VBW and AoV – Investor presentation

August 2024

CONTENT

Overview VBW and AoV

AoV and VBW: overview as of 06/2024

Association of Volksbanks	The Association of Volksbanks (AoV) consists of nine institutions, eight regional Volksbanks and one specialised bank (Österreichische Ärzte- und Apothekerbank AG) Central organisation (CO) of the Association is Volksbank Wien (VBW)
Association assets and capital	Total assets: **EUR 30.8 bn** Risk-weighted assets: **EUR 15.8 bn** CET1 ratio transitional / fully loaded: **15.12% / 15.05%**
Volksbank Wien assets and capital	Total assets: **EUR 14.7 bn** Risk-weighted assets: **EUR 4.8 bn** CET1 ratio transitional / fully loaded: **16.94% / 16.89%**

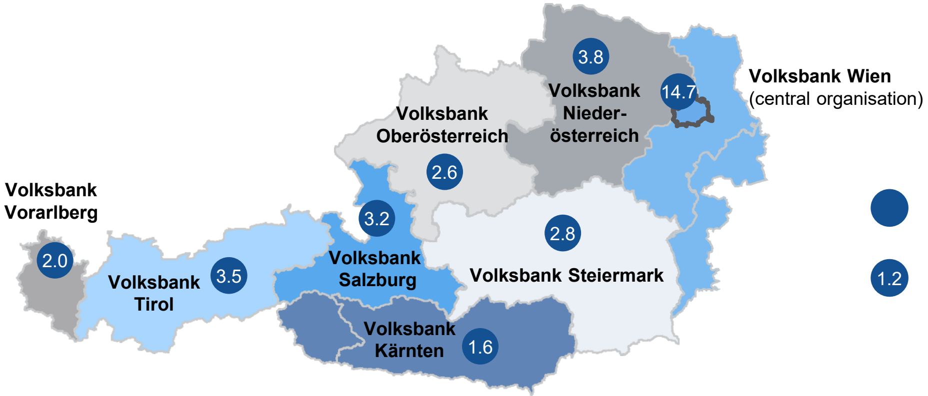
AoV and VBW: ratings

Moody's[1)] (Volksbank Wien)	Long term deposit rating: Baseline credit assessment (BCA): Covered bond rating: Outlook:	**A2** **baa1** **Aaa** **Stable**
Fitch Ratings[2)] (Association, Volksbanks)	Long term issuer default rating (IDR): Viability rating: Outlook:	**BBB+** **bbb+** **Stable**
Sustainalytics[3)] (Volksbank Wien)	ESG risk rating score: ESG risk rating category:	**10.2** **Low ESG risk**

1) 11 April 2024: Moody's upgraded Volksbank Wien's senior unsecured debt rating from A3 (outlook positive) to A2 (outlook stable), at the same time the long-term deposit rating was affirmed at A2 (outlook stable)
2) 25 June 2024: rating affirmed | 3) 14 June 2023: result of rating update published, ESG risk rating score improved to 10.2 from 17.4

Regionally diversified business in Austria

- Volksbank Wien's and the Association's business models are based on **providing services to retail and SME customers in Austria.** At the end of H1 2024, the **Association** had approximately **962 ths customers,** and **Volksbank Wien** had ca. **298 ths customers**
- As of 30 June 2024 **Volksbank Wien had 54 branches,** and the **Association had 232 branches** located throughout Austria
- **VBW is the largest of the regional Volksbanks** by balance sheet size and at the same time acts as **central organisation** of the Association of Volksbanks. Owners of Volksbank Wien are member banks of the Association and holding cooperatives
- The **high degree of economic and prudential integration** allows the central organisation and the regional banks to be treated as one bank for regulatory purposes



Total assets of Volksbanks as of 30 June 2024 (Association: EUR 30.8 bn)[1)]

1.2 Specialised credit institution: **Österreichische Ärzte- und Apothekerbank AG**

1) Consolidation effects are excluded in the graph above leading to an overstatement of total assets shown, Association's consolidated total assets as of 06/2024 EUR 30.8 bn

AoV: key aspects of governance

- The Association of Volksbanks and the individual members of the Association are subject to **direct supervision by the ECB**
- The Association is organised according to **Article 10 CRR** and **Section 30a BWG** (Austrian Banking Act). The **Association Agreement, Cooperation Agreement, Trust Agreement and Agreement on the Division of Association Costs** define the member banks' rights and obligations
- Originally a network of cooperative banks, the Volksbanks chose a legal structure with the **highest degree of integration possible** as described in Article 10, CRR, therefore the Association is characterised by a **high level of cohesion**
- A number of **regulatory requirements** (i.e. capital and liquidity requirements) have to be met on the Association level and by the central organisation only, the other members of the Association are exempt

Centralised processes, streamlined governance	• **Governance strengthened through a clear distribution of tasks within the Association:** the central organisation is responsible for all steering and control tasks, regulatory matters and back-office functions, while the regional Volksbanks focus on sales and customer service • **Centralisation of steering and control functions:** accounting and financial reporting, regulatory reporting, controlling and planning, internal audit, legal, compliance (including tax compliance), treasury, risk controlling, organisation & IT, etc. have been centralised and are carried out by VBW for all Association member banks • **Bundling of back office and service functions** in VBW's subsidiaries *VB Services für Banken* (customer service centres and market service centres, loan processing, payment transactions, etc.) and *VB Infrastruktur und Immobilien* (facility management, banking logistics) • **Standardisation of organisational structure:** a standardised organisational chart has been successfully implemented in all Volksbanks, the organisational structures of all Association member banks are now identical • **A uniform data architecture** has been implemented in all Volksbanks • **Business is focused on all regions of Austria** (no participations abroad)
Joint liability & liquidity scheme	Volksbank Wien and the regional Volksbanks have established a **joint liability & liquidity scheme.** They are mutually obliged to jointly support a member institution should difficulties arise. Liabilities and contributions are unlimited. The Volksbanks have to hold their liquidity at the central organisation which is responsible for the Association's compliance with regulatory liquidity requirements
Right to issue directives	The central organisation is authorised to issue **general or individual directives** to the Volksbanks. General directives are aimed at all Volksbanks while individual directives are issued to specific banks

Financial performance H1 2024

Results H1 2024 at a glance (1/3)

Strategic continuity	• Full commitment to organic growth • Focus on regional business in Austria • Full commitment to and focus on our business model based on providing retail-, SME-, and real estate loans • Focus on fee and commission income through providing banking products from strategic business partners, therefore no consumer lending risks, foreign risks, or investment risks for the Association • Full commitment to and focus on strengthening the CET1 capital base through retained earnings • Further digitalisation of front office and back-office processes • Continued focus on operating efficiency
Growth in customer base	• Strong retail customer base as a strategic advantage and base for further growth • Amounts owed to customers including retail bonds issued further increased in H1 2024 to EUR 23.4 bn (12/2023: EUR 22.6 bn) • Austrian retail demand is still low, but finally improving (June), demand in the SME business is stable (ESG transformation as a driving factor) • Real estate lending in low-risk business with social housing cooperatives with low growth rates • Therefore, only a slight increase in loans and receivables from customers to EUR 22.9 bn (12/2023: EUR 22.7 bn, 06/2023: EUR 22.4 bn) • LDR including retail bonds issued remains below 100%

