FV through profit and loss went up moderately. The other result improved mainly due to one-off income related to an insurance payment in Austria. The net result attributable to the owners of the parent declined.

## Asset/Liability Management & Local Corporate Center

in EUR million	2013	2014	Change
Net interest income	220.5	164.7	-25.3%
Net fee and commission income	-102.6	-65.3	-36.4%
Net trading and fair value result	-92.2	24.7	n/a
Operating income	86.7	184.6	>100.0%
Operating expenses	-120.6	-112.9	-6.5%
Operating result	-33.9	71.8	n/a
Cost/income ratio	>100.0%	61.1%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-5.0	1.2	n/a
Other result	-85.1	-214.2	>100.0%
Net result attributable to owners of the parent	20.8	-174.8	n/a
Return on allocated capital	0.6%	-9.9%	

The ALM & LCC segment includes all local asset/liability management functions as well as the one from Erste Group Bank AG and the local corporate centers which comprise all non-core banking activities, non-profit servicing participations and reconciliation items to local entity results.

Net interest income decreased considerably mainly due to lower ALM contribution driven by flat curves and low interest rate environment as well as high spreads for Austrian banks. The increase in net fee and commission income was primarily related to the positive impact from lower fee expenses in Austria. The net trading and fair value result improved substantially due to a better result from derivatives. Operating expenses also improved mainly due to lower personnel expenses in Romania. Thus, the operating result improved significantly. The other result deteriorated as a consequence of the impairment of real estate property and intangible assets in Banca Comercială Română as well as one-off revenues earned in 2013 in the Czech Republic. The line item other result also included expenses related to the conversion of the foreign currency loans in Hungary in an amount of EUR 32.4 million. Taxes on income in 2013 benefited from a positive one-off impact from the release of deferred tax liabilities in Romania in the amount of EUR 127.7 million. Consequently, the net result attributable to the owners of the parent decreased significantly.

## Savings Banks

in EUR million	2013	2014	Change
Net interest income	814.7	891.8	9.5%
Net fee and commission income	396.4	419.3	5.8%
Net trading and fair value result	22.0	1.1	-94.8%
Operating income	1,304.5	1,379.0	5.7%
Operating expenses	-926.5	-932.1	0.6%
Operating result	378.0	446.9	18.2%
Cost/income ratio	71.0%	67.6%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-229.2	-199.4	-13.0%
Other result	-3.7	-15.4	>100.0%
Net result attributable to owners of the parent	22.4	18.4	-18.0%
Return on allocated capital	4.4%	9.0%	

The Savings Banks segment includes the savings banks which are members of the Haftungsverbund (cross-guarantee system) of the Austrian savings banks sector except for Erste Bank Oesterreich, Tiroler Sparkasse, Salzburger Sparkasse, and Sparkasse Hainburg.

The increase in net interest income was attributable to the reduction of deposit interest rates due to the lower interest rate environment and a change in deposit structure. Together with the improved net fee and commission income it offset the drop in net trading and fair value result. Total operating income increased. Although operating expenses went up slightly, cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss decreased. The decline in other result was mainly caused by valuation effects. The banking tax increased to EUR 15.9 million (EUR 8.9 million) due to the revised banking tax regulation.

## Large Corporates

in EUR million	2013	2014	Change
Net interest income	185.3	214.1	15.5%
Net fee and commission income	86.0	99.2	15.4%
Net trading and fair value result	8.4	9.3	10.9%
Operating income	279.6	322.5	15.3%
Operating expenses	-67.7	-85.0	25.6%
Operating result	211.9	237.5	12.1%
Cost/income ratio	24.2%	26.4%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-229.2	-386.2	68.5%
Other result	-34.5	14.8	n/a
Net result attributable to owners of the parent	-45.1	-113.1	>100.0%
Return on allocated capital	-5.6%	-15.1%	

The Large Corporates segment comprises the business with large corporate customers whose annual turnover exceeds a defined threshold that varies depending on the country.

The increase in net interest income and net commission income was largely attributable to the reallocation of a local large corporate portfolio to the Large Corporates segment (shown in the segment SME in 2013), partially offset by negative impacts on the income attributable to unwinding effects related to the Romanian Large Corporates portfolio. Net trading and fair value result improved moderately. The increase in operating expenses was also mainly driven by the portfolio reallocation. Overall, the operating result improved. The cost/income ratio increased. Net impairment loss on financial assets not measured at FV through profit and loss increased substantially on the back of higher risk provisions for loans and receivables in Romania, partially offset by decreasing risk provisions in Austria and Slovakia. The improvement in other result was largely attributable to lower provisions for commitments and guarantees in Romania and Austria. Net result attributable to the owners of the parent deteriorated.

## Commercial Real Estate

in EUR million	2013	2014	Change
Net interest income	170.0	150.1	-11.7%
Net fee and commission income	14.3	15.8	10.1%
Net trading and fair value result	5.9	-6.2	n/a
Operating income	276.7	205.7	-25.6%
Operating expenses	-134.0	-88.2	-34.1%
Operating result	142.7	117.5	-17.7%
Cost/income ratio	48.4%	42.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-380.5	-364.3	-4.3%
Other result	-50.3	-45.9	-8.8%
Net result attributable to owners of the parent	-257.0	-279.6	8.8%
Return on allocated capital	-28.5%	-36.1%	

The Commercial Real Estate segment covers the real estate value chain (lending, leasing, real estate investment, project development and construction services as well as infrastructure business) for corporate clients, project developers, real estate investors, municipalities and other public sector agencies.

The decline in net interest income was mainly attributable to the deconsolidation of leasing entities of Immorent as well as the non-recurrence of a positive one-off effect. Net fee and commission income improved slightly on the back of higher fees in Czech, Slovak and Hungarian real estate portfolios. The decline in the net trading and fair value result was attributable to FX revaluation losses in Immorent. Rental income declined mostly due to the deconsolidation of Immorent leasing entities. The decline in operating expenses was driven by strict cost management and the deconsolidation of leasing entities. The operating result decreased but cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss reflected an improvement in risk structure, but remained at a high level; mainly driven by Erste Group Bank AG, Immorent, BCR and EB Hungary. The other result was impacted by higher gains from repossessed assets in Hungary and development projects in Immorent. Net result attributable to the owners of the parent declined further.

