Report on the loan portfolio

March 2026

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Economic environment and effects on the loan portfolio

Current economic environment

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

Retail Privat:

- The private customers loan portfolio remained stable, default rates are low

Corporate/KMU:

- The subdued economic development continued in 2025. Companies are facing weak order books and increased operating costs, and the export-oriented industry in particular is burdened by uncertainties (tariff discussions, competitiveness)
- The number of insolvencies in Austria rose further in 2025 (+3.4%), from an already high level. The highest rate of insolvencies was recorded in the retail sector, followed by the construction industry and the accommodation/gastronomy sector

Real Estate:

- Demand for **flats for sale** recovered in 2025 (+40% yoy, starting from a very low level), prices of new flats increased for the first time since 2023 (with continued declines in peripheral locations), demand for properties in good locations picked up, buyers increasingly are owner-occupiers (hardly any investors), financing remains challenging despite more stable interest rates; the **residential rental market** is stable, demand is given
- **Office:** demand dampened on the one hand by economic conditions (temporary effect) and on the other by remote working and hybrid models (long-term effect); **retail:** decline in rents in secondary locations, shopping centres under pressure – even in prime locations; **logistics:** high volume of completions in 2023 and 2024; two-year recession led to a slowdown in demand; vacancy rates continue to rise due to existing space becoming vacant and weak letting of new completions (vacancy rate in Vienna > 8%)

Effects on the Association's loan portfolio

Specific loan portfolios of the Association of Volksbanks are affected to different degrees by the current economic environment:

- KRIs in the **Retail Private** risk segment remain at good levels, they are low and stable
- Significant increase in lending in 2025 – the Association's production of new private residential mortgage loans increased by more than 50% yoy, reaching roughly the same level as before the introduction of KIM-VO[1)]
- The **Corporate/SME** segment remained stable compared to the previous year, with higher NPL ratios in particular in accommodation/gastronomy, in the category scientific and technical services (holding company financings) and in the construction sector
- **Real Estate** (i.e. commercial real estate financing) is the risk segment showing the most significant impact on asset quality, in particular in the area of real estate developers
- The distortions on the domestic real estate market - triggered by high inflation, rising construction costs, high interest rates and a generally weak economic environment - led to above-average total risk costs and increasing non-performing loans
- As of 12/2025, the Association's total risk costs including PMAs were EUR 137 mn (Volksbank Wien: EUR 28 mn). The Association's NPL volume increased from EUR 1,362 mn to EUR 1,524 mn in 2025 (Volksbank Wien: decrease from EUR 455 mn to EUR 450 mn)
- Within the RE risk segment, the following subportfolios are affected: category B (residential real estate; total exposure of EUR 3.1 bn), category C (retail and commercial real estate; EUR 2.4 bn) and category "other" (holding companies and loans not directly attributable to other categories; EUR 0.5 bn)
- Within these categories, real estate developers (purchase of land or properties, its development or renovation and subsequent profitable sale) are most affected by the above-mentioned distortions (regulatory so-called projects for sale; exposure of EUR 1.1 bn; largest share of category B - residential RE)
- There are no NPLs in category A (social housing and owner/developer schemes; exposure of EUR 1.6 bn)

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

Information on the Retail Private portfolio

Retail Private segment: main KRIs

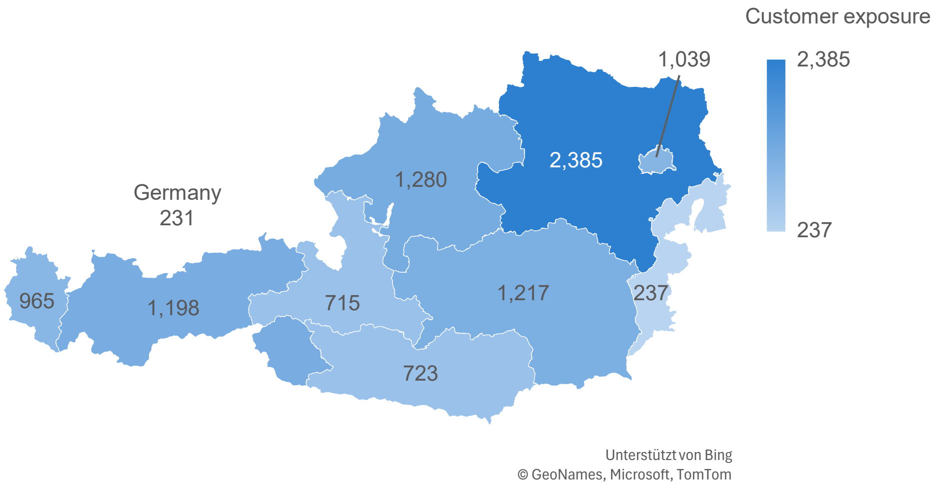
EUR million		AoV	VBW
Association of Volksbanks 12/2025	**total**	**27,776.7**	**7,375.5**
	% Δ YtD 2025	**1.7%**	**3.7%**
	% Δ YtD 2024	**1.9%**	**4.1%**
	% Δ YtD 2023	**0.7%**	**3.7%**
Collateralization ratio 2025		78.4%	80.1%
Coverage ratio I total 2025		2.2%	2.4%
- Coverage ratio I in stage 1		0.09%	0.07%
- Coverage ratio I in stage 2		2.40%	2.09%
- Coverage ratio I in stage 3		30.72%	31.83%
NPL ratio 2025		5.5%	6.1%
Avg. PD (perf.) 2025		1.2%	1.0%
Avg. EL (perf.) 2025		0.2%	0.2%
Stage 2 (perf.) 2025		21.7%	20.2%
Forbearance ratio 2025		5.0%	5.4%
Retail Private 12/2025	**total**	**10,101.1**	**2,657.0**
	% Δ YtD 2025	**6.8%**	**10.1%**
	% Δ YtD 2024	**0.0%**	**2.2%**
	% Δ YtD 2023	**-4.1%**	**-4.0%**
Retail Private - total customer exposure		36.4%	36.0%
Collateralization ratio 2025		87.4%	87.1%
Coverage ratio I total 2025		0.6%	0.6%
- Coverage ratio I in stage 1		0.05%	0.05%
- Coverage ratio I in stage 2		2.44%	2.50%
- Coverage ratio I in stage 3		24.71%	24.54%
NPL ratio 2025		1.3%	1.5%
Avg. PD (perf.) 2025		0.6%	0.5%
Avg. EL (perf.) 2025		0.1%	0.1%
Stage 2 (perf.) 2025		8.2%	7.6%
Forbearance ratio 2025		1.1%	1.2%