Results H1 2024 at a glance (2/3)

Operating result remains at a high level despite higher risk costs	• NII remains at a high level (NIM 2.1%), the slight decrease in the NIM is due to the repricing of deposits (change from current accounts to term deposits continues, although on a slowing pace); higher rates on loans to customers are partially offsetting these effects • In H1 2024 net fee and commission income increased from an already high level by +5% yoy (30% of the operating income, 0.9% of total assets) • The operating result remained stable in H1 2024 at 1.06% of total assets • Weak macroeconomic growth and especially the challenging situation on the real estate market in Austria led to higher risk provisions in stage 1+2 (+ EUR 30 mn) and in stage 3 (+ EUR 54 mn) • With a profit after taxes of EUR 72 mn, the Association of Volksbanks' result for the first half year 2024 was solid but, mainly due to higher risk provisions, remained below last year's record level (06/2023: EUR 170 mn)
Stable capital base	• As of 30 June 2024 the Association of Volksbanks shows a CET1 ratio of 15.1% (06/2023: 14.9%; 12/2023: 15.3%) and an improved equity ratio of 20.0% (06/2023: 19.0%; 12/2023: 18.9%)
Costs driven by inflation and IT expenses	• General administrative expenses increased to EUR 284 mn (yoy +10%), mainly driven by higher inflation, investments in digitalisation and process optimisation (operating expenses yoy +EUR 12 mn) and by increased collective labour agreements (personnel expenses yoy +EUR 14 mn) • Consequently, after the record low of 56.7% in H1 2023, the Association's CIR increased to 63.7% in the period under review

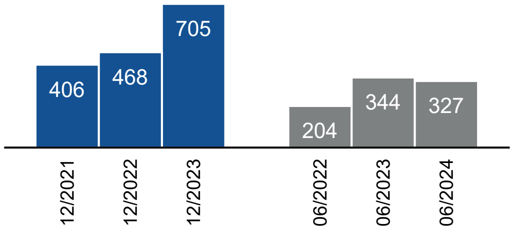
Results H1 2024 at a glance (3/3)

Economic downturn is reflected in risk provisions	• After the downturn of the Austrian economy in 2023 and an only slight recovery in the first half year 2024, statistics show increasing insolvency numbers. The situation on the real estate market remains challenging due to weak demand, higher interest rates and increased construction costs driven by the higher inflation rate. The specific prudential regulation (KIM-VO)[1)] had a dampening effect on customer demand • These negative developments led to an increase of the NPL ratio yoy from 1.9% (06/2023) to 3.4% (06/2024) • Accordingly, risk provisions were increased considerably in H1 2024 and stood at EUR 84 mn
Capital market activities, rating	• To strengthen its capital base, Volksbank Wien successfully placed a EUR 500 mn benchmark T2 bond in March 2024 (term of 10.25 years with a call right after 5.25 years, spread of +310 bps, final order book of EUR 2.1 bn) • The placement of the T2 bond enabled Volksbank Wien to optimise the capital structure and exercise its call right in the outstanding EUR 220 mn AT1 issue in April, and Volksbank Wien continues to evaluate possible options to optimise its capital stack on an ongoing basis • In April 2024 Moody's upgraded Volksbank Wien's senior unsecured debt rating from A3 (outlook positive) to A2 (outlook stable), at the same time the long-term deposit rating was affirmed at A2 (outlook stable)

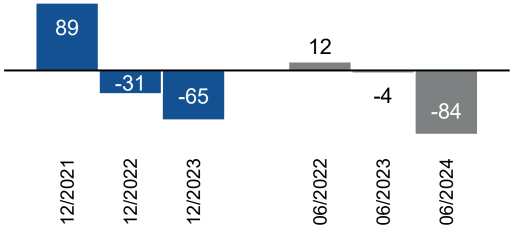
1) KIM-VO: Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung, KIM regulation sets tighter standards for private mortgage loans in terms of minimum equity and minimum DSCR required

AoV: KPIs 12/2021 – 06/2024

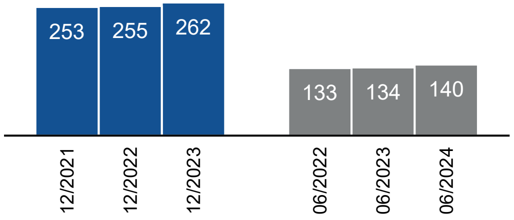
Net interest income
(EUR mn)



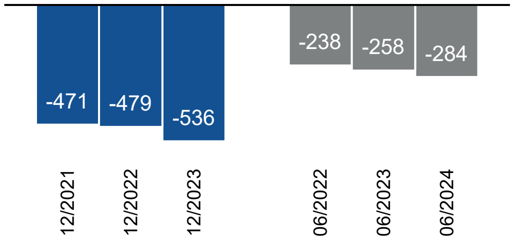
Risk provisions
(EUR mn)



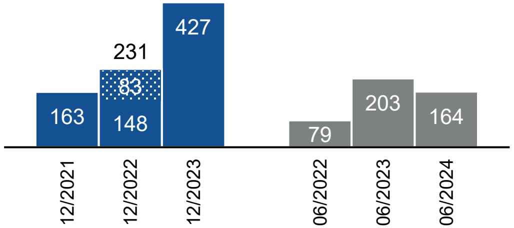
Net fee and commission income
(EUR mn)



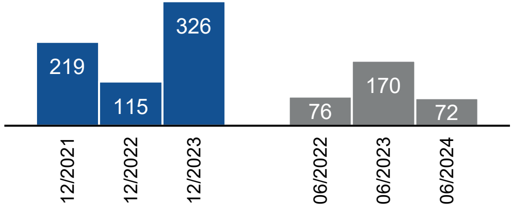
General administrative expenses
(EUR mn)



Operating result[1)]
(EUR mn)



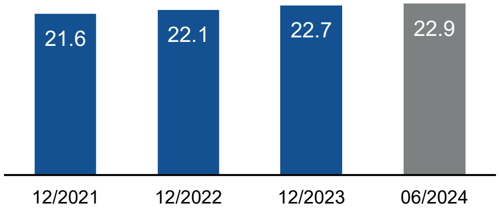
Result after taxes
(EUR mn)



