VBW and AoV – Investor presentation

March 2025

CONTENT

Overview Volksbank Wien and Association	3
Results FY 2024	8
Asset quality and risk provisions	16
Capital, funding and liquidity, MDA	25
Covered bonds	29

Overview VBW and AoV

Growth trajectory continued in 2024 despite adverse economic conditions

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 32.1 bn** Risk-weighted assets: **EUR 15.6 bn** CET1 ratio transitional / fully loaded: **15.5% / 15.4%** The regulatory minimum requirement (CET1 capital requirement of 11.6%) is exceeded by 3.8%-pts
Volksbank Wien Assets and capital	Total assets: **EUR 16.0 bn** Risk-weighted assets: **EUR 4.8 bn** CET1 ratio transitional / fully loaded: **17.4% / 17.4%**

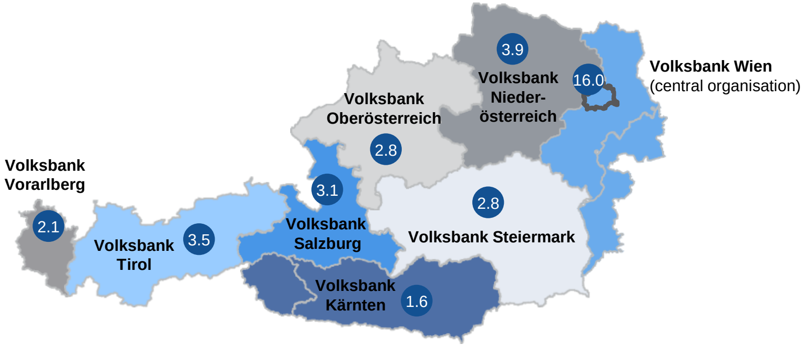
AoV and VBW: ratings

Moody's[1)] (Volksbank Wien)	Long term deposit rating: Baseline credit assessment (BCA): Covered bond rating: Outlook:	**A2** **baa1** **Aaa** **Negative**
Fitch Ratings[2)] (Association, Volksbanks)	Long term issuer default rating (IDR): Viability rating: Outlook:	**BBB+** **bbb+** **Negative**
Sustainalytics[3)] (Volksbank Wien)	ESG risk rating score: ESG risk rating category:	**14.3** **Low ESG risk**

1) 20 March 2025: Moody's affirmed VBW's long-term deposit rating and senior unsecured debt rating at A2, and changed the outlook from stable to negative
2) 06 June 2024: rating affirmed | 3) Rating update as of 02 December 2024

Regionally diversified business in Austria

- The Association of Volksbanks places its strategic focus on regional business in Austria and on organic growth, the business model is centred on the **Austrian market** and on the business areas of **private customers, SMEs and real estate**
- The Association benefits from its strong regional roots, the personal contact with customers of its over 1,800 sales employees, and from an Austria-wide branch network. Approximately **960 thousand customers are served via 231 branches.** Volksbank Wien currently has **54 branches and around 297 thousand customers**.
- The Volksbanks operate almost exclusively in Austria; the share of financing abroad is limited to a maximum of 5%. At the end of 2024, **96% of the AoV's loans and receivables from customers were in Austria.** The ca. 4% of financing abroad is in neighbouring countries, mainly Germany. The Association has no participations abroad
- **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 31 December 2024 (Association: EUR 32.1 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 12/2024 EUR 32.1 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.** The management and steering of the Association of Volskbanks is highly integrated
- 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 centre and market service centre, 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

Results FY 2024

Results 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 (Union Investment, TeamBank, ERGO), 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 for future growth • Further digitalisation of front-office and back-office processes and continued focus on operational efficiency
Economic downturn reflected in loan portfolio	• The Austrian economy was in recession for the second year in a row, economic forecasts were revised downwards due to continued weakness in industry and exports as well as a continued reluctance in consumer spending. The downturn of the Austrian economy led to increasing insolvency numbers • At the same time, the situation on the real estate market remained challenging due to weak demand which was dampened by the prudential regulation (KIM-VO)[1], higher interest rates and increased, inflation-driven construction costs. Although demand in the residential property market slightly increased in recent months, the commercial property sector remains difficult • The recession in Austria, and in particular the disruption on the real estate market, affected the loan portfolio and led to an increase of the NPL ratio from 2.5% at the end of 2023 to 5.1% as of 31 December 2024 • Accordingly, risk provisions were raised considerably in 2024 to EUR 221 mn (12/2023: 65 mn)
Capital ratios increased	• Despite this, the Association of Volksbanks‘ capital ratios increased, as of 31 December 2024 the Association showed a CET1 ratio of 15.5% (12/2023: 15.3%) and an equity ratio of 22.9% (12/2023: 18.9%)

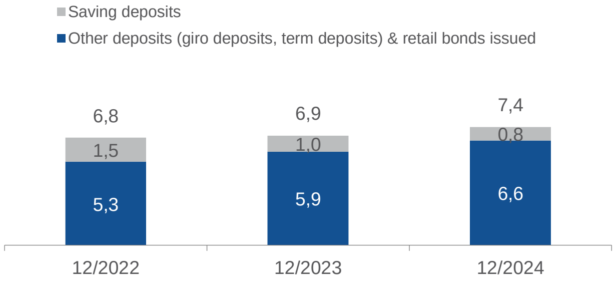
1) KIM-VO: Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung, KIM regulation sets tighter standards for private mortgage loans in terms of minimum equity and minimum DSTI required

Results 2024 at a glance (2/3)

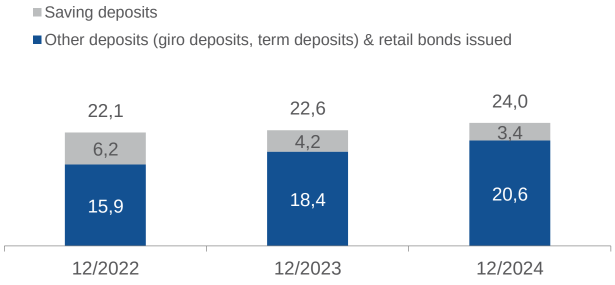
Growth of customer base	
	• A strong retail customer base is a strategic advantage and base for further growth, which is one of the main targets of the Association. This target was reached in 2024, the Association's deposits as well as loans grew stronger than the Austrian market • In 2024, amounts owed to customers plus retail bonds issued to the Association's customers increased by 6.2% to EUR 24.0 bn (12/2023: EUR 22.6 bn), representing a further increase of the Association's market share • Loans and receivables from customers also developed positively and stood at EUR 23.2 bn as of 12/2024, representing a y-o-y growth of EUR 423 mn (+1.9%). The slightly lower increase of loans and receivables from customers compared to deposit growth is attributable to lower demand in the private customer business. In the SME segment, demand developed well, with the ESG transformation as a driving factor; customer loans in the Real Estate segment also increased in 2024 despite economic challenges • The LDR including retail bonds issued was 98.9% as of 31 December 2024[1)]