- The Retail Private segment consists primarily of private residential mortgages
- Clear increase of loans (total exposure) in this segment in 2025 of +6.8%, compared to 0.0% in 2024 and -4.1% in 2023
- NPLs in the Retail Private segment remain very low, borrowers have sufficient buffer for repayment and set priorities for expenditure

Retail Private segment: regional distribution

Segment EUR million	Customer exposure 12/2025
Retail Private	**10,101.1**
Austria	**9,759.8**
Lower Austria	*2,385.3*
Upper Austria	*1,279.8*
Tyrol	*1,198.2*
Styria	*1,217.0*
Vienna	*1,038.6*
Vorarlberg	*965.1*
Carinthia	*722.7*
Salzburg	*714.9*
Burgenland	*236.6*
n.a.	*1.7*
Abroad	**341.3**
Germany	*230.5*
Netherlands	*42.0*
Switzerland	*29.6*
Other	*39.1*

Customer exposure Retail Private



- 96.6% of the Retail Private portfolio is located in Austria, foreign customers are primarily from Germany (in which case the financed properties are also predominantly in Austria)

Information on the Corporate/SME portfolio

Corporate/SME segment: main KRIs

EUR million		AoV	VBW
Association of Volksbanks 12/2025	**total**	**27,776.7**	**7,375.5**
	% Δ YtD 2025	**1.7%**	**3.7%**
	% Δ YtD 2024	**1.9%**	**4.1%**
	% Δ YtD 2023	**0.7%**	**3.7%**
Collateralization ratio 2025		78.4%	80.1%
Coverage ratio I total 2025		2.2%	2.4%
- Coverage ratio I in stage 1		0.09%	0.07%
- Coverage ratio I in stage 2		2.40%	2.09%
- Coverage ratio I in stage 3		30.72%	31.83%
NPL ratio 2025		5.5%	6.1%
Avg. PD (perf.) 2025		1.2%	1.0%
Avg. EL (perf.) 2025		0.2%	0.2%
Stage 2 (perf.) 2025		21.7%	20.2%
Forbearance ratio 2025		5.0%	5.4%
Corp/SME 12/2025	**total**	**9,497.8**	**1,658.1**
	% Δ YtD 2025	**-0.3%**	**-2.0%**
	% Δ YtD 2024	**0.5%**	**5.0%**
	% Δ YtD 2023	**2.4%**	**7.2%**
Corp/SME - total customer exposure		34.2%	22.5%
Collateralization ratio 2025		67.2%	65.0%
Coverage ratio I total 2025		2.5%	2.7%
- Coverage ratio I in stage 1		0.12%	0.10%
- Coverage ratio I in stage 2		2.45%	2.36%
- Coverage ratio I in stage 3		31.15%	34.12%
NPL ratio 2025		5.7%	6.0%
Avg. PD (perf.) 2025		1.5%	1.3%
Avg. EL (perf.) 2025		0.3%	0.3%
Stage 2 (perf.) 2025		28.5%	23.8%
Forbearance ratio 2025		4.9%	4.9%

- Minimal decrease of total exposure in the Corporate/SME segment of ca. 0.3% in 2025
- The NPL ratio of 5.7% as of 12/2025 slightly exceeds the Associations average NPL ratio of 5.5%
- As a result of lower collateralisation, the coverage ratio 1 in all stages is higher than in the total portfolio

