

# BAWAG GROUP REPORTS STRONG H1 2017 PROFIT BEFORE TAX OF EUR 251 MILLION

- ▶ Profit before tax of EUR 251 million, +3% versus prior year
- ▶ Return on tangible equity (@12% CET1) of 18.3%
- ▶ Core revenues of EUR 502 million, +5%
- ▶ Operating income of EUR 521 million, +3%
- ▶ Operating expenses up 1% due to acquisitions
- ▶ Cost-income ratio improved to 41.7%, -0.9pts
- ▶ Net interest margin stable at 2.23% versus Q1 2017
- ▶ Fully loaded CET1 ratio of 16.5%, +140bps versus year-end 2016

VIENNA, Austria – August 3, 2017 – BAWAG Group today reports a **strong profit before tax of EUR 251 million** for the first half 2017, up 3% versus the prior year driven by higher operating income. The **return on tangible equity (@12% CET1)<sup>1)</sup> came in at 18.3%**. **Higher operating expenses** were driven by fully absorbing the Bank's acquisitions that were completed during the fourth quarter 2016. Nevertheless, the **cost-income ratio was down 0.9pts to 41.7%**. The **net interest margin remained stable at 2.23%** compared to the first quarter 2017. The Bank has **increased its fully loaded CET1 ratio by 140bps to 16.5%** versus year-end 2016.

*“BAWAG P.S.K. delivered strong results in the first half 2017, while continuing to execute on various operational and strategic initiatives. We maintained our low-risk strategy focused on the DACH region, with Austria as our foundation, while providing our customers with simple, transparent and best-in-class products and services. In line with this strategy, we recently announced the signing of the acquisition of Südwestbank, a medium-sized regional bank headquartered in Stuttgart, Germany. This complements our Austrian business and offers us a solid foundation for growth in the German market. Our strong half-year results reiterate that BAWAG P.S.K. is well positioned to win in this competitive and evolving European banking landscape,”* commented Chief Executive Officer **Anas Abuzaakouk**.

## Strong capital ratios

The management team continues to run the Bank on a fully loaded basis from a capital standpoint. The fully loaded CET1 ratio improved by 140bps to 16.5% (Dec 2016: 15.1%) and the fully loaded total capital ratio by 130bps to 19.3% (Dec 2016: 18.0%), driven by organic earnings. Due to the recently announced acquisitions this year, the Bank maintains a capital position significantly above both regulatory requirements and the management's CET1 target ratio of 12%.

## Acquisition of Südwestbank

In mid-July 2017, BAWAG P.S.K. successfully signed an agreement to acquire Südwestbank, a regional bank with over EUR 7 billion assets and approximately 100,000 retail and corporate customers headquartered in Stuttgart, Germany. The expertise and long-standing tradition of Südwestbank in Baden-Württemberg, an economically strong region, make the bank an ideal partner to help BAWAG P.S.K. expand its footprint and customer base in Germany. This transaction is part of BAWAG P.S.K.'s larger DACH regional strategy and will provide the Bank access to excellent customers in a highly attractive market. The transaction is expected to close in the second half 2017.

### BAWAG P.S.K. upgraded by Moody's

In April 2017, the long-term senior unsecured debt, issuer and deposit ratings were all raised by one notch to A2, while the positive outlook on these ratings was maintained. At the same time, the Bank's standalone rating as well as its subordinate debt rating were also upgraded by one notch to baa1 and Baa2, respectively. Taken together with our Fitch rating, this makes BAWAG P.S.K. one of the few banks across Europe with two ratings in the single A category.

### BAWAG P.S.K. awarded "Austria's Best Bank 2017" by *Global Finance*

In addition to the Moody's upgrades, *Global Finance*, one of the leading magazines for finance and capital market issues, awarded BAWAG P.S.K. as "Austria's Best Bank 2017" in March 2017. After having received *The Banker's* "Bank of the Year 2016" award for Austria in December 2016, we are again proud to be recognized for the successful development of the Bank.