Development savings deposits, other deposits & retail bonds issued

Volksbank Wien (EUR bn)



Association of Volksbanks (EUR bn)



- The distinct shift from untied giro deposits and saving deposits to products carrying higher interest rates (primarily term deposits and online savings) recorded in 2023 has continued in 2024
- Primary funds increased significantly at the primary banks[2)] in 2024 (+EUR 1,256 mn), primary bank's net sale of own retail bonds was EUR 316 mn
- The interest rate of primary funds stood at 1.28% at the end of 2024, and the deposit beta[3)] was 47% as of 31 December 2024

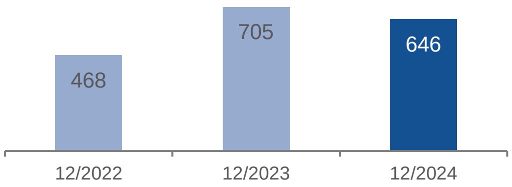
1) LDR including retail bonds based on gross loans and receivables from customers | 2) Primary banks: regional Volksbanks (incl. VBW Retail, excl. VBW CO) and Ärzte- und Apothekerbank
3) Average interest rate in relation to 3-months Euribor

Results 2024 at a glance (3/3)

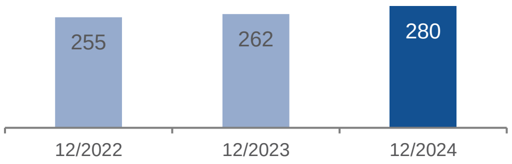
Operating result reflects solid interest income and rising provision income	• Interest income remained at a high level in 2024, despite the rapid fall of the key interest rate. At EUR 646 mn as of 31 December 2024, the previous year's net interest income of EUR 705 million could not be maintained, due to the slight drop of the interest margin to 2.0% after 2.3% in the 2023. The issuance of T2 bonds to replace AT1 capital called in April also impacted the interest result (AT1 coupon was paid as dividend while T2 coupons are included in interest expenses), the impact was ca. EUR 15 mn • After continuous growth in previous years, net fee and commission income further increased in 2024 by 6.6% to an amount of EUR 280 mn (12/2023: EUR 262 mn). In particular, income from the securities business grew significantly in 2024 • With EUR 337 mn the Association reached a good operating result in 2024. Due to lower interest income and higher general expenses, however, it was below last year's excellent result of EUR 427 mn, nonetheless the operating result amounted again to more than 1% of total assets
Costs driven by inflation and IT expenses	• General administrative expenses went up to EUR 589 mn in 2024 (12/2023: EUR 536 mn), driven by – in addition to inflation-related increases – clearly rising investments in digitalisation and process optimisation (operating expenses +EUR 32 mn), and by increased collective labour agreements and a slightly higher number of employees as basis for the intensification of sales efforts (personnel expenses +EUR 21 mn) • These effects are reflected in the Association's CIR, which increased to 62.8% in the period under review, after 55.5% in 2023
Solid result after taxes, impacted by risk provisions	• Due to the economic conditions in Austria, last year's record result after taxes (12/2023: EUR 326 mn) could not be maintained. With a profit after taxes of EUR 132 mn, however, the Association's reached a solid result in 2024 • Main driver of the y-o-y decrease were higher risk provisions resulting from weak macroeconomic growth and the difficult situation of the real estate market
Overview capital market activities 2024	• Volksbank Wien successfully placed two benchmark T2 bonds in 2024 ➢ 03/2024: EUR 500 mn T2, term of 10.25 years with a call right after 5.25 years, re-offer spread of +310 bps, final order book of EUR 2.1 bn ➢ 09/2024: EUR 500 mn T2, term of 11.25 years with a call right after 6.25 years, re-offer spread of +305 bps, final order book of EUR 1.9 bn • The placement of the T2 bonds enabled VBW to strengthen its capital base and to optimise its capital structure. Following the T2 issues, VBW exercised its call right in the EUR 220 mn AT1 issue and tendered its EUR 400 mn T2 bonds issued in 2017 (no longer fully eligible as T2 capital)

AoV: KPIs 12/2022 – 12/2024 (1/2)

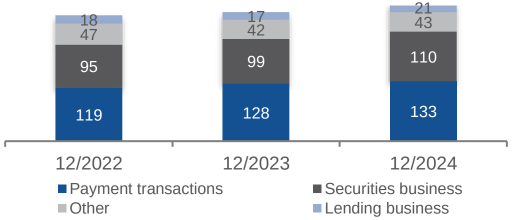
Net interest income
(EUR mn)



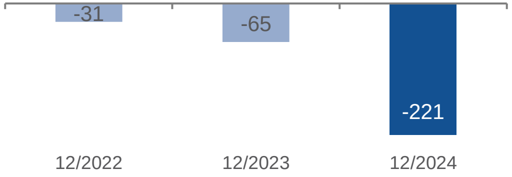
Net fee & commission income (total)
(EUR mn)



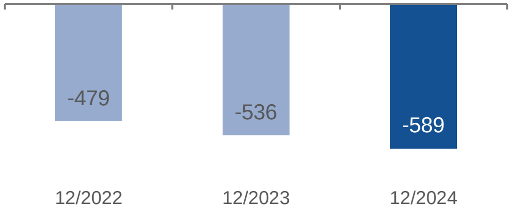
Fee & commission income: distribution[1)]
(EUR mn)



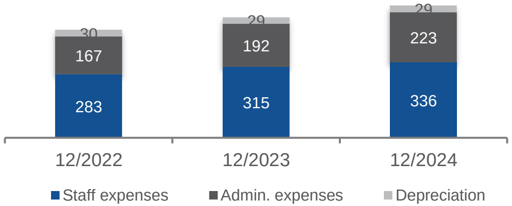
Risk provisions
(EUR mn)



General administrative expenses
(EUR mn)



