VOLKSBANK
Gutes zieht Kreise.

Results H1 2026
Association of Volksbanks

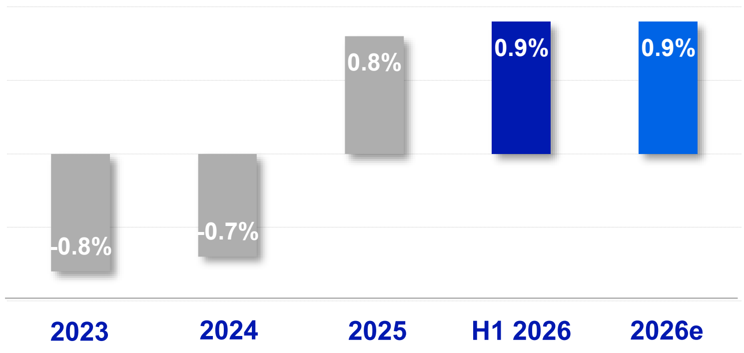
Global Investor Call, August 20th, 2026

Content

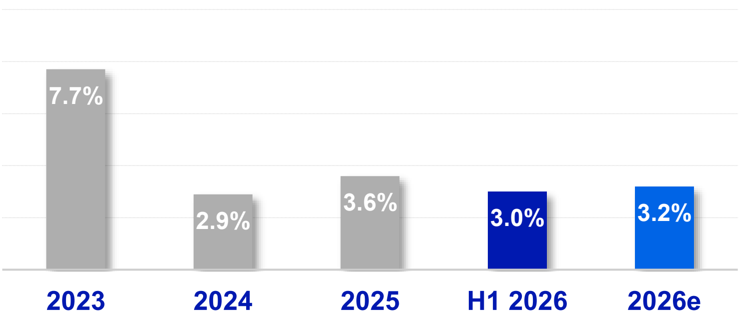
Business development, results H1 2026

Economic environment in Austria

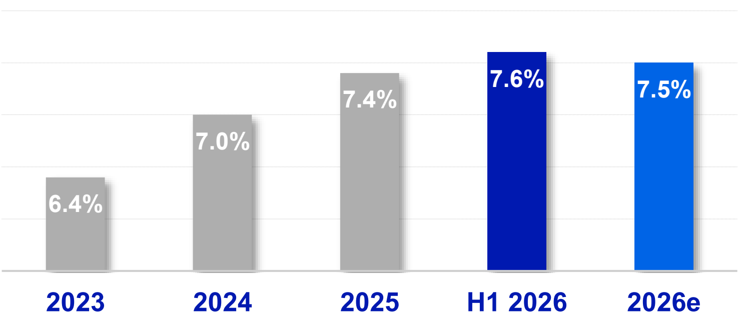
Real GDP growth[1)]



HICP inflation[1)]



Unemployment rate[1)]



Growth of GDP in the first half of 2026

- The recession of 2023 and 2024 was followed by moderate GDP growth in 2025 that continued in the first quarter of 2026 and came to a halt in the second quarter, as the war in Iran and the subsequent interest rate hike took a toll on the industrial sector and private consumption

Inflation and unemployment

- While one-time effects and second-round effects were the main causes of higher inflation in 2025, the focus shifted back to rising energy prices in H1 2026
- Despite moderate wage settlements for 2026, inflation rate rose to 3% in the first half of the year, due in part to the rapid response of gasoline prices to rising crude oil prices
- The decline in unemployment expected for 2026 is likely to be pushed back to 2027, as the unemployment rate continued to rise in the first half of 2026

Development of real estate market

- Construction activity remained subdued throughout the first half of 2026, while construction costs once again surged higher
- Nominal real estate prices stabilized in 2025, with residential real estate prices rising in the first quarter and, to a somewhat lesser extent, in the second quarter of 2026
- The property investment market showed greater dynamism and new lending volumes increased in the first few months of 2026 compared to the previous year. However, higher short-term interest rates and growing uncertainty in the face of geopolitical conflicts weighed on investor and consumer sentiment

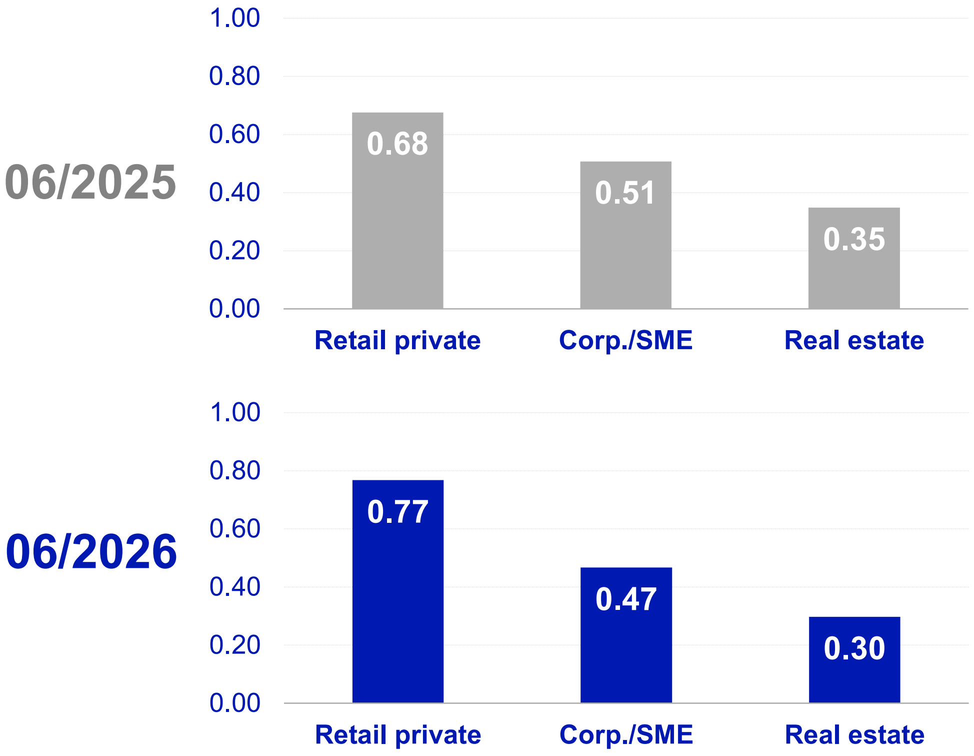
Outlook

- June forecasts assume falling energy prices in H2 2026, allowing for a sustained, albeit moderate, economic recovery, in which industry and the export sector are set to play a part, whilst the contribution from private consumption is expected to remain modest but positive
- As the geopolitical situation remains highly uncertain and the ongoing draught is weighing on the already burdened energy, transport and agriculture & food sectors sectors in Europe, the economic recovery could turn out weaker than in the WIFO forecasts cited in the graphs above