### Key business highlights in H1 2017

BAWAG P.S.K. successfully executed on its business plans in the first half 2017, delivering another quarter of strong results.

**Operating income** increased by 3% to EUR 521 million. Despite a continued low-interest rate environment, **net interest income** rose 5% to EUR 395 million in the first half 2017, primarily driven by net asset growth and lower funding costs. **Net commission income** increased by 3% to EUR 106 million. The **net interest margin** remained stable at 2.23% compared to the first quarter 2017, reflecting the Bank's dedicated focus on risk-adjusted pricing and optimizing the liability structure.

**Operating expenses** increased by 1% to EUR 218 million in the first half 2017 and were driven by fully absorbing the acquisitions that were completed during the fourth quarter 2016. Despite higher operating expenses, the **cost-income ratio** in the first half 2017 further improved by 0.9pts to 41.7%. The operating expenses are expected to decrease as integration efforts from these acquisitions are realized through the course of the year.

**Risk costs** in the first half 2017 increased on an absolute basis driven by precautionary provisions booked on exposures in the oil & gas sector. The Bank continues to maintain a conservative risk profile characterized by disciplined underwriting, low leverage and a business model focused on developed markets in Austria and Western Europe. This is best reflected in a **risk cost ratio** of 17bps and an **NPL ratio** of 1.9% as of June 2017.

**Regulatory charges** amounted to EUR 28 million as we had to front-load approximately 90% of the total regulatory charges anticipated for the full year during the first half 2017.

For comparison purposes, BAWAG P.S.K. focuses on **profit before tax** as net profit in the first half 2016 was significantly impacted by a one-time tax benefit. Profit before tax was EUR 251 million, up 3% compared to the first half 2016 driven by higher operating income.

**Loans and receivables with customers** increased by 18% to EUR 28.0 billion compared to June 2016, reflecting the acquisition of start:bausparkasse and IMMO-BANK in December 2016. The overall customer loan book continued to be comprised of two-thirds exposure to Austria and one-third to Western Europe and the United States. The total new origination volume in the first half 2017 was more than EUR 2 billion.

The **funding** of BAWAG P.S.K. continues to be based on stable customer deposits of EUR 25.4 billion, representing two-thirds of the overall funding base. The increase of 15% compared to June 2016 mainly results from the acquisition of start:bausparkasse and IMMO-BANK. The funding costs continued to decrease as the product mix, volume and pricing were optimized. At the end of June 2017, the blended overall retail deposit rate stood at 0.19%, down 9bps versus a year ago.

### Segment reporting

The **BAWAG P.S.K. Retail** segment, consisting of the Bank's retail and small business lending to domestic customers, social housing activities and real estate leasing, also includes start:bausparkasse and parts of IMMO-BANK. The segment achieved a profit before tax of EUR 117 million in the first half 2017, up 45% compared to the same period last year, while delivering a pre-tax return on equity (@12% CET1) of 28.4% and a cost-income ratio of 47.7%. Higher core revenues resulted from the continued enhancements in our core products as well as from the recent acquisitions of start:bausparkasse and IMMO-BANK. Overall risk metrics reflect the high credit quality of the retail business, with a risk cost ratio of 28bps (down 10bps versus the first half 2016) and an NPL ratio of 2.1% (down 30bps versus the first half 2016). The increase in regulatory charges is due to already having to book the full-year accruals for the deposit guarantee scheme.

The **easygroup** segment, comprising *easybank*, one of Austria's leading direct banks, the auto and mobile leasing platforms as well as performing residential mortgage portfolios in Western Europe, achieved a profit before tax of EUR 71 million in the first half 2017, up 59% compared to the first half 2016, with a pre-tax return on equity (@12% CET1) of 43.2% and a cost-income ratio of 19.0%. The underlying performance reflects the purchase of a high-quality performing residential mortgage portfolio in Western Europe in December 2016. The segment will benefit significantly from the announced acquisition of the PayLife card issuing business, providing access to a solid customer base, an elite credit card team and important distribution partnerships. The transaction is expected to close in the second half of 2017. The approval from the Austrian Competition Authority has already been obtained.