## Other Corporate

in EUR million	2013	2014	Change
Net interest income	68.9	75.2	9.1%
Net fee and commission income	27.7	18.9	-31.9%
Net trading and fair value result	13.1	4.8	-63.6%
Operating income	109.7	99.4	-9.4%
Operating expenses	-50.9	-58.2	14.3%
Operating result	58.8	41.1	-30.0%
Cost/income ratio	46.4%	58.6%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-6.2	-12.9	>100.0%
Other result	8.7	1.5	-82.3%
Net result attributable to owners of the parent	47.9	22.9	-52.1%
Return on allocated capital	14.4%	10.9%	

The Other Corporate segment consists of two operating segments – International Business and Investment Banking – that are below the threshold criteria defined by IFRS 8. International Business comprises all lending and investing activities outside Erste Group's core markets (including the branches in London, Hong Kong and New York) and is responsible for business development with and credit line management for banks and non-banking financial institutions. Investment Banking covers equity-related business focusing mainly on corporate finance, equity capital markets services, equity brokerage (institutional sales) and merchant banking.

The improvement of net interest income was mostly attributable to aircraft business in London and to increased lending activities in New York International Business portfolio. Net fee and commission income declined primarily due to lower fees in structured trade finance portfolio in London, lower corporate finance and institutional equity sales fees in Czech Republic and further reductions of the loan book of International Business in Austria. The drop in net trading and fair value result was mainly due to negative valuation effects. Lower operating income and increased operating expenses led to a decline in the operating result, the cost/income ratio went up. Net impairment loss on financial assets not measured at FV through profit and loss increased on the back of higher risk provisions for loans and receivables in London Investment Banking portfolio related to the downgrade of Ukrainian customers. Net result attributable to the owners of the parent declined.

## Group Markets

in EUR million	2013	2014	Change
Net interest income	217.2	191.2	-12.0%
Net fee and commission income	104.9	102.9	-1.9%
Net trading and fair value result	116.8	116.1	-0.6%
Operating income	439.3	412.6	-6.1%
Operating expenses	-188.1	-179.1	-4.8%
Operating result	251.3	233.4	-7.1%
Cost/income ratio	42.8%	43.4%	
Net impairment loss on financial assets not measured at fair value through profit or loss	12.2	-0.1	n/a
Other result	-3.2	-0.7	-78.4%
Net result attributable to owners of the parent	206.0	185.3	-10.1%
Return on allocated capital	45.3%	38.3%	

The Group Markets segment comprises the divisionalised business units Group Treasury and Capital Markets (except Equity Capital Markets) and includes the treasury activities of Erste Group Bank AG, the CEE subsidiaries, foreign branch offices in Hong Kong, New York, Berlin and Stuttgart as well as the business with institutional clients of Erste Asset Management.

The net interest income declined primarily due to the extremely low interest rate environment affecting interest rate related products. Net fee and commission income declined due to the lower bond issuance activities, institutional and retail sales. The moderate decline in the net trading and fair value result was mainly attributable to credit and rates trading, alternative investments portfolio management as well as valuation effects of interest related products. The operating result declined, attributable to decreased operating income, although operating expenses were reduced. The cost/income ratio deteriorated moderately. The other result improved. Net result attributable to the owners of the parent declined.

## Group Corporate Center

in EUR million	2013	2014	Change
Net interest income	136.1	70.2	-48.5%
Net fee and commission income	137.6	69.1	-49.8%
Net trading and fair value result	20.9	-11.3	n/a
Operating income	361.8	183.3	-49.3%
Operating expenses	-669.0	-710.5	6.2%
Operating result	-307.2	-527.2	71.6%
Cost/income ratio	>100.0%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-15.4	-64.7	>100.0%
Other result	-425.1	-655.7	54.2%
Net result attributable to owners of the parent	-783.6	-1,423.1	81.6%
Return on allocated capital	-12.7%	-28.7%	

The Group Corporate Center segment covers mainly centrally managed activities and items that are not directly allocated to other segments. It includes the Corporate Center of Erste Group Bank AG, internal non-profit service providers, goodwill impairments and the free capital of Erste Group.

The net interest income decrease was mainly attributable to the decreasing 5y moving average rate and thus a lower capital benefit from the free capital of the group. Net fee and commission income declined considerably due to higher fee expenses from internal service providers. However, at group level the impact was neutral due to consolidation shown in Intercompany Elimination. Operating expenses went up as a consequence of a change in the methodology of cost reimbursements. The corresponding positive counter effect was shown in other result (at group level the impact was neutral due to consolidation). The deterioration of the other result was driven mainly by higher goodwill impairments of EUR 475.0 million (2013: EUR 380.8 million), whereby Romania accounted for EUR 319.1 million, Croatia for EUR 61.4 million and Austrian participations for EUR 94.5 million as well as the write-down of the entire remaining value of customer relationships and brand of BCR of EUR 470.7 million. A negative change in deferred taxes had a further unfavorable impact on the result of the segment.

## GEOGRAPHICAL SEGMENTS

### Erste Bank Oesterreich & Subsidiaries

in EUR million	2013	2014	Change
Net interest income	559.6	613.5	9.6%
Net fee and commission income	332.2	354.9	6.8%
Net trading and fair value result	11.3	8.7	-22.5%
Operating income	943.2	1,020.3	8.2%
Operating expenses	-606.9	-630.7	3.9%
Operating result	336.3	389.6	15.9%
Cost/income ratio	64.3%	61.8%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-77.5	-104.5	34.7%
Other result	-34.4	6.2	n/a
Net result attributable to owners of the parent	160.5	214.5	33.7%
Return on allocated capital	14.8%	20.8%	

The EBOe & Subsidiaries segment comprises Erste Bank Oesterreich and its main subsidiaries (e.g. sBausparkasse, Salzburger Sparkasse, Tiroler Sparkasse, Sparkasse Hainburg).

The increase in net interest income was primarily attributable to deposit repricing and a change in deposit structure. Net fee and commission income increased due to the merger with Brokerjet as well as higher payment and insurance fees. The decrease of net trading and fair value result was mainly due to lower valuation gains from derivatives. Although operating expenses increased due to the merger with Brokerjet, higher pension plan contributions as well as increased IT and marketing expenses, operating result and cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss increased due to higher portfolio provisions. Other result was positively affected by a one-off income from insurance payments, whereas 2013 was impacted by impairment of carrying amounts from participations. Overall, the net result attributable to owners of the parent improved considerably.

### Savings Banks

The geographical segment Savings Banks is identical to the business segment Savings Banks.