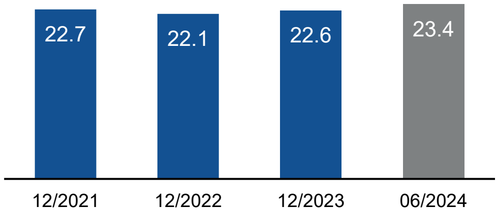
1) Operating result includes net interest income, net fee & commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses; operating result as of 12/2022 adjusted for payment on government participation right in H2 2022 in an amount of EUR 83 mn

AoV: development of customer business

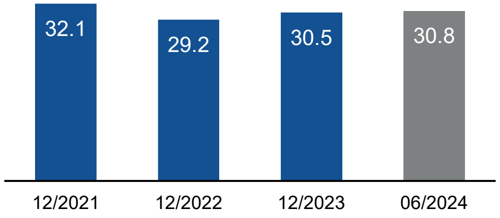
Loans & receivables from customers[1)]
(EUR bn)



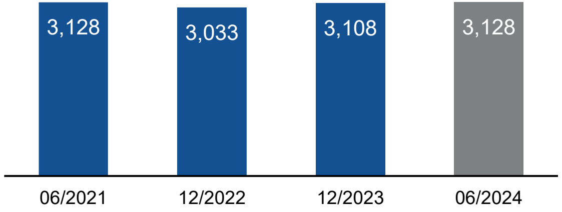
Amounts owed to customers & retail bonds issued
(EUR bn)



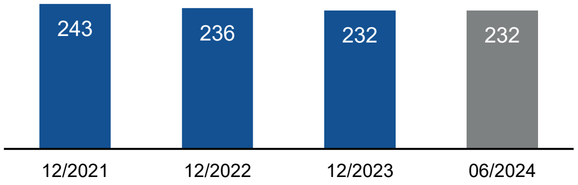
Total assets[2)]
(EUR bn)



Number of employees (FTE)



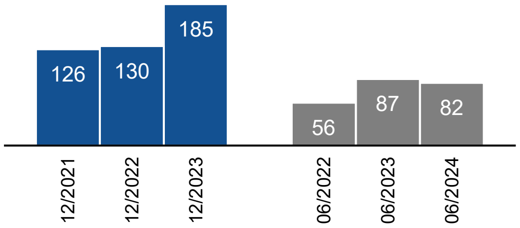
Number of branches



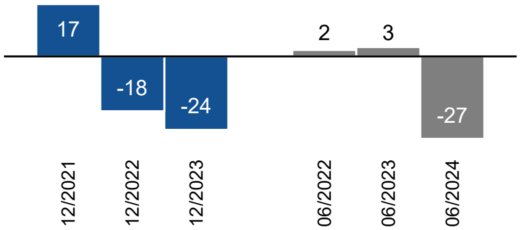
1) Breakdown fixed/floating rate loans (including swaps): as of 06/2024: 43% fixed rate loans, 57% floating rate loans; as of 12/2023: 40% fixed rate loans, 60% floating rate loans
2) Total assets 12/2021 include participation in TLTRO in an amount of EUR 2 bn (TLTRO participation in 2020: EUR 1.5 bn), the last TLTRO tranche was repaid in H1 2024

VBW: KPIs 12/2021 – 06/2024

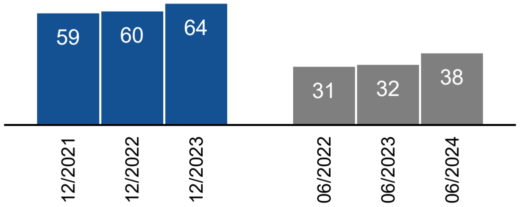
Net interest income
(EUR mn)



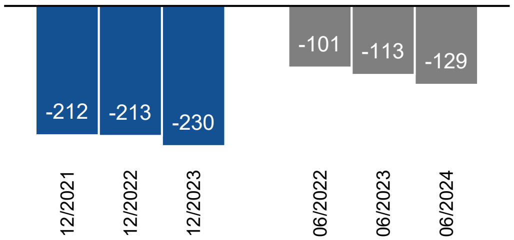
Risk provisions
(EUR mn)



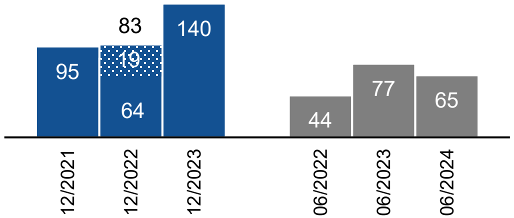
Net fee and commission income
(EUR mn)



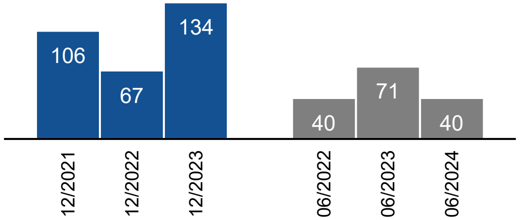
General administrative expenses
(EUR mn)



Operating result[1)]
(EUR mn)



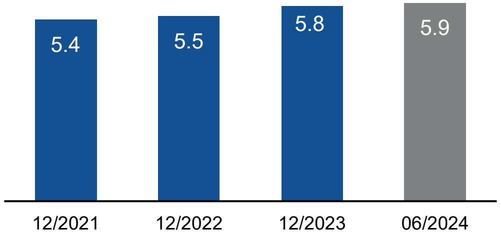
Result after taxes
(EUR mn)



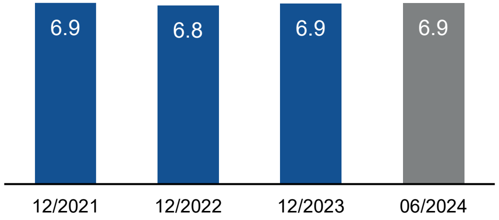
1) Operating result includes net interest income, net fee & commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses; operating result as of 12/2022 adjusted for payment on government participation right in H2 2022 in an amount of EUR 19 mn

VBW: development of customer business

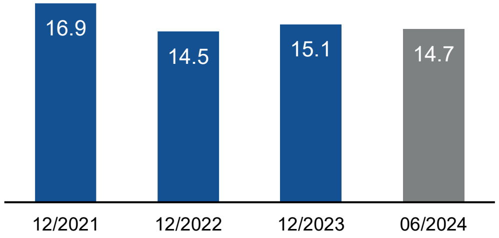
Loans & receivables from customers[1)]
(EUR bn)



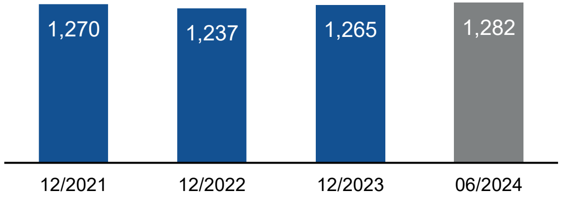
Amounts owed to customers & retail bonds issued
(EUR bn)