Corporate/SME segment: distribution by industries

Distribution by industries Corporate/SME segment	Association	NPL ratio	Avg. PD (perf.)	Avg. EL	Forbearance ratio	Rating 4 EWS/PLM	Stage 2 (perf.)	Collateralization
Corp/SME segment	9,497.76	5.7%	1.5%	1.7%	4.9%	7.3%	28.5%	67.2%
Accommodation & gastronomy	2,016.72	9.9%	1.9%	2.2%	9.2%	11.7%	37.4%	82.4%
Retail	1,553.76	4.4%	1.7%	1.7%	4.8%	8.2%	30.3%	65.2%
Scientific and technical services	913.74	8.5%	1.6%	2.4%	4.9%	7.2%	28.2%	66.0%
Manufacturing	856.51	5.4%	1.5%	2.0%	3.5%	8.0%	28.1%	54.0%
Construction	796.36	5.1%	1.5%	1.9%	2.9%	5.7%	37.6%	54.5%
Healthcare and social services	684.72	0.9%	0.9%	0.6%	4.0%	4.1%	17.2%	54.5%
Agriculture	603.08	5.3%	1.7%	1.0%	4.0%	7.2%	23.2%	83.0%
Transport and logistics	403.69	3.3%	1.1%	1.2%	4.1%	5.0%	28.3%	57.6%
Energy supply	397.78	5.1%	1.4%	1.3%	1.5%	4.3%	16.6%	66.7%
Financial services & insurance	288.06	1.0%	0.7%	0.4%	0.6%	1.4%	11.8%	71.3%
Other services	268.81	2.4%	1.1%	0.8%	1.3%	2.4%	16.0%	70.7%
Other commercial services	265.73	5.3%	1.3%	1.6%	3.5%	5.8%	21.2%	62.2%
Art, sports, recreation	86.66	2.4%	1.5%	0.8%	1.7%	4.1%	20.4%	77.0%
Telecom., software development, IT	91.13	1.7%	1.7%	0.9%	2.8%	4.8%	27.0%	50.8%
Mining	64.04	0.1%	1.1%	0.3%	0.0%	0.6%	41.2%	47.5%
Other	68.64	3.3%	1.8%	0.8%	1.7%	7.0%	24.6%	75.7%
Water supply, sewage, waste disposal	59.53	3.5%	1.2%	1.5%	3.5%	14.3%	38.4%	51.7%
Education, teaching	39.68	16.1%	1.1%	4.3%	19.4%	0.7%	20.8%	66.3%
Publishing, broadcasting, media	30.43	5.1%	1.2%	1.6%	3.5%	1.6%	23.3%	71.6%
Public administration, defense, social security	1.69	0.0%	0.1%	0.0%	0.0%	0.0%	8.1%	9.9%
Private households with domestic staff	7.02	0.7%	1.2%	0.3%	5.3%	9.0%	12.1%	84.6%

- Highly heterogeneous distribution of industries
- Industry limit of 10% of total customer loans as defined in the risk strategy
- With a volume of EUR 2,017 mn and a share of 7.3% of the Association’s total customer loans, accommodation & gastronomy represents the top industry

Information on the Real Estate portfolio

Real estate segment: main KRIs

EUR million		AoV	VBW
Association of Volksbanks 12/2025	**total**	**27,776.7**	**7,375.5**
	% Δ YtD 2025	**1.7%**	**3.7%**
	% Δ YtD 2024	**1.9%**	**4.1%**
	% Δ YtD 2023	**0.7%**	**3.7%**
Collateralization ratio 2025		78.4%	80.1%
Coverage ratio I total 2025		2.2%	2.4%
- Coverage ratio I in stage 1		0.09%	0.07%
- Coverage ratio I in stage 2		2.40%	2.09%
- Coverage ratio I in stage 3		30.72%	31.83%
NPL ratio 2025		5.5%	6.1%
Avg. PD (perf.) 2025		1.2%	1.0%
Avg. EL (perf.) 2025		0.2%	0.2%
Stage 2 (perf.) 2025		21.7%	20.2%
Forbearance ratio 2025		5.0%	5.4%
Real Estate 12/2025	**total**	**7,540.3**	**2,881.2**
	% Δ YtD 2025	**-3.6%**	**-0.6%**
	% Δ YtD 2024	**4.4%**	**3.3%**
	% Δ YtD 2023	**6.4%**	**9.8%**
Collateralization ratio 2025		86.7%	87.0%
Coverage ratio I total 2025		4.4%	4.0%
- Coverage ratio I in stage 1		0.13%	0.07%
- Coverage ratio I in stage 2		2.33%	1.87%
- Coverage ratio I in stage 3		31.34%	32.04%
NPL ratio 2025		11.3%	10.8%
Avg. PD (perf.) 2025		1.9%	1.4%
Avg. EL (perf.) 2025		0.3%	0.2%
Stage 2 (perf.) 2025		34.8%	32.1%
Forbearance ratio 2025		10.7%	10.0%

- The NPL ratio on the level of the Association's total portfolio of 5.5% as of 12/2025 results from the default of large-volume exposures in the Real Estate segment (reflected in a NPL ratio of 11.3% in the RE segment)
- Lower total exposure in the Real Estate segment in 2025 due to a drop of construction activity for the development of residential RE and retail and commercial RE
- The RE segment's average PD (performing) of 1.9% and forbearance ratio of 10.7% exceed the average ratios of the total exposure, primarily due to concessions made and to the deterioration of ratings following delayed payments (sales proceeds and/or rental income) from real estate projects

Real Estate portfolio - categories A and B

EUR million		AoV	VBW
Subcategory A 12/2025	**total**	**1,579.1**	**1,219.2**
	% Δ YtD 2025	**15.0%**	**15.2%**
	% Δ YtD 2024	**10.4%**	**11.4%**
	% Δ YtD 2023	**5.0%**	**7.5%**
Collateralization ratio 2025		84.1%	83.0%
Coverage ratio I total 2025		0.2%	0.2%
- Coverage ratio I in stage 1		0.04%	0.03%
- Coverage ratio I in stage 2		0.94%	0.88%
- Coverage ratio I in stage 3		0.00%	0.00%
NPL ratio 2025		0.0%	0.0%
Avg. PD (perf.) 2025		0.5%	0.4%
Avg. EL (perf.) 2025		0.1%	0.0%
Stage 2 (perf.) 2025		14.2%	15.5%
Forbearance ratio 2025		0.4%	0.2%
Subcategory B 12/2025	**abs.**	**3,061.7**	**955.1**
	% Δ YtD 2025	**-8.6%**	**-6.4%**
	% Δ YtD 2024	**-1.2%**	**-4.5%**
	% Δ YtD 2023	**5.7%**	**9.7%**
Collateralization ratio 2025		92.9%	95.2%
Coverage ratio I total 2025		6.9%	6.3%
- Coverage ratio I in stage 1		0.17%	0.14%
- Coverage ratio I in stage 2		2.15%	1.75%
- Coverage ratio I in stage 3		30.34%	27.48%
NPL ratio 2025		19.8%	20.4%
Avg. PD (perf.) 2025		2.8%	2.5%
Avg. EL (perf.) 2025		0.4%	0.4%
Stage 2 (perf.) 2025		42.8%	44.6%
Forbearance ratio 2025		18.7%	18.7%