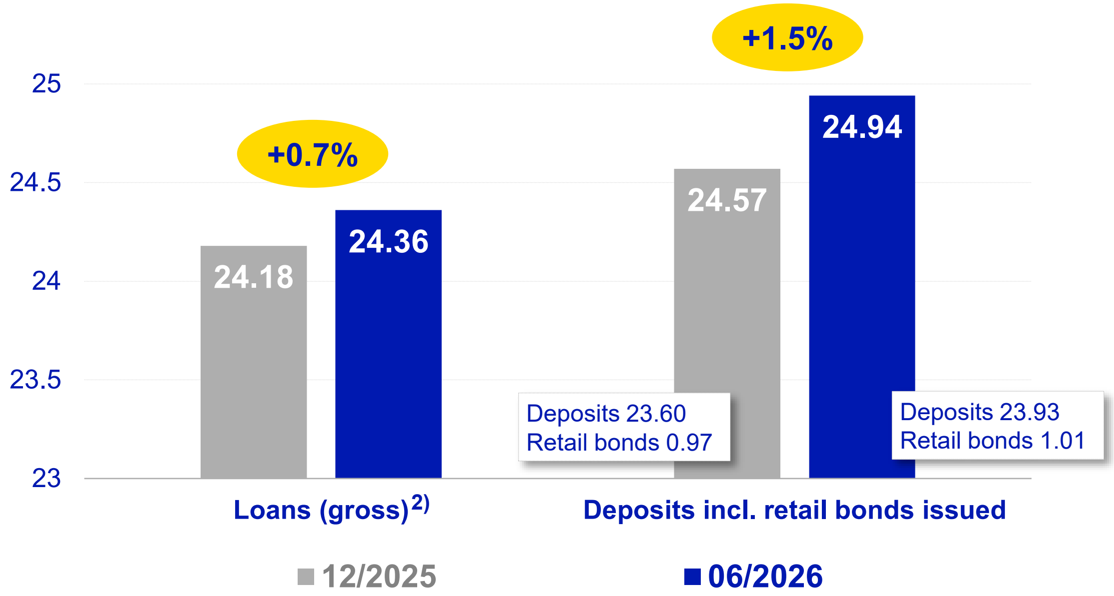
1) Source: WIFO, Statistik Austria, AMS (30 July 2026), real GDP growth 2026e: WIFO forecast June 2026, unemployment rate: national definition

Development of AoV‘s customer business

New loans: increase in new loans in the Retail private customer segment[1)]
(in EUR bn)



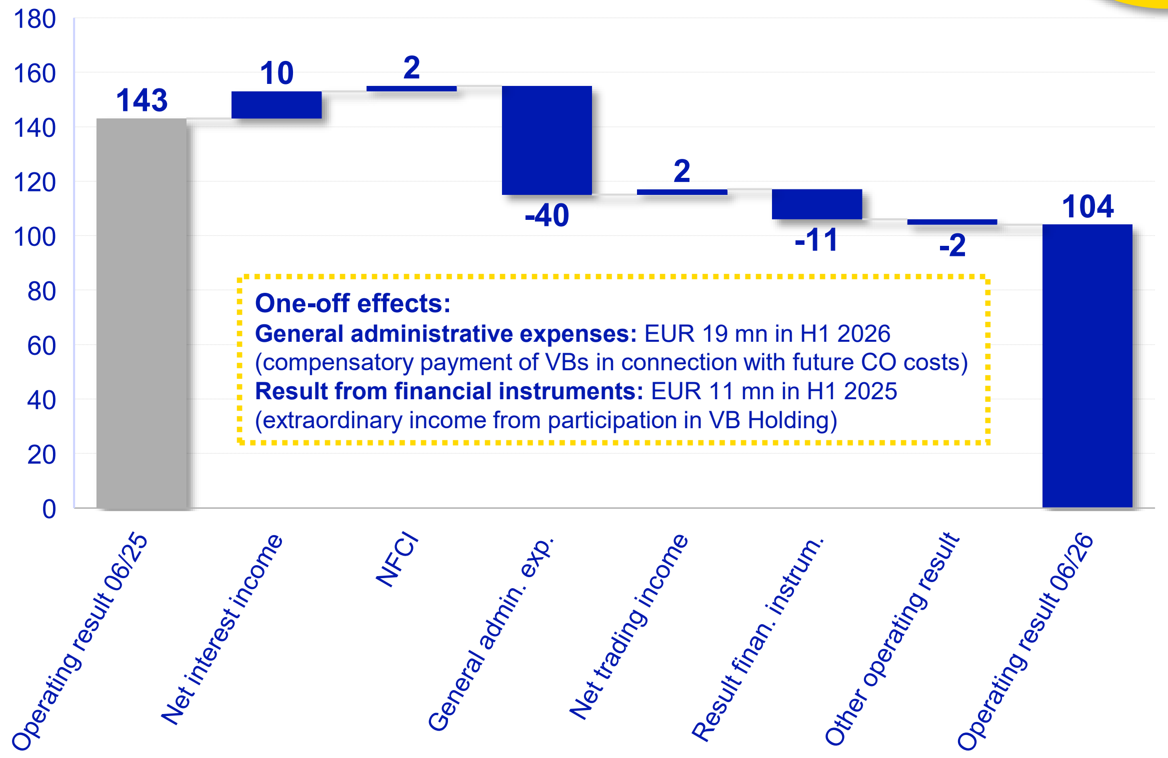
Development of loans & deposits in H1 2026
(in EUR bn)



1) Based on UGB
2) Gross loans: excluding risk provisions; net loans 06/2026: 23.75 bn, breakdown fixed/floating rate loans (incl. swaps) 06/2026: 56% fixed rate loans, 44% floating rate loans (12/2025: 54% fixed rate loans, 46% floating rate loans)

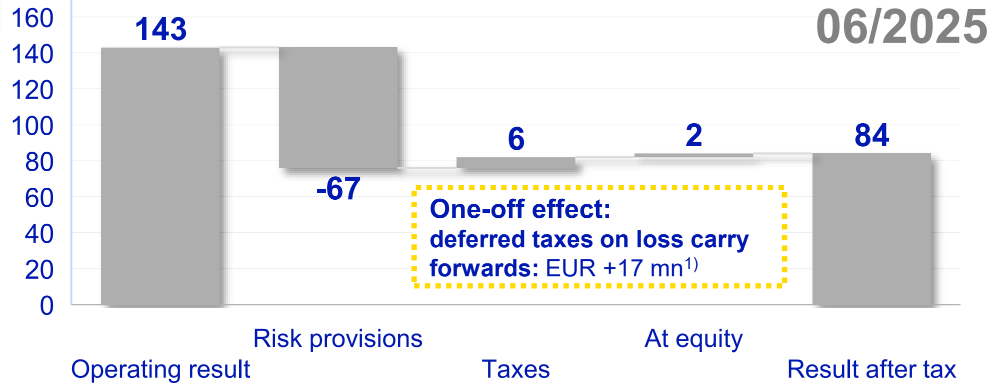
Operating result and result after taxes in H1 2026

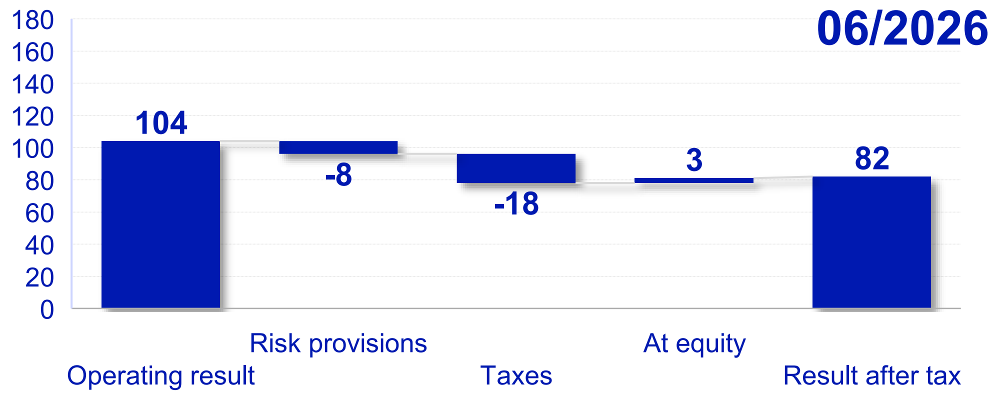
Development of AoV's operating result
(in EUR mn)



Result before taxes grew by 29% yoy
(from EUR 78 mn in H1 25 to EUR 100 mn in H1 26)

AoV: solid result after taxes in H1 2026
(in EUR mn)

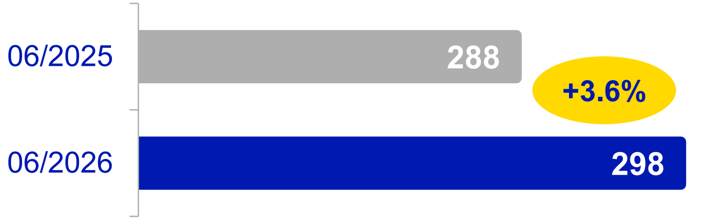




1) The higher, positive result from deferred taxes in 2025 was due to the extension of the planning horizon for the use of deferred tax assets from 4 years to 5 years.