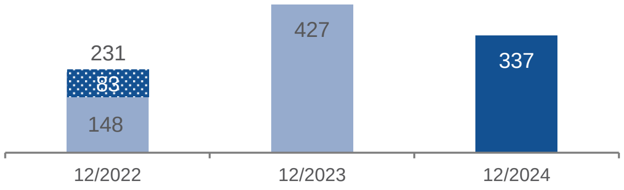
General administrative expenses: distribution
(EUR mn)



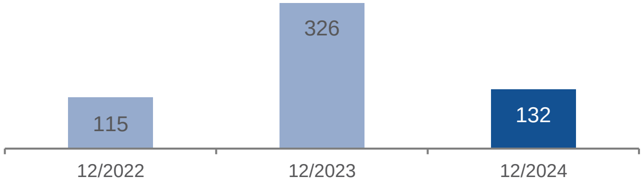
1) "Other" mainly includes commissions from the sale of TeamBank loans, not shown in graph above: fee and commission expenses

AoV: KPIs 12/2022 – 12/2024 (2/2)

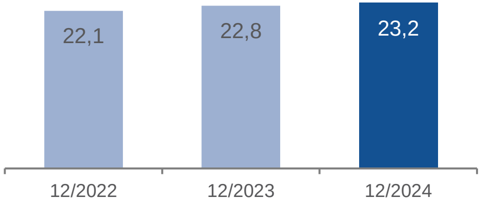
Operating result[1)]
(EUR mn)



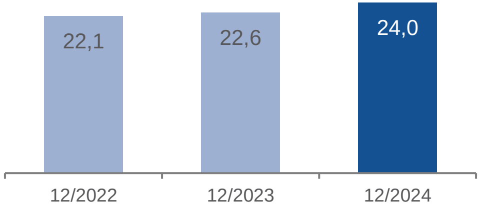
Result after taxes
(EUR mn)



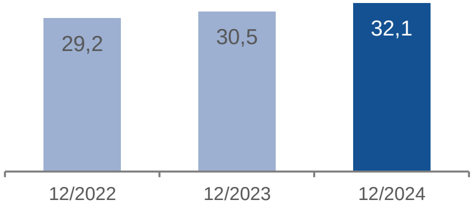
Loans & receivables from customers[2)]
(EUR bn)



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



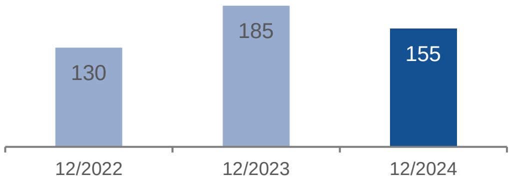
Total assets
(EUR bn)



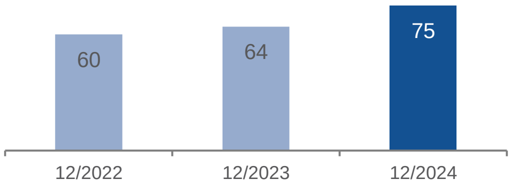
1) Operating result as of 12/2022 adjusted for payment on government participation right in H2 2022 in an amount of EUR 83 mn | 2) Breakdown fixed/floating rate loans (including swaps): as of 12/2024: 47% fixed rate loans, 53% floating rate loans; as of 12/2023: 40% fixed rate loans, 60% floating rate loans

VBW: KPIs 12/2022 – 12/2024 (1/2)

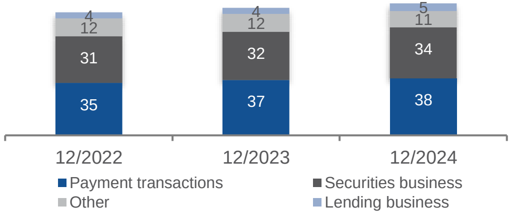
Net interest income
(EUR mn)



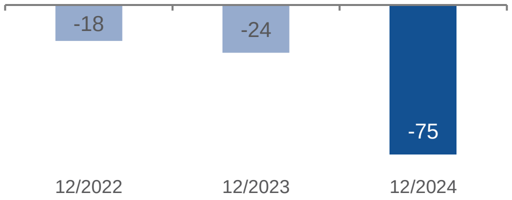
Net fee and commission income
(EUR mn)



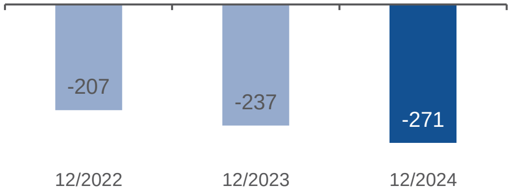
Fee & commission income: distribution[1)]
(EUR mn)



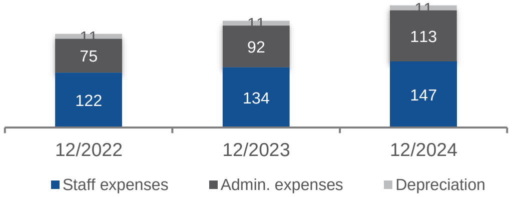
Risk provisions
(EUR mn)



General administrative expenses
(EUR mn)



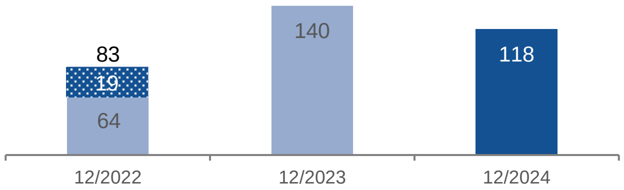
General administrative expenses: distribution
(EUR mn)



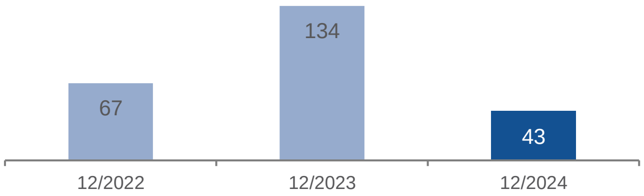
1) "Other" mainly includes commissions from the sale of TeamBank loans, not shown in graph above: fee and commission expenses

VBW: KPIs 12/2022 – 12/2024 (2/2)

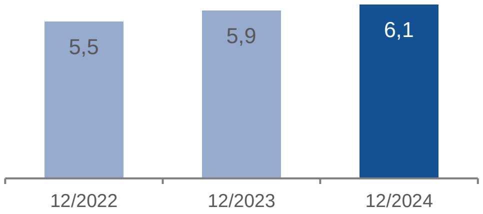
Operating result[1)]
(EUR mn)