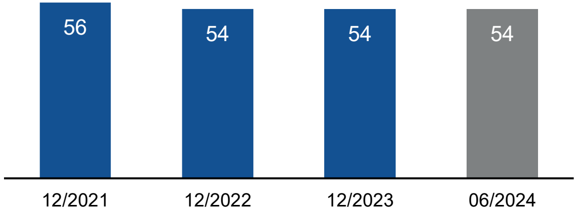
Total assets[2)]
(EUR bn)



Number of employees (FTE)



Number of branches



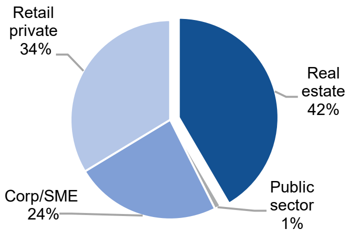
1) Breakdown fixed/floating rate loans (including swaps): as of 06/2024 43% fixed rate loans, 57% floating rate loans; as of 12/2023 40% fixed rate loans, 60% floating rate loans
2) Total assets 12/2021 include participation in TLTRO in an amount of EUR 2 bn (TLTRO participation in 2020: EUR 1.5 bn), the last TLTRO tranche was repaid in H1 2024

Asset quality and risk provisions

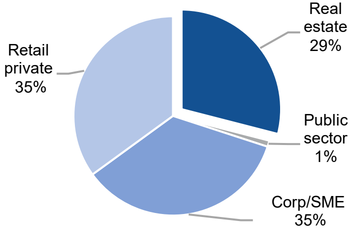
Stable customer business in Austria

Loans & receivables: distribution by risk segments[1)]

Volksbank Wien
06/2024 (EUR 6.94 bn)

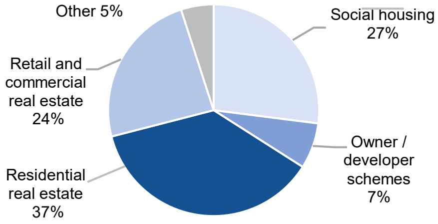


Association of Volksbanks
06/2024 (EUR 27.06 bn)

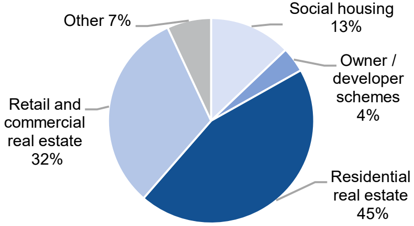


Distribution of RE exposure[1)]

Volksbank Wien
06/2024 (EUR 2.89 bn)



Association of Volksbanks
06/2024 (EUR 7.72 bn)



Regional focus on Austria

As of 30 June 2024 the vast majority of loans and receivables was located in Austria:

- **Association:** 96.0% of total loans and receivables
- **Volksbank Wien:** 98.3% of total loans and receivables

High level of collateralisation

Segment Real Estate

Collateralisation ratios as of 06/2024:

- **Association:** 86.9%
- **Volksbank Wien:** 89.1%

Subsegment Residential RE

Collateralisation ratios as of 06/2024:

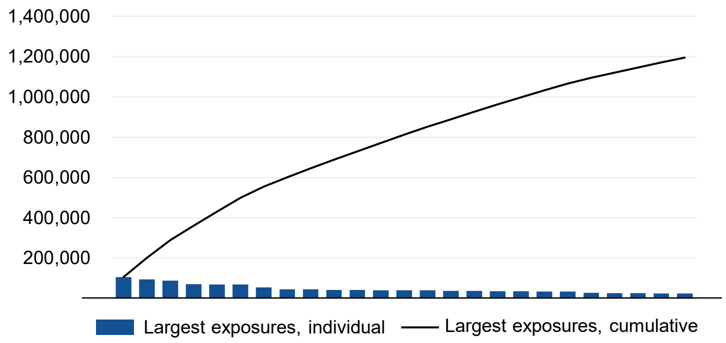
- **Association:** 93.1%
- **Volksbank Wien:** 95.3%

1) Loans and receivables based on risk view (total loans extended)

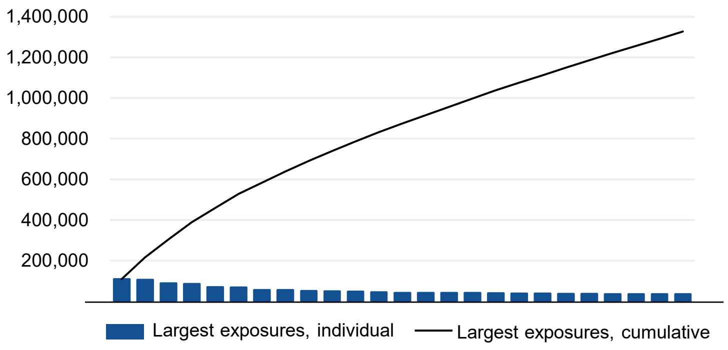
Granular loan portfolios without cluster risk

25 largest customer exposures[1)]

Volksbank Wien (EUR ths)



Association of Volksbanks (EUR ths)



Both Volksbank Wien and the Association have granular credit portfolios with no significant large single credit positions, reflecting the focus on small-volume retail and SME business:

- As of 06/2024 the **top 25 exposures** represent 4.9% of the Association's and 17.2% of Volksbank Wien's total loans and receivables from customers
- The **largest single customer exposure** accounts for 0.4% of the Association's and for 1.5% of Volksbank Wien's customer loans

1) Loans and receivables based on risk view (total loans extended)

Effects of economic environment on loan portfolio (1/2)

The following, general market developments can be seen in the three main customer-risk segments of the Association of Volksbanks:

Retail Private:

- Private customers loan portfolio structure is stable, with few defaults
- Due to KIM-VO[1)] and the level of interest rates, new loans are stagnating; new housing package shows little impact
- Supply and demand is still diverging – leading to a reduction in the number of transactions in the private sector

Corporate/SME:

- The economic slowdown was particularly noticeable in Q2 2024, with a slump in the industrial and construction sectors
- The service sector is struggling with declining consumption, especially impacting retail businesses; the hospitality sector (tourism, gastronomy) is challenged by increased costs and staff shortages; compared to the previous quarter, the commercial trade, transport, and hospitality sectors are stagnating; some positive impulses are visible in the information technology and communication sectors

Real Estate:

- Buyer's market prevails - although having slowed down, the negative development of prices has continued, in particular in Vienna, where new projects being completed still outstrip demand; in Vienna the market is dominated by institutional investors
- Increased construction costs still burden the market (completion forecasts for new buildings have been further revised downwards) and the realisation periods remain longer (completion and sale of projects)