- Further strong growth in subcategory A (social housing, owner/developer schemes) in 2025, while loan volumes in subcategory B (residential real estate) and subcategory C (commercial real estate) decreased
- With respect to ratios, subcategory A stands out positively, despite the crisis of the Austrian real estate market, risk indicators in subcategory A are excellent - no NPLs, forbearance ratio of 0.4% and avg. PD of 0.5%
- Subcategory B (residential real estate) shows elevated NPL-, avg. PD- and forbearance ratios, resulting form the high share of development for sale projects, which account for 30.7%

Real Estate portfolio - categories C and Other

EUR million		AoV	VBW
Subcategory C 12/2025	**total**	**2,428.0**	**583.6**
	% Δ YtD 2025	**-5.1%**	**-12.9%**
	% Δ YtD 2024	**8.4%**	**1.4%**
	% Δ YtD 2023	**13.3%**	**17.4%**
Collateralization ratio 2025		89.7%	91.5%
Coverage ratio I total 2025		3.4%	6.2%
- Coverage ratio I in stage 1		0.18%	0.13%
- Coverage ratio I in stage 2		2.71%	2.60%
- Coverage ratio I in stage 3		27.74%	33.95%
NPL ratio 2025		8.2%	14.8%
Avg. PD (perf.) 2025		2.0%	2.1%
Avg. EL (perf.) 2025		0.3%	0.4%
Stage 2 (perf.) 2025		40.6%	52.4%
Forbearance ratio 2025		8.0%	14.7%
Other 12/2025	**total**	**471.6**	**123.2**
	% Δ YtD 2025	**-12.6%**	**-19.0%**
	% Δ YtD 2024	**8.5%**	**18.2%**
	% Δ YtD 2023	**-12.5%**	**-5.4%**
Collateralization ratio 2025		39.5%	41.0%
Coverage ratio I 2025		7.3%	14.2%
- Coverage ratio I in stage 1		0.22%	0.15%
- Coverage ratio I in stage 2		3.37%	3.06%
- Coverage ratio I in stage 3		58.15%	57.46%
NPL ratio 2025		10.5%	23.1%
Avg. PD (perf.) 2025		1.4%	1.1%
Avg. EL (perf.) 2025		0.5%	0.3%
Stage 2 (perf.) 2025		34.7%	37.7%
Forbearance ratio 2025		7.3%	17.9%

- After significant growth in the years 2023 and 2024, sub-category C (commercial RE) showed a downward trend in the year 2025
- NPL and forbearance ratios in subcategory C are high, but remain below the ratios of subcategory B, which is, among other factors, due to a lower share of development for sale projects of 6.9%
- Category “Other” includes loans that can not be allocated unambiguously to categories A, B or C

Downturn of the RE market affects the RE portfolio – distribution by rating

Segments (EUR million)	Customer exposure YE 2025	in %	Customer exposure YE 2024	in %	Customer exposure YE 2023	in %
Real estate	**7,540.3**		**7,822.3**		**7,490.1**	
Subcategory A	1,579.1		1,372.6		1,243.1	
1A - 3E	*1,556.0*	*98.5%*	*1,366.4*	*99.5%*	*1,242.9*	*100.0%*
4A - 4B	*16.1*	*1.0%*	*0.0*	*0.0%*	*0.1*	*0.0%*
4C - 4E	*7.0*	*0.4%*	*6.2*	*0.4%*	*0.0*	*0.0%*
5A - 5E	*-*	*0.0%*	*-*	*0.0%*	*-*	*0.0%*
NR	*0.0*	*0.0%*	*0.0*	*0.0%*	*0.0*	*0.0%*
Subcategory B	3,061.7		3,351.3		3,389.2	
1A - 3E	*1,955.6*	*63.9%*	*2,404.9*	*71.8%*	*3,047.3*	*89.9%*
4A - 4B	*84.7*	*2.8%*	*102.0*	*3.0%*	*71.1*	*2.1%*
4C - 4E	*415.9*	*13.6%*	*349.4*	*10.4%*	*107.5*	*3.2%*
5A - 5E	*605.2*	*19.8%*	*494.8*	*14.8%*	*163.1*	*4.8%*
NR	*0.2*	*0.0%*	*0.2*	*0.0%*	*0.3*	*0.0%*
Subcategory C	2,428.0		2,559.1		2,360.6	
1A - 3E	*1,971.4*	*81.2%*	*2,166.3*	*84.7%*	*2,239.7*	*94.9%*
4A - 4B	*61.0*	*2.5%*	*83.4*	*3.3%*	*14.8*	*0.6%*
4C - 4E	*196.3*	*8.1%*	*140.9*	*5.5%*	*23.6*	*1.0%*
5A - 5E	*199.2*	*8.2%*	*168.4*	*6.6%*	*82.5*	*3.5%*
NR	*0.0*	*0.0%*	*0.1*	*0.0%*	*0.1*	*0.0%*
Other	471.6		539.3		497.2	
1A - 3E	*396.1*	*84.0%*	*443.9*	*82.3%*	*471.9*	*94.9%*
4A - 4B	*7.1*	*1.5%*	*12.4*	*2.3%*	*5.2*	*1.0%*
4C - 4E	*18.9*	*4.0%*	*9.1*	*1.7%*	*11.4*	*2.3%*
5A - 5E	*49.4*	*10.5%*	*73.9*	*13.7%*	*8.6*	*1.7%*
NR	*0.0*	*0.0%*	*0.1*	*0.0%*	*0.1*	*0.0%*