## Other Austria

in EUR million	2013	2014	Change
Net interest income	412.4	395.4	-4.1%
Net fee and commission income	180.2	174.0	-3.5%
Net trading and fair value result	34.9	3.1	-91.2%
Operating income	714.9	621.5	-13.1%
Operating expenses	-365.1	-323.3	-11.4%
Operating result	349.8	298.1	-14.8%
Cost/income ratio	51.1%	52.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-440.1	-269.2	-38.8%
Other result	-27.4	-7.2	-73.7%
Net result attributable to owners of the parent	-121.1	-31.0	-74.4%
Return on allocated capital	-7.3%	-2.1%	

The Other Austria segment comprises Erste Group Bank AG (Holding) with its Large Corporates, Commercial Real Estate, Other Corporate and Group Markets business, Erste Group Immorent AG and Erste Asset Management GmbH.

The decline in net interest income was mainly attributable to the deconsolidation of leasing entities in Immorent as well as the non-recurrence of a positive one-off effect and to lower income from money market and bonds due to low interest rate environment that was partially compensated by new business in London and New York branches. As an increased volume of assets under management from retail and institutional clients did not fully off-set lower fees in investment banking and lower treasury sales results, net fee and commission income declined. The net trading and fair value result decreased primarily due to lower treasury results of Erste Group Bank AG, namely from strategic positions and hedge funds, the yield curve and spreads impact as well as the fair value market pricing of the structured credit portfolio of International Business in Vienna. In addition, the trading result of Immorent decreased mainly due to valuation losses and unfavourable developments of FX rates. Consequently, the operating result declined. Net impairment loss on financial assets not measured at FV through profit and loss improved substantially on the back of lower specific risk provisions in the large corporate business and the commercial real estate business in Erste Group Bank AG as well as in Immorent but remained at an elevated level. The net result attributable to the owners of the parent improved, nevertheless it remained negative.

## Czech Republic

in EUR million	2013	2014	Change
Net interest income	999.4	924.0	-7.5%
Net fee and commission income	434.9	410.6	-5.6%
Net trading and fair value result	79.7	83.1	4.2%
Operating income	1,547.9	1,449.4	-6.4%
Operating expenses	-721.8	-662.2	-8.3%
Operating result	826.1	787.1	-4.7%
Cost/income ratio	46.6%	45.7%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-140.1	-135.4	-3.4%
Other result	9.8	-16.6	n/a
Net result attributable to owners of the parent	551.9	506.2	-8.3%
Return on allocated capital	34.9%	35.8%	

The devaluation of the CZK due to the intervention of the Czech National Bank in November 2013 had a significant negative impact on the EUR figures of the Czech Republic segment. Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) decreased due to the persistently low interest rate environment and subdued loan demand, especially for consumer loans; mortgage loan volumes increased though. Net fee and commission income remained flat in local currency terms. Net trading and FV result increased due to improved result from foreign exchange transactions. Lower operating expenses related to cost reduction measures could not off-set the decrease in the operating income resulting in a decline of operating result. However, operating result in local currency terms went up and the cost/income ratio improved. The deviation in net impairment loss on financial assets not measured at FV through P&L was mainly attributable to the FX impact. Other result declined due to the non-recurrence of a one-off positive effect from 2013, but also due to impairments on own buildings and real estate funds. Overall, these developments led to a decline in the net result attributable to the owners of the parent.

## Slovakia

in EUR million	2013	2014	Change
Net interest income	431.2	451.0	4.6%
Net fee and commission income	117.4	123.4	5.1%
Net trading and fair value result	11.6	9.6	-17.2%
Operating income	572.3	593.5	3.7%
Operating expenses	-249.0	-266.2	6.9%
Operating result	323.3	327.3	1.2%
Cost/income ratio	43.5%	44.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-47.2	-51.4	8.8%
Other result	-45.0	-43.0	-4.6%
Net result attributable to owners of the parent	180.7	178.7	-1.1%
Return on allocated capital	35.7%	34.9%	

The increase in net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) was mainly attributable to higher new business volumes, namely housing and consumer loans, and a changed deposit structure. Despite the cancellation of loan account fees imposed by legislation, the net fee and commission income improved due to current account, insurance and securities fees. The decrease in the net trading and fair value result was driven by valuation losses from derivatives. The increase in operating expenses was mostly related to the EUR 8.9 million payment into the deposit insurance fund (no corresponding payment in 2013) and higher personnel expenses. Owing to improved operating income, the operating result increased. The cost/income ratio increased. Net impairment loss on financial assets not measured at FV through profit and loss increased due to allocation of higher provisions in the commercial real estate business while large corporates developed positively. Other result improved slightly due to a decrease of banking tax (no payment in the fourth quarter of 2014). The net result attributable to the owners of the parent declined moderately.

## Romania

in EUR million	2013	2014	Change
Net interest income	610.1	484.7	-20.6%
Net fee and commission income	169.1	160.0	-5.4%
Net trading and fair value result	99.9	81.2	-18.7%
Operating income	887.1	732.2	-17.5%
Operating expenses	-369.3	-331.9	-10.1%
Operating result	517.8	400.3	-22.7%
Cost/income ratio	41.6%	45.3%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-454.3	-999.1	>100.0%
Other result	-67.1	-117.2	74.7%
Net result attributable to owners of the parent	114.9	-614.1	n/a
Return on allocated capital	8.6%	-60.3%	

Net interest income in the Romania segment (comprising Banca Comercială Română Group) decreased after sharp key rate cuts in 2013 and 2014, but also due to lower income from unwinding and declining corporate business. Net fee and commission income declined mainly due to lower fees from loans, current accounts and transaction banking. Net trading and fair value result declined due to a lower result from derivatives. Consequently, operating income decreased. Operating expenses decreased on the back of cost reduction measures. The operating result declined and the cost/income ratio deteriorated. The net impairment loss on financial assets not measured at FV through profit and loss increased on the back of the announced accelerated NPL reduction. The net result attributable to the owners of the parent decreased significantly.

