

Erste Group: Preliminary results 2015

Erste Group posts net profit of EUR 968.2m in 2015 (ROTE: 10.8%) on return of volume growth to CEE, normalisation in risk costs and reduced one-offs – solid capital position underpins dividend proposal of EUR 0.5 per share

Financial data

Income statement

in EUR million	Q4 14	Q3 15	Q4 15	2014 restated	2015
Net interest income	1,125.6	1,112.3	1,120.4	4,495.2	4,444.7
Net fee and commission income	497.1	455.2	489.2	1,869.8	1,861.8
Net trading and fair value result	75.8	56.4	17.2	242.3	210.1
Operating income	1,760.5	1,691.6	1,680.9	6,877.9	6,771.8
Operating expenses	-1,003.6	-955.6	-1,016.5	-3,787.3	-3,868.9
Operating result	756.9	735.9	664.4	3,090.7	2,902.9
Net impairment loss on non-fair value financial assets	-484.3	-144.4	-210.7	-2,083.7	-729.1
Post-provision operating result	272.6	591.5	453.7	1,006.9	2,173.8
Net result attributable to owners of the parent	42.0	276.9	204.0	-1,382.6	968.2
Net interest margin (on average interest-bearing assets)	2.66%	2.57%	2.59%	2.65%	2.59%
Cost/income ratio	57.0%	56.5%	60.5%	55.1%	57.1%
Provisioning ratio (on average gross customer loans)	1.51%	0.44%	0.64%	1.63%	0.56%
Tax rate	49.6%	20.3%	0.7%	-71.7%	22.2%
Return on equity	1.7%	10.5%	7.5%	-13.0%	9.3%

Balance sheet

in EUR million	Dec 14	Sep 15	Dec 15	Dec 14	Dec 15
Cash and cash balances	7,835	11,097	12,350	7,835	12,350
Trading, financial assets	50,131	47,910	47,542	50,131	47,542
Loans and receivables to credit institutions	7,442	8,384	4,805	7,442	4,805
Loans and receivables to customers	120,834	124,521	125,897	120,834	125,897
Intangible assets	1,441	1,393	1,465	1,441	1,465
Miscellaneous assets	8,604	7,867	7,685	8,604	7,685
Total assets	196,287	201,171	199,743	196,287	199,743
Financial liabilities - held for trading	7,746	6,364	5,867	7,746	5,867
Deposits from banks	14,803	17,414	14,212	14,803	14,212
Deposits from customers	122,583	125,439	127,946	122,583	127,946
Debt securities issued	31,140	30,620	29,654	31,140	29,654
Miscellaneous liabilities	6,573	6,896	7,257	6,573	7,257
Total equity	13,443	14,437	14,807	13,443	14,807
Total liabilities and equity	196,287	201,171	199,743	196,287	199,743
Loan/deposit ratio	98.6%	99.3%	98.4%	98.6%	98.4%
NPL ratio	8.5%	7.4%	7.1%	8.5%	7.1%
NPL coverage (exc collateral)	68.9%	69.2%	64.5%	68.9%	64.5%
CET 1 ratio (phased-in)	10.6%	11.5%	12.3%	10.6%	12.3%

HIGHLIGHTS

P&L 2015 compared with 2014; balance sheet 31 December 2015 compared with 31 December 2014

Net interest income declined to EUR 4,444.7 million (EUR 4,495.2 million) mainly due to the persistently low interest rate environment which was not fully offset by loan growth. **Net fee and commission income** declined slightly to EUR 1,861.8 million (EUR 1,869.8 million) due to lower income from lending business and payment services. The **net trading and fair value result** decreased to EUR 210.1 million (EUR 242.3 million). **Operating income** went down moderately to EUR 6,771.8 million (-1.5%; EUR 6,877.9 million). **General administrative expenses** rose to EUR 3,868.9 million (+2.2%; EUR 3,787.3 million). This resulted in a decline of the **operating result** to EUR 2,902.9 million (-6.1%; EUR 3,090.7 million). The **cost/income ratio** amounted to 57.1% (55.1%).

Net impairment loss on financial assets not measured at fair value through profit or loss (net) fell significantly to EUR 729.1 million or 56 basis points of average gross customer loans (-65.0%; EUR 2,083.7 million or 163 basis points), primarily due to a substantial decline in Romania, but also due to a positive trend in all Austrian segments. The **NPL ratio** improved further to 7.1% (8.5%). The **NPL coverage ratio** stood at 64.5% (68.9%).

Other operating result amounted to EUR -635.6 million (EUR -1,752.9 million). The significant positive change was attributable to the non-recurrence of high negative one-off effects in 2014 (primarily intangible write-downs). Current figures include the expense of contributions to national resolution funds in the amount of EUR 51.3 million payable in 2015 for the first time as well as losses in the amount of EUR 129.5 million resulting from legislation requiring the conversion of customer loans (Swiss francs to euro) in Croatia. In addition, provisions were recognised in the amount of EUR 101.6 million for risks related to Romanian consumer protection claims. At EUR 236.2 million (EUR 256.3 million), banking and financial transaction taxes were again significant: EUR 128.6 million (EUR 130.5 million) in Austria, EUR 23.6 million (EUR 31.5 million) in Slovakia, and EUR 84.0 million (EUR 94.2 million) in Hungary.

Due to the good risk development at the Savings Banks and the turnaround in Romania, the minority charge was high at EUR 307.0 million (EUR 133.4 million). The net result attributable to owners of the parent rose to EUR 968.2 million (EUR -1,382.6 million).

Total equity rose to EUR 14.8 billion (EUR 13.4 billion). **Common equity tier 1 capital** (CET1, Basel 3 phased-in) increased to EUR 12.1 billion (EUR 10.6 billion), total eligible **own funds** (Basel 3 phased-in) amounted to EUR 17.6 billion (EUR 15.8 billion). Total risk, i.e. **risk-weighted assets** including credit, market and operational risk (Basel 3 phased-in) decreased to EUR 98.3 billion (EUR 100.6 billion). The **common equity tier 1 ratio** (CET1, Basel 3 phased-in) stood at 12.3% (10.6%), the **total capital ratio** (Basel 3 phased-in) at 17.9% (15.7%).

Total assets increased to EUR 199.7 billion (EUR 196.3 billion), driven mainly by the increase in customer lending volume, with **loans and receivables to customers (net)** rising to EUR 125.9 billion (EUR 120.8 billion). Within liabilities, **customer deposits** rose to EUR 127.9 billion (EUR 122.6 billion). The **loan-to-deposit ratio** stood at 98.4% (98.6%).

OUTLOOK

Operating environment anticipated to be conducive to credit expansion. Real GDP growth in 2016 is expected to be between 1.5% and 3.8% in all major CEE markets, including Austria, driven by solid domestic demand.

Return on tangible equity (ROTE) expected at about 10-11% in 2016 underpinning continued dividend payout. Support factors include re-emerging loan growth; continued improvement in asset quality amid a benign risk environment as well as a positive one-off impact related to the sale of a participation in VISA in the amount of about EUR 127 million pre-tax. Headwinds are the persistent low interest rate environment affecting group operating income, primarily net interest income, as well as lower operating results in Hungary (lower volumes) and Romania (following asset re-pricing). Banking levies (comprising banking taxes, financial transaction tax, resolution funds and deposit insurance fund contributions) will have a negative pre-tax impact of about EUR 360 million in 2016. It is expected that banking taxes and FTT are booked pro rata (except the Hungarian banking tax that is booked upfront in Q1 2016) and resolution fund contributions upfront in Q1 2016, all in the line item other operating result. Deposit insurance contributions are expected to be booked partly pro rata and partly upfront in Q1 2016 in operating expenses.

Risks to guidance. Geopolitical risks and global economic risks, impact from negative interest rates, consumer protection initiatives.

PERFORMANCE IN DETAIL

January-December 2015 compared with January-December 2014

in EUR million	2014	2015	Change
Net interest income	4,495.2	4,444.7	-1.1%
Net fee and commission income	1,869.8	1,861.8	-0.4%
Net trading and fair value result	242.3	210.1	-13.3%
Operating income	6,877.9	6,771.8	-1.5%
Operating expenses	-3,787.3	-3,868.9	2.2%
Operating result	3,090.7	2,902.9	-6.1%
Net impairment loss on financial assets not measured at fair value through profit or loss	-2,083.7	-729.1	-65.0%
Other operating result	-1,752.9	-635.6	-63.7%
Levies on banking activities	-256.3	-236.2	-7.8%
Pre-tax result from continuing operations	-727.7	1,639.1	n/a
Taxes on income	-521.5	-363.9	-30.2%
Net result for the period	-1,249.2	1,275.1	n/a
Net result attributable to non-controlling interests	133.4	307.0	>100.0%
Net result attributable to owners of the parent	-1,382.6	968.2	n/a

Net interest income

Net interest income declined to EUR 4,444.7 million (EUR 4,495.2 million), mainly due to the low interest rate environment which could not be offset by a loan growth of 4.2%. Developments varied geographically: While net interest income declined significantly in Romania (lower unwinding effect) and Hungary (consumer loan law, lower loan volume), it increased in Austria. Consequently, net interest margin (net interest income as a percentage of average interest-bearing assets) contracted from 2.65% to 2.59%.

Net fee and commission income

Net fee and commission income declined slightly to EUR 1,861.8 million (EUR 1,869.8 million). Consistently strong results from asset management and the custody business largely offset the decline in income from the lending business and payment services.

Net trading and fair value result

The net trading and fair value result decreased to EUR 210.1 million (EUR 242.3 million), as improved income from foreign exchange transactions and positive valuation results of financial liabilities – at fair value through profit or loss did not compensate the lower contribution of the line item securities and derivatives trading.