AoV – KPIs H1 2025 and H1 2026
(in EUR mn)

Net interest income

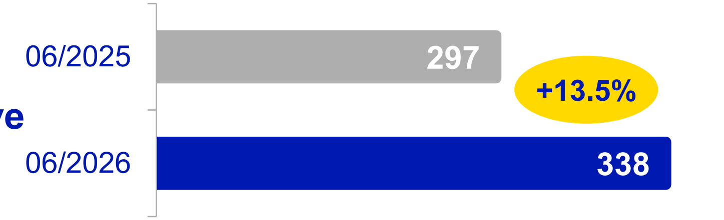


- Increase in **NII** mainly results from higher margins of customer deposits

Net fee and commission income

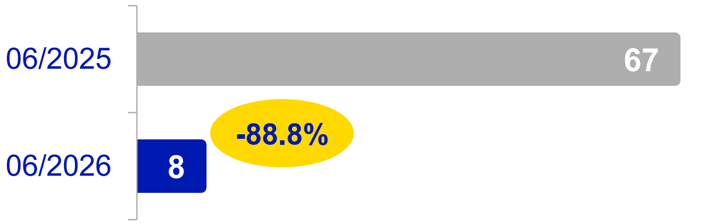
- The growth in **NFCI** is primarily due to AoV's securities business
- Income from securities & custody business: increase of EUR 5 mn (+8%) compared to H1 2025, to currently EUR 66 mn

General administrative expenses



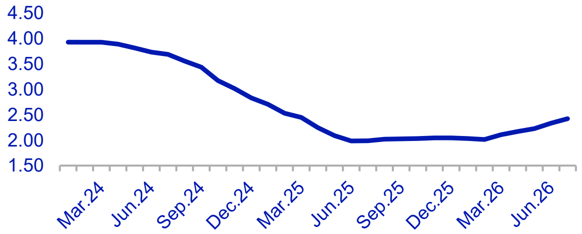
- **General administrative expenses:** inflation-related increase in staff costs of EUR 5 mn
- Growth of administrative expenses of EUR 35 mn mainly due to a one-off effect (compensation payment of Volksbanks in connection with future CO costs), and to increasing investments in digitalisation and in IT security

Risk provisions

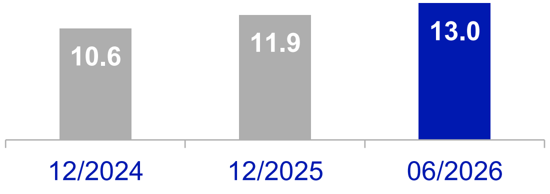


- Significant decrease in **risk provisions** in H1 2026 resulting from a decrease in new defaults and from the release of risk provisions following the reduction of NPLs

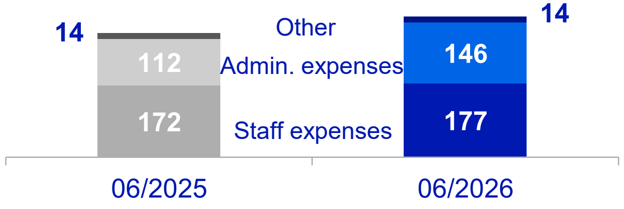
3-mo-Euribor (Ø, in %)



Increase AuM H1 2026: EUR 1.1 bn
(EUR bn)



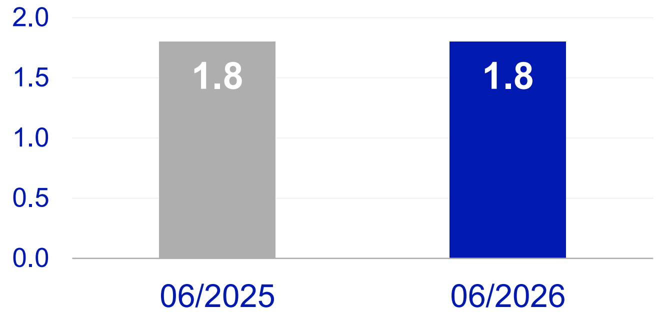
Breakdown general admin. expenses
(EUR mn)



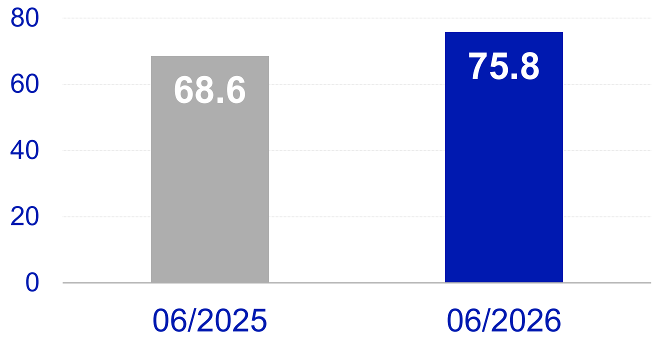
AoV – development of key ratios

Cost-income ratios adjusted for one-off effects[1)]
CIR 06/25: 70.3%
CIR 06/26: 71.5%

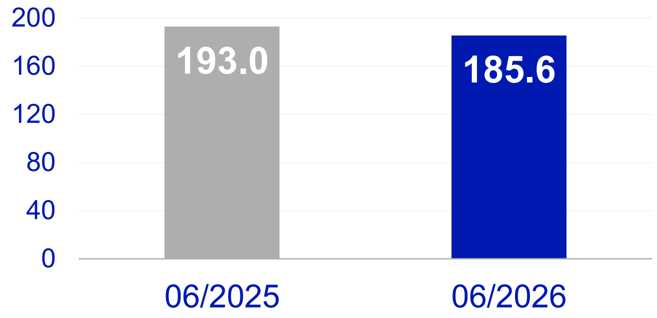
NIM (in %)



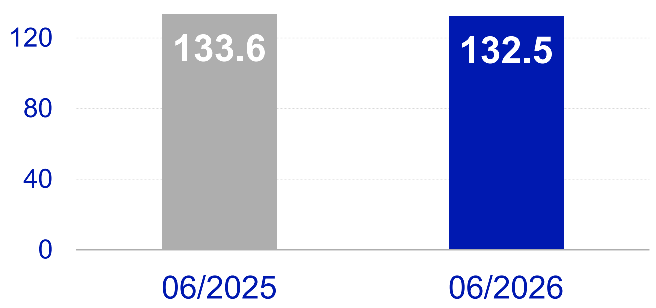
CIR (in %)



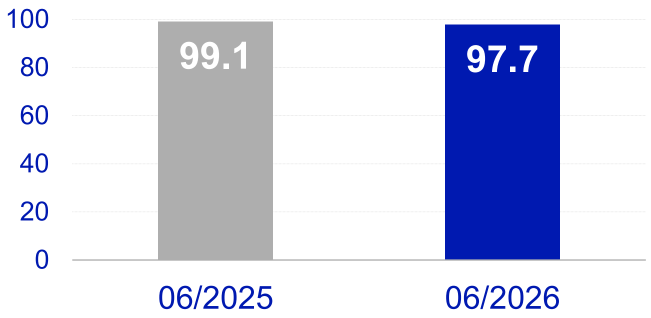
LCR (in %)