The **DACH Corporates & Public Sector** segment includes corporate and public lending and other fee-driven financial services for mainly Austrian customers and select client relationships in Germany and Switzerland. The segment contributed EUR 38 million to the Bank's profit before tax, up 6% compared to the first half 2016 and delivering a pre-tax return on equity (@12% CET1) of 17.4%. Core revenues decreased by 14% to EUR 52 million compared to the same period last year, resulting from the competitive market environment with continued pressure on margins. The overall quality of the portfolio further improved compared to the first half 2016, with an NPL ratio of 0.9% (down 40bps). This is a reflection of the prior years' de-risking activities and the overall high asset quality.

The **International Business** segment comprises international corporate, real estate and portfolio lending outside the DACH region, primarily in Western Europe and the United States. The segment contributed EUR 34 million to the Bank's profit before tax in the first half 2017, down 38% compared to the same period last year due to higher operating expenses and risk costs, while still delivering a pre-tax return on equity (@12% CET1) of 14.9%. Despite higher-than-anticipated early redemptions and general pressure on margins, core revenues remained largely stable. Similar to the DACH corporate lending business, the international business is characterized by high-quality assets and a low NPL ratio of 0.9%.

**Treasury Services & Markets** manages the Bank's investment portfolio of financial securities of EUR 6.0 billion and a liquidity reserve of EUR 1.8 billion. The investment portfolio's average maturity was five years, comprising 97% of investment grade securities, of which 86% were rated single A or higher. As of 30 June 2017, the portfolio had no direct exposure to China, Russia, Hungary or South-Eastern Europe. Direct exposure to the UK is moderate and focuses on internationally diversified issuers with solid credit quality. The segment contributed EUR 27 million to the Bank's profit before tax in the first half 2017, up 28% compared to the same period in 2016, and delivered a pre-tax return on equity (@12% CET1) of 16.7%. Operating income was up 20%, supported by higher gains on financial instruments.

### **About BAWAG Group**

BAWAG Group AG is the holding company of BAWAG P.S.K., with its headquarters in Vienna.

### **About BAWAG P.S.K.**

With more than 2.2 million customers, BAWAG P.S.K. is one of Austria's largest, most profitable and best capitalized banks operating under a well-recognized national brand. We apply a low-risk, highly efficient, simple and transparent business model focused on Austria and other developed markets – with two-thirds of our customer loans within Austria. The remaining customer loans are predominantly in Western Europe and the United States. We serve Austrian retail, small business and corporate customers across the country, offering comprehensive savings, payment, lending, leasing, investment, building society and insurance products and services. Our Austrian business is complemented by international activities focused on retail, corporate, commercial real estate and portfolio lending in Western developed countries. This strategy provides us with earnings diversification and growth opportunities, while maintaining a conservative risk profile with disciplined underwriting.

We run the Bank in a safe and secure manner with a strong balance sheet, low leverage and solid capitalization. Delivering simple, transparent and best-in-class products and services that meet our customers' needs is our consistent strategy across all business units.

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This text can also be downloaded from our website: <https://www.bawaggroup.com>

Note: In this press release, any data is presented on the BAWAG Group level (referred to as BAWAG P.S.K. throughout the document).