General administrative expenses

in EUR million	2014	2015	Change
Personnel expenses	2,184.2	2,244.6	2.8%
Other administrative expenses	1,136.9	1,179.3	3.7%
Depreciation and amortisation	466.1	445.0	-4.5%
General administrative expenses	3,787.3	3,868.9	2.2%

General administrative expenses rose to EUR 3,868.9 million (EUR 3,787.3 million). **Personnel expenses** increased partly due to a higher average headcount to EUR 2,244.6 million (EUR 2,184.2 million). **Other administrative expenses** were up at EUR 1,179.3 million (EUR 1,136.9 million), **depreciation and amortisation** declined to EUR 445.0 million (EUR 466.1 million). The line item other administrative expenses comprised deposit insurance contributions in the amount of EUR 99.6 million (EUR 87.6 million). The rise in these expenses was attributable to contributions to a deposit insurance fund in the amount of EUR 21.5 million that Austrian financial institutions had to pay for the first time in 2015. The line item depreciation and amortisation included the straight-line amortisation of intangible assets (customer relationships) in the amount of EUR 6.2 million (EUR 37.0 million). The marked decline was due to the full write-down of customer relationships in BCR in 2014. The **average headcount** increased slightly by 1.1% to 46,496 (45,996).

Headcount as of end of the period

	Dec 14	Dec 15	Change
Domestic	15,550	15,686	0.9%
Erste Group, EB Oesterreich and subsidiaries	8,324	8,456	1.6%
Haftungsverbund savings banks	7,226	7,230	0.1%
Abroad	30,517	30,781	0.9%
Česká spořitelna Group	10,504	10,501	0.0%
Banca Comercială Română Group	7,054	7,065	0.2%
Slovenská sporiteľňa Group	4,275	4,205	-1.6%
Erste Bank Hungary Group	2,766	2,813	1.7%
Erste Bank Croatia Group	2,754	2,851	3.5%
Erste Bank Serbia Group	955	1,002	5.0%
Savings banks subsidiaries	1,166	1,210	3.7%
Other subsidiaries and foreign branch offices	1,043	1,134	8.7%
Total	46,067	46,467	0.9%

Operating result

Operating income declined to EUR 6,771.8 million (-1.5%; EUR 6,877.9 million) due to lower net interest income, a decline in the net trading and fair value result and lower dividend income. General administrative expenses rose to EUR 3,868.9 million (+2.2%; EUR 3,787.3 million), which led to an operating result in the amount of EUR 2,902.9 million (-6.1%; EUR 3,090.7 million). The cost/income ratio stood at 57.1% (55.1%).

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 or loss (net) rose to EUR 100.9 million (EUR 18.3 million). This was attributable to positive contributions from the sale of financial assets – available for sale as well as gains from the repurchase of financial liabilities carried at amortised cost.

Net impairment loss on financial assets

Net impairment loss on financial assets declined to EUR 729.1 million (EUR 2,083.7 million). This development was attributable in particular to the decline 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 666.5 million (EUR 2,044.9 million). The main drivers were declining risk costs in Austria as well as lower risk costs plus substantial recoveries of receivables previously written off in Romania after the recognition of extraordinarily high risk provisions in 2014. Consequently, net impairment loss on financial assets not measured at fair value through profit or loss, based on the average volume of gross customer loans, improved significantly to 56 basis points (163 basis points). In addition, this line item included a net impairment loss on held-to-maturity and available-for-sale financial assets in the amount of EUR 62.6 million (EUR 38.8 million).

Other operating result

The non-recurrence of high negative one-off effects had a positive impact on other operating result, which came in at EUR -635.6 million (EUR -1,752.9 million). The comparative period had been affected by substantial write-offs: goodwill write-downs in the total amount of EUR 475.0 million (thereof EUR 319.1 million in Romania, EUR 61.4 million in Croatia and EUR 94.5 million in Austria). In addition, EUR 489.8 million were written off in Romania for customer relationships and brand.

Levies on banking activities declined to EUR 236.2 million (EUR 256.3 million). In Hungary, banking levies of EUR 84.0 million (EUR 94.2 million) included banking tax of EUR 46.2 million (EUR 47.9 million) and a financial transaction tax of EUR 37.8 million (EUR 46.3 million). Banking levies charged in Austria amounted to EUR 128.6 million (EUR 130.5 million) and in Slovakia – after a substantial reduction – to EUR 23.6 million (EUR 31.5 million).

Other operating result also comprises the allocation/release of other provisions, including for commitments and guarantees given, in the amount of EUR 306.0 million (EUR 73.8 million). This includes provisions in the amount of EUR 129.5 million for losses resulting from legislation requiring the conversion of customer loans (Swiss francs to euro) in Croatia as well as EUR 101.6 million for risks related to Romanian consumer protection claims. In the comparative period, other operating result had mainly reflected provisions in the amount of EUR 336.8 million recognised after a consumer loan law had been passed in Hungary. Provisions for commitments and guarantees given amounted to EUR 63.0 million.

This line item also includes contributions to the national resolution fund payable in 2015 for the first time in the amount of EUR 51.3 million. Impairments of own properties and repossessed assets of EUR 36.3 million also had a negative impact on this position.

Net result

The pre-tax result from continuing operations amounted to EUR 1,639.1 million (EUR -727.7 million). Due to the good risk development in Austria and the turnaround in Romania, the minority charge increased significantly to EUR 307.0 million (EUR 133.4 million). The net result attributable to owners of the parent rose to EUR 968.2 million (EUR -1,382.6 million).

FINANCIAL RESULTS – QUARTER-ON-QUARTER COMPARISON

Fourth quarter of 2015 compared to third quarter of 2015

in EUR million	Q4 14	Q1 15	Q2 15	Q3 15	Q4 15
Income statement					
Net interest income	1,125.6	1,098.5	1,113.4	1,112.3	1,120.4
Net fee and commission income	497.1	461.0	456.3	455.2	489.2
Dividend income	11.3	7.4	24.8	11.2	6.6
Net trading and fair value result	75.8	72.4	64.1	56.4	17.2
Net result from equity method investments	4.2	4.7	5.0	4.7	3.1
Rental income from investment properties & other operating leases	46.5	45.1	46.6	51.7	44.4
Personnel expenses	-577.2	-554.0	-559.9	-553.6	-577.1
Other administrative expenses	-315.1	-281.1	-278.5	-295.6	-324.1
Depreciation and amortisation	-111.3	-112.9	-110.4	-106.4	-115.3
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	4.0	10.9	25.2	22.8	42.1
Net impairment loss on financial assets not measured at fair value through profit or loss	-484.3	-183.1	-190.8	-144.4	-210.7
Other operating result	-124.3	-153.5	-47.1	-176.8	-258.2
Levies on banking activities	-47.6	-91.8	-45.4	-50.5	-48.5
Pre-tax result from continuing operations	152.2	415.2	548.8	437.4	237.6
Taxes on income	-75.5	-118.6	-154.8	-88.9	-1.6
Net result for the period	76.7	296.6	394.0	348.5	236.0
Net result attributable to non-controlling interests	34.7	70.8	132.6	71.6	32.0
Net result attributable to owners of the parent	42.0	225.8	261.4	276.9	204.0

Net interest income increased marginally to EUR 1,120.4 million (EUR 1,112.3 million). **Net fee and commission income** grew to EUR 489.2 million (EUR 455.2 million), mainly on the back of a marked rise in commission income from the securities business. Fees from the lending and insurance brokerage business were also up. The **net trading and fair value result** decreased to EUR 17.2 million (EUR 56.4 million). This was mostly at-

tributable to a continuing negative result from the securities and derivatives business. The result from the valuation of financial liabilities – at fair value through profit or loss – declined. **General administrative expenses** rose to EUR 1,016.5 million (+6.4%; EUR 955.6 million). Personnel expenses amounted to EUR 577.1 million (+4.3%; EUR 553.6 million). Other administrative expenses increased to EUR 324.1 million (EUR 295.6 million), driven mainly by higher legal and consulting costs as well as a significant quarter-on-quarter rise in marketing expenses. Depreciation and amortisation rose to EUR 115.3 million (+8.3%; EUR 106.4 million). The **cost/income ratio** increased to 60.5% (56.5%).

Gains/losses from financial assets and liabilities not measured at fair value through profit and loss (net) were up at EUR 42.1 million (EUR 22.8 million), mainly due to higher gains from the sale of financial assets - available for sale.

Net impairment loss on financial assets not measured at fair value through profit or loss increased to EUR 210.7 million (EUR 144.4 million) despite significantly lower risk costs in Hungary and Romania, which did not fully offset higher impairment losses in Austria, Slovakia, and Croatia.

Other operating result declined to EUR -258.2 million (EUR -176.8 million), as it included a provision for risks related to Romanian consumer protection claims in the amount of EUR 101.6 million. **Levies on banking activities** amounted to EUR 48.5 million (EUR 50.5 million) (thereof EUR 33.0 million (EUR 35.5 million) in Austria, EUR 9.4 million (EUR 9.0 million) in Hungary (financial transaction tax) and EUR 6.1 million (EUR 5.9 million) in Slovakia). Impairments of own properties and repossessed assets of EUR 35.2 million as well as provisions for commitments and guarantees given of EUR 47.8 million also had a negative impact on this position.

The **pre-tax result** declined to EUR 237.6 million (EUR 437.4 million). Taxes on income dropped in the fourth quarter due to a write-up of deferred tax assets. The **net result attributable to owners of the parent** amounted to EUR 204.0 million (EUR 276.9 million).