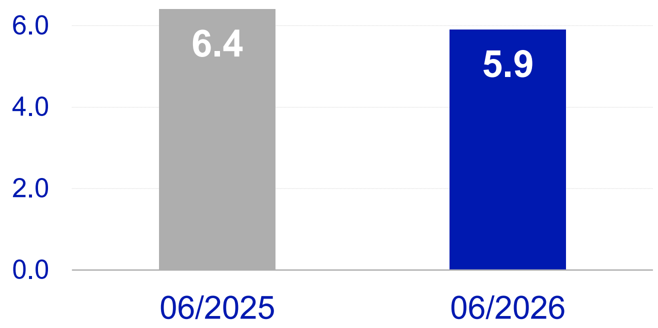
NSFR (in %)



LDR[2)] (in %)



RoE after taxes (in %)

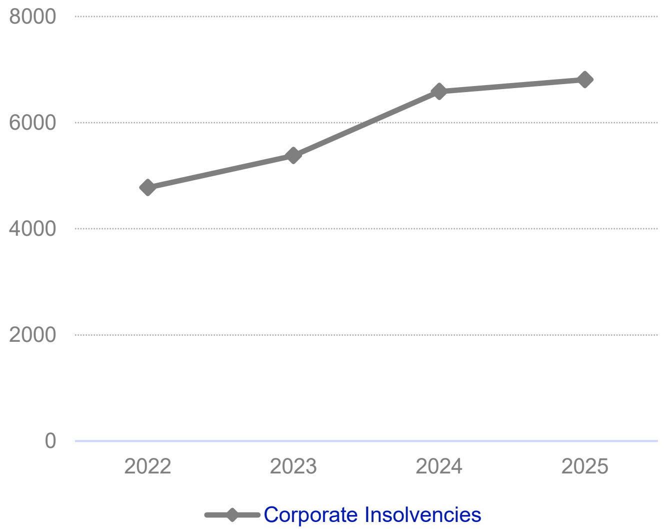


1) One-off effect H1 2025: result from financial instruments (EUR 11 mn), one-off effect H1 2026: general administrative expenses (EUR 19 mn)
2) LDR 06/2026 as reported (based on net loans and excluding retail bonds issued): 98.5% (06/2025: 103.8%)

Real estate market, asset quality, risk provisions

Economic disruption in Austria

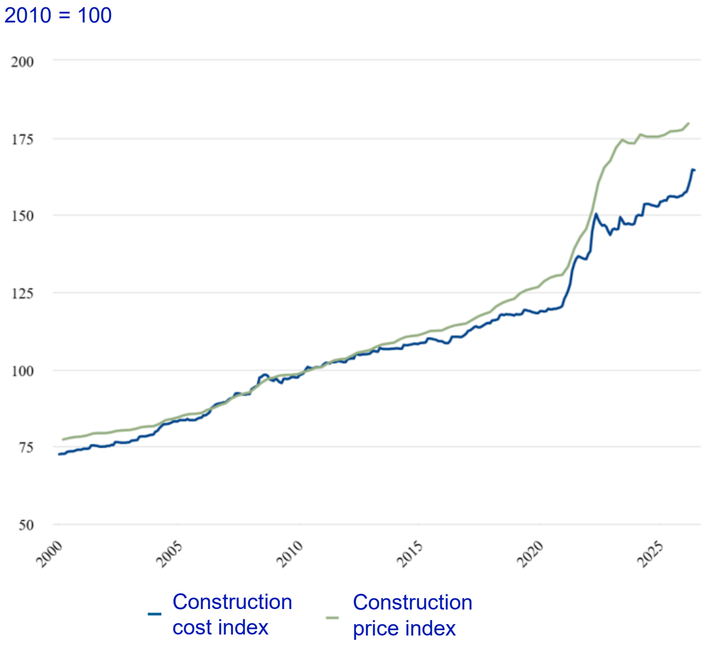
Corporate insolvencies in Austria



- **Corporate insolvencies** increased by more than 40% since 2022
- The number of insolvencies fell slightly in H1 2026 compared with the previous year, whether this trend will lead to a long-term shift is not yet clear

Source: KSV (Insolvenzen nach Jahren | KSV1870, KSV1870_Unternehmensinsolvenzen_1HJ_2026_HR)

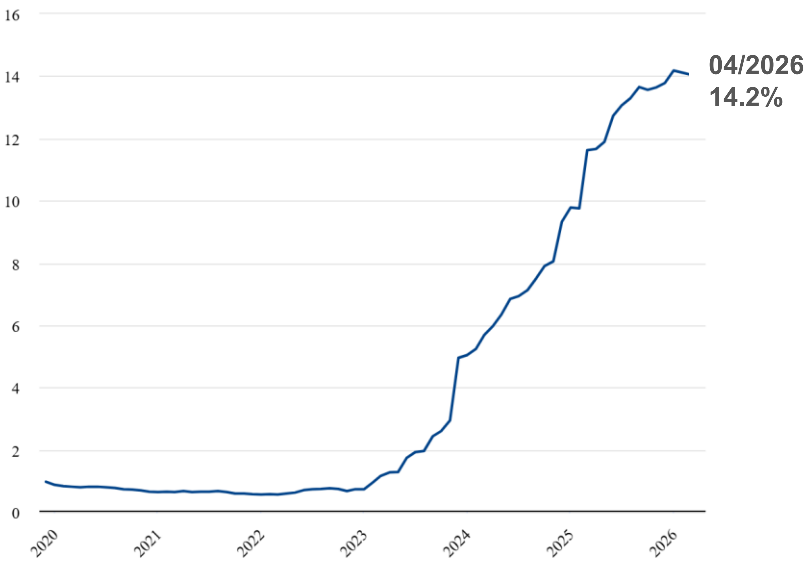
Construction costs & price index



- **Construction costs** went up again in H1 2026. In previous quarters, constructions costs had levelled off after sharp increases which were due to high CPI figures and rising interest rates

Source: OeNB, Real Estate Dashboard (OeNB-RShiny-APP); Construction cost index: material, labour, energy; Construction price index: cost index plus interest rates, profit margin, overheads

CRE loans collateralised by residential RE: NPL ratio (in %)



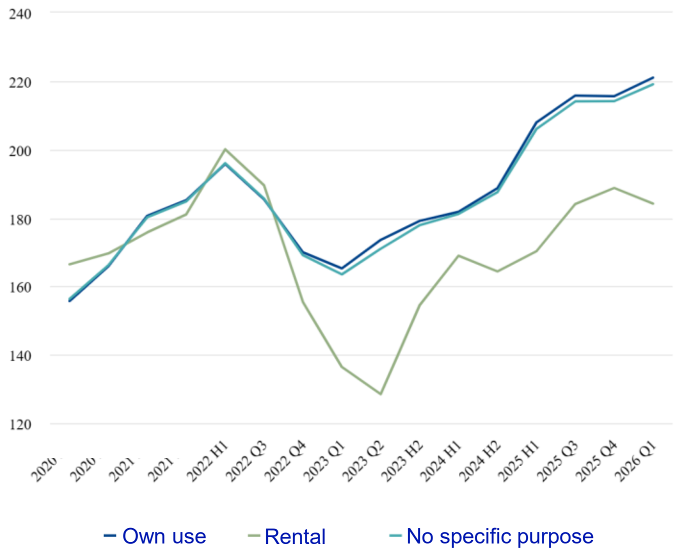
- In the **residential CRE segment** NPL ratios have been rising steeply across all Austrian banks
- Residential CRE development is still underperforming the total CRE market, with NPL ratios rising to 14.2% as of 04/2026 (NPL ratio total CRE loans 04/2026: 8.4%)

Source: OeNB Real Estate Dashboard (OeNB-RShiny-APP)

Private households' loan demand stablized, while loan demand of corporates slowed down

Average size of loans for private borrowers

Development of av. loan size per borrower in Austria (in EUR ths)