## Profit or loss statement

| in EUR million  | Q2<br>2017     | Q2<br>2016     | Change<br>(%) | Jan–Jun<br>2017 | Jan–Jun<br>2016 | Change<br>(%) |
|---|----------------|----------------|---------------|-----------------|-----------------|---------------|
| Interest income   | 266.9          | 262.1          | 1.8           | 548.9           | 528.6           | 3.8           |
| Interest expense  | (75.0)         | (73.0)         | 2.7           | (160.3)         | (154.3)         | 3.9           |
| Dividend income   | 6.8            | 1.9            | >100          | 6.8             | 2.0             | >100          |
| <b>Net interest income</b>  | <b>198.7</b>   | <b>191.0</b>   | <b>4.0</b>    | <b>395.4</b>    | <b>376.3</b>    | <b>5.1</b>    |
| Fee and commission income   | 71.0           | 67.2           | 5.7           | 142.8           | 140.8           | 1.4           |
| Fee and commission expenses   | (14.7)         | (15.1)         | (2.6)         | (36.7)          | (37.8)          | (2.9)         |
| <b>Net fee and commission income</b>  | <b>56.3</b>    | <b>52.1</b>    | <b>8.1</b>    | <b>106.1</b>    | <b>103.0</b>    | <b>3.0</b>    |
| <b>Core revenues</b>  | <b>255.0</b>   | <b>243.1</b>   | <b>4.9</b>    | <b>501.5</b>    | <b>479.3</b>    | <b>4.6</b>    |
| Gains and losses on financial instruments and other operating income and expenses <sup>1)</sup> | 1.3            | 11.6           | (88.8)        | 19.7            | 25.8            | (23.6)        |
| <b>Operating income</b>   | <b>256.3</b>   | <b>254.7</b>   | <b>0.6</b>    | <b>521.2</b>    | <b>505.1</b>    | <b>3.2</b>    |
| <b>Operating expenses<sup>1)</sup></b>  | <b>(110.5)</b> | <b>(111.2)</b> | <b>(0.6)</b>  | <b>(217.6)</b>  | <b>(215.2)</b>  | <b>1.1</b>    |
| Regulatory charges  | (2.9)          | (17.5)         | (83.4)        | (28.1)          | (34.0)          | (17.4)        |
| <b>Operating profit</b>   | <b>142.9</b>   | <b>126.0</b>   | <b>13.4</b>   | <b>275.5</b>    | <b>255.9</b>    | <b>7.7</b>    |
| Provisions and loan-loss provisions   | (10.9)         | (5.6)          | 94.6          | (21.3)          | (12.7)          | 67.7          |
| Impairment losses   | (0.4)          | (0.8)          | (50.0)        | (0.4)           | (0.8)           | (50.0)        |
| Operational risk  | (4.3)          | (0.8)          | >100          | (5.0)           | (2.4)           | >100          |
| Share of the profit or loss of associates accounted for using the equity method                 | 0.7            | 3.9            | (82.1)        | 1.8             | 4.3             | (58.1)        |
| <b>Profit before tax</b>  | <b>128.0</b>   | <b>122.7</b>   | <b>4.3</b>    | <b>250.6</b>    | <b>244.4</b>    | <b>2.5</b>    |
| Income taxes  | (20.6)         | (21.4)         | (3.7)         | (47.1)          | 39.3            | –             |
| <b>Profit after tax</b>   | <b>107.4</b>   | <b>101.3</b>   | <b>6.0</b>    | <b>203.5</b>    | <b>283.7</b>    | <b>(28.3)</b> |
| Non-controlling interests   | 0.0            | (0.1)          | (100)         | 0.0             | (0.2)           | (100)         |
| <b>Net profit</b>   | <b>107.4</b>   | <b>101.2</b>   | <b>6.1</b>    | <b>203.5</b>    | <b>283.5</b>    | <b>(28.2)</b> |

1) In accordance with IFRS, the item Other operating income and expenses also includes regulatory charges in the amount of EUR 27.1 million for the first half 2017. The item Operating expenses includes regulatory charges in the amount of EUR 1.0 million for the first half 2017 as well. However, the Bank's management considers regulatory charges as a separate expense. Accordingly, they are shown in a separate expense line.