DEVELOPMENT OF THE BALANCE SHEET

31 December 2015 compared with 31 December 2014

in EUR million	Dec 14	Dec 15	Change
Assets			
Cash and cash balances	7,835	12,350	57.6%
Trading, financial assets	50,131	47,542	-5.2%
Loans and receivables to credit institutions	7,442	4,805	-35.4%
Loans and receivables to customers	120,834	125,897	4.2%
Intangible assets	1,441	1,465	1.6%
Miscellaneous assets	8,604	7,685	-10.7%
Total assets	196,287	199,743	1.8%
Liabilities and equity			
Financial liabilities - held for trading	7,746	5,867	-24.3%
Deposits from banks	14,803	14,212	-4.0%
Deposits from customers	122,583	127,946	4.4%
Debt securities issued	31,140	29,654	-4.8%
Miscellaneous liabilities	6,573	7,257	10.4%
Total equity	13,443	14,807	10.1%
Total liabilities and equity	196,287	199,743	1.8%

Cash and cash balances EUR 12.4 billion (EUR 7.8 billion) prove the solid liquidity position. **Trading and investment securities** held in various categories of financial assets were down at EUR 47.5 billion (EUR 50.1 billion), with declines posted in the line items financial assets – available for sale and financial assets – held for trading (in the line item derivatives).

Loans and receivables to credit institutions (net) decreased to EUR 4.8 billion (EUR 7.4 billion). **Loans and receivables to customers (net)** rose to EUR 125.9 billion (EUR 120.8 billion), driven by higher volumes in Slovakia, the Czech Republic and Austria (Erste Bank Oesterreich and Savings Banks). **Allowances for loans and receivables to customers** declined to EUR 6.0 billion (EUR 7.5 billion), reflecting the steady improvement in asset quality.

The **NPL ratio** – non-performing loans as a percentage of gross customer loans – declined further to 7.1% (8.5%). The **NPL coverage ratio** stood at 64.5% (68.9%). The decline in the NPL coverage ratio is due to a method effect, i.e. the implementation of the non-performing loans definition of the European Banking Authority in the fourth quarter of 2015. This also had a negative impact of 38 basis points on the NPL ratio that was more than off-set by the strong improvement in asset quality.

Intangible assets stood at EUR 1.5 billion (EUR 1.4 billion). **Miscellaneous assets** declined to EUR 7.7 billion (EUR 8.6 billion). **Financial liabilities – held for trading** were lower at EUR 5.9 billion (EUR 7.7 billion), primarily as a result of a decrease in the line item derivatives.

Deposits from banks declined to EUR 14.2 billion (EUR 14.8 billion). **Deposits from customers** were up at EUR 127.9 billion (EUR 122.6 billion). The **loan-to-deposit ratio** stood at 98.4% (98.6%). **Debt securities in issue**, mainly bonds, declined to EUR 29.7 billion (EUR 31.1 billion). **Miscellaneous liabilities** rose to EUR 7.3 billion (EUR 6.6 billion).

Erste Group's **total equity** increased to EUR 14.8 billion (EUR 13.4 billion). **Common equity tier 1 capital** (CET 1, Basel 3 phased-in) rose to EUR 12.1 billion (EUR 10.6 billion); **total own funds** (Basel 3 phased-in) improved to EUR 17.6 billion (EUR 15.8 billion). **Total risk (risk-weighted assets)** including credit, market and operational risk, Basel 3 phased-in) declined to EUR 98.3 billion (EUR 100.6 billion).

As of 2014, Erste Group calculates consolidated regulatory capital according to Basel 3. The calculation follows the requirements as defined by the capital requirements regulation (CRR) taking into consideration transitional provisions as defined in the Austrian CRR Supplementary Regulation. 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 17.9% (15.7%), 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 (total risk), stood at 12.3% (10.6%). The **common equity tier 1 ratio** (Basel 3 phased-in) amounted to 12.3% (10.6%).

As a result of the 2015 **Supervisory Review and Evaluation Process (SREP)** performed by the European Central Bank (ECB), Erste Group on a consolidated level is required to meet a transitional Common Equity Tier 1 (CET1) ratio of 9.5% as of 1 January 2016. This minimum CET1 ratio of 9.5% includes Pillar 1, Pillar 2 and capital conservation buffer requirements. In addition, the systemic risk buffer required by the Austrian Financial Markets Authority (FMA) to be applied on top of the SREP ratio is equal to 0.25% for the Group from 1 January 2016, resulting in a prudential capital requirement of 9.75%, relating to total risk, for Erste Group as of 1 January 2016. The systemic risk buffer will increase in the following years to 0.5% (2017), 1% (2018) and 2% (2019).

SEGMENT REPORTING

January-December 2015 compared with January-December 2014

Erste Group's segment reporting is based on a matrix organisation. It provides comprehensive information to assess the business line and geographic performance. The tables and information below provide a brief overview and focus on selected and summarised items. At www.erstegroup.com additional information is available in Excel format.

BUSINESS SEGMENTS

Retail

in EUR million	2014	2015	Change
Net interest income	2,175.1	2,207.7	1.5%
Net fee and commission income	1,050.3	1,029.1	-2.0%
Net trading and fair value result	59.8	56.1	-6.3%
Operating income	3,317.4	3,329.8	0.4%
Operating expenses	-1,814.3	-1,856.4	2.3%
Operating result	1,503.1	1,473.4	-2.0%
Cost/income ratio	54.7%	55.8%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-671.7	-289.7	-56.9%
Other result	-393.2	-277.5	-29.4%
Net result attributable to owners of the parent	271.7	714.6	>100.0%
Return on allocated capital	13.6%	33.5%	

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 leasing and asset management companies).

The rise in net interest income was driven by increased loan and deposit volumes in Austria, accompanied by a repricing of deposits, higher loan volumes in Slovakia as well as increasing mortgage loan and current account volumes in the Czech Republic. These developments more than offset lower contribution from the lending business in Romania and Hungary. Net fee and commission income decreased primarily due to lower current account, cards and lending fees in the Czech Republic. Increased asset management and securities fees in Austria partially mitigated this impact. Net trading and fair value result was negatively impacted by the one-year Swiss franc exchange rate fixing for retail loans required by the legislation in Croatia in January 2015. Operating expenses increased due to the integration of new entities in Austria as well as due to higher expenses in Austria and Romania. Operating result declined, the cost/income ratio went up. The significant improvement of net impairment loss on financial assets not measured at FV through profit and loss was driven by lower risk costs in Romania, where the previous year included high provisions in connection with the accelerated NPL reduction, while risk costs in Hungary went up mostly due to method effects. Other result improved significantly due to the non-recurrence of one-time effects, namely expenses related to the Hungarian consumer loan law in the amount of EUR 304.4 million. The improvement was partially offset by provisions for risks related to Romanian consumer protection claims. Overall, the net result attributable to the owners of the parent improved substantially.

SME

in EUR million	2014	2015	Change
Net interest income	569.4	570.2	0.1%
Net fee and commission income	198.4	190.3	-4.1%
Net trading and fair value result	31.9	34.8	8.9%
Operating income	832.7	826.0	-0.8%
Operating expenses	-292.8	-306.9	4.8%
Operating result	539.9	519.1	-3.9%
Cost/income ratio	35.2%	37.2%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-461.1	-187.4	-59.4%
Other result	0.6	-31.1	n/a
Net result attributable to owners of the parent	50.4	230.9	>100.0%
Return on allocated capital	3.6%	19.6%	

The SME segment consists of business with clients 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).

Net interest income remained stable due to higher loan volumes in Austria offsetting the re-allocation of a part of the Erste Factoring portfolio in Croatia to the Large Corporate segment. Net fee and commission income decreased mainly in the Czech Republic. Net trading and fair value result improved as a result of positive credit value adjustments in the Czech Republic. Operating expenses went up due to higher costs in subsidiaries; the cost/income ratio rose. Net impairment loss on financial assets not measured at FV through profit and loss improved substantially on the back of lower risk provisions in Romania and Austria. Other result deteriorated mainly

due to the non-recurrence of one-off insurance income in Austria. Net result attributable to the owners of the parent improved significantly.

Asset/Liability Management & Local Corporate Center

in EUR million	2014	2015	Change
Net interest income	164.7	4.8	-97.1%
Net fee and commission income	-65.3	-45.8	-29.9%
Net trading and fair value result	24.7	-53.1	n/a
Operating income	184.6	-47.3	n/a
Operating expenses	-112.9	-90.9	-19.5%
Operating result	71.8	-138.2	n/a
Cost/income ratio	61.1%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	1.2	-13.9	n/a
Other result	-214.2	-116.0	-45.9%
Net result attributable to owners of the parent	-174.8	-204.5	17.0%
Return on allocated capital	-9.9%	-11.7%	

The ALM & LCC segment includes all local and asset/liability management functions of Erste Group Bank AG (holding) as well as 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 declined considerably mainly due to lower ALM contribution on the back of an unfavourable yield curve development. The increase in net fee and commission income was primarily related to a positive impact from lower fee expenses in the Czech Republic. Net trading and fair value result deteriorated substantially due to negative impacts from the yield curve development, hedging and FX effects. The reduction in operating expenses was mainly attributable to lower costs in Romania and Austria. Overall, operating result deteriorated. Other result improved especially due to some non-recurring negative effects booked in 2014 in Romania and Hungary. The net result attributable to the owners of the parent decreased.