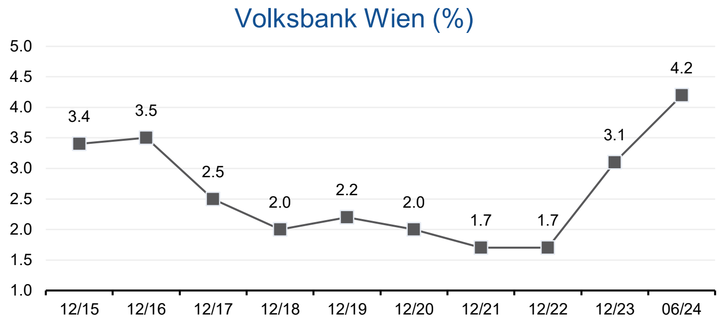
1) KIM-VO: Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung, KIM regulation sets tighter standards for private mortgage loans in terms of minimum equity and minimum DSCR required

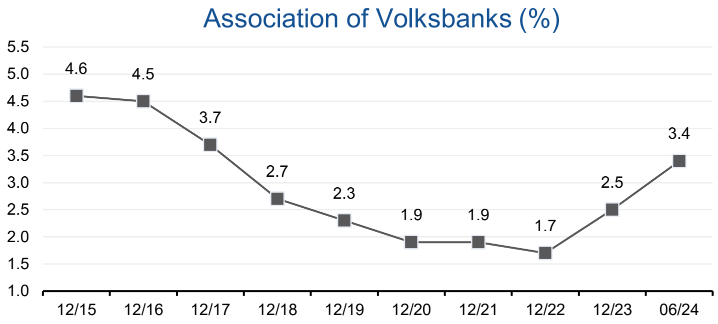
Effects of economic environment on loan portfolio (2/2)

- The overall situation of the Austrian economy has different impacts on specific loan portfolios in the Association of Volksbanks
- KRIs in the **Retail Private and Corporate/SME** risk segments remain at relatively satisfactory levels (i.e. no significant increase in NPLs and watch-list exposures with special monitoring compared to the beginning of the year)
- Within the **Corporate/SME** risk segment, the exposure in the construction industry is under particular attention, as insolvency figures are rising throughout Austria. However, only a small increase in NPLs can be seen in the Association's construction industry loan portfolio
- The most significant decline in asset quality took place in the **Real Estate** risk segment (i.e. commercial real estate financing)
- The distortions on the domestic real estate market - triggered by high inflation, rising construction costs, high interest rates and a generally weak economic situation - led to above-average total risk costs and a significant increase in non-performing loans
- Total risk costs in the Association of Volksbanks amount to EUR -84 mn (Volksbank Wien: EUR -27 mn), and the Association's NPL volume increased from EUR 680 mn to EUR 918 mn (Volksbank Wien: from EUR 210 mn to EUR 294 mn)
- Within the Real Estate risk segment, the sub-portfolios of category B (residential real estate; EUR 3.4 bn), category C (retail and commercial real estate; EUR 2.5 bn) and category "other" (holding companies; loans not directly attributable; EUR 0.5 bn) are affected
- Within these categories, real estate developers are most affected by the above-mentioned distortions (i.e. purchase of land or properties, their development or renovation and subsequent profitable sale; regulatory so-called speculative immovable property financing; EUR 1.5 bn; largest share of category B - residential real estate)
- There are still no NPLs in the category A risk segment containing social housing and owner/developer schemes (exposure of EUR 1.3 bn)

Real estate exposure drives increase of NPL ratios

Development of NPL ratios[1)]





- The increase of the Association's NPL ratio to 3.4% (Volksbank Wien: 4.2%) corresponds to an additional NPL volume of EUR 239 mn (Volksbank Wien: EUR 84 mn) compared to the beginning of the year
- EUR 199 mn or 83% (Volksbank Wien: EUR 73 mn or 87%) of this additional NPL volume is attributable to the Real Estate segment, and EUR 37 mn or 16% (Volksbank Wien: 8 mn or 10%) corresponds to the Corporate/SME segment, the remaining amount comes from the Retail Private segment
- In the Association of Volksbanks ca. 2/3 of the EUR 199 mn NPL increase in the Real Estate segment comes from category B - residential real estate, these loans are collateralised to a very high degree
- As of 30 June 2024 the collateralisation ratio in the real estate segment was 86.9% on the Association level (Volksbank Wien: 89.1%), in the subsegment residential real estate (category B) the Association's collateralisation ratio was 93.1% (Volksbank Wien: 95.3%)
- Within in the Corporate/SME segment, around 60% of the EUR 37 mn increase in NPL volume is attributable to the tourism sector, resulting from a limited number of larger defaults in the western part of Austria
- There is no US CRE exposure

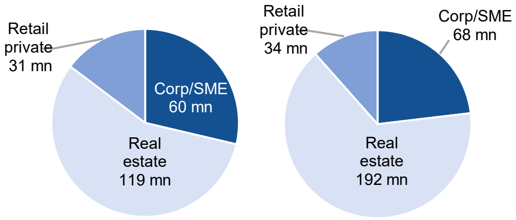
1) Loans and receivables based on risk view (total loans extended)

Distribution of non-performing loans

Total non-performing loans[1)]

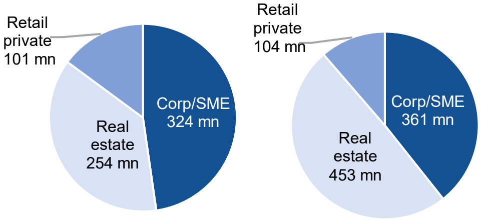
Volksbank Wien

12/2023 (EUR 210 mn) / **06/2024 (EUR 294 mn)**



Association

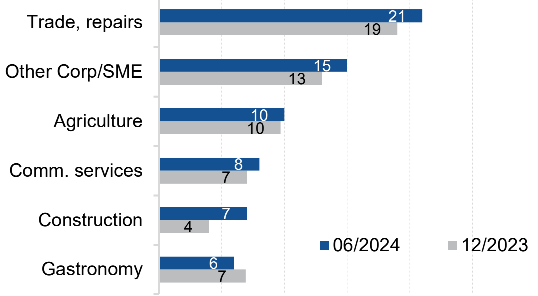
12/2023 (EUR 680 mn) / **06/2024 (EUR 918 mn)**



NPLs Corp/SME[1)]

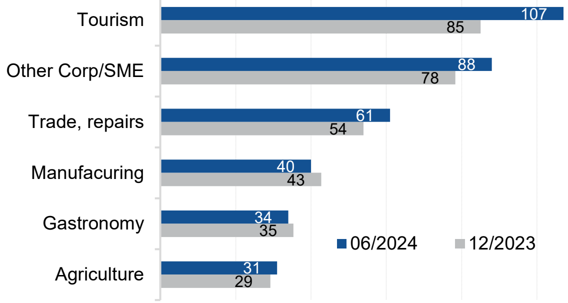
Volksbank Wien

12/2023 (EUR 60 mn) / **06/2024 (EUR 68 mn)**



Association

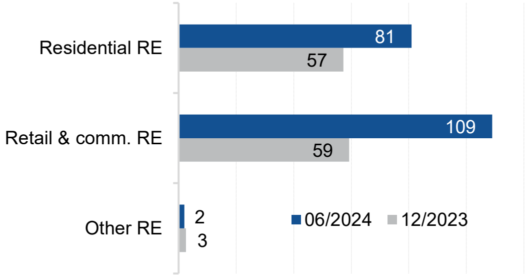
12/2023 (EUR 324 mn) / **06/2024 (EUR 361 mn)**