## Hungary

in EUR million	2013	2014	Change
Net interest income	298.7	263.4	-11.8%
Net fee and commission income	131.7	139.3	5.8%
Net trading and fair value result	4.1	38.8	>100.0%
Operating income	435.1	442.3	1.7%
Operating expenses	-180.1	-175.8	-2.4%
Operating result	255.0	266.5	4.5%
Cost/income ratio	41.4%	39.7%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-201.3	-152.2	-24.4%
Other result	-136.7	-434.9	>100.0%
Net result attributable to owners of the parent	-89.5	-330.6	>100.0%
Return on allocated capital	-17.8%	-67.5%	

Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) declined mainly due to decreasing loan volumes and margins in the retail business as well as the conversion of retail foreign currency denominated loans. Net fee and commission income improved primarily on the back of higher fees from cash management, custody business and asset management. Swaps entered into with the Hungarian National Bank to secure refinancing of foreign-currency loans at fixed exchange rates had a positive impact of EUR 32.4 million on net trading and fair value result. A corresponding negative counter effect is included in other result. Although operating expenses increased slightly in local currency terms due to higher IT charges and depreciation which could not be off-set by lower personnel costs, they declined in Euro terms. This led to an increase of the operating result and improvement of the cost/income ratio. Net impairment loss on financial assets not measured at FV through profit and loss declined due to lower risk provisions on loans to customers in SME as well as in the retail business. Other result included expenses related to the Hungarian consumer loan law in the amount of EUR 336.8 million. The net burden of the law and the conversion of the foreign-currency loans was EUR 312.2 million. This led to a significant deterioration of the net result attributable to the owners of the parent.

## Croatia

in EUR million	2013	2014	Change
Net interest income	240.5	261.2	8.6%
Net fee and commission income	72.6	79.9	10.0%
Net trading and fair value result	20.4	24.1	18.3%
Operating income	334.5	399.3	19.4%
Operating expenses	-143.7	-183.5	27.7%
Operating result	190.8	215.9	13.2%
Cost/income ratio	43.0%	45.9%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-159.2	-155.3	-2.5%
Other result	-13.0	-4.4	-65.7%
Net result attributable to owners of the parent	10.1	32.6	>100.0%
Return on allocated capital	3.9%	10.7%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to lower interest expenses for liabilities. The consolidation of additional subsidiaries affected the revenue and expenditure side. Net fee and commission income improved primarily on the back of higher fees in the retail business as well as fees for arranging a government bond issue. The increase of the rental income by EUR 31.5 million due to consolidation of a leasing subsidiary also had a positive impact on the operating income. Despite increased operating expenses because of the consolidation of subsidiaries (a leasing subsidiary and a Slovenian credit card company), the operating result improved. The cost/income ratio went up. The decrease in net impairment loss on financial assets not measured at FV through profit and loss was driven by lower provisioning requirements in SME business that more than off-set the higher risk provisions in commercial real estate business. NPL coverage rose to 60.4%. The net result attributable to the owners of the parent improved.

## Serbia

in EUR million	2013	2014	Change
Net interest income	32.5	34.4	5.9%
Net fee and commission income	13.4	13.4	0.1%
Net trading and fair value result	2.6	2.9	11.9%
Operating income	48.5	50.5	4.3%
Operating expenses	-36.5	-38.6	5.8%
Operating result	12.0	11.9	-0.4%
Cost/income ratio	75.3%	76.4%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-9.6	-15.7	63.0%
Other result	-0.1	-1.3	>100.0%
Net result attributable to owners of the parent	1.4	-5.4	n/a
Return on allocated capital	2.8%	-10.2%	

Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased mainly as a result of higher margins from consumer loans in retail business. In addition, Asset/Liability management benefitted from liquidity surplus placements. Operating expenses increased mostly due to higher workout and IT costs as well as the consolidation of a leasing company. The increase in net impairment loss on financial assets not measured at FV through profit and loss was driven by the increase of coverage for SME clients. As a result the net result attributable to the owners of the parent turned negative.

## Other

in EUR million	2013	2014	Change
Net interest income	286.0	175.7	-38.6%
Net fee and commission income	-41.5	-4.9	-88.2%
Net trading and fair value result	-67.7	-10.3	-84.8%
Operating income	207.2	189.9	-8.3%
Operating expenses	-297.2	-242.9	-18.3%
Operating result	-90.0	-53.0	-41.1%
Cost/income ratio	>100.0%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-15.8	-77.1	>100.0%
Other result	-628.6	-1,100.9	75.1%
Net result attributable to owners of the parent	-771.1	-1,411.2	83.0%
Return on allocated capital	-10.7%	-24.4%	

The residual segment Other consists mainly of centralised service providers, the Group Asset/Liability Management and the Corporate Center of Erste Group Bank AG as well as the reconciliation to the consolidated accounting result (e.g. intercompany elimination, dividend elimination), goodwill impairments, amortisation of customer relationships and free capital.

The decline of the net interest income in the residual segment Other was mainly driven by the lower capital benefit from the free capital of the group. Net trading and fair value result improved significantly as revaluation results from derivatives and own issues turned positive. The decline in operating expenses also contributed to the improvement of the operating result. The deterioration of the other result was driven mainly by higher goodwill impairments of EUR 475.0 million (2013: EUR 380.8 million), whereby Romania accounted for EUR 319.1 million, Croatia for EUR 61.4 million and Austrian participations for EUR 94.5 million as well as the write-down of the entire remaining value of customer relationships and brand of BCR of EUR 470.7 million. In addition, a negative change in deferred taxes also had an unfavorable impact on the result of the segment.

## Presentation of results via audio webcast and telephone conference for portfolio managers and analysts

Date	Friday 27 February 2015
Time	9:00 Vienna / 8:00 London / 3:00 New York
Live audio webcast	<a href="http://www.erstegroup.com/investorrelations">http://www.erstegroup.com/investorrelations</a> (slide presentation) The presentation will be held in English.
Dial-in for analysts	Please dial in 5-10 minutes prior to the start time using one of the following numbers and the Confirmation Code 2779502  UK: +44(0)20 3427 1908 National free phone 0800 279 5736  US: +1212 444 0896 National free phone 1877 280 2296
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## Appendix

### Preliminary results 2014 of Erste Group Bank AG (IFRS)

Adoption of IFRS 10 led to retrospective consolidation of several entities and additionally the new implemented structure of income statement and balance sheet resulted in retrospective changes in the presentation.