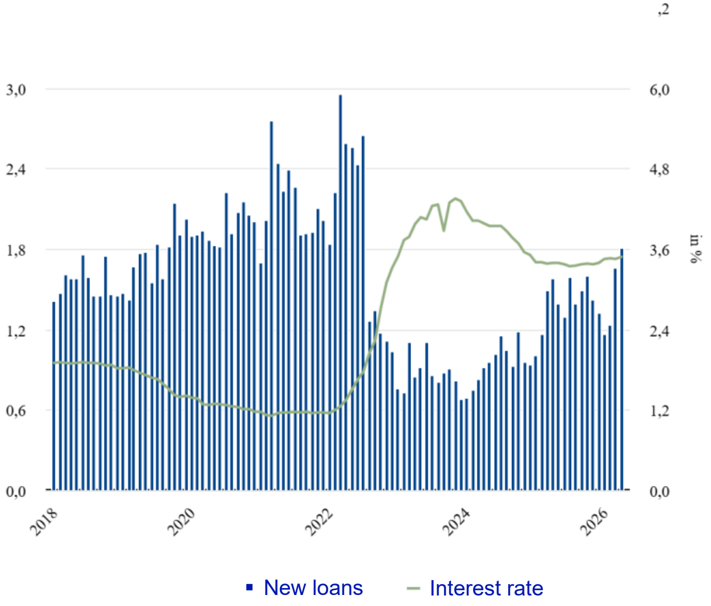


- While average loan sizes of private households have generally increased, loan sizes of rental loans decreased slightly in the first quarter of 2026

Source: OeNB Real Estate Dashboard (OeNB-RShiny-APP)

Volume and interest rate of new residential RE loans

(all banks in Austria, in EUR bn / in %)



- Interest rates for residential RE loans have stabilized and showed a sideways movement in recent quarters

Source: OeNB Real Estate Dashboard (OeNB-RShiny-APP)

OeNB Bank Lending Survey: private households & corporates

OeNB Bank Lending Survey		
	Loan demand private households	Loan demand corporates
2022 Q1	0	2
2022 Q2	1	4
2022 Q3	-5	2
2022 Q4	-6	-1
2023 Q1	-3	-2
2023 Q2	1	-3
2023 Q3	-2	-6
2023 Q4	-3	-4
2024 Q1	2	-3
2024 Q2	-1	-5
2024 Q3	2	-2
2024 Q4	2	-3
2025 Q1	4	-3
2025 Q2	4	-2
2025 Q3	3	3
2025 Q4	2	3
2026 Q1	3	3
2026 Q2	3	1

- After showing positive momentum in previous quarters, loan demand of corporates slowed down in Q2 2026, while private households' demand for mortgage loans remained stable in H1

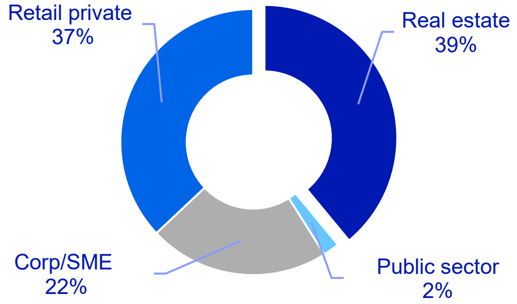
Source: OeNB Bank Lending Survey 07/2026

Risk segments and collateralisation

Loans: risk segments[1)]

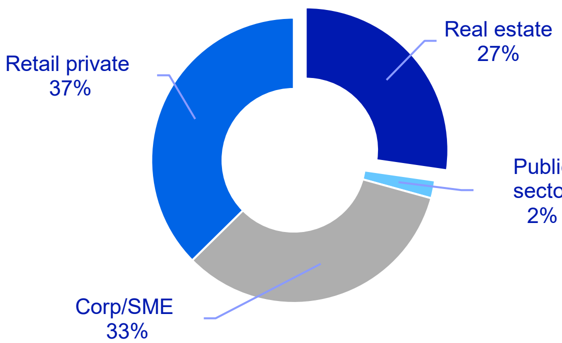
Volksbank Wien

06/2026 (EUR 7.51 bn)



Association of Volksbanks

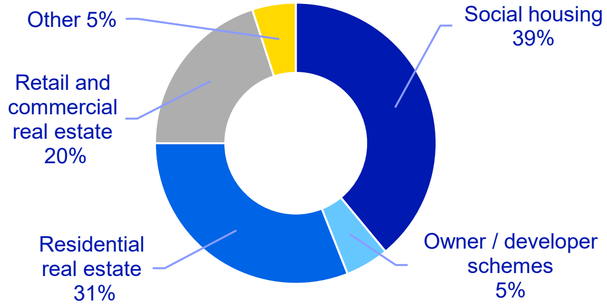
06/2026 (EUR 28.02 bn)



RE exposure: distribution[1)]

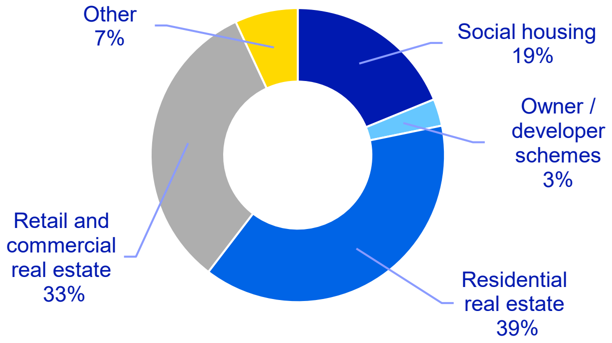
Volksbank Wien

06/2026 (EUR 2.92 bn)



Association of Volksbanks

06/2026 (EUR 7.52 bn)



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

High level of collateralisation

Segment real estate

Collateralisation ratios as of 06/2026

- **Association:** 85.9%
- **Volksbank Wien:** 85.3%

Subsegment residential RE

Collateralisation ratios as of 06/2026:

- **Association:** 92.5%
- **Volksbank Wien:** 93.8%

Definition of collateralisation

- Collateralisation ratio = collateral economic view / total exposure
- Total exposure: incl. undrawn commitments, overdrafts, etc.
- Collateral economic view: market value of RE adjusted for haircuts (max. percentage of market value that may be applied varies; i.e. residential RE: 75%, industrial RE: 50%)

Development of stage 2 loans

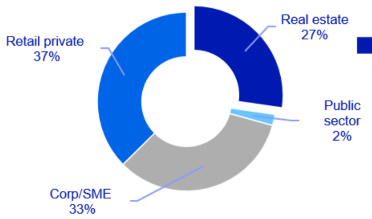
	Retail Private	Corp/SME	Real Estate	Subseg. B	Total
12/2025	8.2%	28.5%	34.8%	42.8%	21.7%
06/2026	**8.0%**	**28.0%**	**31.3%**	**40.2%**	**20.4%**

- As of 30 June 2026, ca. 40% of total stage 2 loans result initially from collective staging in the residential RE development category, undertaken in 2024 to ensure tight monitoring of these loans

Segment RE: exposure in category „under construction (ADC)” decreasing in subcategories B and C

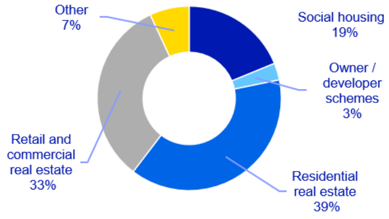
Association of Volksbanks

06/2026 (EUR 28.02 bn)