- **RE subcategory A (social housing, owner/developer schemes):**
  No defaults, hardly any rating downgrades, acyclical portfolio, has the highest growth rate of all subcategories in 2025

- **RE subcategory B (residential RE):**
  Deterioration of portfolio quality, 63.9% of ratings in rating category 1A - 3E, shift towards lower rating categories due to forbearance measures and early warning indicators, clear increase of NPLs (ratings 5A and below) from 4.8% in 2023 to 19.8% as of 12/2025, the share of rating category 4C-4E rose from 3.2% in 2023 to 13.6% at year-end 2025

- **RE subcategory C (commercial RE):**
  Development similar to subcategory B, but less pronounced, ca. 81% of the exposure in rating category 1A - 3E, lower forbearance and early warning indicators, but increase in NPLs in this subcategory as well (from 3.5% in 2023 to 8.2% as of 12/2025)

The deterioration in asset quality is reflected in the EWS/PLM status

Segments EUR million	Customer exposure YE 2025	in %	Customer exposure YE 2024	in %	Customer exposure YE 2023	in %
Real estate	**7,540.3**		**7,822.3**		**7,490.1**	
Subcategory A	1,579.1		1,372.6		1,243.1	
Performing	*1,560.3*	*98.8%*	*1,305.4*	*95.1%*	*1,222.2*	*98.3%*
Early warning	*-*	*0.0%*	*29.5*	*2.1%*	*15.6*	*1.3%*
Problem loans, special monitoring, work-out/legal	*18.8*	*1.2%*	*37.7*	*2.7%*	*5.3*	*0.4%*
--- of which special monitoring	*18.4*	*1.2%*	*37.7*	*2.7%*	*5.3*	*0.4%*
--- of which work-out/legal	*0.4*	*0.0%*	*-*	*0.0%*	*-*	*0.0%*
--- of which performing	*0.4*	*0.0%*	*-*	*0.0%*	*-*	*0.0%*
Subcategory B	3,061.7		3,351.3		3,389.2	
Performing	*1,579.8*	*51.6%*	*1,498.0*	*44.7%*	*2,991.1*	*88.3%*
Early warning	*70.5*	*2.3%*	*97.6*	*2.9%*	*66.1*	*2.0%*
Problem loans, special monitoring, work-out/legal	*1,411.3*	*46.1%*	*1,755.7*	*52.4%*	*332.0*	*9.8%*
--- of which special monitoring	*823.9*	*26.9%*	*1,262.1*	*37.7%*	*176.0*	*5.2%*
--- of which work-out/legal	*587.4*	*19.2%*	*493.5*	*14.7%*	*156.0*	*4.6%*
--- of which performing	*31.0*	*1.0%*	*36.6*	*1.1%*	*9.7*	*0.3%*
Subcategory C	2,428.0		2,559.1		2,360.6	
Performing	*1,595.3*	*65.7%*	*1,626.6*	*63.6%*	*2,175.8*	*92.2%*
Early warning	*98.8*	*4.1%*	*58.1*	*2.3%*	*30.6*	*1.3%*
Problem loans, special monitoring, work-out/legal	*733.9*	*30.2%*	*874.4*	*34.2%*	*154.2*	*6.5%*
--- of which special monitoring	*555.0*	*22.9%*	*689.8*	*27.0%*	*73.0*	*3.1%*
--- of which work-out/legal	*178.9*	*7.4%*	*184.6*	*7.2%*	*81.2*	*3.4%*
--- of which performing	*1.5*	*0.1%*	*25.9*	*1.0%*	*2.4*	*0.1%*
Other	471.6		539.3		497.2	
Performing	*342.4*	*72.6%*	*359.6*	*66.7%*	*444.5*	*89.4%*
Early warning	*10.6*	*2.3%*	*19.5*	*3.6%*	*24.5*	*4.9%*
Problem loans, special monitoring, work-out/legal	*118.6*	*25.1%*	*160.3*	*29.7%*	*28.2*	*5.7%*
--- of which special monitoring	*70.4*	*14.9%*	*84.6*	*15.7%*	*19.1*	*3.8%*
--- of which work-out/legal	*48.1*	*10.2%*	*75.7*	*14.0%*	*9.1*	*1.8%*
--- of which performing	*1.4*	*0.3%*	*3.1*	*0.6%*	*0.7*	*0.1%*

- In line with the development of ratings in the Real Estate segment, a deterioration in the portfolio quality in terms of loan status is evident, which is in particular due to the allocation of all residential real estate development loans to special monitoring in H1 2024
- Subcategory B (residential real estate) is particularly affected (PLM portfolio 46.1%, of which loans in special monitoring 26.9%); a deterioration can also be seen in subcategory C (commercial real estate) with a PLM portfolio of 30.2% (of which 22.9% in the special monitoring category)
- Driver of the increase of loans in the work-out/legal category are defaults of several large-volume real estate developers following delayed returns (sales proceeds and/or rental income) from real estate projects