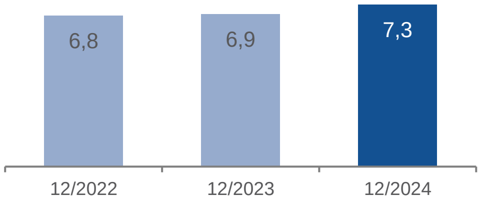
Result after taxes
(EUR mn)



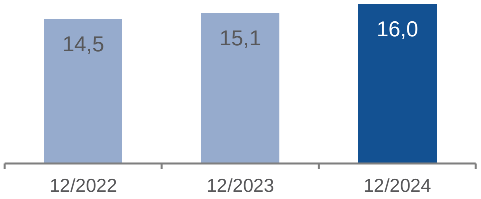
Loans & receivables from customers[2)]
(EUR bn)



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



Total assets
(EUR bn)



1) Operating result as of 12/2022 adjusted for payment on government participation right in H2 2022 in an amount of EUR 19 mn | 2) Breakdown fixed/floating rate loans (including swaps): as of 12/2024 49% fixed rate loans, 51% floating rate loans; as of 12/2023 40% fixed rate loans, 60% floating rate loans

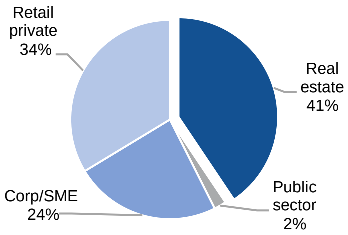
Asset quality and risk provisions

Stable customer business in Austria

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

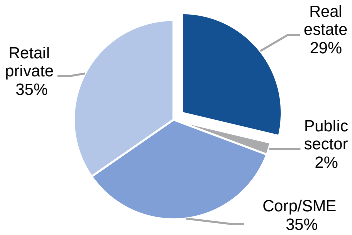
Volksbank Wien

12/2024 (EUR 7.11 bn)



Association of Volksbanks

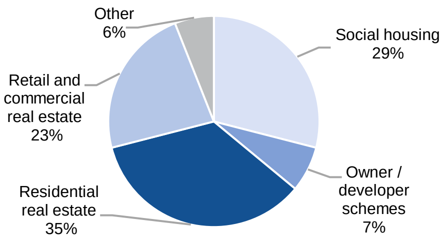
12/2024 (EUR 27.30 bn)



Distribution of RE exposure[1)]

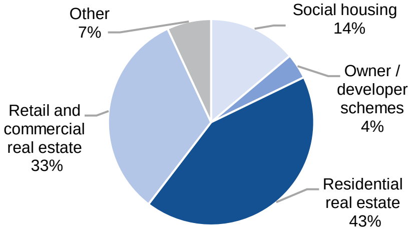
Volksbank Wien

12/2024 (EUR 2.90 bn)



Association of Volksbanks

12/2024 (EUR 7.82 bn)



Regional focus on Austria

The vast majority of loans and receivables is located in Austria, as of 12/2024:

- **Association:** 96.1% of total loans and receivables
- **Volksbank Wien:** 98.4% of total loans and receivables

High level of collateralisation

Segment Real Estate

Collateralisation ratios as of 12/2024:

- **Association:** 87.0%
- **Volksbank Wien:** 88.5%

Subsegment Residential RE

Collateralisation ratios as of 12/2024:

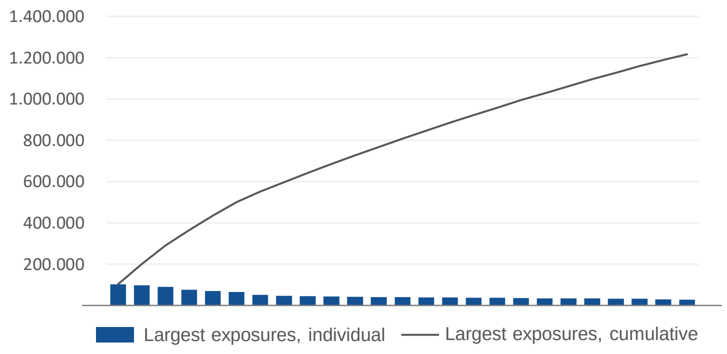
- **Association:** 93.3%
- **Volksbank Wien:** 95.6%

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

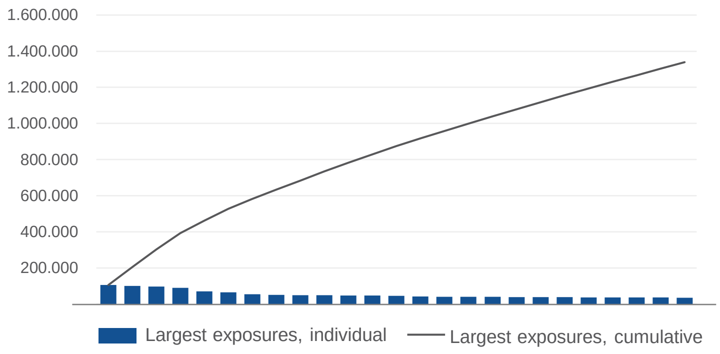
Granular loan portfolios without cluster risk

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 12/2024 the **top 25 exposures** represent 4.9% of the Association's and 17.1% 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 1.4% of Volksbank Wien's customer loans
- The **top exposure nr. 25** amounts to only EUR 36 mn at the Association and to EUR 27 mn at Volksbank Wien

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:

- The private customers loan portfolio is stable, default rates are low
- Due to KIM-VO[1)] and the level of interest rates, new loans stagnated in 2024; the housing package[2)] so far shows little effect
- First signs of an incipient recovery are noticeable, i.e. demand for financing slightly increased in some regions

Corporate/SME:

- The economic downturn continued in H2 2024, the industrial and construction sectors in particular were affected
- In 2024, the number of insolvencies grew by 23% compared to the previous year, the service sector, construction and retail in particular showed rising insolvency numbers

Real Estate:

- Buyer’s market prevails - although having slowed down, the negative development of prices has continued, in particular in Vienna, where new, completed projects still outstrip demand and 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 realisation periods (completion and sale of projects) have extended

1) KIM-VO: Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung, KIM regulation sets tighter standards for private mortgage loans in terms of minimum equity and minimum DSTI required
2) The housing package adopted by the government is an economic stimulus package to promote the housing sector