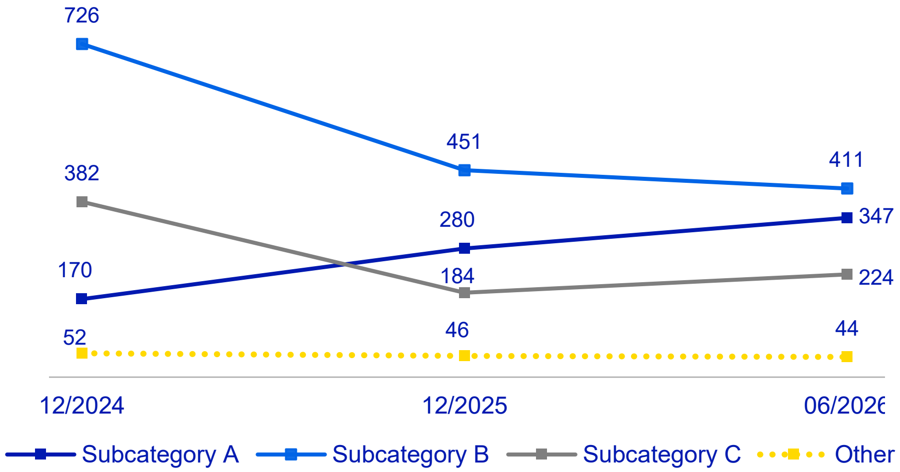


Association of Volksbanks

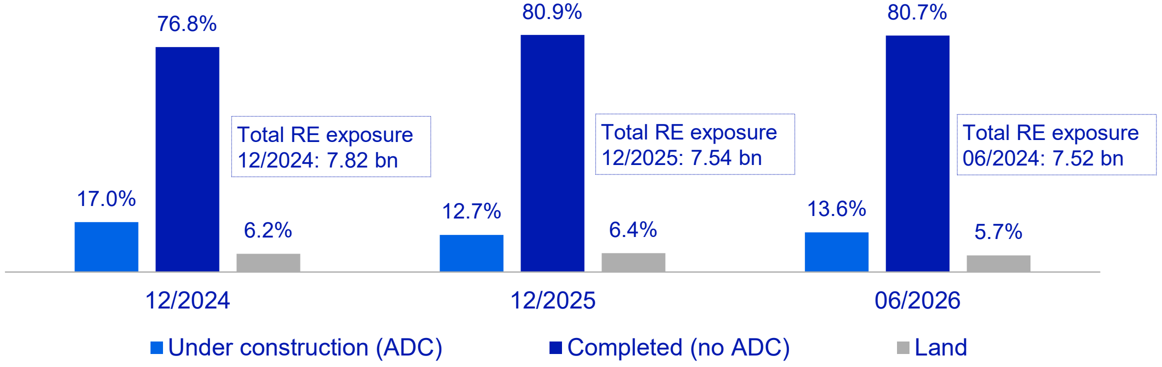
06/2026 (EUR 7.52 bn)



Customer exposure in “under construction (ADC)” category in RE subsegments (in EUR mn)



Decreasing share of customer exposure in “under construction (ADC)” category



- The share of the “under construction (ADC)” category decreased between 2024 and 06/2026
- Out of the Association’s total RE exposure of 7.52 bn as of 06/2026, 13.6% fall into the “under construction (ADC)” category, while at year-end 2024 this share stood at 17.0%

- The customer exposure in the category “under construction (ADC)” in the RE **subcategory B** decreased from EUR 726 mn at year-end 2024 to EUR 411 mn as of 30 June 2026
- In **subcategory A** the share of under construction loans increased from EUR 170 mn to EUR 347 mn in the same period of time

Subcategory A: social housing, owner/developer schemes

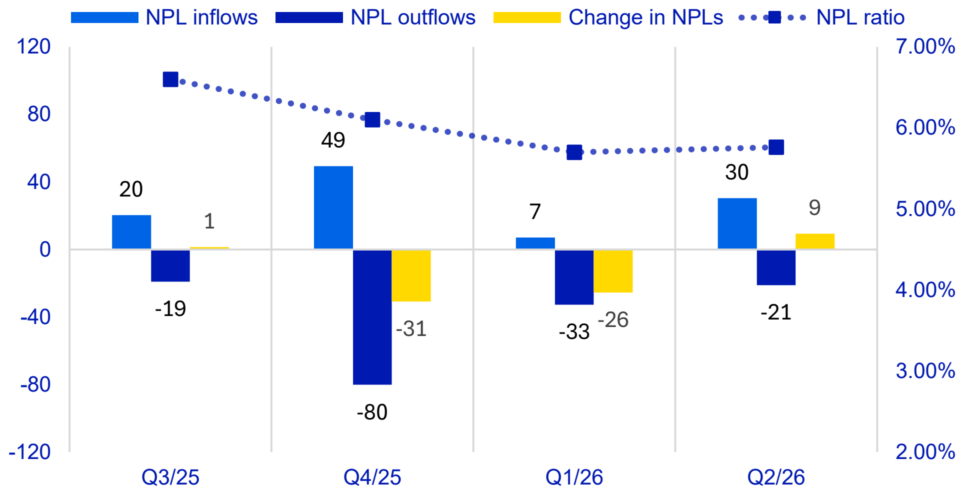
Subcategory B: residential RE

Subcategory C: commercial RE

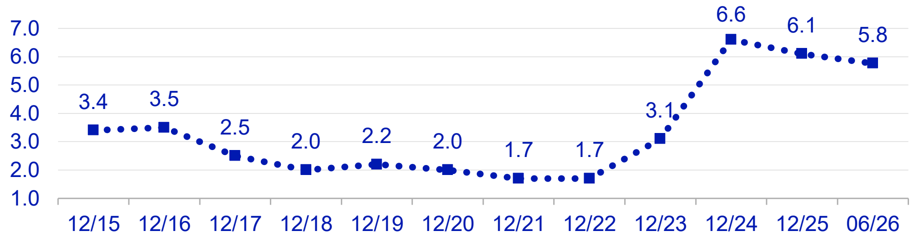
Reduction of NPLs

Volksbank Wien

NPL flows for the last 4 quarters (EUR mn)

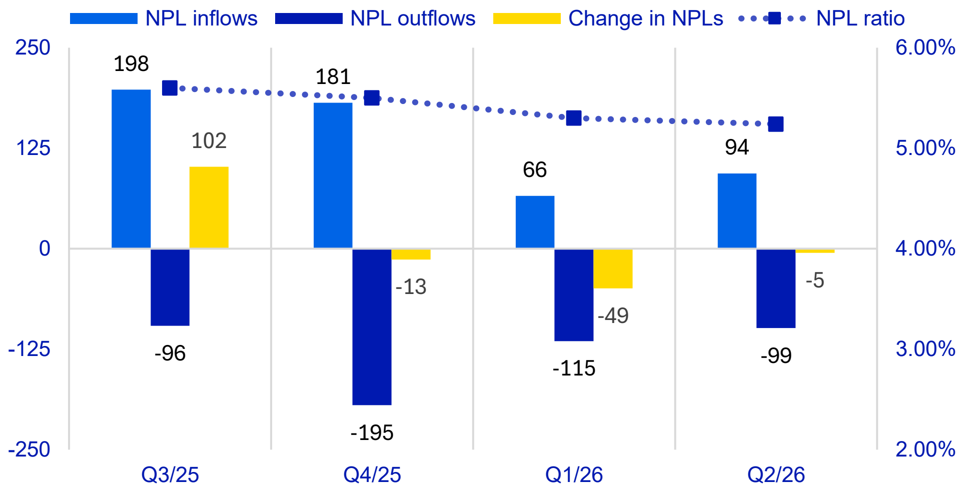


NPL ratio (in %)

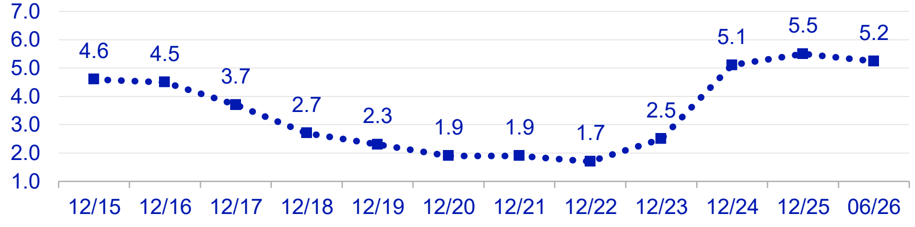


Association of Volksbanks

NPL flows for the last 4 quarters (EUR mn)