Decreasing customer exposure in category “under construction” in subcategories B and C

Segments EUR million	Customer exposure YE 25	in %	% dev. for sale projects	% dev. for sale proj. completed	Customer exposure YE 24	in %	% dev. for sale projects	% dev. for sale proj. completed	Customer exposure YE 23	in %	% dev. for sale projects	% dev. for sale proj. completed
Real estate	**7,540.3**		**15.0%**		**7,822.3**		**18.1%**		**7,490.1**		**19.9%**	
of which under construction	*1,104.6*	*14.6%*	*26.0%*	*39.5%*	*1,277.6*	*16.3%*	*37.0%*	*49.8%*	*1,519.5*	*20.3%*	*40.0%*	*42.6%*
of which completed / not secured by properties	*5,953.5*	*79.0%*	*10.9%*		*6,057.9*	*77.4%*	*12.0%*		*5,521.7*	*73.7%*	*10.7%*	
of which land	*482.2*	*6.4%*	*40.7%*		*486.8*	*6.2%*	*44.7%*		*448.9*	*6.0%*	*65.1%*	
Subcategory A	1,579.1		0.3%		1,372.6		0.4%		1,243.1		0.0%	
of which under construction	*321.3*	*20.3%*	*0.0%*		*166.0*	*12.1%*	*0.6%*	*17.8%*	*195.5*	*15.7%*	*0.0%*	
of which completed / not secured by properties	*1,233.7*	*78.1%*	*0.0%*		*1,170.6*	*85.3%*	*0.0%*		*1,023.1*	*82.3%*	*0.0%*	
of which land	*24.2*	*1.5%*	*18.6%*		*36.1*	*2.6%*	*12.5%*		*24.5*	*2.0%*	*0.0%*	
Subcategory B	3,061.7		30.7%		3,351.3		34.1%		3,389.2		37.2%	
of which under construction	*515.2*	*16.8%*	*53.6%*	*39.5%*	*694.9*	*20.7%*	*58.9%*	*50.6%*	*814.6*	*24.0%*	*66.4%*	*44.0%*
of which completed / not secured by properties	*2,194.3*	*71.7%*	*24.3%*		*2,308.9*	*68.9%*	*25.3%*		*2,267.6*	*66.9%*	*21.9%*	
of which land	*352.1*	*11.5%*	*36.9%*		*347.5*	*10.4%*	*42.3%*		*307.0*	*9.1%*	*72.6%*	
Subcategory C	2,428.0		6.9%		2,559.1		8.5%		2,360.6		8.2%	
of which under construction	*211.7*	*8.7%*	*2.4%*	*32.5%*	*333.6*	*13.0%*	*12.3%*	*42.3%*	*451.5*	*19.1%*	*11.0%*	*29.1%*
of which completed / not secured by properties	*2,112.2*	*87.0%*	*4.7%*		*2,125.3*	*83.1%*	*5.2%*		*1,795.2*	*76.0%*	*4.1%*	
of which land	*104.1*	*4.3%*	*59.6%*		*100.1*	*3.9%*	*66.1%*		*113.9*	*4.8%*	*61.0%*	
Other	471.6		4.9%		539.3		9.6%		497.2		7.5%	
of which under construction	*56.4*	*12.0%*	*11.0%*	*51.3%*	*83.0*	*15.4%*	*25.4%*	*63.6%*	*57.9*	*11.7%*	*30.4%*	*48.6%*
of which completed / not secured by properties	*413.3*	*87.6%*	*4.1%*		*453.1*	*84.0%*	*6.7%*		*435.8*	*87.7%*	*4.5%*	
of which land	*1.9*	*0.4%*	*0.0%*		*3.2*	*0.6%*	*0.0%*		*3.4*	*0.7%*	*0.0%*	

- The volume of financings in the “under construction” category has decreased continuously, from EUR 1,519.5 mn at year-end 2023 to EUR 1,104.6 nm as of 12/2025
- Within subcategory B (residential RE), 53.6% of loans collateralised with projects under construction are development for sale projects, this share has also decreased compared to 2023
- 11.5% of the loans in subcategory B relate to financings for land, for which no construction activity is planned in the short term

Continuous decrease in bullet loans

Segments EUR million	Customer exposure YE 25	in %	% dev. for sale projects	Customer exposure YE 24	in %	% dev. for sale projects	Customer exposure YE 23	in %	% dev. for sale projects
Real estate	**7,540.3**		**15.0%**	**7,822.3**		**18.1%**	**7,490.1**		**19.9%**
of which bullet payment	*852.3*	*11.3%*	*64.5%*	*1,068.1*	*13.7%*	*68.9%*	*1,185.7*	*15.8%*	*66.7%*
of which balloon payment	*638.1*	*8.5%*	*2.8%*	*713.4*	*9.1%*	*2.8%*	*642.0*	*8.6%*	*1.4%*
Subcategory A	1,579.1		0.3%	1,372.6		0.4%	1,243.1		0.0%
of which bullet payment	*87.6*	*5.5%*	*5.1%*	*108.2*	*7.9%*	*5.1%*	*113.8*	*9.2%*	*0.0%*
of which balloon payment	*10.2*	*0.6%*	*0.0%*	*14.1*	*1.0%*	*0.0%*	*14.6*	*1.2%*	*0.0%*
Subcategory B	3,061.7		30.7%	3,351.3		34.1%	3,389.2		37.2%
of which bullet payment	*553.3*	*18.1%*	*83.2%*	*656.1*	*19.6%*	*85.0%*	*739.9*	*21.8%*	*86.0%*
of which balloon payment	*259.9*	*8.5%*	*1.4%*	*268.4*	*8.0%*	*2.1%*	*287.5*	*8.5%*	*3.0%*
Subcategory C	2,428.0		6.9%	2,559.1		8.5%	2,360.6		8.2%
of which bullet payment	*173.3*	*7.1%*	*45.0%*	*257.8*	*10.1%*	*59.7%*	*284.4*	*12.0%*	*51.1%*
of which balloon payment	*335.5*	*13.8%*	*4.3%*	*381.7*	*14.9%*	*3.8%*	*298.1*	*12.6%*	*0.2%*
Other	471.6		4.9%	539.3		9.6%	497.2		7.5%
of which bullet payment	*38.1*	*8.1%*	*19.2%*	*45.9*	*8.5%*	*42.1%*	*47.7*	*9.6%*	*19.4%*
of which balloon payment	*32.4*	*6.9%*	*0.0%*	*49.3*	*9.1%*	*0.0%*	*41.8*	*8.4%*	*0.0%*