## Total assets

| in EUR million                    | Jun<br>2017   | Dec<br>2016   | Change<br>(%) | Jun<br>2016   | Change<br>(%) |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash reserves                     | 887           | 1,020         | (13.0)        | 533           | 66.4          |
| Financial assets                  | 6,063         | 6,416         | (5.5)         | 6,586         | (7.9)         |
| Available-for-sale                | 3,043         | 3,209         | (5.2)         | 2,990         | 1.8           |
| Held-to-maturity                  | 2,319         | 2,353         | (1.4)         | 2,328         | (0.4)         |
| Held for trading                  | 510           | 652           | (21.8)        | 1,036         | (50.8)        |
| Fair value through profit or loss | 191           | 202           | (5.4)         | 232           | (17.7)        |
| Loans and receivables             | 31,445        | 30,821        | 2.0           | 25,967        | 21.1          |
| Customers                         | 28,003        | 28,494        | (1.7)         | 23,728        | 18.0          |
| Debt instruments                  | 1,325         | 692           | 91.5          | 903           | 46.7          |
| Credit institutions               | 2,117         | 1,635         | 29.5          | 1,336         | 58.5          |
| Hedging derivatives               | 590           | 677           | (12.9)        | 820           | (28.0)        |
| Tangible non-current assets       | 53            | 56            | (5.4)         | 59            | (10.2)        |
| Intangible non-current assets     | 370           | 360           | 2.8           | 333           | 11.1          |
| Tax assets for current taxes      | 6             | 10            | (40.0)        | 6             | –             |
| Tax assets for deferred taxes     | 163           | 203           | (19.7)        | 234           | (30.3)        |
| Other assets                      | 139           | 180           | (22.8)        | 191           | (27.2)        |
| <b>Total assets</b>               | <b>39,716</b> | <b>39,743</b> | <b>(0.1)</b>  | <b>34,729</b> | <b>14.4</b>   |

### Total liabilities and equity

| in EUR million   | Jun<br>2017   | Dec<br>2016   | Change<br>(%) | Jun<br>2016   | Change<br>(%) |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Total liabilities</b>                                     | <b>36,367</b> | <b>36,607</b> | <b>(0.7)</b>  | <b>31,503</b> | <b>15.4</b>   |
| Financial liabilities  | 35,068        | 34,694        | 1.1           | 29,981        | 17.0          |
| Fair value through profit or loss                            | 847           | 1,115         | (24.0)        | 1,141         | (25.8)        |
| Issued securities  | 847           | 1,115         | (24.0)        | 1,141         | (25.8)        |
| Held for trading   | 405           | 617           | (34.4)        | 965           | (58.0)        |
| At amortized cost  | 33,816        | 32,962        | 2.6           | 27,875        | 21.3          |
| Customers  | 25,359        | 25,998        | (2.5)         | 22,131        | 14.6          |
| Issued securities  | 5,120         | 4,900         | 4.5           | 3,741         | 36.9          |
| Credit institutions  | 3,337         | 2,064         | 61.7          | 2,003         | 66.6          |
| Financial liabilities associated with transferred assets     | –             | 300           | (100)         | –             | –             |
| Valuation adjustment on interest rate risk hedged portfolios | 135           | 223           | (39.5)        | 314           | (57.0)        |
| Hedging derivatives  | 140           | 260           | (46.2)        | 214           | (34.6)        |
| Provisions   | 366           | 404           | (9.4)         | 431           | (15.1)        |
| Tax liabilities for current taxes                            | 21            | 19            | 10.5          | 7             | >100          |
| Tax liabilities for deferred taxes                           | 33            | 27            | 22.2          | –             | 100           |
| Other obligations  | 604           | 680           | (11.2)        | 556           | 8.6           |
| <b>Total equity</b>  | <b>3,349</b>  | <b>3,136</b>  | <b>6.8</b>    | <b>3,226</b>  | <b>3.8</b>    |
| Shareholders' equity   | 3,348         | 3,134         | 6.8           | 3,224         | 3.8           |
| Non-controlling interests                                    | 1             | 2             | (50.0)        | 2             | (50.0)        |
| <b>Total liabilities and equity</b>                          | <b>39,716</b> | <b>39,743</b> | <b>(0.1)</b>  | <b>34,729</b> | <b>14.4</b>   |