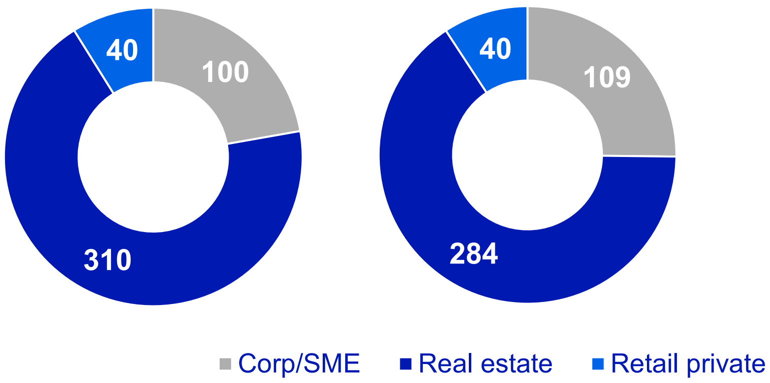
NPL ratio (in %)



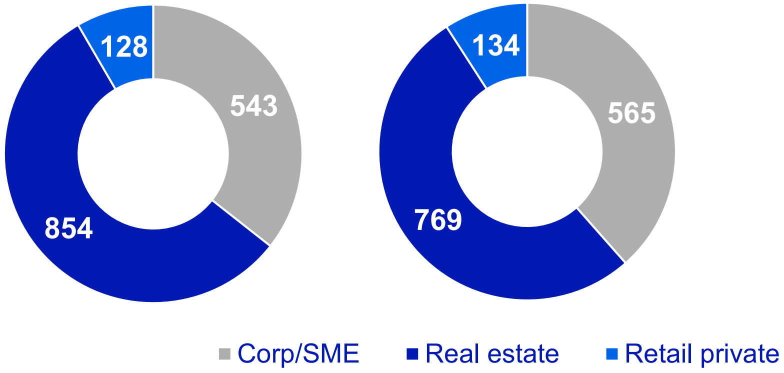
NPL volumes across business segments

Total non-performing loans[1)]

Volksbank Wien (in EUR mn)
12/2025 (EUR 450 mn) **06/2026** (EUR 433 mn)

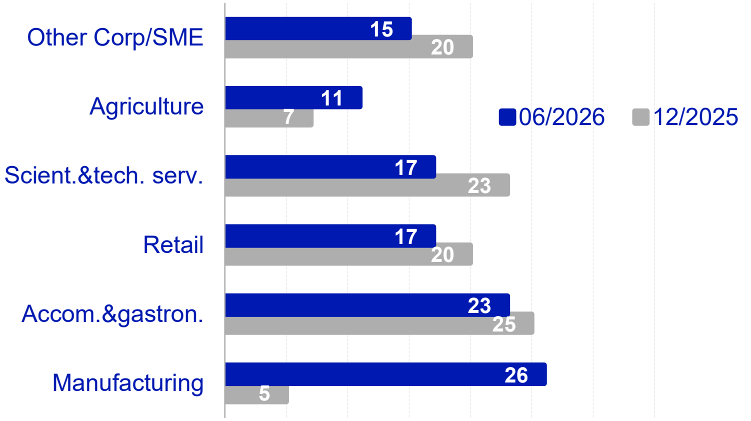


Association of Volksbanks (in EUR mn)
12/2025 (EUR 1,524 mn) **06/2026** (EUR 1,468 mn)

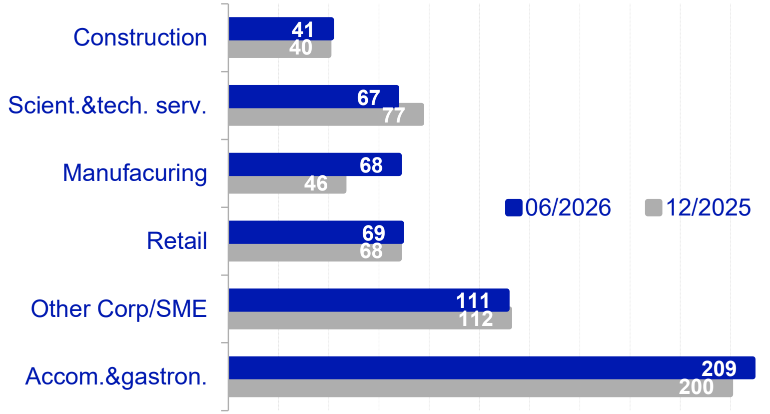


NPLs Corp/SME[1)]

Volksbank Wien (in EUR mn)
12/2025 (EUR 100 mn) **06/2026** (EUR 109 mn)

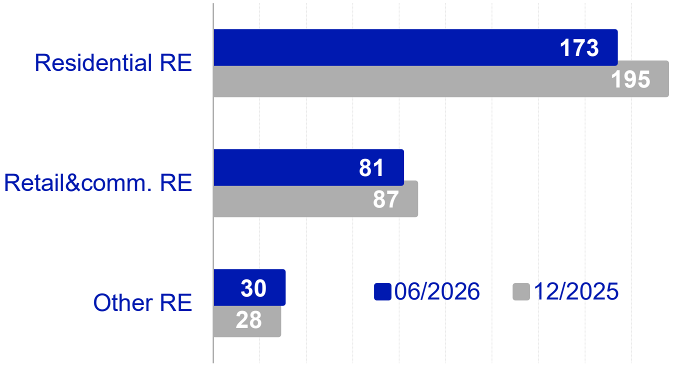


Association of Volksbanks (in EUR mn)
12/2025 (EUR 543 mn) **06/2026** (EUR 565 mn)

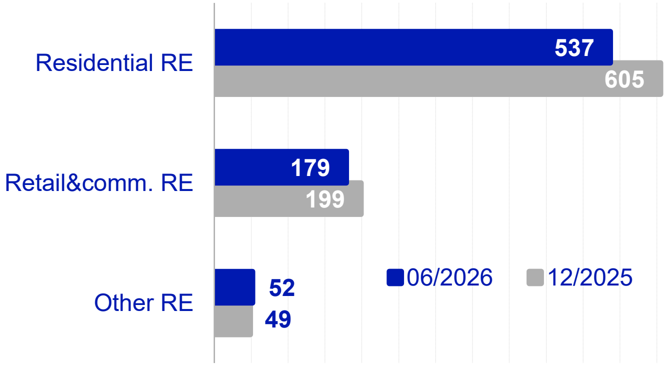


NPLs real estate[1)]

Volksbank Wien (in EUR mn)
12/2025 (EUR 310 mn) **06/2026** (EUR 284 mn)