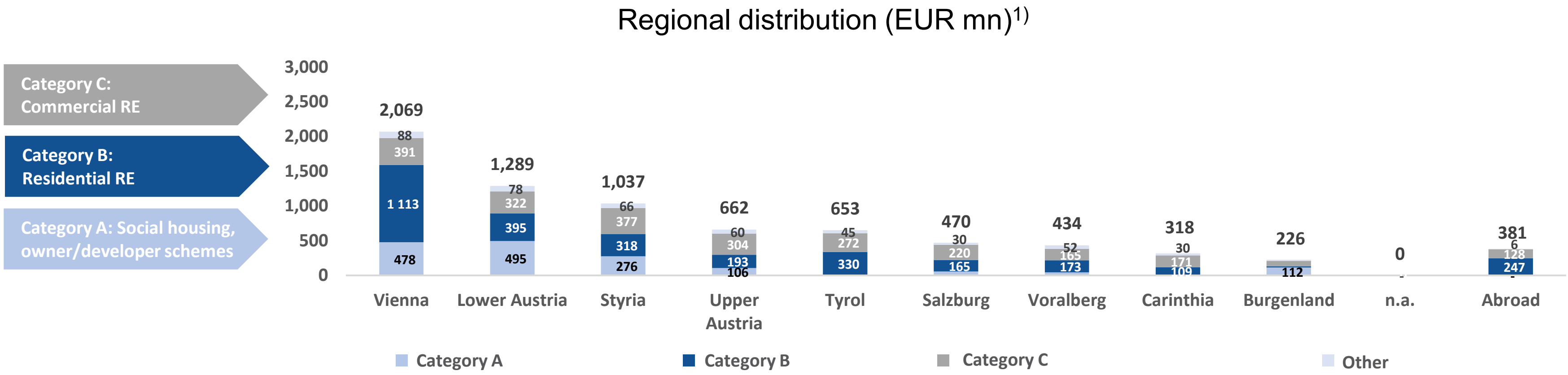
- At year-end 2025, 18.1% of financings in category B (residental real estate) were bullet loans, the relatively high share is driven by development for sale projects, which account for 83.2% of total bullet loans
- At 7.1% as of 12/2025 the share of bullet loans in category C (commercial real estate) is clearly lower as in category B, development for sales projects also are lower than in category B (45.0% of total bullet loans)
- Since 2023 bullet loans decreased in all categories

Stock of NPLs – details RE segment

Segments EUR million	AoV	Delta YTD	Delta YoY
Real Estate	**853.83**	116.74	116.74
of which development for sale projects	446.31	41.14	41.14
% development for sale projects	52.3%	-2.7%	-2.7%
of which category B: Residential RE	88.6%	12.0%	12.0%
of which category C: Commercial RE	10.0%	-5.7%	-5.7%
of which Other	1.4%	-6.3%	-6.3%
of which land	*157.62*	27.04	27.04
of which category B: Residential RE	*75.8%*	4.0%	4.0%
of which category C: Commercial RE	*24.2%*	-4.0%	-4.0%
of which Other	*0.0%*	0.0%	0.0%
of which completed or not secured by properties	*186.60*	13.13	13.13
of which category B: Residential RE	*96.5%*	6.7%	6.7%
of which category C: Commercial RE	*2.5%*	-3.2%	-3.2%
of which Other	*1.0%*	-3.5%	-3.5%
of which under construction	*102.09*	0.97	0.97
of which category B: Residential RE	*96.1%*	26.0%	26.0%
of which category C: Commercial RE	*1.8%*	-15.6%	-15.6%
of which Other	*2.1%*	-10.4%	-10.4%
of which other projects	407.53	75.60	75.60
% other projects	47.7%	2.7%	2.7%
of which category B: Residential RE	51.5%	-4.1%	-4.1%
of which category C: Comercial RE	37.9%	6.4%	6.4%
of which Other	10.6%	-2.3%	-2.3%
of which land	*14.42*	- 0.20	- 0.20
of which category B: Residential RE	*95.5%*	6.6%	6.6%
of which category C: Commercial RE	*4.5%*	-2.3%	-2.3%
of which Other	*0.0%*	-4.3%	-4.3%
of which completed or not secured by properties	*347.58*	73.50	73.50
of which category B: Residential RE	*56.5%*	-7.9%	-7.9%
of which category C: Commercial RE	*38.3%*	9.7%	9.7%
of which Other	*5.1%*	-1.8%	-1.8%
of which under construction	*45.53*	2.29	2.29
of which category B: Residential RE	*13.4%*	0.5%	0.5%
of which category C: Commercial RE	*54.9%*	-13.8%	-13.8%
of which Other	*31.7%*	13.3%	13.3%