### Key performance indicators over five quarters

| in %                                  | Q2<br>2017 | Q1<br>2017 | Q4<br>2016 | Q3<br>2016 | Q2<br>2016 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Return on equity                      | 13.1%      | 12.1%      | 13.5%      | 13.0%      | 14.1%      |
| Return on equity (@12% CET1)          | 16.6%      | 14.8%      | 16.5%      | 15.9%      | 16.4%      |
| Return on tangible equity             | 14.7%      | 13.6%      | 15.2%      | 14.6%      | 16.0%      |
| Return on tangible equity (@12% CET1) | 19.3%      | 17.2%      | 19.2%      | 18.4%      | 18.9%      |
| Net interest margin                   | 2.23%      | 2.23%      | 2.20%      | 2.30%      | 2.44%      |
| Cost-income ratio                     | 43.1%      | 40.5%      | 49.0%      | 43.2%      | 43.7%      |
| Risk costs / loans and receivables    | 0.19%      | 0.14%      | 0.25%      | 0.14%      | 0.11%      |



## Business segment performance

| <b>Jan–Jun 2017</b><br>in EUR million   | BAWAG<br>P.S.K.<br>Retail | easygroup     | DACH<br>Corporates<br>& Public<br>Sector | International<br>Business | Treasury<br>Services &<br>Markets | Corporate<br>Center | Total          |
|---|---------------------------|---------------|--|---------------------------|-----------------------------------|---------------------|----------------|
| Net interest income   | 197.5                     | 78.3          | 31.9                                     | 65.4                      | 24.9                              | (2.6)               | 395.4          |
| Net fee and commission<br>income  | 82.3                      | 5.4           | 19.8                                     | 0.0                       | 0.0                               | (1.4)               | 106.1          |
| <b>Core revenues</b>  | <b>279.8</b>              | <b>83.7</b>   | <b>51.7</b>                              | <b>65.4</b>               | <b>24.9</b>                       | <b>(4.0)</b>        | <b>501.5</b>   |
| Gains and losses on financial<br>instruments  | 0.8                       | 0.0           | 1.7                                      | (0.5)                     | 9.8                               | 5.5                 | 17.3           |
| Other operating income and<br>expenses  | 1.1                       | (0.5)         | 0.0                                      | 0.0                       | 0.0                               | 1.8                 | 2.4            |
| <b>Operating income</b>   | <b>281.7</b>              | <b>83.2</b>   | <b>53.4</b>                              | <b>64.9</b>               | <b>34.7</b>                       | <b>3.3</b>          | <b>521.2</b>   |
| <b>Operating expenses</b>   | <b>(134.4)</b>            | <b>(15.8)</b> | <b>(20.9)</b>                            | <b>(15.0)</b>             | <b>(8.0)</b>                      | <b>(23.5)</b>       | <b>(217.6)</b> |
| Regulatory charges  | (14.3)                    | (2.4)         | –  | –                         | –                                 | (11.4)              | (28.1)         |
| Total risk costs  | (16.5)                    | 5.7           | 5.5                                      | (15.5)                    | 0.0                               | (5.9)               | (26.7)         |
| Share of the profit or loss of<br>associates accounted for<br>using the equity method | –                         | –             | –  | –                         | –                                 | 1.8                 | 1.8            |
| <b>Profit before tax</b>  | <b>116.5</b>              | <b>70.7</b>   | <b>38.0</b>                              | <b>34.4</b>               | <b>26.7</b>                       | <b>(35.7)</b>       | <b>250.6</b>   |
| Income taxes  | –                         | –             | –  | –                         | –                                 | (47.1)              | (47.1)         |
| <b>Profit after tax</b>   | <b>116.5</b>              | <b>70.7</b>   | <b>38.0</b>                              | <b>34.4</b>               | <b>26.7</b>                       | <b>(82.8)</b>       | <b>203.5</b>   |
| Non-controlling interests   | –                         | –             | –  | –                         | –                                 | 0.0                 | 0.0            |
| <b>Net profit</b>   | <b>116.5</b>              | <b>70.7</b>   | <b>38.0</b>                              | <b>34.4</b>               | <b>26.7</b>                       | <b>(82.8)</b>       | <b>203.5</b>   |
| <b>Business volumes</b>   |                           |               |  |                           |                                   |                     |                |
| Assets  | 11,632                    | 4,102         | 7,958                                    | 5,130                     | 7,799                             | 3,095               | 39,716         |
| Liabilities   | 20,856                    | 4,257         | 6,811                                    | 1                         | 2,404                             | 5,387               | 39,716         |
| Risk-weighted assets  | 4,471                     | 2,278         | 2,649                                    | 4,099                     | 2,100                             | 1,320               | 16,917         |