#### I. Group condensed statement of comprehensive income

##### Income statement

in EUR thousand	2013	2014
Net interest income	4,685,041	4,495,201
Net fee and commission income	1,806,463	1,869,848
Dividend income	89,676	74,217
Net trading and fair value result	218,816	242,259
Net result from equity method investments	21,818	15,810
Rental income from investment properties & other operating leases	173,326	180,593
Personnel expenses	-2,232,410	-2,184,224
Other administrative expenses	-1,145,997	-1,136,930
Depreciation and amortisation	-517,688	-466,113
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	62,365	18,283
Net impairment loss on financial assets not measured at fair value through profit or loss	-1,774,371	-2,159,242
Other operating result	-1,008,622	-1,752,936
Levies on banking activities	-311,035	-256,271
<b>Pre-tax result from continuing operations</b>	<b>378,418</b>	<b>-803,232</b>
Taxes on income	-178,539	-509,404
<b>Net result for the period</b>	<b>199,880</b>	<b>-1,312,636</b>
Net result attributable to non-controlling interests	139,605	129,357
<b>Net result attributable to owners of the parent</b>	<b>60,275</b>	<b>-1,441,993</b>

##### Statement of comprehensive income

in EUR thousand	2013	2014
<b>Net result for the period</b>	<b>199,880</b>	<b>-1,312,636</b>
<b>Other comprehensive income</b>		
<b>Items that may not be reclassified to profit or loss</b>		
Remeasurement of net liability of defined pension plans	-6,713	-188,196
Deferred taxes relating to items that may not be reclassified	2,260	47,093
<b>Total</b>	<b>-4,453</b>	<b>-141,102</b>
<b>Items that may be reclassified to profit or loss</b>		
Available for sale reserve (including currency translation)	-113,178	581,154
Gain/loss during the period	-121,843	574,144
Reclassification adjustments	8,665	7,011
Cash flow hedge reserve (including currency translation)	-71,942	172,783
Gain/loss during the period	-72,380	224,285
Reclassification adjustments	438	-51,502
Currency translation	-241,390	-63,062
Gain/loss during the period	-321,192	-63,062
Reclassification adjustments	79,802	0
Deferred taxes relating to items that may be reclassified	44,931	-190,587
Gain/loss during the period	40,962	-193,353
Reclassification adjustments	3,969	2,765
<b>Total</b>	<b>-381,579</b>	<b>500,288</b>
<b>Total other comprehensive income</b>	<b>-386,032</b>	<b>359,186</b>
<b>Total comprehensive income</b>	<b>-186,152</b>	<b>-953,450</b>
Total comprehensive income attributable to non-controlling interests	17,353	270,310
<b>Total comprehensive income attributable to owners of the parent</b>	<b>-203,505</b>	<b>-1,223,760</b>

## II. Group condensed balance sheet

in EUR thousand	Dec 13	Dec 14
<b>Assets</b>		
Cash and cash balances	9,300,683	7,835,417
Financial assets - held for trading	12,283,046	10,530,878
Derivatives	6,342,237	7,173,380
Other trading assets	5,940,808	3,357,498
Financial assets - at fair value through profit or loss	528,984	349,583
Financial assets - available for sale	20,677,648	22,373,356
Financial assets - held to maturity	17,779,013	16,877,214
Loans and receivables to credit institutions	8,376,688	7,442,288
Loans and receivables to customers	119,944,501	120,833,976
Derivatives - hedge accounting	1,943,645	2,871,607
Property and equipment	2,319,501	2,264,041
Investment properties	950,572	950,168
Intangible assets	2,440,833	1,440,946
Investments in associates and joint ventures	207,594	194,984
Current tax assets	100,398	107,310
Deferred tax assets	719,015	301,469
Assets held for sale	74,774	291,394
Other assets	2,470,898	1,622,702
<b>Total assets</b>	<b>200,117,792</b>	<b>196,287,334</b>
<b>Liabilities and equity</b>		
Financial liabilities - held for trading	6,474,745	7,746,381
Derivatives	6,086,938	7,188,386
Other trading liabilities	387,807	557,994
Financial liabilities - at fair value through profit or loss	2,339,171	2,072,725
Deposits from banks	0	0
Deposits from customers	459,964	319,960
Debt securities issued	1,879,207	1,752,765
Other financial liabilities	0	0
Financial liabilities measured at amortised cost	170,785,614	166,921,248
Deposits from banks	17,299,491	14,802,602
Deposits from customers	121,955,141	122,262,612
Debt securities issued	31,244,697	29,386,741
Other financial liabilities	286,286	469,294
Derivatives - hedge accounting	644,319	725,928
Changes in fair value of portfolio hedged items	733,747	1,225,473
Provisions	1,447,605	1,652,688
Current tax liabilities	84,519	91,050
Deferred tax liabilities	169,392	98,778
Liabilities associated with assets held for sale	0	0
Other liabilities	2,653,713	2,309,605
<b>Total equity</b>	<b>14,784,966</b>	<b>13,443,457</b>
Equity attributable to non-controlling interests	3,465,959	3,605,371
Equity attributable to owners of the parent	11,319,006	9,838,086
<b>Total liabilities and equity</b>	<b>200,117,792</b>	<b>196,287,334</b>