NPLs real estate[1)]

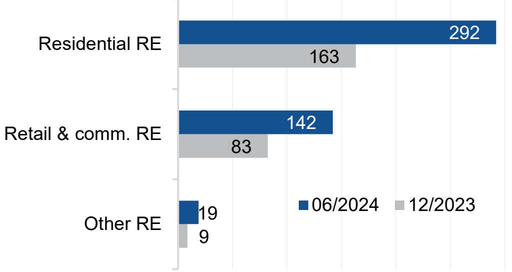
Volksbank Wien

12/2023 (EUR 119 mn) / **06/2024 (EUR 192 mn)**



Association

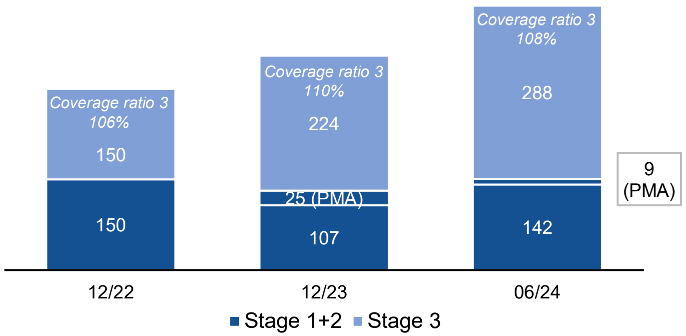
12/2023 (EUR 254 mn) / **06/2024 (EUR 453 mn)**



1) Loans and receivables based on risk view (total loans extended)

AoV: development of risk provisions

Stock of risk provisions (EUR mn)



Stock of risk provisions

- Adequate stage 3 risk provisions in an amount of EUR 288 mn result in a NPL coverage in form of the **coverage ratio 3** (risk provisions plus loan collateral after haircuts) of **108%,** which is clearly above the internal target value of >104%
- As of 30 June 2024 the total amount of **post-model adjustments** (PMA) stood at **EUR 9 mn,** accounting for effects of future model adjustments. EUR 14 mn of PMAs formed at the end of 2023 to reflect adverse developments on the real estate market were transferred to stage 2 risk provisions in the first half year 2024

Risk provisions p&l (EUR mn)

Association	12/2022	12/2023	06/2024
Stage 1+2	-39	6	-30
Stage 3	17	-70	-54
Other[1)]	-9	-1	0
Total	**-31**	**-65**	**-84**
Total (in bp)	**-12**	**-24**	**-31**

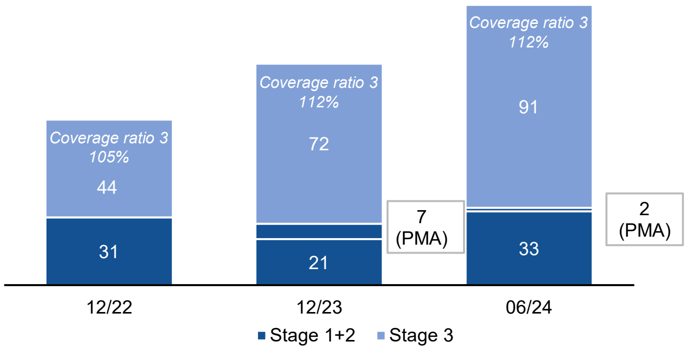
Risk provisions p&l

- The Association's total risk costs as of 06/2024 were **EUR -84 mn**
- The stage 3 result is mainly attributable to large-volume loan defaults in the real estate portfolio. Within the performing portfolio (stages 1 + 2), risk provisions in an amount of EUR 30 mn were recognised due to rating downgrades and staging effects

1) Direct write-offs, income from loans and receivables previously written off, valuation results modification/de-recognition, risk provisions for the securities business

VBW: development of risk provisions

Stock of risk provisions (EUR mn)



Risk provisions p&l (EUR mn)

VB Wien	12/2022	12/2023	06/2024
Stage 1+2	-10	0	-10
Stage 3	-1	-28	-17
Other[1)]	1	0	0
Total	**-10**	**-29**	**-27**
Total (in bp)	**-14**	**-42**	**-38**

Stock of risk provisions

- At **112%** as of 06/2024, Volksbank Wien's **coverage ratio 3** clearly exceeds the internal target value of >104%
- As on the Association level, most of Volksbank Wien's PMAs formed at the end of the previous year due to negative developments on the real estate market were transferred to stage 2 risk provisions in H1 2024. As of 30 June 2024 remaining **PMAs,** accounting for effects of future model adjustments, stood at **EUR 2 mn**

Risk provisions p&l

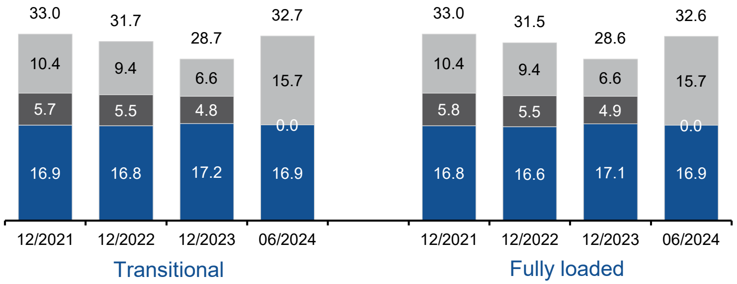
- Volksbank Wien's **total risk costs** stood at **EUR -27 mn** as of 30 June 2024
- Similar to the Association, the result is mainly attributable to large-volume defaults in the real estate portfolio, and to rating downgrades and staging effects in the performing portfolio

1) Direct write-offs, income from loans and receivables previously written off, valuation results modification/de-recognition, risk provisions for the securities business

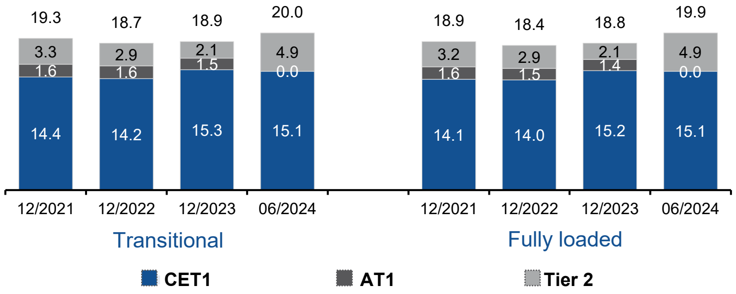
Capital, funding and liquidity, MDA and ADI