Savings Banks

in EUR million	2014	2015	Change
Net interest income	891.8	926.4	3.9%
Net fee and commission income	419.3	439.3	4.8%
Net trading and fair value result	1.1	3.1	>100.0%
Operating income	1,379.0	1,432.0	3.8%
Operating expenses	-932.1	-966.0	3.6%
Operating result	446.9	466.0	4.3%
Cost/income ratio	67.6%	67.5%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-199.4	-83.6	-58.1%
Other result	-15.4	6.3	n/a
Net result attributable to owners of the parent	18.4	40.2	>100.0%
Return on allocated capital	9.0%	16.9%	

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 loan growth and the repricing of deposits due to the persistent low interest rate environment. Net fee and commission income improved due to higher fees from securities business and payment services. Net trading and fair value result increased driven by the valuation effects of derivatives. Operating expenses went up due to the increase of payments into deposit insurance funds to EUR 12.2 million (EUR 1.3 million) as well as higher personnel and IT expenses. Operating result increased while the cost/income ratio remained stable. Net impairment loss on financial assets not measured at FV through profit and loss decreased considerably on the back of a benign risk environment. Other result improved as the payment into the recovery & resolution fund in the amount of EUR 8.0 million was more than offset by valuation effects, lower provisions for contingent credit risk liabilities as well as higher selling gains for securities. Banking tax decreased slightly to EUR 15.0 million (EUR 15.9 million). Overall, the net result attributable to owners of the parent increased.

Large Corporates

in EUR million	2014 restated	2015	Change
Net interest income	214.1	229.3	7.1%
Net fee and commission income	99.2	89.1	-10.2%
Net trading and fair value result	9.3	13.5	45.6%
Operating income	322.5	331.9	2.9%
Operating expenses	-85.0	-91.4	7.5%
Operating result	237.5	240.5	1.3%
Cost/income ratio	26.4%	27.5%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-310.7	-11.5	-96.3%
Other result	14.8	-34.5	n/a
Net result attributable to owners of the parent	-53.8	144.5	n/a
Return on allocated capital	-7.3%	21.9%	

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

Net interest income increased as a result of the reallocation of a part of the Erste Factoring portfolio in Croatia to the Large Corporates segment (shown fully in the SME segment in 2014) which, together with higher volumes and margins in Slovakian Large Corporates portfolio, more than offset the lower income attributable to unwinding effect and lower margins in Romania. Net fee and commission income decreased mostly due to lower fees in the Czech portfolio, lower guarantee fees in Austria and lower cash management fees in the Hungarian portfolio. Net trading and fair value result improved due to fixed income derivative business and positive credit value adjustments in Austrian and Czech portfolios. Operating result increased despite an increase in operating expenses, while cost/income ratio deteriorated. Net impairment loss on financial assets not measured at FV through profit and loss decreased substantially due to the non-recurrence of high risk provisions for loans and receivables booked in Romania in the previous year. Other result deteriorated due to higher provisions for commitments and guarantees given in Austria. Net result attributable to the owners of the parent improved significantly.

Commercial Real Estate

in EUR million	2014	2015	Change
Net interest income	150.1	169.3	12.8%
Net fee and commission income	15.8	14.0	-11.2%
Net trading and fair value result	-6.2	4.7	n/a
Operating income	205.7	230.4	12.0%
Operating expenses	-88.2	-86.5	-2.0%
Operating result	117.5	143.9	22.4%
Cost/income ratio	42.9%	37.5%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-364.3	-56.9	-84.4%
Other result	-45.9	-34.0	-26.0%
Net result attributable to owners of the parent	-279.6	25.7	n/a
Return on allocated capital	-36.1%	4.4%	

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 increase in net interest income was mainly attributable to a one-off income in the Austrian portfolio and higher loan volumes in the Czech Republic. Net fee and commission income declined on the back of lower fees in the Czech portfolio. The improvement in the net trading and fair value result was attributable to a one-off negative effect from FX valuations in 2014. Rental income increased mostly in Immorent. Operating expenses decreased slightly. Consequently, operating result increased and the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss dropped, mainly driven by Immorent and Austrian portfolios, as well as the Romanian and Hungarian portfolios. Other result improved due to a one off-income in Immorent. Overall, net result attributable to the owners of the parent improved significantly.

Other Corporate

in EUR million	2014	2015	Change
Net interest income	75.2	74.1	-1.4%
Net fee and commission income	18.9	14.8	-21.6%
Net trading and fair value result	4.8	-2.9	n/a
Operating income	99.4	86.1	-13.4%
Operating expenses	-58.2	-58.6	0.7%
Operating result	41.1	27.4	-33.3%
Cost/income ratio	58.6%	68.1%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-12.9	-53.0	>100.0%
Other result	1.5	25.0	>100.0%
Net result attributable to owners of the parent	22.9	-1.0	n/a
Return on allocated capital	10.9%	-0.5%	

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 decline in net interest income is attributable to a further reduction of the International Business loan book in Austria as well as lower interest income in the Investment Banking portfolio in London which could not be entirely compensated by the improved performance of the International Business loan portfolio in New York. Net fee and commission income declined primarily due to one-off fee expense related to a sale of private equity funds and lower guarantee fee income from the International Business. The decline in net trading and fair value result was driven by the worsening performance of asset-backed securities and derivatives in the structured credit business as well as the mark-to-market valuation of interest rate swaps. Operating result thus declined and the cost/income ratio deteriorated. 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 related to Ukrainian customers. Other result improved significantly due to the sale of private equity funds and extraordinary income from various credit exposures. Net result attributable to the owners of the parent declined.

Group Markets

in EUR million	2014	2015	Change
Net interest income	191.2	182.0	-4.8%
Net fee and commission income	102.9	123.3	19.9%
Net trading and fair value result	116.1	110.2	-5.1%
Operating income	412.6	417.3	1.1%
Operating expenses	-179.1	-187.0	4.4%
Operating result	233.4	230.3	-1.4%
Cost/income ratio	43.4%	44.8%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-0.1	2.5	n/a
Other result	-0.7	-4.8	>100.0%
Net result attributable to owners of the parent	185.3	176.6	-4.7%
Return on allocated capital	38.3%	40.5%	

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.

Net interest income declined primarily due to the persistent low interest rate environment affecting interest rate related products. Net fee and commission income improved significantly due to increased retail, corporate and institutional sales business as well as the performance of funds of institutional customers. Net trading and fair value result decreased due to unfavourable market conditions. Although operating income increased, operating result declined due to higher operating expenses; the cost/income ratio deteriorated. Other result slipped due to the contribution to the recovery and resolution funds. Overall, net result attributable to the owners of the parent declined.

Group Corporate Center

in EUR million	2014	2015	Change
Net interest income	70.2	104.1	48.3%
Net fee and commission income	69.1	33.4	-51.7%
Net trading and fair value result	-11.3	14.9	n/a
Operating income	183.3	210.1	14.6%
Operating expenses	-710.5	-735.4	3.5%
Operating result	-527.2	-525.4	-0.3%
Cost/income ratio	>100.0%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-64.7	-35.7	-44.7%
Other result	-655.7	397.7	n/a
Net result attributable to owners of the parent	-1,423.1	-158.8	-88.8%
Return on allocated capital	-28.7%	-2.4%	

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.

Net interest income increased mainly due to higher contributions from businesses not allocated to other business lines. Net fee and commission income declined due to the reallocation of subsidiaries to other segments. Net trading and fair value result improved due to valuation results. Operating expenses increased mainly due to higher IT costs. Other result improved considerably due to the non-recurrence of negative effects, namely last year's goodwill impairments of EUR 475.0 million and the write-down of the entire remaining value of customer relationships and brand of BCR of EUR 470.7 million. Consequently, net result attributable to the owners of the parent improved significantly.

GEOGRAPHICAL SEGMENTS

Erste Bank Oesterreich & Subsidiaries

in EUR million	2014	2015	Change
Net interest income	613.5	638.2	4.0%
Net fee and commission income	354.9	370.8	4.5%
Net trading and fair value result	8.7	-0.6	n/a
Operating income	1,020.3	1,038.6	1.8%
Operating expenses	-630.7	-640.3	1.5%
Operating result	389.6	398.4	2.3%
Cost/income ratio	61.8%	61.6%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-104.5	-59.0	-43.5%
Other result	6.2	-25.6	n/a
Net result attributable to owners of the parent	214.5	230.2	7.3%
Return on allocated capital	20.8%	22.4%	

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 higher retail loan and deposit volumes, mainly current accounts, accompanied by a repricing of deposits. Net fee and commission income increased due to higher securities fees and lower building society fee expenses. Net trading and fair value result decreased due to valuation effects of derivatives. Operating expenses increased due to the first time payment into the deposit insurance fund of EUR 9.2 million as well as higher IT costs, which were partially compensated by lower personnel costs mainly from lower pension fund provisions. Overall, operating result and the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss decreased substantially mainly due to a benign risk environment. The worsening of other result was driven by a one-off income from insurance payments in 2014, higher provisions for contingent credit risk liabilities, higher provisions for legal expenses as well as the resolution fund contribution of EUR 4.7 million, which was partially offset by the selling gain of a participation. Overall, the net result attributable to owners of the parent increased.

Savings Banks

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

Other Austria

in EUR million	2014	2015	Change
Net interest income	395.4	407.1	2.9%
Net fee and commission income	174.0	187.2	7.6%
Net trading and fair value result	3.1	4.1	31.5%
Operating income	621.5	642.4	3.4%
Operating expenses	-323.3	-325.9	0.8%
Operating result	298.1	316.5	6.2%
Cost/income ratio	52.0%	50.7%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-269.2	-83.3	-69.1%
Other result	-7.2	-7.9	9.4%
Net result attributable to owners of the parent	-31.0	162.3	n/a
Return on allocated capital	-2.1%	12.8%	

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

Net interest income increased on the back of positive one-off effects in the real estate business and increased corporate lending business. Net fee and commission income improved primarily due to higher assets under management volumes and better market performance. Increased corporate, institutional and retail sales business in Group Markets also contributed positively. The increase of net trading and fair value result was predominantly attributable to FX business development, partially off-set by the negative impact of mark-to-market valuations in the context of unfavourable market conditions. Despite increasing operating expenses, driven mainly by IT costs and higher legal costs, operating result as well as the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss decreased on the back of lower portfolio risk provisions and improvements in the portfolio structure in real estate of the Holding and Immorent, despite additional impairments for Ukrainian exposure. Other result included a resolution fund contribution of EUR 3.4 million. The net result attributable to the owners of the parent increased significantly.