## Business segments (1)

	Retail		SME		ALM & LCC		Savings Banks		Large Corporates		Commercial Real Estate	
in EUR million	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Net interest income	2,216.8	2,175.1	671.0	569.4	220.5	164.7	814.7	891.8	185.3	214.1	170.0	150.1
Net fee and commission income	1,053.4	1,050.3	231.2	198.4	-102.6	-65.3	396.4	419.3	86.0	99.2	14.3	15.8
Dividend income	2.1	0.5	2.7	2.5	17.6	22.4	43.6	24.7	0.0	0.0	2.3	5.1
Net trading and fair value result	62.2	59.8	29.1	31.9	-92.2	24.7	22.0	1.1	8.4	9.3	5.9	-6.2
Net result from equity method investments	11.3	8.2	0.0	0.0	4.5	3.1	0.0	0.0	0.0	0.0	-0.2	0.7
Rental income from investment properties & other operating leases	15.2	23.5	3.9	30.4	38.9	35.0	27.8	42.0	0.0	0.0	84.2	40.3
General administrative expenses	-1,839.2	-1,814.3	-288.0	-292.8	-120.6	-112.9	-926.5	-932.1	-67.7	-85.0	-134.0	-88.2
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	0.1	0.6	5.7	3.3	37.3	-16.4	24.3	27.7	-6.3	0.7	0.4	0.0
Net impairment loss on financial assets not measured at fair value through profit or loss	-466.0	-671.7	-455.0	-461.1	-5.0	1.2	-229.2	-199.4	-229.2	-386.2	-380.5	-364.3
Other operating result	-93.1	-393.7	-39.9	-2.8	-122.4	-197.7	-28.0	-43.1	-28.2	14.1	-50.7	-45.9
Levies on banking activities	-67.6	-59.1	-16.7	-10.6	-64.4	-64.2	-8.9	-15.9	-2.8	-3.2	-0.5	-0.4
<b>Pre-tax result from continuing operations</b>	<b>962.7</b>	<b>438.2</b>	<b>160.8</b>	<b>79.4</b>	<b>-124.0</b>	<b>-141.2</b>	<b>145.1</b>	<b>232.0</b>	<b>-51.8</b>	<b>-133.9</b>	<b>-288.1</b>	<b>-292.7</b>
Taxes on income	-200.5	-158.0	-48.2	-33.2	136.8	-36.1	-53.9	-54.7	9.1	11.0	24.2	4.2
<b>Net result for the period</b>	<b>762.2</b>	<b>280.2</b>	<b>112.6</b>	<b>46.2</b>	<b>12.8</b>	<b>-177.3</b>	<b>91.1</b>	<b>177.3</b>	<b>-42.7</b>	<b>-122.9</b>	<b>-263.9</b>	<b>-288.5</b>
Net result attributable to non-controlling interests	23.2	8.5	2.7	-4.2	-7.9	-2.5	68.7	158.9	2.4	-9.8	-6.9	-8.9
<b>Net result attributable to owners of the parent</b>	<b>739.0</b>	<b>271.7</b>	<b>109.9</b>	<b>50.4</b>	<b>20.8</b>	<b>-174.8</b>	<b>22.4</b>	<b>18.4</b>	<b>-45.1</b>	<b>-113.1</b>	<b>-257.0</b>	<b>-279.6</b>
Operating income	3,361.0	3,317.4	937.9	832.7	86.7	184.6	1,304.5	1,379.0	279.6	322.5	276.7	205.7
Operating expenses	-1,839.2	-1,814.3	-288.0	-292.8	-120.6	-112.9	-926.5	-932.1	-67.7	-85.0	-134.0	-88.2
<b>Operating result</b>	<b>1,521.8</b>	<b>1,503.1</b>	<b>650.0</b>	<b>539.9</b>	<b>-33.9</b>	<b>71.8</b>	<b>378.0</b>	<b>446.9</b>	<b>211.9</b>	<b>237.5</b>	<b>142.7</b>	<b>117.5</b>
Risk-weighted assets (credit risk, eop)	17,765	18,505	17,723	14,672	1,934	4,480	22,464	22,511	7,187	9,373	9,495	9,397
Average allocated capital	2,043	2,058	1,644	1,291	2,009	1,792	2,079	1,968	766	812	926	798
Cost/income ratio	54.7%	54.7%	30.7%	35.2%	>100.0%	61.1%	71.0%	67.6%	24.2%	26.4%	48.4%	42.9%
Return on allocated capital	37.3%	13.6%	6.8%	3.6%	0.6%	-9.9%	4.4%	9.0%	-5.6%	-15.1%	-28.5%	-36.1%
Total assets (eop)	52,882	51,438	24,192	22,143	52,751	51,497	56,205	56,704	7,494	9,470	10,908	10,164
Total liabilities excluding equity (eop)	69,245	69,227	14,267	12,977	58,547	54,011	52,458	52,684	3,807	4,988	5,207	4,668

## Business segments (2)

in EUR million	Other Corporate		Group Markets		Group Corporate Center		Intragroup Elimination		Total group	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Net interest income	68.9	75.2	217.2	191.2	136.1	70.2	-15.5	-6.6	4,685.0	4,495.2
Net fee and commission income	27.7	18.9	104.9	102.9	137.6	69.1	-142.4	-38.8	1,806.5	1,869.8
Dividend income	0.0	0.5	0.5	2.4	20.7	16.4	0.0	-0.1	89.7	74.2
Net trading and fair value result	13.1	4.8	116.8	116.1	20.9	-11.3	32.7	12.0	218.8	242.3
Net result from equity method investments	0.0	0.0	0.0	0.0	6.2	3.9	0.0	0.0	21.8	15.8
Rental income from investment properties & other operating leases	0.0	0.1	0.0	0.0	40.3	35.1	-36.9	-25.7	173.3	180.6
General administrative expenses	-50.9	-58.2	-188.1	-179.1	-669.0	-710.5	387.9	485.9	-3,896.1	-3,787.3
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	8.3	0.1	0.0	0.0	-7.5	-0.9	0.1	3.2	62.4	18.3
Net impairment loss on financial assets not measured at fair value through profit or loss	-6.2	-12.9	12.2	-0.1	-15.4	-64.7	0.0	0.0	-1,774.4	-2,159.2
Other operating result	0.4	1.5	-3.1	-0.7	-417.6	-654.7	-225.9	-429.9	-1,008.6	-1,752.9
Levies on banking activities	0.0	0.0	-2.5	-2.1	-147.6	-100.8	0.0	0.0	-311.0	-256.3
<b>Pre-tax result from continuing operations</b>	<b>61.3</b>	<b>29.8</b>	<b>260.3</b>	<b>232.7</b>	<b>-747.8</b>	<b>-1,247.5</b>	<b>0.0</b>	<b>0.0</b>	<b>378.4</b>	<b>-803.2</b>
Taxes on income	-13.3	-6.9	-51.8	-43.9	19.1	-191.8	0.0	0.0	-178.5	-509.4
<b>Net result for the period</b>	<b>47.9</b>	<b>22.9</b>	<b>208.5</b>	<b>188.8</b>	<b>-728.6</b>	<b>-1,439.4</b>	<b>0.0</b>	<b>0.0</b>	<b>199.9</b>	<b>-1,312.6</b>
Net result attributable to non-controlling interests	0.0	-0.1	2.5	3.5	55.0	-16.2	0.0	0.0	139.6	129.4
<b>Net result attributable to owners of the parent</b>	<b>47.9</b>	<b>22.9</b>	<b>206.0</b>	<b>185.3</b>	<b>-783.6</b>	<b>-1,423.1</b>	<b>0.0</b>	<b>0.0</b>	<b>60.3</b>	<b>-1,442.0</b>
Operating income	109.7	99.4	439.3	412.6	361.8	183.3	-162.1	-59.3	6,995.1	6,877.9
Operating expenses	-50.9	-58.2	-188.1	-179.1	-669.0	-710.5	387.9	485.9	-3,896.1	-3,787.3
<b>Operating result</b>	<b>58.8</b>	<b>41.1</b>	<b>251.3</b>	<b>233.4</b>	<b>-307.2</b>	<b>-527.2</b>	<b>225.8</b>	<b>426.6</b>	<b>3,099.0</b>	<b>3,090.7</b>
Risk-weighted assets (credit risk, eop)	3,335	2,672	1,782	2,756	3,173	2,739	0	0	84,858	87,105
Average allocated capital	332	209	460	493	5,745	5,010	0	0	16,004	14,431
Cost/income ratio	46.4%	58.6%	42.8%	43.4%	>100.0%	>100.0%	>100.0%	>100.0%	55.7%	55.1%
Return on allocated capital	14.4%	10.9%	45.3%	38.3%	-12.7%	-28.7%			1.2%	-9.1%
Total assets (eop)	3,698	3,656	24,590	18,022	13,048	12,093	-45,649	-38,899	200,118	196,287
Total liabilities excluding equity (eop)	58	93	16,117	11,456	11,265	11,716	-45,638	-38,977	185,333	182,844