Capital ratios clearly above requirements

Capital ratios Volksbank Wien[1] (%)



Capital ratios Association[1] (%)



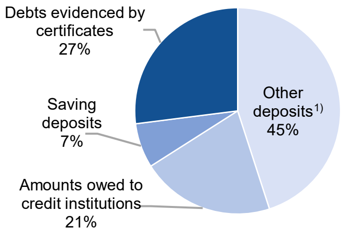
- **SREP ratios as of 30 June 2024:** pillar 1 requirement 8.0% (CET1: 4.5% T1: 6.0%) pillar 2 requirement (P2R) 2.25% (CET1: 1.27%, T1: 1.69%), capital conservation buffer 2.5%, systemic risk buffer 0.5%, other systemically important institutions buffer 0.9%,countercyclical capital buffer 0.05%, pillar 2 guidance (P2G) 1.25%.
- In 2024 the pillar 2 requirement (P2R) decreased from 2.5% to 2.25%, while the other systemically important institutions buffer increased by 0.15%-pts to 0.9%
- The **effective CET1 requirement** (excl. P2G) is 11.64% and corresponds to the T1 capital requirement since all T1 requirements are covered with CET1 capital. As of 06/2024 there is no T2 shortfall
- The **overall capital requirement** is 14.2**%** (excl. P2G)
- Volksbank Wien as central organisation of the Association has to fulfil the SREP capital requirements on a consolidated basis together with the associated institutes (Association of Volksbanks)
- The **MREL requirement** is set at 24.44% (including a 3.95% combined buffer requirement, the subordination requirement is 0) and is applicable on the Association level. As of 30 June 2024, the MREL ratio was 28.93%
- **Risk-weighted assets as of 06/2024**
  - Association RWAs: **EUR 15.8 bn** (91% credit risk)
  - Volksbank Wien RWAs: **EUR 4.8 bn** (86% credit risk)

1) Volksbank Wien exercised the call right in its EUR 220 mn AT1 issue on 09 April 2024

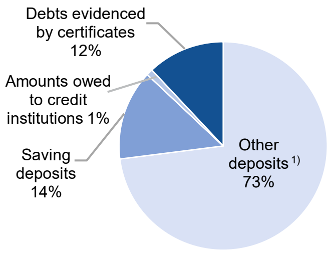
Funding structure and maturity profile

Breakdown of VBW and AoV funding as of 06/2024

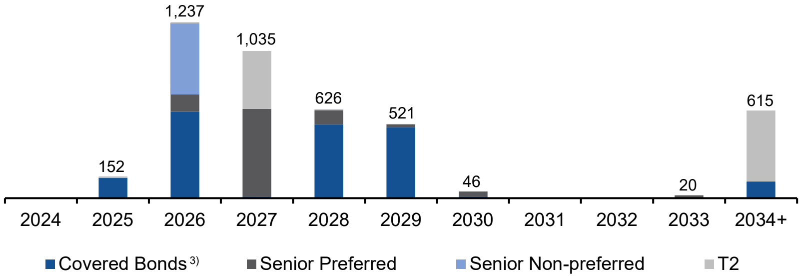
Volksbank Wien: EUR 12.2 bn



Association: EUR 26.2 bn



Maturity profile of AoV issues as of 06/2024[2] (EUR mn)



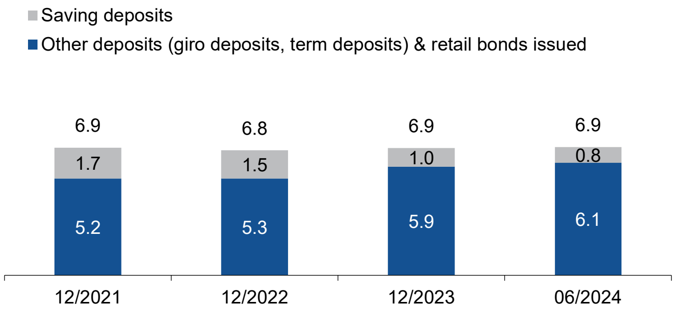
- The funding mix of the Association is dominated by an approx. **87% share of customer deposits;** wholesale funding needs are limited
- **Volume of customer deposits** as of 06/2024
  - **Association:** savings deposits EUR 3.7 bn, other deposits (incl. term deposits) EUR 19.1 bn, retail bonds issued EUR 0.6 bn
  - **VBW:** savings deposits EUR 0.8 bn, other deposits (incl. term deposits) EUR 5.5 bn, retail bonds issued EUR 0.6 bn
- **Volume of deposits insured by deposit scheme** as of 06/2024
  - **Association:** EUR 14.7 bn (ca. 962 ths customers)
  - **VBW:** EUR 4.1 bn (ca. 298 ths customers)
- Member institutions are obliged to **place excess funding at the CO**
- The Association participated in two tranches in **ECB's TLTRO III program** with a total amount of EUR 3.5 bn**,** these funds were deposited with the ECB. The last tranche in an amount of EUR 0.6 bn was repayed on 26 June 2024
- **Leverage ratios** as of 06/2024: **7.3%** (Association) and **6.0%** (VBW)
- **Loan deposit ratios** as of 06/2024: **103.4%** (Association) and **96.6%** (VBW)
- Possible **T2 issuance** targeted as early as H2 2024
- The Association of Volksbanks has a **covered bond program** backed by mortgages of the regional Volksbanks at its disposal
- Long-term liquidity can therefore be generated through the **issuance of covered bonds rated Aaa by Moody's**

1) Other deposits: term deposits, giro deposits | 2) EUR 220 mn AT1 capital issued in 2019 was called in April 2024
3) Apart from the CBs placed externally shown above, covered bonds in an amount of approx. EUR 1.2 bn were placed as collateral at ECB

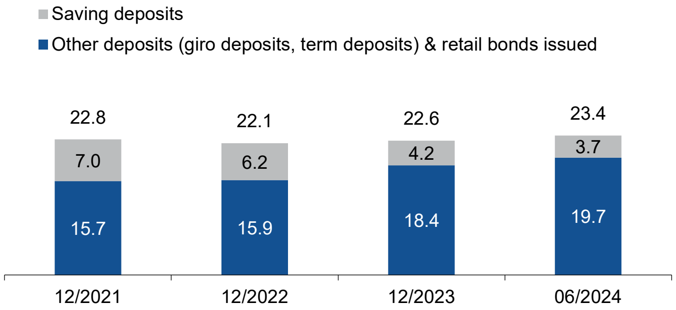
AoV and VBW: amounts owed to customers

Development savings deposits, other deposits & retail bonds issued

Volksbank Wien (EUR bn)



Association of Volksbanks (EUR bn)