Czech Republic

in EUR million	2014	2015	Change
Net interest income	924.0	911.2	-1.4%
Net fee and commission income	410.6	375.8	-8.5%
Net trading and fair value result	83.1	103.5	24.6%
Operating income	1,449.4	1,419.9	-2.0%
Operating expenses	-662.2	-681.2	2.9%
Operating result	787.1	738.7	-6.2%
Cost/income ratio	45.7%	48.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-135.4	-97.1	-28.3%
Other result	-16.6	-20.9	25.7%
Net result attributable to owners of the parent	506.2	490.6	-3.1%
Return on allocated capital	35.8%	34.5%	

Net interest income in the Czech Republic segment (comprising Česká spořitelna Group) decreased due to the persistently low interest rate environment and a change of the balance sheet structure towards a higher proportion of lower margin housing loans. Net fee and commission income declined mostly due to lower private current account, lending as well as card fees. Net trading and fair value result increased due to better result from derivatives. Operating expenses increased on the back of higher personnel costs and higher expenses related to group projects including IT. Operating result decreased, the cost/income ratio went up. The decline of net impairment loss on financial assets not measured at FV through profit and loss was attributable to a change in the provisioning methodology for retail portfolio risks. Other result deteriorated due to the booking of impairments for own properties. Overall, these developments led to a decrease in the net result attributable to the owners of the parent.

Slovakia

in EUR million	2014	2015	Change
Net interest income	451.0	457.5	1.4%
Net fee and commission income	123.4	121.4	-1.6%
Net trading and fair value result	9.6	8.8	-8.6%
Operating income	593.5	599.6	1.0%
Operating expenses	-266.2	-266.1	-0.1%
Operating result	327.3	333.5	1.9%
Cost/income ratio	44.9%	44.4%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-51.4	-58.0	13.0%
Other result	-43.0	-32.5	-24.3%
Net result attributable to owners of the parent	178.7	184.4	3.2%
Return on allocated capital	34.9%	34.0%	

The increase in net interest income in the Slovakia segment (comprising Slovenská sporiteľňa Group) was mainly attributable to higher loan volumes, both housing and consumer loans, as well as a changed deposit structure. These effects were partially offset by a lower contribution from asset/liability management due to the low interest rate environment. Net fee and commission income decreased due to current account, card and securities fees. The decrease in the net trading and fair value result was driven by the valuation of derivatives. While total operating income increased, operating expenses remained stable. As a consequence, operating result and the cost/income ratio improved. Net impairment loss on financial assets not measured at FV through profit and loss increased due to higher provisions in Large Corporate and Commercial Real Estate business, partially offset by lower provisions in Retail and SME. The improvement of other result was driven by a reduced banking tax in the amount of EUR 23.6 million (EUR 31.5 million) and lower provisions for contingent credit risk liabilities. The contribution into the resolution fund amounted to EUR 7.3 million. The net result attributable to the owners of the parent increased.

Romania

in EUR million	2014 restated	2015	Change
Net interest income	484.7	428.7	-11.5%
Net fee and commission income	160.0	163.2	2.0%
Net trading and fair value result	81.2	69.4	-14.5%
Operating income	732.2	672.2	-8.2%
Operating expenses	-331.9	-340.5	2.6%
Operating result	400.3	331.7	-17.1%
Cost/income ratio	45.3%	50.7%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-923.5	16.4	n/a
Other result	-117.2	-140.0	19.5%
Net result attributable to owners of the parent	-554.7	178.7	n/a
Return on allocated capital	-54.4%	20.5%	

Net interest income in the Romania segment (comprising Banca Comercială Română Group) decreased mainly due to lower income from unwinding, lower loan volumes and lower interest rates. Net fee and commission income increased due to higher insurance brokerage income. The decline in net trading and fair value result was mostly attributable to a one-off positive effect from derivatives in 2014. Operating expenses increased mainly due to higher personnel costs. Operating result declined and the cost/income ratio deteriorated. Net impairment loss on financial assets not measured at FV through profit and loss improved significantly after non-performing loan portfolio clean-up activities in 2014 and more than offset the decline in operating result. Other result included provisions for risks related to Romanian consumer protection claims and the contribution to the resolution fund of EUR 5.6 million, whereas last year was negatively affected by the impairments of intangible and tangible assets. Consequently, the net result attributable to the owners of the parent improved markedly.

Hungary

in EUR million	2014	2015	Change
Net interest income	263.4	194.4	-26.2%
Net fee and commission income	139.3	137.5	-1.3%
Net trading and fair value result	38.8	-0.5	n/a
Operating income	442.3	332.5	-24.8%
Operating expenses	-175.8	-179.9	2.3%
Operating result	266.5	152.6	-42.8%
Cost/income ratio	39.7%	54.1%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-152.2	-105.8	-30.5%
Other result	-434.9	-111.6	-74.3%
Net result attributable to owners of the parent	-330.6	-72.6	-78.0%
Return on allocated capital	-67.5%	-16.9%	

Net interest income in the Hungary segment (comprising Erste Bank Hungary Group) declined mainly due to lower loan volumes, the impact of the consumer loan law as well as lower contribution from securities. Net fee and commission income declined slightly due to lower fees from cash management products and card business. Net trading and fair value result decreased due to the non-recurrence of the positive impact of swaps entered into with the Hungarian National Bank in 2014 to secure refinancing of foreign currency loans at a fixed exchange rate. Operating expenses increased on the back of higher personnel costs following temporary hiring to execute the FX conversion program. Consequently, operating result deteriorated significantly, the cost/income ratio went up. Net impairment loss on financial assets not measured at FV through profit and loss decreased on the back of lower provisioning requirements in commercial real estate business. Other result improved significantly as expenses related to the Hungarian consumer loan law in the amount of EUR 336.8 million did not recur. The line item included the contribution to the resolution fund of EUR 2.1 million. Overall, the net result attributable to the owners of the parent improved.

Croatia

in EUR million	2014	2015	Change
Net interest income	261.2	268.3	2.7%
Net fee and commission income	79.9	84.8	6.2%
Net trading and fair value result	24.1	15.9	-34.2%
Operating income	399.3	399.3	0.0%
Operating expenses	-183.5	-187.0	1.9%
Operating result	215.9	212.3	-1.6%
Cost/income ratio	45.9%	46.8%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-155.3	-167.3	7.8%
Other result	-4.4	-134.9	>100.0%
Net result attributable to owners of the parent	32.6	-45.5	n/a
Return on allocated capital	10.7%	-14.2%	

Net interest income in the Croatia segment (comprising Erste Bank Croatia Group) increased due to a change in the deposit structure towards sight deposits. Net fee and commission income went up due to higher fees from payment transfers and card business. The net trading and fair value result was negatively impacted by the Swiss franc exchange rate fixing for retail loans in January 2015 required by legislation as well as negative foreign exchange differences on the open position in Swiss francs. Operating expenses went up due to increased personnel expenses as well as higher legal and IT costs. The operating result deteriorated, as did the cost/income ratio. The increase in net impairment loss on financial assets not measured at FV through profit and loss was driven by higher provisions in the SME business aiming at improving NPL coverage. This effect was mitigated by lower provisioning requirements in retail and large corporate businesses. Other result deteriorated significantly due to the booking of provisions resulting from legislation requiring the conversion of customer loans (Swiss francs to euro) in the amount of EUR 129.5 million. The line item included the contribution to the resolution fund of EUR 4.2 million. Consequently, the net result attributable to the owners of the parent deteriorated considerably.

Serbia

in EUR million	2014	2015	Change
Net interest income	34.4	40.8	18.7%
Net fee and commission income	13.4	12.6	-6.1%
Net trading and fair value result	2.9	3.2	11.1%
Operating income	50.5	57.1	13.1%
Operating expenses	-38.6	-39.0	1.2%
Operating result	11.9	18.1	51.5%
Cost/income ratio	76.4%	68.4%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-15.7	-10.8	-31.3%
Other result	-1.3	-0.6	-51.8%
Net result attributable to owners of the parent	-5.4	5.3	n/a
Return on allocated capital	-10.2%	7.9%	

Net interest income in the Serbia segment (comprising Erste Bank Serbia Group) increased due to growing customer loan volumes in retail and corporate business as well as higher deposit volumes. Net fee and commission income decreased mostly due to lower lending fees. The improvement of net trading and fair value result was mainly driven by foreign exchange transactions. Operating expenses went up. Net impairment loss on financial assets not measured at FV through profit and loss declined on the back of better portfolio quality. As a result, the net result attributable to the owners of the parent improved significantly.

Other

in EUR million	2014	2015	Change
Net interest income	175.7	171.9	-2.1%
Net fee and commission income	-4.9	-30.8	>100.0%
Net trading and fair value result	-10.3	3.3	n/a
Operating income	189.9	178.1	-6.2%
Operating expenses	-242.9	-243.0	0.0%
Operating result	-53.0	-64.9	22.5%
Cost/income ratio	>100.0%	>100.0%	
Net impairment loss on financial assets not measured at fair value through profit or loss	-77.1	-80.5	4.4%
Other result	-1,100.9	-67.0	-93.9%
Net result attributable to owners of the parent	-1,411.2	-205.3	-85.5%
Return on allocated capital	-24.4%	-2.9%	

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.