## Geographical segmentation - overview

in EUR million	Austria		Central and Eastern Europe		Other		Total group	
	2013	2014	2013	2014	2013	2014	2013	2014
Net interest income	1,786.7	1,900.7	2,612.3	2,418.8	286.0	175.7	4,685.0	4,495.2
Net fee and commission income	908.8	948.2	939.2	926.6	-41.5	-4.9	1,806.5	1,869.8
Dividend income	63.9	54.6	5.1	3.4	20.7	16.2	89.7	74.2
Net trading and fair value result	68.2	13.0	218.2	239.6	-67.7	-10.3	218.8	242.3
Net result from equity method investments	4.5	2.7	11.1	9.2	6.2	3.9	21.8	15.8
Rental income from investment properties & other operating leases	130.4	101.5	39.5	69.7	3.4	9.4	173.3	180.6
General administrative expenses	-1,898.5	-1,886.1	-1,700.4	-1,658.2	-297.2	-242.9	-3,896.1	-3,787.3
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	34.2	27.7	13.7	4.5	14.5	-13.9	62.4	18.3
Net impairment loss on financial assets not measured at fair value through profit or loss	-746.8	-573.1	-1,011.7	-1,509.0	-15.8	-77.1	-1,774.4	-2,159.2
Other operating result	-99.7	-44.1	-265.8	-621.9	-643.1	-1,086.9	-1,008.6	-1,752.9
Levies on banking activities	-19.0	-29.8	-144.5	-125.7	-147.6	-100.8	-311.0	-256.3
<b>Pre-tax result from continuing operations</b>	<b>251.7</b>	<b>545.1</b>	<b>861.2</b>	<b>-117.3</b>	<b>-734.5</b>	<b>-1,231.0</b>	<b>378.4</b>	<b>-803.2</b>
Taxes on income	-119.9	-173.0	-77.1	-139.8	18.5	-196.6	-178.5	-509.4
<b>Net result for the period</b>	<b>131.8</b>	<b>372.1</b>	<b>784.1</b>	<b>-257.1</b>	<b>-716.1</b>	<b>-1,427.6</b>	<b>199.9</b>	<b>-1,312.6</b>
Net result attributable to non-controlling interests	70.1	170.2	14.5	-24.4	55.0	-16.4	139.6	129.4
<b>Net result attributable to owners of the parent</b>	<b>61.8</b>	<b>201.9</b>	<b>769.6</b>	<b>-232.7</b>	<b>-771.1</b>	<b>-1,411.2</b>	<b>60.3</b>	<b>-1,442.0</b>
Operating income	2,962.6	3,020.7	3,825.4	3,667.3	207.2	189.9	6,995.1	6,877.9
Operating expenses	-1,898.5	-1,886.1	-1,700.4	-1,658.2	-297.2	-242.9	-3,896.1	-3,787.3
<b>Operating result</b>	<b>1,064.1</b>	<b>1,134.6</b>	<b>2,125.0</b>	<b>2,009.1</b>	<b>-90.0</b>	<b>-53.0</b>	<b>3,099.0</b>	<b>3,090.7</b>
Risk-weighted assets (credit risk, eop)	48,717	51,294	32,653	32,565	3,489	3,245	84,858	87,105
Average allocated capital	4,895	4,540	4,445	4,036	6,664	5,856	16,004	14,431
Cost/income ratio	64.1%	62.4%	44.4%	45.2%	>100.0%	>100.0%	55.7%	55.1%
Return on allocated capital	2.7%	8.2%	17.6%	-6.4%	-10.7%	-24.4%	1.2%	-9.1%
Total assets (eop)	133,170	131,916	79,324	75,181	-12,376	-10,810	200,118	196,287
Total liabilities excluding equity (eop)	110,895	108,069	70,884	67,132	3,553	7,643	185,333	182,844

## Geographical area - Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
	2013	2014	2013	2014	2013	2014	2013	2014
Net interest income	559.6	613.5	814.7	891.8	412.4	395.4	1,786.7	1,900.7
Net fee and commission income	332.2	354.9	396.4	419.3	180.2	174.0	908.8	948.2
Dividend income	17.0	22.0	43.6	24.7	3.3	7.9	63.9	54.6
Net trading and fair value result	11.3	8.7	22.0	1.1	34.9	3.1	68.2	13.0
Net result from equity method investments	4.6	2.1	0.0	0.0	-0.2	0.7	4.5	2.7
Rental income from investment properties & other operating leases	18.4	19.2	27.8	42.0	84.2	40.4	130.4	101.5
General administrative expenses	-606.9	-630.7	-926.5	-932.1	-365.1	-323.3	-1,898.5	-1,886.1
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	1.1	-0.4	24.3	27.7	8.9	0.4	34.2	27.7
Net impairment loss on financial assets not measured at fair value through profit or loss	-77.5	-104.5	-229.2	-199.4	-440.1	-269.2	-746.8	-573.1
Other operating result	-35.4	6.7	-28.0	-43.1	-36.3	-7.6	-99.7	-44.1
Levies on banking activities	-9.7	-13.8	-8.9	-15.9	-0.4	0.0	-19.0	-29.8
<b>Pre-tax result from continuing operations</b>	<b>224.4</b>	<b>291.4</b>	<b>145.1</b>	<b>232.0</b>	<b>-117.7</b>	<b>21.7</b>	<b>251.7</b>	<b>545.1</b>
Taxes on income	-59.1	-65.1	-53.9	-54.7	-6.8	-53.2	-119.9	-173.0
<b>Net result for the period</b>	<b>165.3</b>	<b>226.3</b>	<b>91.1</b>	<b>177.3</b>	<b>-124.5</b>	<b>-31.5</b>	<b>131.8</b>	<b>372.1</b>
Net result attributable to non-controlling interests	4.8	11.8	68.7	158.9	-3.5	-0.5	70.1	170.2
<b>Net result attributable to owners of the parent</b>	<b>160.5</b>	<b>214.5</b>	<b>22.4</b>	<b>18.4</b>	<b>-121.1</b>	<b>-31.0</b>	<b>61.8</b>	<b>201.9</b>
Operating income	943.2	1,020.3	1,304.5	1,379.0	714.9	621.5	2,962.6	3,020.7
Operating expenses	-606.9	-630.7	-926.5	-932.1	-365.1	-323.3	-1,898.5	-1,886.1
<b>Operating result</b>	<b>336.3</b>	<b>389.6</b>	<b>378.0</b>	<b>446.9</b>	<b>349.8</b>	<b>298.1</b>	<b>1,064.1</b>	<b>1,134.6</b>
Risk-weighted assets (credit risk, eop)	11,342	12,589	22,464	22,511	14,911	16,194	48,717	51,294
Average allocated capital	1,114	1,088	2,079	1,968	1,703	1,484	4,895	4,540
Cost/income ratio	64.3%	61.8%	71.0%	67.6%	51.1%	52.0%	64.1%	62.4%
Return on allocated capital	14.8%	20.8%	4.4%	9.0%	-7.3%	-2.1%	2.7%	8.2%
Total assets (eop)	42,162	43,106	56,205	56,704	34,803	32,106	133,170	131,916
Total liabilities excluding equity (eop)	40,034	40,728	52,458	52,684	18,403	14,657	110,895	108,069