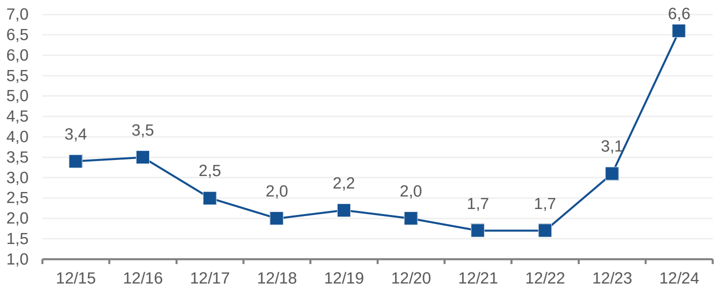
Effects of economic environment on loan portfolio (2/2)

- Specific loan portfolios of the Association of Volksbanks are affected to different degrees by the current economic environment
- KRIs in the **Retail Private and Corporate/SME** risk segments remain at satisfactory levels (Retail Private segment low KRIs and very stable; in the Corporate/SME segment NPLs increased, with pronounced differences in the development of individual sectors)
- Within the **Corporate/SME** risk segment, exposures in the construction industry and in tourism are under particular observation, as in these sectors insolvency figures are rising throughout Austria, which is reflected in an increase of NPL ratios in the respective AoV portfolios
- **Real Estate** (i.e. commercial real estate financing) is the risk segment showing the most significant impact on asset quality
- 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 an increase in non-performing loans
- As of 31 December 2024, the Association’s total risk costs including PMAs were EUR 221 mn (Volksbank Wien: EUR 75 mn), and in 2024 the Association’s NPL volume increased from EUR 680 mn to EUR 1,362 mn (Volksbank Wien: from EUR 210 mn to EUR 455 mn)
- Within the RE risk segment, the sub-portfolios of category B (residential real estate; total exposure of EUR 3.3 bn), category C (retail and commercial real estate; EUR 2.6 bn) and category “other” (holding companies and 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; exposure of EUR 1.4 bn; largest share of category B - residential real estate)
- There are no NPLs in category A (social housing and owner/developer schemes; exposure of EUR 1.3 bn)

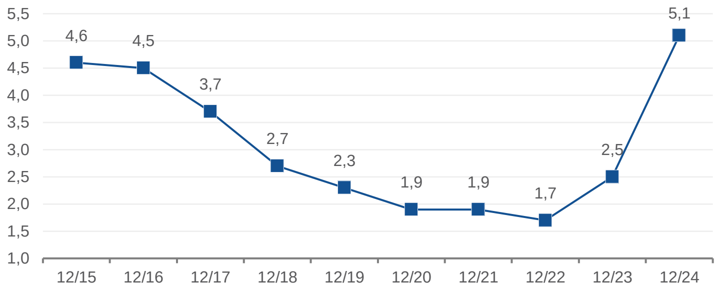
Real estate exposure drives increase of NPL ratios

Development of NPL ratios[1)]

Volksbank Wien (%)



Association of Volksbanks (%)



- The increases in the Association's and Volksbank Wien's NPL ratios in 2024 result from additional NPL volumes of EUR 682 mn (Association) and EUR 245 mn (Volksbank Wien)
- EUR 482 mn or 71% (Volksbank Wien: EUR 196 mn or 80%) of this additional NPL volume is attributable to the Real Estate segment, and EUR 191 mn or 28% (Volksbank Wien: EUR 44 mn or 18%) to the Corporate/SME segment, the small remaining amount comes from the Retail Private segment
- At the Association of Volksbanks ca. 2/3 of the EUR 482 mn NPL increase in the Real Estate segment is attributable to category B - residential real estate, these loans are collateralised to a very high degree
- As of 31 December 2024 the collateralisation ratio in the real estate segment was 87.0% on the Association level (Volksbank Wien: 88.5%), in the subsegment residential real estate (category B) the Association's collateralisation ratio was 93.3% (Volksbank Wien: 95.6%)
- Within in the Corporate/SME segment, 47.5% of the EUR 191 mn increase in NPL volume is attributable to the tourism sector (limited number of larger defaults in the western part of Austria)
- There is no US CRE exposure

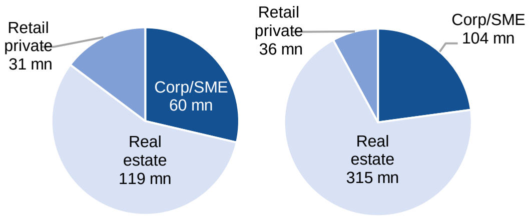
1) Loans and receivables based on risk view (total loans extended); figures in the text exclude subsequent events

Distribution of non-performing loans

Total non-performing loans[1)]

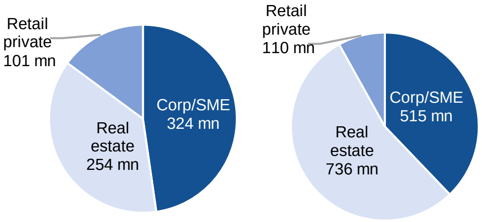
Volksbank Wien

12/2023 (EUR 210 mn) / **12/2024 (EUR 455 mn)**



Association

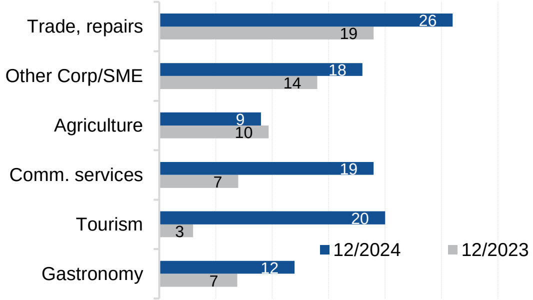
12/2023 (EUR 680 mn) / **12/2024 (EUR 1,362 mn)**



NPLs Corp/SME[1)]

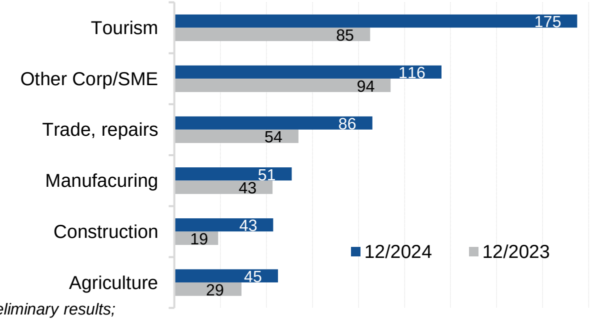
Volksbank Wien

12/2023 (EUR 60 mn) / **12/2024 (EUR 104 mn)**



Association

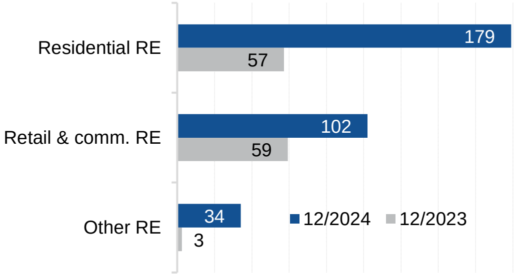
12/2023 (EUR 324 mn) / **12/2024 (EUR 515 mn)**