Net interest income decreased moderately. Net fee and commission income declined predominantly due to the reallocation of subsidiaries to other segments. Net trading and fair value result improved due to valuation effects. Operating expenses remained stable. Other result improved significantly due to the non-recurrence of negative one-off effects namely goodwill impairments of EUR 475.0 million and the write-down of the entire remaining value of customer relationships and brand of BCR of EUR 470.7 million. Net result attributable to the owners of the parent thus improved significantly.

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

Date	Friday 26 February 2016
Time	9:00 Vienna / 8:00 London / 3:00 New York
Live audio webcast	(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 8072447 UK: +44(0)20 7136 2055 National free phone 0800 279 4841 US: +1646 254 3360 National free phone 1877 280 2296
Replay	Will be available at http://www.erstegroup.com/en/Investors/Webcasts-Videos .

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Appendix

Preliminary results 2015 of Erste Group Bank AG (IFRS)

I. Group condensed statement of comprehensive income

Income statement

in EUR thousand	Notes	2014 restated	2015
Net interest income		4,495,201	4,444,657
Net fee and commission income		1,869,848	1,861,768
Dividend income		74,217	49,901
Net trading and fair value result		242,259	210,135
Net result from equity method investments		15,810	17,510
Rental income from investment properties & other operating leases		180,593	187,865
Personnel expenses		-2,184,224	-2,244,611
Other administrative expenses		-1,136,930	-1,179,329
Depreciation and amortisation		-466,113	-444,999
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net		18,283	100,911
Net impairment loss on financial assets not measured at fair value through profit or loss		-2,083,728	-729,099
Other operating result		-1,752,936	-635,646
Levies on banking activities		-256,271	-236,222
Pre-tax result from continuing operations		-727,718	1,639,064
Taxes on income		-521,486	-363,926
Net result for the period		-1,249,204	1,275,138
Net result attributable to non-controlling interests		133,434	306,974
Net result attributable to owners of the parent		-1,382,638	968,164

Statement of comprehensive income

in EUR thousand	2014 restated	2015
Net result for the period	-1,249,204	1,275,138
Other comprehensive income		
Items that may not be reclassified to profit or loss		
Remeasurement of net liability of defined benefit plans	-188,196	100,995
Deferred taxes relating to items that may not be reclassified	47,093	-33,607
Total	-141,102	67,388
Items that may be reclassified to profit or loss		
Available for sale reserve (including currency translation)	581,154	-31,580
Gain/loss during the period	574,144	-10,077
Reclassification adjustments	7,011	-21,502
Cash flow hedge reserve (including currency translation)	172,783	-27,413
Gain/loss during the period	224,285	11,354
Reclassification adjustments	-51,502	-38,766
Currency translation	-63,062	90,987
Gain/loss during the period	-63,062	90,987
Reclassification adjustments	0	0
Deferred taxes relating to items that may be reclassified	-190,587	35,869
Gain/loss during the period	-193,353	6,349
Reclassification adjustments	2,765	29,520
Total	500,288	67,864
Total other comprehensive income	359,186	135,252
Total comprehensive income	-890,019	1,410,389
Total comprehensive income attributable to non-controlling interests	274,387	229,740
Total comprehensive income attributable to owners of the parent	-1,164,405	1,180,650

II. Group condensed balance sheet

in EUR thousand	Notes	1 Jan 14 restated	Dec 14	Dec 15
Assets				
Cash and cash balances		9,300,683	7,835,417	12,350,003
Financial assets - held for trading		12,283,046	10,530,878	8,719,244
Derivatives		6,342,237	7,173,380	5,303,001
Other trading assets		5,940,808	3,357,498	3,416,243
Financial assets - at fair value through profit or loss		528,984	349,583	358,959
Financial assets - available for sale		20,677,648	22,373,356	20,762,661
Financial assets - held to maturity		17,779,013	16,877,214	17,700,886
Loans and receivables to credit institutions		8,376,688	7,442,288	4,805,222
Loans and receivables to customers		119,868,987	120,833,976	125,896,650
Derivatives - hedge accounting		1,943,645	2,871,607	2,191,175
Property and equipment		2,319,501	2,264,041	2,401,868
Investment properties		950,572	950,168	753,243
Intangible assets		2,440,833	1,440,946	1,464,529
Investments in associates and joint ventures		207,594	194,984	166,541
Current tax assets		100,398	107,310	118,786
Deferred tax assets		731,097	301,469	310,370
Assets held for sale		74,774	291,394	526,451
Other assets		2,470,898	1,622,702	1,216,785
Total assets		200,054,360	196,287,334	199,743,371
Liabilities and equity				
Financial liabilities - held for trading		6,474,745	7,746,381	5,867,450
Derivatives		6,086,938	7,188,386	5,433,865
Other trading liabilities		387,807	557,994	433,586
Financial liabilities - at fair value through profit or loss		2,339,171	2,072,725	1,906,766
Deposits from banks		0	0	0
Deposits from customers		459,964	319,960	148,731
Debt securities issued		1,879,207	1,752,765	1,758,035
Other financial liabilities		0	0	0
Financial liabilities measured at amortised cost		170,785,614	166,921,248	170,786,703
Deposits from banks		17,299,491	14,802,602	14,212,032
Deposits from customers		121,955,141	122,262,612	127,797,081
Debt securities issued		31,244,697	29,386,741	27,895,975
Other financial liabilities		286,286	469,294	881,616
Derivatives - hedge accounting		644,319	725,928	592,891
Changes in fair value of portfolio hedged items		733,747	1,225,473	965,583
Provisions		1,447,605	1,652,688	1,736,367
Current tax liabilities		84,519	91,050	89,956
Deferred tax liabilities		169,392	98,778	95,787
Liabilities associated with assets held for sale		0	0	577,953
Other liabilities		2,653,713	2,309,605	2,316,601
Total equity		14,721,534	13,443,457	14,807,313
Equity attributable to non-controlling interests		3,461,883	3,605,371	3,801,997
Equity attributable to owners of the parent		11,259,651	9,838,086	11,005,316
Total liabilities and equity		200,054,360	196,287,334	199,743,371

III. Segment reporting

Business segments (1)

	Retail		SME		ALM & LCC		Savings Banks		Large Corporates		Commercial Real Estate	
in EUR million	2014	2015	2014	2015	2014	2015	2014	2015	2014 restated	2015	2014	2015
Net interest income	2,175.1	2,207.7	569.4	570.2	164.7	4.8	891.8	926.4	214.1	229.3	150.1	169.3
Net fee and commission income	1,050.3	1,029.1	198.4	190.3	-65.3	-45.8	419.3	439.3	99.2	89.1	15.8	14.0
Dividend income	0.5	3.5	2.5	0.0	22.4	10.8	24.7	23.1	0.0	0.0	5.1	1.0
Net trading and fair value result	59.8	56.1	31.9	34.8	24.7	-53.1	1.1	3.1	9.3	13.5	-6.2	4.7
Net result from equity method investments	8.2	10.4	0.0	0.0	3.1	3.5	0.0	0.0	0.0	0.0	0.7	0.5
Rental income from investment properties & other operating leases	23.5	23.1	30.4	30.6	35.0	32.3	42.0	40.0	0.0	0.0	40.3	40.8
General administrative expenses	-1,814.3	-1,856.4	-292.8	-306.9	-112.9	-90.9	-932.1	-966.0	-85.0	-91.4	-88.2	-86.5
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	0.6	0.0	3.3	0.0	-16.4	32.6	27.7	45.8	0.7	0.0	0.0	0.0
Net impairment loss on financial assets not measured at fair value through profit or loss	-671.7	-289.7	-461.1	-187.4	1.2	-13.9	-199.4	-83.6	-310.7	-11.5	-364.3	-56.9
Other operating result	-393.7	-277.5	-2.8	-31.1	-197.7	-148.5	-43.1	-39.5	14.1	-34.5	-45.9	-34.0
Levies on banking activities	-59.1	-44.1	-10.6	-10.2	-64.2	-63.3	-15.9	-15.0	-3.2	-2.7	-0.4	-0.3
Pre-tax result from continuing operations	438.2	906.2	79.4	300.6	-141.2	-268.1	232.0	388.7	-58.3	194.6	-292.7	53.0
Taxes on income	-158.0	-195.1	-33.2	-68.6	-36.1	61.3	-54.7	-89.4	-1.1	-37.7	4.2	-21.5
Net result for the period	280.2	711.1	46.2	232.0	-177.3	-206.7	177.3	299.4	-59.5	156.9	-288.5	31.5
Net result attributable to non-controlling interests	8.5	-3.4	-4.2	1.1	-2.5	-2.2	158.9	259.1	-5.7	12.4	-8.9	5.8
Net result attributable to owners of the parent	271.7	714.6	50.4	230.9	-174.8	-204.5	18.4	40.2	-53.8	144.5	-279.6	25.7
Operating income	3,317.4	3,329.8	832.7	826.0	184.6	-47.3	1,379.0	1,432.0	322.5	331.9	205.7	230.4
Operating expenses	-1,814.3	-1,856.4	-292.8	-306.9	-112.9	-90.9	-932.1	-966.0	-85.0	-91.4	-88.2	-86.5
Operating result	1,503.1	1,473.4	539.9	519.1	71.8	-138.2	446.9	466.0	237.5	240.5	117.5	143.9
Risk-weighted assets (credit risk, eop)	18,505	18,771	14,672	14,557	4,480	4,503	22,511	21,955	9,373	9,860	9,397	8,338
Average allocated capital	2,058	2,121	1,291	1,182	1,792	1,770	1,968	1,774	812	716	798	722
Cost/income ratio	54.7%	55.8%	35.2%	37.2%	61.1%	>100.0%	67.6%	67.5%	26.4%	27.5%	42.9%	37.5%
Return on allocated capital	13.6%	33.5%	3.6%	19.6%	-9.9%	-11.7%	9.0%	16.9%	-7.3%	21.9%	-36.1%	4.4%
Total assets (eop)	51,438	53,933	22,143	22,793	51,497	46,762	56,704	57,953	9,470	11,056	10,164	9,528
Total liabilities excluding equity (eop)	69,227	72,027	12,977	14,187	54,011	50,174	52,684	53,835	4,988	4,345	4,668	4,288
Impairments and risk provisions	-697.3	-291.0	-473.1	-199.4	-45.1	-54.8	-221.3	-86.9	-299.1	-41.8	-466.2	-137.5
Net impairment loss on loans and receivables to credit institutions/customers	-671.6	-289.7	-460.3	-182.3	-0.8	-9.4	-193.6	-73.9	-316.5	-11.4	-365.5	-23.6
Net impairment loss on other financial assets not measured at fair value through profit or loss	-0.1	0.0	-0.8	-5.1	2.0	-4.5	-5.8	-9.7	5.8	0.0	1.2	-33.3
Allocations/releases of provisions for contingent credit risk liabilities	-4.1	0.6	0.6	-9.0	0.9	-16.3	-18.3	-1.7	11.5	-30.3	-40.4	-64.0
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net impairment loss on other non-financial assets	-21.5	-1.9	-12.6	-3.0	-47.2	-24.5	-3.6	-1.6	0.0	0.0	-61.5	-16.5