- 52.3% (EUR 446.3 mn) of NPLs in the RE segment are development for sales projects
- Ca. 88.6% of the development for sales projects NPLs in the RE segment are residential RE financings, mainly from Volksbank Wien and Volksbank Lower Austria
- In total, the stock of NPLs in the “under construction” and “financings for land” parts of the RE segment amount to EUR 319.7 mn (of which EUR 259.7 mn are attributable to development for sale projects)
- NPLs in the “under construction” and “financings for land” parts of the RE segment are also attributable to Volksbank Wien and Volksbank Niederösterreich in particular

RE segment: regional distribution by federal states



- The Real Estate portfolio is concentrated in Austria (ca. 95%), the remaining portfolio is mainly in Germany[2)] (Volksbank Oberösterreich)
- Subcategory A is a low-default portfolio which consists predominantly of loans for social housing, primarily in the federal states of Vienna, Lower Austria and Styria (rest of subcategory A: mainly owner/developer schemes)
- Subcategories B and C: traditional commercial real estate financings for residential properties (multi-residential buildings in particular) and commercially used properties (including a broadly diversified real estate portfolio of offices, commercial properties, retail properties, etc.)

1) Location of property if available (if unavailable: address of borrower
2) 99% in Germany

Distribution of exposure by type of collateral

Segments (EUR million)	Customer exposure YE 2025	in %	Customer exposure YE 2024	in %	Customer exposure YE 2023	in %
Real estate	**7,540.3**		**7,822.3**		**7,490.1**	
Subcategory A	**1,579.1**		**1,372.6**		**1,243.1**	
Multi-residential building	*1,214.5*	*76.9%*	*1,064.7*	*77.6%*	*951.3*	*76.5%*
Residential building	*18.5*	*1.2%*	*19.7*	*1.4%*	*20.4*	*1.6%*
Apartment	*1.7*	*0.1%*	*16.1*	*1.2%*	*13.9*	*1.1%*
Residential property	*24.2*	*1.5%*	*36.1*	*2.6%*	*24.5*	*2.0%*
Accomodation property	*-*	*0.0%*	*-*	*0.0%*	*-*	*0.0%*
Other real estate	*184.6*	*11.7%*	*154.4*	*11.2%*	*138.0*	*11.1%*
Not collateralized	*135.7*	*8.6%*	*81.7*	*6.0%*	*95.0*	*7.6%*
Subcategory B	**3,061.7**		**3,351.3**		**3,389.2**	
Multi-residential building	*1,869.4*	*61.1%*	*2,050.3*	*61.2%*	*2,092.4*	*61.7%*
Apartment	*240.4*	*7.9%*	*278.1*	*8.3%*	*293.7*	*8.7%*
Luxury real estate	*241.7*	*7.9%*	*289.1*	*8.6%*	*282.3*	*8.3%*
Residential building	*240.4*	*7.9%*	*278.1*	*8.3%*	*293.7*	*8.7%*
Residential property	*352.1*	*11.5%*	*347.5*	*10.4%*	*307.0*	*9.1%*
Other real estate	*117.6*	*3.8%*	*108.0*	*3.2%*	*120.0*	*3.5%*
Not collateralized	*0.1*	*0.0%*	*0.1*	*0.0%*	*0.1*	*0.0%*
Subcategory C	**2,428.0**		**2,559.1**		**2,360.6**	
Office building	*503.4*	*20.7%*	*570.8*	*22.3%*	*530.7*	*22.5%*
Commercial real estate	*375.0*	*15.4%*	*411.5*	*16.1%*	*357.4*	*15.1%*
Residential/commercial building (mixed use)	*361.2*	*14.9%*	*386.0*	*15.1%*	*331.5*	*14.0%*
Accomodation property	*343.3*	*14.1%*	*319.3*	*12.5%*	*308.0*	*13.0%*
Retail property	*262.6*	*10.8%*	*293.4*	*11.5%*	*301.9*	*12.8%*
Residential property	*104.1*	*4.3%*	*100.1*	*3.9%*	*113.9*	*4.8%*
Other real estate	*478.3*	*19.7%*	*478.1*	*18.7%*	*417.1*	*17.7%*
Other	**471.6**		**539.3**		**497.2**	
Social property	*24.0*	*5.1%*	*40.9*	*7.6%*	*29.5*	*5.9%*
Commercial real estate	*28.9*	*6.1%*	*30.7*	*5.7%*	*29.0*	*5.8%*
Other	*103.0*	*21.8%*	*140.5*	*26.1%*	*124.1*	*25.0%*
Accomodation property	*22.8*	*4.8%*	*16.5*	*3.1%*	*12.3*	*2.5%*
Residential property	*1.9*	*0.4%*	*3.2*	*0.6%*	*3.4*	*0.7%*
Other real estate	*48.1*	*10.2%*	*47.2*	*8.8%*	*46.8*	*9.4%*
Not collateralized	*242.9*	*51.5%*	*260.3*	*48.3%*	*252.1*	*50.7%*

- The real estate portfolio is dominated by residential properties, particularly multi-residential buildings, which account for the biggest shares of subcategories A (76.9%) and B (61.1%)
- In subcategory C, the structure is highly heterogeneous and well diversified

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