NPLs real estate[1)]

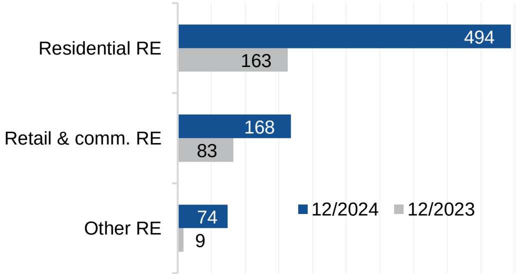
Volksbank Wien

12/2023 (EUR 119 mn) / **12/2024 (EUR 315 mn)**



Association

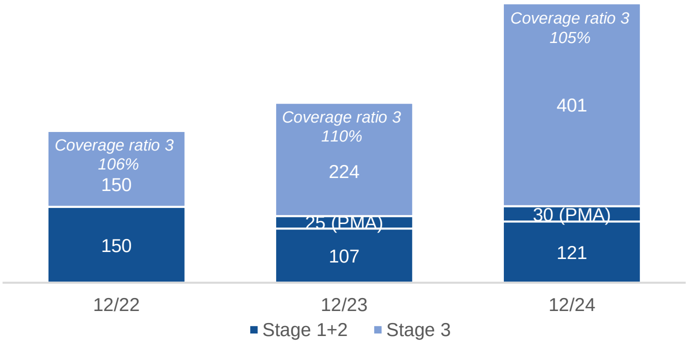
12/2023 (EUR 254 mn) / **12/2024 (EUR 736 mn)**



1) Loans and receivables based on risk view (total loans extended) and on preliminary results; due to subsequent events, final NPL volumes for VBW and the Association are EUR 470 mn and EUR 1,394 mn respectively

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 401 mn result in a NPL coverage in form of the coverage ratio 3 (risk provisions plus loan collateral after haircuts) of 105%, which is clearly above the internal strategic minimum level of >101%
- As of 12/2024, the total amount of post-model adjustments (PMA) stood at EUR 30 mn, accounting for effects of future model adjustments, risks for energy-intensive industries, and macroeconomic risks for customers in the construction and real estate sectors

Risk provisions p&l (EUR mn)

Association	12/2022	12/2023	12/2024
Stage 1+2	-39	6	-54
Stage 3	17	-70	-154
Other[1)]	-9	-1	-12
Total	**-31**	**-65**	**-221**
Total (bp)	**-12**	**-24**	**-81**

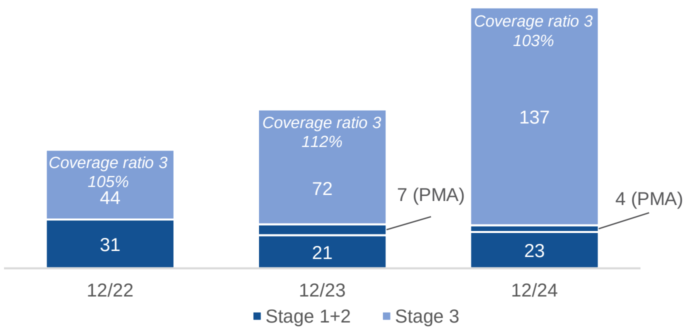
Risk provisions p&l

- The Association‘s total risk costs stood at EUR -221 mn as of 12/2024
- 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 of EUR 24 mn were recognised due to staging effects and rating downgrades, in addition, PMAs in an amount of EUR 30 mn were booked
- Other risk provisions totalling EUR -12 mn result from direct write-offs and modification 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)

Volksbank Wien	12/2022	12/2023	12/2024
Stage 1+2	-10	0	-9
Stage 3	-1	-28	-58
Other[1)]	1	0	-9
Total	**-10**	**-29**	**-77**
Total (bp)	**-14**	**-42**	**-108**

Stock of risk provisions

- At 103% as of 12/2024, Volksbank Wien‘s coverage ratio 3 clearly exceeds the internal strategic minimum level of >101%
- As on the Association level, at Volksbank Wien post model adjustments in an amount of EUR 4 mn were formed at year-end 2024 for various risks not yet shown in models or in the data

Risk provisions p&l

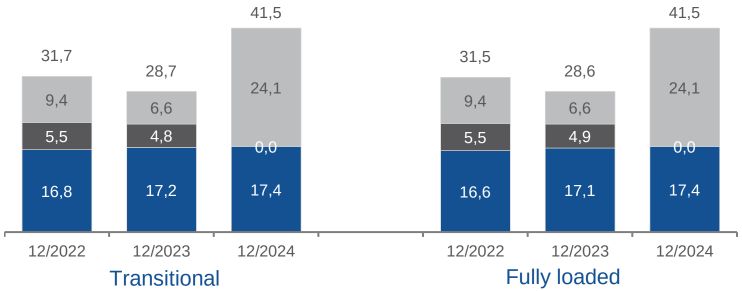
- As of 31 December 2024, Volksbank Wien’s **total risk costs** stood at **EUR -77 mn**
- As at the Association, the result is mainly attributable to large volume defaults in the real estate portfolio and to PMAs

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

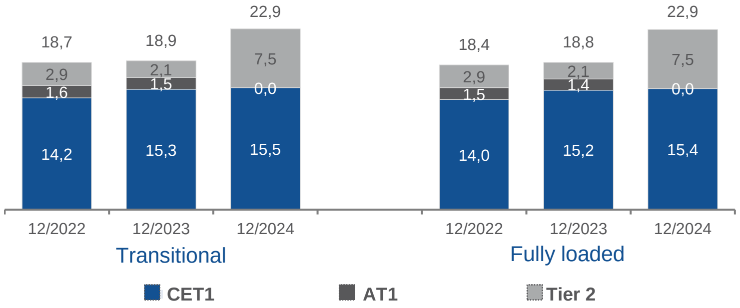
Capital, funding and liquidity, MDA

Capital ratios clearly above requirements

Capital ratios Volksbank Wien[1)] (%)



Capital ratios Association[1)] (%)