Business segments (2)

in EUR million	Other Corporate		Group Markets		Group Corporate Center		Intragroup Elimination		Total group	
	2014	2015	2014	2015	2014	2015	2014	2015	2014 restated	2015
Net interest income	75.2	74.1	191.2	182.0	70.2	104.1	-6.6	-23.3	4,495.2	4,444.7
Net fee and commission income	18.9	14.8	102.9	123.3	69.1	33.4	-38.8	-25.7	1,869.8	1,861.8
Dividend income	0.5	0.0	2.4	1.8	16.4	9.9	-0.1	-0.3	74.2	49.9
Net trading and fair value result	4.8	-2.9	116.1	110.2	-11.3	14.9	12.0	28.9	242.3	210.1
Net result from equity method investments	0.0	0.0	0.0	0.0	3.9	3.1	0.0	0.0	15.8	17.5
Rental income from investment properties & other operating leases	0.1	0.0	0.0	0.0	35.1	44.7	-25.7	-23.7	180.6	187.9
General administrative expenses	-58.2	-58.6	-179.1	-187.0	-710.5	-735.4	485.9	510.2	-3,787.3	-3,868.9
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	0.1	18.6	0.0	0.4	-0.9	4.9	3.2	-1.4	18.3	100.9
Net impairment loss on financial assets not measured at fair value through profit or loss	-12.9	-53.0	-0.1	2.5	-64.7	-35.7	0.0	0.0	-2,083.7	-729.1
Other operating result	1.5	6.4	-0.7	-5.2	-654.7	392.8	-429.9	-464.6	-1,752.9	-635.6
Levies on banking activities	0.0	0.0	-2.1	-1.9	-100.8	-98.8	0.0	0.0	-256.3	-236.2
Pre-tax result from continuing operations	29.8	-0.6	232.7	228.0	-1,247.5	-163.4	0.0	0.0	-727.7	1,639.1
Taxes on income	-6.9	-0.4	-43.9	-46.7	-191.8	34.1	0.0	0.0	-521.5	-363.9
Net result for the period	22.9	-0.9	188.8	181.3	-1,439.4	-129.3	0.0	0.0	-1,249.2	1,275.1
Net result attributable to non-controlling interests	-0.1	0.0	3.5	4.6	-16.2	29.5	0.0	0.0	133.4	307.0
Net result attributable to owners of the parent	22.9	-1.0	185.3	176.6	-1,423.1	-158.8	0.0	0.0	-1,382.6	968.2
Operating income	99.4	86.1	412.6	417.3	183.3	210.1	-59.3	-44.2	6,877.9	6,771.8
Operating expenses	-58.2	-58.6	-179.1	-187.0	-710.5	-735.4	485.9	510.2	-3,787.3	-3,868.9
Operating result	41.1	27.4	233.4	230.3	-527.2	-525.4	426.6	466.0	3,090.7	2,902.9
Risk-weighted assets (credit risk, eop)	2,672	1,936	2,756	2,530	2,739	2,248	0	0	87,105	84,698
Average allocated capital	209	175	493	448	5,010	5,319	0	0	14,431	14,226
Cost/income ratio	58.6%	68.1%	43.4%	44.8%	>100.0%	>100.0%	>100.0%	>100.0%	55.1%	57.1%
Return on allocated capital	10.9%	-0.5%	38.3%	40.5%	-28.7%	-2.4%			-8.7%	9.0%
Total assets (eop)	3,656	2,968	18,022	19,534	12,093	10,955	-38,899	-35,738	196,287	199,743
Total liabilities excluding equity (eop)	93	69	11,456	12,161	11,716	9,648	-38,977	-35,799	182,844	184,936
Impairments and risk provisions	-13.0	-54.7	-0.1	2.5	-991.0	11.9	0.0	0.0	-3,206.2	-851.5
Net impairment loss on loans and receivables to credit institutions/customers	-17.7	-53.1	-0.2	2.5	-18.7	-25.7	0.0	0.0	-2,044.9	-666.5
Net impairment loss on other financial assets not measured at fair value through profit or loss	4.8	0.1	0.1	0.0	-46.0	-10.0	0.0	0.0	-38.8	-62.6
Allocations/releases of provisions for contingent credit risk liabilities	-0.1	-1.7	0.0	0.0	33.8	59.4	0.0	0.0	-16.2	-63.0
Impairment of goodwill	0.0	0.0	0.0	0.0	-475.0	0.0	0.0	0.0	-475.0	0.0
Net impairment loss on other non-financial assets	0.0	0.0	0.0	0.0	-485.1	-11.8	0.0	0.0	-631.4	-59.4

Geographical segmentation - overview

in EUR million	Austria		Central and Eastern Europe		Other		Total group	
	2014	2015	2014 restated	2015	2014	2015	2014 restated	2015
Net interest income	1,900.7	1,971.7	2,418.8	2,301.0	175.7	171.9	4,495.2	4,444.7
Net fee and commission income	948.2	997.3	926.6	895.3	-4.9	-30.8	1,869.8	1,861.8
Dividend income	54.6	35.2	3.4	5.0	16.2	9.7	74.2	49.9
Net trading and fair value result	13.0	6.6	239.6	200.2	-10.3	3.3	242.3	210.1
Net result from equity method investments	2.7	1.9	9.2	12.5	3.9	3.1	15.8	17.5
Rental income from investment properties & other operating leases	101.5	100.3	69.7	66.6	9.4	20.9	180.6	187.9
General administrative expenses	-1,886.1	-1,932.1	-1,658.2	-1,693.8	-242.9	-243.0	-3,787.3	-3,868.9
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	27.7	65.0	4.5	14.2	-13.9	21.7	18.3	100.9
Net impairment loss on financial assets not measured at fair value through profit or loss	-573.1	-225.9	-1,433.5	-422.6	-77.1	-80.5	-2,083.7	-729.1
Other operating result	-44.1	-92.2	-621.9	-454.8	-1,086.9	-88.7	-1,752.9	-635.6
Levies on banking activities	-29.8	-29.8	-125.7	-107.6	-100.8	-98.8	-256.3	-236.2
Pre-tax result from continuing operations	545.1	927.8	-41.8	923.7	-1,231.0	-212.4	-727.7	1,639.1
Taxes on income	-173.0	-216.4	-151.8	-184.0	-196.6	36.4	-521.5	-363.9
Net result for the period	372.1	711.4	-193.7	739.7	-1,427.6	-176.0	-1,249.2	1,275.1
Net result attributable to non-controlling interests	170.2	278.7	-20.4	-1.0	-16.4	29.3	133.4	307.0
Net result attributable to owners of the parent	201.9	432.7	-173.3	740.8	-1,411.2	-205.3	-1,382.6	968.2
Operating income	3,020.7	3,113.0	3,667.3	3,480.7	189.9	178.1	6,877.9	6,771.8
Operating expenses	-1,886.1	-1,932.1	-1,658.2	-1,693.8	-242.9	-243.0	-3,787.3	-3,868.9
Operating result	1,134.6	1,180.9	2,009.1	1,786.9	-53.0	-64.9	3,090.7	2,902.9
Risk-weighted assets (credit risk, eop)	51,294	48,769	32,565	33,301	3,245	2,627	87,105	84,698
Average allocated capital	4,540	4,186	4,036	3,886	5,856	6,155	14,431	14,226
Cost/income ratio	62.4%	62.1%	45.2%	48.7%	>100.0%	>100.0%	55.1%	57.1%
Return on allocated capital	8.2%	17.0%	-4.8%	19.0%	-24.4%	-2.9%	-8.7%	9.0%
Total assets (eop)	131,916	131,151	75,181	79,266	-10,810	-10,674	196,287	199,743
Total liabilities excluding equity (eop)	108,069	106,655	67,132	70,588	7,643	7,693	182,844	184,936
Impairments and risk provisions	-668.8	-325.6	-1,532.1	-486.3	-1,005.4	-39.6	-3,206.2	-851.5
Net impairment loss on loans and receivables to credit institutions/customers	-581.1	-206.9	-1,432.7	-422.4	-31.1	-37.2	-2,044.9	-666.5
Net impairment loss on other financial assets not measured at fair value through profit or loss	8.0	-19.1	-0.7	-0.2	-46.0	-43.3	-38.8	-62.6
Allocations/releases of provisions for contingent credit risk liabilities	-42.1	-82.2	-5.9	-33.5	31.8	52.7	-16.2	-63.0
Impairment of goodwill	0.0	0.0	0.0	0.0	-475.0	0.0	-475.0	0.0
Net impairment loss on other non-financial assets	-53.6	-17.5	-92.7	-30.1	-485.1	-11.8	-631.4	-59.4