|   | BAWAG<br>P.S.K.<br>Retail | easygroup     | DACH<br>Corporates<br>& Public<br>Sector | International<br>Business | Treasury<br>Services &<br>Markets | Corporate<br>Center | Total          |
|---|---------------------------|---------------|--|---------------------------|-----------------------------------|---------------------|----------------|
| <b>Jan–Jun 2016</b><br>in EUR million   |                           |               |  |                           |                                   |                     |                |
| Net interest income   | 169.4                     | 60.2          | 40.3                                     | 67.8                      | 28.2                              | 10.4                | 376.3          |
| Net fee and commission<br>income  | 74.6                      | 4.6           | 20.1                                     | 0.0                       | 0.0                               | 3.7                 | 103.0          |
| <b>Core revenues</b>  | <b>244.0</b>              | <b>64.8</b>   | <b>60.4</b>                              | <b>67.8</b>               | <b>28.2</b>                       | <b>14.1</b>         | <b>479.3</b>   |
| Gains and losses on financial<br>instruments  | 0.8                       | 0.0           | (0.1)                                    | (1.7)                     | 0.7                               | 22.9                | 22.6           |
| Other operating income and<br>expenses  | 1.0                       | 0.1           | 0.0                                      | 0.0                       | 0.0                               | 2.1                 | 3.2            |
| <b>Operating income</b>   | <b>245.8</b>              | <b>64.9</b>   | <b>60.3</b>                              | <b>66.1</b>               | <b>28.9</b>                       | <b>39.1</b>         | <b>505.1</b>   |
| <b>Operating expenses</b>   | <b>(136.0)</b>            | <b>(15.7)</b> | <b>(25.7)</b>                            | <b>(13.3)</b>             | <b>(8.0)</b>                      | <b>(16.5)</b>       | <b>(215.2)</b> |
| Regulatory charges  | (12.4)                    | (2.5)         | –  | –                         | –                                 | (19.1)              | (34.0)         |
| Total risk costs  | (17.3)                    | (2.1)         | 1.4                                      | 3.0                       | 0.0                               | (0.8)               | (15.8)         |
| Share of the profit or loss of<br>associates accounted for<br>using the equity method | –                         | –             | –  | –                         | –                                 | 4.3                 | 4.3            |
| <b>Profit before tax</b>  | <b>80.1</b>               | <b>44.6</b>   | <b>36.0</b>                              | <b>55.8</b>               | <b>20.9</b>                       | <b>7.0</b>          | <b>244.4</b>   |
| Income taxes  | –                         | –             | –  | –                         | –                                 | 39.3                | 39.3           |
| <b>Profit after tax</b>   | <b>80.1</b>               | <b>44.6</b>   | <b>36.0</b>                              | <b>55.8</b>               | <b>20.9</b>                       | <b>46.3</b>         | <b>283.7</b>   |
| Non-controlling interests   | –                         | –             | –  | –                         | –                                 | (0.2)               | (0.2)          |
| <b>Net profit</b>   | <b>80.1</b>               | <b>44.6</b>   | <b>36.0</b>                              | <b>55.8</b>               | <b>20.9</b>                       | <b>46.1</b>         | <b>283.5</b>   |
| <b>Business volumes</b>   |                           |               |  |                           |                                   |                     |                |
| Assets  | 9,256                     | 3,247         | 7,437                                    | 5,040                     | 6,302                             | 3,447               | 34,729         |
| Liabilities   | 18,158                    | 3,673         | 3,959                                    | 1                         | 2,860                             | 6,078               | 34,729         |
| Risk-weighted assets  | 3,785                     | 1,849         | 2,893                                    | 3,890                     | 1,842                             | 1,404               | 15,663         |