## Geographical area - Central and Eastern Europe

in EUR million	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Central and Eastern Europe	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Net interest income	999.4	924.0	610.1	484.7	431.2	451.0	298.7	263.4	240.5	261.2	32.5	34.4	2,612.3	2,418.8
Net fee and commission income	434.9	410.6	169.1	160.0	117.4	123.4	131.7	139.3	72.6	79.9	13.4	13.4	939.2	926.6
Dividend income	2.0	1.8	2.3	0.6	0.4	0.7	0.0	0.1	0.3	0.2	0.0	0.0	5.1	3.4
Net trading and fair value result	79.7	83.1	99.9	81.2	11.6	9.6	4.1	38.8	20.4	24.1	2.6	2.9	218.2	239.6
Net result from equity method investments	0.0	0.0	0.8	0.2	9.9	6.9	0.0	0.0	0.4	2.2	0.0	-0.2	11.1	9.2
Rental income from investment properties & other operating leases	31.9	29.9	4.9	5.5	1.8	1.8	0.6	0.8	0.2	31.7	0.0	0.0	39.5	69.7
General administrative expenses	-721.8	-662.2	-369.3	-331.9	-249.0	-266.2	-180.1	-175.8	-143.7	-183.5	-36.5	-38.6	-1,700.4	-1,658.2
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	8.2	5.3	3.2	-0.1	2.0	1.3	0.0	-3.6	0.2	1.5	0.0	0.0	13.7	4.5
Net impairment loss on financial assets not measured at fair value through profit or loss	-140.1	-135.4	-454.3	-999.1	-47.2	-51.4	-201.3	-152.2	-159.2	-155.3	-9.6	-15.7	-1,011.7	-1,509.0
Other operating result	1.5	-21.9	-70.3	-117.1	-47.1	-44.2	-136.7	-431.3	-13.2	-6.0	-0.1	-1.3	-265.8	-621.9
Levies on banking activities	0.0	0.0	0.0	0.0	-41.2	-31.5	-103.2	-94.2	0.0	0.0	0.0	0.0	-144.5	-125.7
<b>Pre-tax result from continuing operations</b>	<b>695.8</b>	<b>635.1</b>	<b>-3.5</b>	<b>-715.9</b>	<b>231.1</b>	<b>233.0</b>	<b>-83.0</b>	<b>-320.6</b>	<b>18.6</b>	<b>56.2</b>	<b>2.2</b>	<b>-5.1</b>	<b>861.2</b>	<b>-117.3</b>
Taxes on income	-140.0	-124.1	123.4	59.7	-50.4	-54.2	-6.5	-10.0	-3.2	-8.9	-0.5	-2.3	-77.1	-139.8
<b>Net result for the period</b>	<b>555.8</b>	<b>511.1</b>	<b>119.9</b>	<b>-656.2</b>	<b>180.8</b>	<b>178.7</b>	<b>-89.5</b>	<b>-330.6</b>	<b>15.4</b>	<b>47.3</b>	<b>1.8</b>	<b>-7.3</b>	<b>784.1</b>	<b>-257.1</b>
Net result attributable to non-controlling interests	3.9	4.9	5.0	-42.1	0.0	0.0	0.0	0.0	5.3	14.7	0.3	-1.9	14.5	-24.4
<b>Net result attributable to owners of the parent</b>	<b>551.9</b>	<b>506.2</b>	<b>114.9</b>	<b>-614.1</b>	<b>180.7</b>	<b>178.7</b>	<b>-89.5</b>	<b>-330.6</b>	<b>10.1</b>	<b>32.6</b>	<b>1.4</b>	<b>-5.4</b>	<b>769.6</b>	<b>-232.7</b>
Operating income	1,547.9	1,449.4	887.1	732.2	572.3	593.5	435.1	442.3	334.5	399.3	48.5	50.5	3,825.4	3,667.3
Operating expenses	-721.8	-662.2	-369.3	-331.9	-249.0	-266.2	-180.1	-175.8	-143.7	-183.5	-36.5	-38.6	-1,700.4	-1,658.2
<b>Operating result</b>	<b>826.1</b>	<b>787.1</b>	<b>517.8</b>	<b>400.3</b>	<b>323.3</b>	<b>327.3</b>	<b>255.0</b>	<b>266.5</b>	<b>190.8</b>	<b>215.9</b>	<b>12.0</b>	<b>11.9</b>	<b>2,125.0</b>	<b>2,009.1</b>
Risk-weighted assets (credit risk, eop)	13,934	13,745	6,850	5,676	3,878	4,416	3,926	3,409	3,505	4,664	560	655	32,653	32,565
Average allocated capital	1,593	1,429	1,387	1,089	506	512	502	490	395	443	62	72	4,445	4,036
Cost/income ratio	46.6%	45.7%	41.6%	45.3%	43.5%	44.9%	41.4%	39.7%	43.0%	45.9%	75.3%	76.4%	44.4%	45.2%
Return on allocated capital	34.9%	35.8%	8.6%	-60.3%	35.7%	34.9%	-17.8%	-67.5%	3.9%	10.7%	2.8%	-10.2%	17.6%	-6.4%
Total assets (eop)	35,323	32,546	14,924	13,747	11,696	12,965	7,632	5,981	8,901	9,114	849	829	79,324	75,181
Total liabilities excluding equity (eop)	31,719	28,798	13,265	12,652	10,235	11,483	7,013	5,419	7,928	8,073	725	708	70,884	67,132