

Oesterreichische Volksbanken-AG (VBAG) Group publishes results for the first quarter of 2012

29 May 2012

- **Result before taxes** of **EUR 39 million** as of 31 March 2012
- **Net interest income** decreased to **EUR 56 million** in the first quarter of 2012
- **Risk provisions** also dropped and stood at **EUR -22 million**
- **Total assets** fell to **EUR 31.6 billion** at the end of the first quarter
- Capital ratios increased, the **tier 1 ratio** in relation to total risk was **11.1%** as of 31 March 2012

Consolidated results as of 31 March 2012

The result of Oesterreichische Volksbanken-AG Group in the first quarter of 2012 was satisfactory. The result before taxes was **EUR 39 million**, the consolidated result after taxes and non-controlling interests amounted to **EUR 22 million**.

Results in detail

Net interest income stood at **EUR 56 million** as of 31 March 2012, down EUR 60 million year-on-year. The decrease is attributable to a large extent to the Non-core Business segment where the interest result declined by EUR 44 million in total. Within the segment, Volksbank Romania accounts for EUR 32 million of the decrease. Net interest income remained below the previous year's level in the Investment Book/Other Operations segment as well since maturing investments were not fully replaced.

Net fee and commission income declined slightly on the comparable period and stood at **EUR 20 million** at the end of the first quarter of the year. The **trading result** could be increased and amounted to **EUR 8 million** as of 31 March 2012.

General administrative expenses decreased by EUR 23 million to **EUR 65 million**. A reduction of costs could be achieved primarily in Volksbank Romania and in the Investment Book/Other Operations segment.

Risk provisions dropped considerably compared to the first quarter of the previous year to **EUR -22 million** (Q1 2011: EUR -45 million). Volksbank Romania was responsible for EUR 18 million of the decrease and the Corporates business area for EUR 4 million.

Income from financial investments amounted to **EUR 35 million** for the first quarter of 2012, representing a year-on-year increase of EUR 9 million. The result from the sale of the VICTORIA Volksbanken insurance companies which was concluded on 16 February 2012 in an amount of EUR 21 million is recognized in this position.





Income from discontinued operations was **EUR 13 million** in the first quarter. The sale of Volksbank International AG (VBI) closed on 15 February 2012. The deconsolidation result (EUR -8 million) and income for the period 1 January to 15 February 2012 of VBI (EUR 21 million) are included here.

Total assets amounted to **EUR 31.6 billion** as of 31 March 2012, representing a decrease of EUR 9.5 billion compared to the end of 2011. This decrease is mainly a consequence of the deconsolidation of Volksbank International AG which accounts for a reduction of EUR 8.8 billion. **Risk-weighted assets** also dropped considerably, from EUR 22.9 billion as of 31 December 2011 to **EUR 16.9 billion** at the end of the first quarter.

Capital ratios rose in the first quarter of the year. This is a result of the deconsolidation of VBI and of the stabilization measures which were concluded between the Republic of Austria and the owners of VBAG in February and approved by the General Assembly in April (capital write-down and subsequent capital increase). The **tier 1 ratio** (in relation to total risk) increased by 2.3 percentage points compared to the end of 2011 to **11.1%** as of 31 March 2012. The **equity ratio** (in relation to total risk) was **16.6%** at the end of March representing a growth of 3.9 percentage points.

The first quarter 2012 interim report is available on VBAG Group's webpage:

www.volksbank.com/investor_relations

*Please contact the investor relations team
(www.volksbank.com/investor_relations) if you have any questions*