Geographical area - Austria

in EUR million	EBOe & Subsidiaries		Savings Banks		Other Austria		Austria	
	2014	2015	2014	2015	2014	2015	2014	2015
Net interest income	613.5	638.2	891.8	926.4	395.4	407.1	1,900.7	1,971.7
Net fee and commission income	354.9	370.8	419.3	439.3	174.0	187.2	948.2	997.3
Dividend income	22.0	9.4	24.7	23.1	7.9	2.7	54.6	35.2
Net trading and fair value result	8.7	-0.6	1.1	3.1	3.1	4.1	13.0	6.6
Net result from equity method investments	2.1	1.4	0.0	0.0	0.7	0.5	2.7	1.9
Rental income from investment properties & other operating leases	19.2	19.4	42.0	40.0	40.4	40.8	101.5	100.3
General administrative expenses	-630.7	-640.3	-932.1	-966.0	-323.3	-325.9	-1,886.1	-1,932.1
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	-0.4	0.1	27.7	45.8	0.4	19.2	27.7	65.0
Net impairment loss on financial assets not measured at fair value through profit or loss	-104.5	-59.0	-199.4	-83.6	-269.2	-83.3	-573.1	-225.9
Other operating result	6.7	-25.6	-43.1	-39.5	-7.6	-27.1	-44.1	-92.2
Levies on banking activities	-13.8	-14.9	-15.9	-15.0	0.0	0.0	-29.8	-29.8
Pre-tax result from continuing operations	291.4	313.8	232.0	388.7	21.7	225.3	545.1	927.8
Taxes on income	-65.1	-73.5	-54.7	-89.4	-53.2	-53.5	-173.0	-216.4
Net result for the period	226.3	240.3	177.3	299.4	-31.5	171.8	372.1	711.4
Net result attributable to non-controlling interests	11.8	10.1	158.9	259.1	-0.5	9.5	170.2	278.7
Net result attributable to owners of the parent	214.5	230.2	18.4	40.2	-31.0	162.3	201.9	432.7
Operating income	1,020.3	1,038.6	1,379.0	1,432.0	621.5	642.4	3,020.7	3,113.0
Operating expenses	-630.7	-640.3	-932.1	-966.0	-323.3	-325.9	-1,886.1	-1,932.1
Operating result	389.6	398.4	446.9	466.0	298.1	316.5	1,134.6	1,180.9
Risk-weighted assets (credit risk, eop)	12,589	12,482	22,511	21,955	16,194	14,332	51,294	48,769
Average allocated capital	1,088	1,073	1,968	1,774	1,484	1,339	4,540	4,186
Cost/income ratio	61.8%	61.6%	67.6%	67.5%	52.0%	50.7%	62.4%	62.1%
Return on allocated capital	20.8%	22.4%	9.0%	16.9%	-2.1%	12.8%	8.2%	17.0%
Total assets (eop)	43,106	40,560	56,704	57,953	32,106	32,638	131,916	131,151
Total liabilities excluding equity (eop)	40,728	38,821	52,684	53,835	14,657	13,999	108,069	106,655
Impairments and risk provisions	-106.7	-76.6	-221.3	-86.9	-340.7	-162.1	-668.8	-325.6
Net impairment loss on loans and receivables to credit institutions/customers	-106.3	-49.6	-193.6	-73.9	-281.1	-83.4	-581.1	-206.9
Net impairment loss on other financial assets not measured at fair value through profit or loss	1.9	-9.4	-5.8	-9.7	11.9	0.1	8.0	-19.1
Allocations/releases of provisions for contingent credit risk liabilities	-0.9	-11.7	-18.3	-1.7	-22.9	-68.9	-42.1	-82.2
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net impairment loss on other non-financial assets	-1.4	-5.9	-3.6	-1.6	-48.6	-9.9	-53.6	-17.5

Geographical area - Central and Eastern Europe

in EUR million	Czech Republic		Romania		Slovakia		Hungary		Croatia		Serbia		Central and Eastern Europe	
	2014	2015	2014 restated	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014 restated	2015
Net interest income	924.0	911.2	484.7	428.7	451.0	457.5	263.4	194.4	261.2	268.3	34.4	40.8	2,418.8	2,301.0
Net fee and commission income	410.6	375.8	160.0	163.2	123.4	121.4	139.3	137.5	79.9	84.8	13.4	12.6	926.6	895.3
Dividend income	1.8	2.5	0.6	1.3	0.7	0.9	0.1	0.2	0.2	0.2	0.0	0.0	3.4	5.0
Net trading and fair value result	83.1	103.5	81.2	69.4	9.6	8.8	38.8	-0.5	24.1	15.9	2.9	3.2	239.6	200.2
Net result from equity method investments	0.0	0.0	0.2	0.6	6.9	9.1	0.0	0.0	2.2	2.6	-0.2	0.2	9.2	12.5
Rental income from investment properties & other operating leases	29.9	26.8	5.5	9.1	1.8	1.9	0.8	0.9	31.7	27.6	0.0	0.3	69.7	66.6
General administrative expenses	-662.2	-681.2	-331.9	-340.5	-266.2	-266.1	-175.8	-179.9	-183.5	-187.0	-38.6	-39.0	-1,658.2	-1,693.8
Gains/losses from financial assets and liabilities not measured at fair value through profit or loss, net	5.3	16.5	-0.1	1.1	1.3	0.9	-3.6	-4.7	1.5	0.4	0.0	0.0	4.5	14.2
Net impairment loss on financial assets not measured at fair value through profit or loss	-135.4	-97.1	-923.5	16.4	-51.4	-58.0	-152.2	-105.8	-155.3	-167.3	-15.7	-10.8	-1,433.5	-422.6
Other operating result	-21.9	-37.3	-117.1	-141.2	-44.2	-33.4	-431.3	-106.9	-6.0	-135.4	-1.3	-0.6	-621.9	-454.8
Levies on banking activities	0.0	0.0	0.0	0.0	-31.5	-23.6	-94.2	-84.0	0.0	0.0	0.0	0.0	-125.7	-107.6
Pre-tax result from continuing operations	635.1	620.7	-640.4	208.1	233.0	243.0	-320.6	-64.8	56.2	-90.0	-5.1	6.7	-41.8	923.7
Taxes on income	-124.1	-124.9	47.7	-17.1	-54.2	-58.5	-10.0	-7.8	-8.9	24.6	-2.3	-0.1	-151.8	-184.0
Net result for the period	511.1	495.8	-592.8	191.0	178.7	184.5	-330.6	-72.6	47.3	-65.4	-7.3	6.5	-193.7	739.7
Net result attributable to non-controlling interests	4.9	5.3	-38.0	12.3	0.0	0.0	0.0	0.0	14.7	-19.9	-1.9	1.2	-20.4	-1.0
Net result attributable to owners of the parent	506.2	490.6	-554.7	178.7	178.7	184.4	-330.6	-72.6	32.6	-45.5	-5.4	5.3	-173.3	740.8
Operating income	1,449.4	1,419.9	732.2	672.2	593.5	599.6	442.3	332.5	399.3	399.3	50.5	57.1	3,667.3	3,480.7
Operating expenses	-662.2	-681.2	-331.9	-340.5	-266.2	-266.1	-175.8	-179.9	-183.5	-187.0	-38.6	-39.0	-1,658.2	-1,693.8
Operating result	787.1	738.7	400.3	331.7	327.3	333.5	266.5	152.6	215.9	212.3	11.9	18.1	2,009.1	1,786.9
Risk-weighted assets (credit risk, eop)	13,745	14,406	5,676	5,489	4,416	4,905	3,409	3,328	4,664	4,369	655	803	32,565	33,301
Average allocated capital	1,429	1,438	1,089	932	512	543	490	430	443	461	72	82	4,036	3,886
Cost/income ratio	45.7%	48.0%	45.3%	50.7%	44.9%	44.4%	39.7%	54.1%	45.9%	46.8%	76.4%	68.4%	45.2%	48.7%
Return on allocated capital	35.8%	34.5%	-54.4%	20.5%	34.9%	34.0%	-67.5%	-16.9%	10.7%	-14.2%	-10.2%	7.9%	-4.8%	19.0%
Total assets (eop)	32,546	35,512	13,747	13,784	12,965	13,978	5,981	6,090	9,114	8,902	829	1,000	75,181	79,266
Total liabilities excluding equity (eop)	28,798	31,211	12,652	12,486	11,483	12,441	5,419	5,582	8,073	8,002	708	867	67,132	70,588
Impairments and risk provisions	-128.1	-116.9	-1,007.7	0.3	-60.8	-54.9	-161.3	-127.7	-157.4	-176.0	-16.8	-11.1	-1,532.1	-486.3
Net impairment loss on loans and receivables to credit institutions/customers	-135.5	-97.1	-923.5	16.7	-51.4	-58.1	-152.2	-105.8	-154.4	-167.3	-15.7	-10.8	-1,432.7	-422.4
Net impairment loss on other financial assets not measured at fair value through profit or loss	0.1	0.1	0.0	-0.3	0.0	0.0	0.0	0.0	-0.9	0.0	0.0	0.0	-0.7	-0.2
Allocations/releases of provisions for contingent credit risk liabilities	3.6	-6.1	-4.0	-6.5	-6.0	3.0	1.3	-19.1	-0.3	-4.8	-0.5	0.0	-5.9	-33.5
Impairment of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net impairment loss on other non-financial assets	3.7	-13.8	-80.2	-9.6	-3.5	0.2	-10.4	-2.8	-1.8	-3.8	-0.6	-0.2	-92.7	-30.1