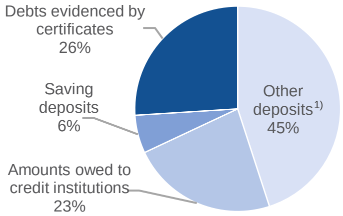
- Volksbank Wien as central organisation of the Association has to fulfil the SREP capital requirements on a consolidated basis together with the associated institutes (Association of Volksbanks)
- **SREP ratios as of 12/2024:** pillar 1 requirement 8.0% (CET1: 4.5%, T1: 6.0%) pillar 2 requirement (P2R) 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%
- In 2025, the O-SII buffer will be reduced from 0.9% to 0.45%, while implementation of an additional sectoral systemic risk buffer for commercial real estate is expected
- The **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 12/2024 there is no T2 shortfall. The **overall capital requirement** is 14.2**%** (excl. P2G)
- **At 15.4%,** the fully loaded CET1 ratio as of 31 December 2024 is well above the CET1 capital requirement of 11.6% (including P2G: 12.9%)
- The **MREL requirement** as of 01 January 2025 is **24.0%** (including a 3.5% combined buffer requirement, the subordination requirement is 0) and it is applicable at the Association level. As of 30 September 2024, the **MREL ratio** stood at **31.1%**
- **Risk-weighted assets as of 12/2024**
  - Association RWAs: **EUR 15.6 bn** (ca. 91% credit risk)
  - Volksbank Wien RWAs: **EUR 4.8 bn** (ca.85% credit risk)
- Due to the implementation of Basle IV the AoV's RWAs increased by ca. EUR 1.1 bn (based on credit risk) as of 01 January 2025

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

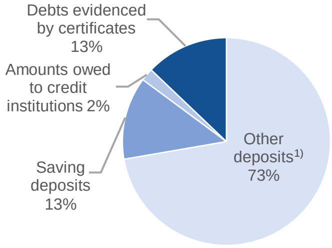
Funding structure and maturity profile

Breakdown of VBW and AoV funding as of 12/2024

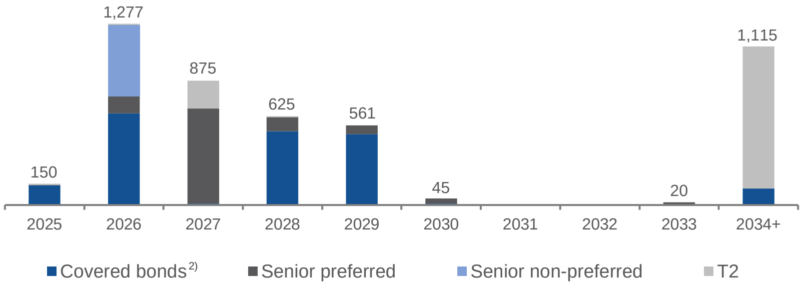
Volksbank Wien: EUR 13.2 bn



Association: EUR 27.2 bn



Maturity profile of AoV issues as of 12/2024 (EUR mn)



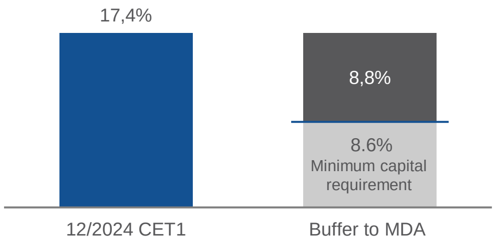
- The funding mix of the Association is dominated by an approx. **86% share of customer deposits;** wholesale funding needs are limited
- **Volume of customer deposits** as of 12/2024
  - **Association:** savings deposits EUR 3.4 bn, other deposits (incl. term deposits) EUR 19.9 bn, retail bonds issued EUR 0.73 bn
  - **VBW:** savings deposits EUR 0.8 bn, other deposits (incl. term deposits) EUR 5.9 bn, retail bonds issued EUR 0.65 bn
- **Volume of deposits insured by deposit scheme** as of 12/2024
  - **Association:** EUR 15.1 bn (average balance per customer EUR 14.9 thsd)
  - **VBW:** EUR 4.3 bn (average balance per customer EUR 14 thsd)
- 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 of EUR 0.6 bn was repayed on 26 June 2024
- **Leverage ratios** as of 12/2024: **7.3%** (Association) and **5.9%** (VBW)
- From a MREL perspective, issuance of a senior unsecured benchmark bond is to be expected for 2025
- 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) 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

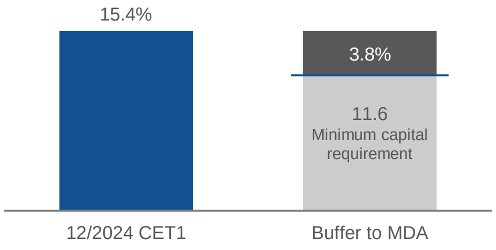
AoV and VBW: maximum distributable amount

Maximum distributable amount (fully loaded)

Volksbank Wien



Association of Volksbanks

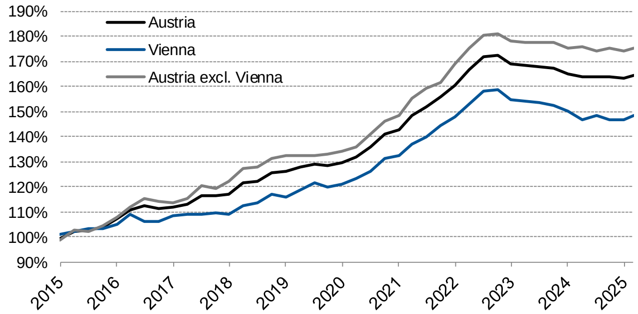


- The Association's effective CET1 requirement (excl. P2G) is 11.6% and corresponds to the T1 capital requirement, since all T1 requirements are covered with CET1 capital. As of 12/2024 there is no T2 shortfall
- No T2 shortfall on the level of Volksbank Wien
- Pillar 2 requirement, systemic risk buffer and other systemically important institution buffer requirements are only applicable on the consolidated Association level