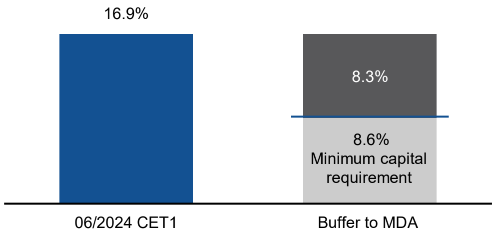
- The distinct shift from giro deposits and saving deposits to products carrying higher interest rates (primarily term deposits and online savings) recorded in 2023 has continued in the first half year 2024
- Primary funds increased significantly at the primary banks[1)] in H1 2024 (+EUR 825 mn), primary bank's net sale of own retail bonds was EUR 157 mn
- Over the course of the first half year, the interest rate of primary funds rose to 1.53%, and the deposit beta[2)] was 43% as of 30 June 2024

1) Primary banks: regional Volksbanks (incl. VBW Retail, excl. VBW CO) and Ärzte- und Apothekerbank
2) Average interest rate in relation to 3-months Euribor

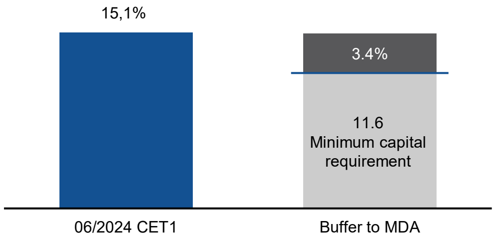
AoV and VBW: maximum distributable amount

Maximum distributable amount (fully loaded)

Volksbank Wien



Association of Volksbanks



- The Association’s effective CET1 requirement (excl. P2G) is 11.6% and corresponds to the T1 capital requirement, since all T1 requirements are covered with CET1 capital. As of 06/2024 there is no T2 shortfall
- No T2 shortfall on the level of Volksbank Wien
- Pillar 2 requirement, systemic risk buffer and other systemically important institution buffer requirements are only applicable on the consolidated Association level

VBW: available distributable items (ADIs)

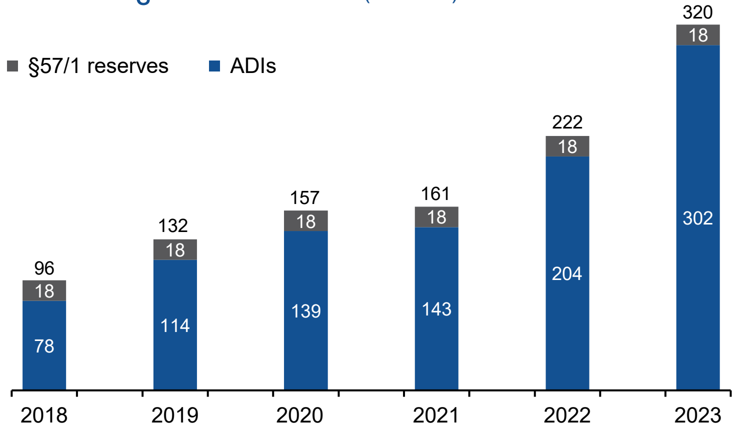
Available distributable items[1)]

- Dividends and discretionary coupon payments are subject to **regulatory requirements, results and sufficient distributable items**
- Distributable items are determined on the basis of **Volksbank Wien's unconsolidated annual financial statements, based on UGB/BWG (local Austrian GAAP)**
- As of 12/2023, **Volksbank Wien's ADIs** were **EUR 301.6 mn**
- Volksbank Wien's **profit for the year 2023** based on local GAAP of **EUR 101.3 mn**. is included in the ADIs as of 12/2023

§ 57/1 BWG reserves[2)]

- VBW has **EUR 17.9 mn § 57/1 BWG-PWB reserves** to cover potential risk costs or generate income from release of this reserve

ADIs and § 57/1 reserves (EUR mn)



1) *Available distributable items* as defined *in Article 4 (1) (128) CRR*
2) *(Voluntary) reserve for reasons of prudence according to § 57/1 Austrian Banking Act (BWG), reserve can be released on the basis of a resolution by the management board, source: VBW internal calculation*

Annex

Association of Volksbanks: structure

Deposit guarantee: ESA (Einlagensicherung Austria)
Deposit protection scheme according to § 1,
Deposit Guarantee and Investor Compensation Act

Association of Volksbanks (AoV)

Primary banks

8 **Regional Volksbanks**

1 **Specialised bank** (Österreichische Ärzte- und Apothekerbank AG)

9 **Primary banks**

VOLKSBANK WIEN AG (VBW)
Is one of the regional Volksbanks and at the same time
central organisation of the Association

VBVM (Volksbank Vertriebs- und Marketing eG)
VBVM is responsible primarily for the promotion of cooperation in sales activities
and for the harmonisation of processes

Auditing and early warning system: ÖGV
Österreichischer Genossenschaftsverband)
Primary banks are members of ÖGV

Association of Volksbanks: governance

Liability and Liquidity Scheme

VOLKSBANK WIEN AG (CO)

Sole responsibility for tasks according to § 30a, Austrian Banking Act

- Management via issuance of **directives**
- Performance of **control functions**

Volksbanks "8 + 1"

Volksbanken Leistungsfonds

Trust fund within the consolidation group

- The **CO Volksbank Wien and the regional Volksbanks** have established a **joint liability scheme:**
  - They are mutually obliged to jointly support a member institution should difficulties arise
  - Liabilities and contributions are unlimited[1)]
- The Association contract forms the basis of the liability scheme:
  - The CO performs significant control functions, is responsible for compliance with regulatory requirements and has the right to issue directives
  - The CO's management can impose remedial actions on troubled primary banks if early-warning indicators (macroeconomic, market-based or breaches of capital, liquidity, profitability or asset-quality ratios) deteriorate (without consent of the bank concerned or preliminary consultation with the Association's members)
- These remedial actions may take the form of equity injections, purchase of assets, short- and medium-term liquidity support, guarantees and other liabilities, subordinated loans, payment of third-party claims, lost grants and management support
- For covering CET1 shortfalls the central organisation has access to the trust fund (Leistungsfonds)

- The Association's members together form a **liquidity scheme.** The **CO is obligated to control liquidity in the Association** to ensure compliance with all material supervisory regulations at all times. The Association's member institutions are obligated to invest their liquidity at the CO

- **Volksbanken Leistungsfonds (VL)** is a trust fund established to enable the CO to take immediate remedial action to support the CET1 basis of any AoV member to prevent a threatening deterioration of its financial position
- With EUR 100 mn the fund has reached its target size in 2021
- If the CO estimates that VL is insufficient to cover support needs as these arise, it can call unilaterally for additional unlimited contributions from the other VBs[1)]
- Assets of VL are included in the Association's core capital

The AoV serves to ensure both the **regulated transfer of liquidity between its members and mutual liability,** thereby providing an indirect guarantee for the creditors of all members of the Association

1) Liabilities and contributions are limited however in the case of the CO to the point where the CO still has to fulfil regulatory capital requirements and in the case of the other members to the point where any member would come close to non-viability

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