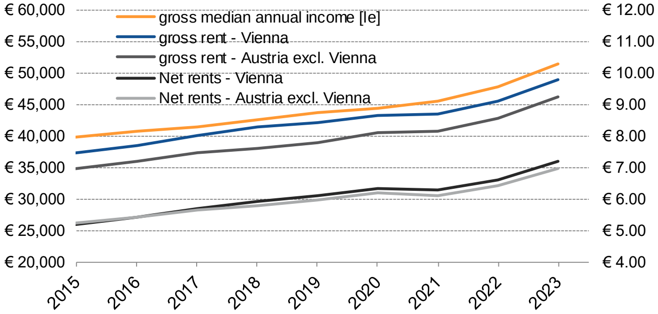
Covered bonds

Development of the Austrian real estate market

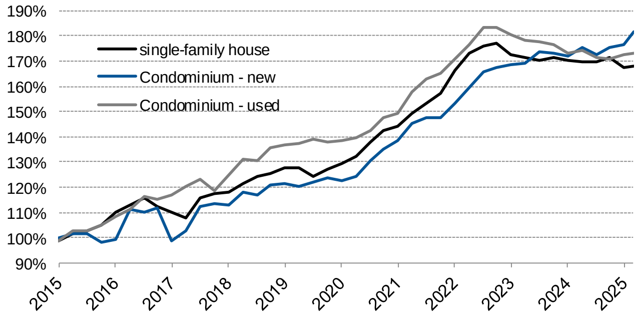
Austria: real estate prices[1)]



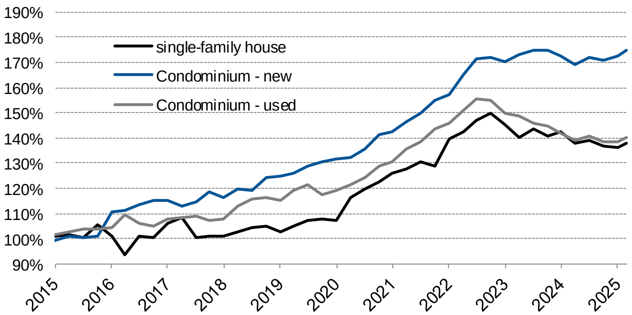
Gross median income & rents[2)]



Austria excl. Vienna: real estate prices[1)]



Vienna: real estate prices[1)]



1) OeNB „Immobilienpreisindex“ | 2) Statistik Austria

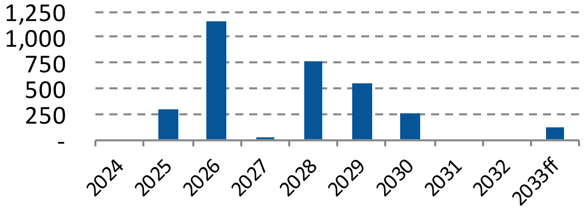
Covered bond liabilities

Covered Bonds

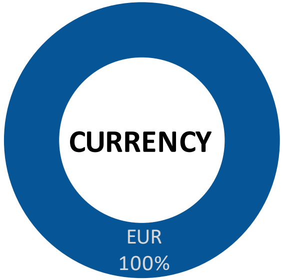
Total outstanding liabilities (EUR mn)	3,149
thereof used as collateral	1,209
Number of outstanding Covered Bonds	24
thereof callable	*1*
Average bond size (EUR mn)	131
WA remaining term (years)	3.08

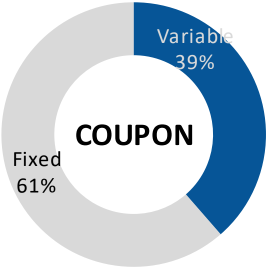
as of 31 Dec 2024

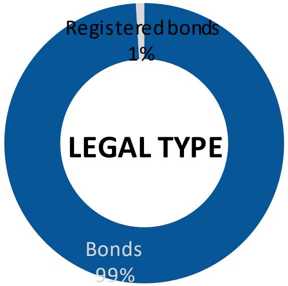
Amortisation profile

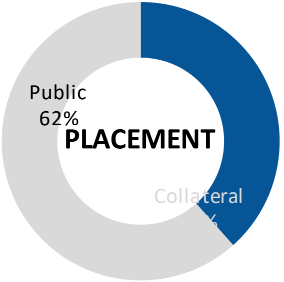


as of 31 Dec 2024









Covered pool: overview

Overview

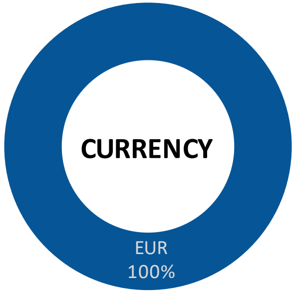
Total assets in the Cover Pool (EUR mn)	4,805
Total outstanding liabilities (EUR mn)	3,149
Current OC (nominal basis)	52.58%
Number of loans	34,803
Number of borrowers	29,493
Average loan balance (EUR)	138,051
Properties located in Austria	100%
Share of 10 biggest loans	1.17%

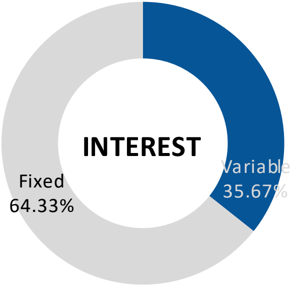
as of 31 Dec 2024

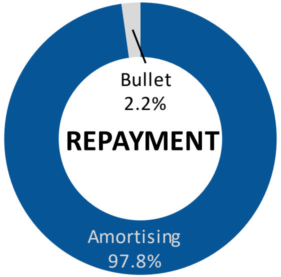
Moody´s Rating Figures

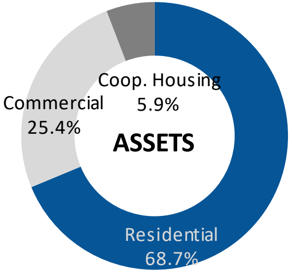
Pool Rating	Aaa
CR Assessment	A1(cr)
Deposit Rating	baa1
ayment Indicator	Probable-High
TPI Leeway	3 notches
OC consitent wirh current Rating	11.0%
Collateral Score	5.6% / 4.5%
WA LTV (indexed / unindexed)	53% / 62%
WA seasoning (in month)	75
WA remaining term (in month)	220

as of 31 Dec 2024

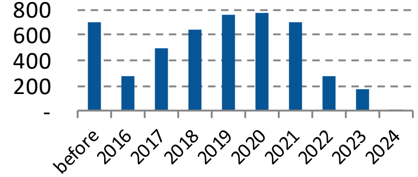




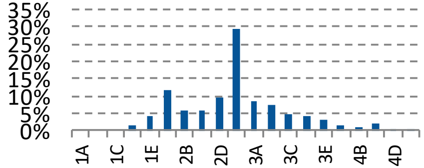




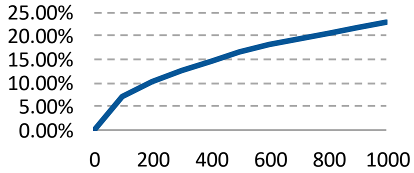
Seasoning



Rating distribution



Granularity of the pool



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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