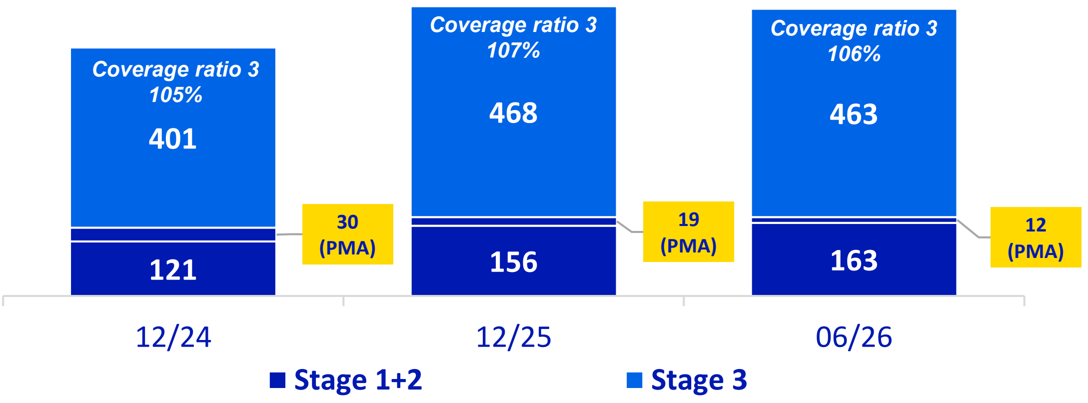
Association of Volksbanks (in EUR mn)
12/2025 (EUR 854 mn) **06/2026** (EUR 769 mn)



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 463 mn** result in a NPL coverage in form of the **coverage ratio 3** (risk provisions plus loan collateral, after haircuts) of **106%,** which is clearly above the internal strategic minimum level of >101%
- As of 06/2026, the total amount of **post-model adjustments** (PMA) stood at **EUR 12 mn**, mainly accounting for expected rating downgrades resulting from rating model recalibrations, which will be released when re-ratings take place (no expected P&L effect)

Risk provisions p&l (EUR mn)

Association	12/2024	12/2025	06/2026
Stage 1+2	-54	-48	-5
Stage 3	-154	-87	-1
Other[1)]	-12	-2	-1
Total	**-221**	**-137**	**-8**
Total (in bp)	**-81**	**-49**	**-3**

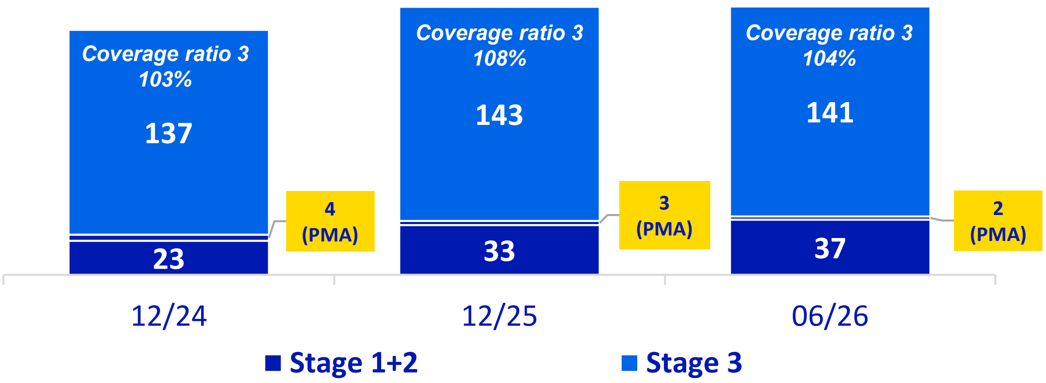
Risk provisions p&l

- As of 06/2026 the Association's total **p&l risk provisions** were **EUR -8 mn**
- The **stage 3 result** is low in H1 2026 - due to a decrease in risk provisions/new defaults and the release of risk provisions resulting from the reduction of NPLs
- The risk provisions in the performing portfolio **(stage 1+2)** were caused by rating downgrades in the current year and the transfer of customers to special monitoring

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

VBW: development of risk provisions

Stock of risk provisions (EUR mn)



Stock of risk provisions

- At **104%** as of 06/2026, Volksbank Wien‘s **coverage ratio 3** clearly exceeds the internal strategic minimum level of >101%
- As at the Association level, **post model adjustments** for risks not yet shown in models or in the data were formed at Volksbank Wien, as of 06/2026 Volksbank Wien‘s PMAs were **EUR 2 mn**

Risk provisions p&l (EUR mn)

VB Wien	12/2024	12/2025	06/2026
Stage 1+2	-9	-13	-5
Stage 3	-58	-16	-1
Other[1)]	-9	1	-2
Total	**-77**	**-28**	**-8**
Total (in bp)	**-108**	**-38**	**-10**

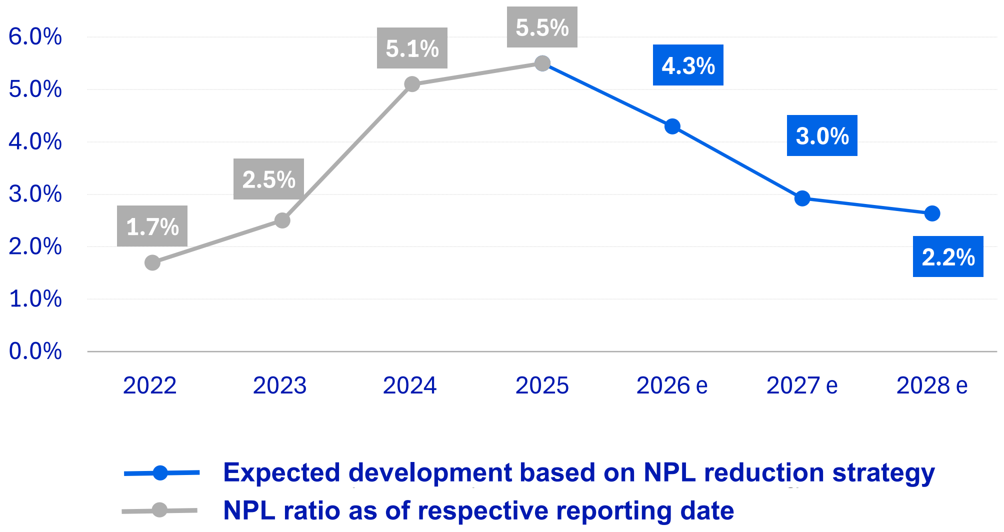
Risk provisions p&l

- As of 06/2026 Volksbank Wien’s total **p&l risk provisions** were **EUR -8 mn**
- As at the Association, the stage 3 results are low, and results in stage 1+2 are caused by rating downgrades
- At the beginning of the year, a significant modification effect occurred for one loan (affecting the “other” line item)

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

NPL strategy targets an NPL ratio of 3.0% for YE 2027

Expected NPL development based on NPL reduction plan 2026



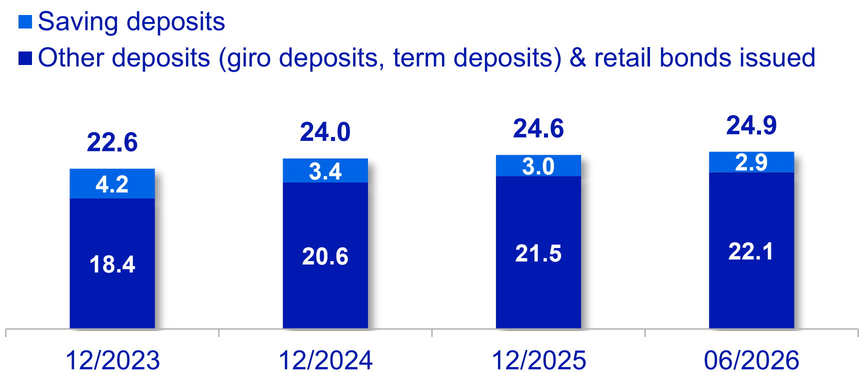
NPL reduction plan – key points

- The Association's NPL reduction strategy is based on the NPL volume as of 12/2025, for which a reduction plan - focusing on the top 15 customer groups of each Volksbank - was drawn up using a bottom-up analysis
- Starting at the beginning of 2026, NPL inflows have to be reduced by at least 1/3 in the respective following year
- AoV banks are working on an acceleration of the reduction of existing NPLs in the second half of 2026; for future NPL reductions the AoV will also evaluate alternative work out strategies not yet applied (i.e.: small portfolio sales, repossessions, accelerated foreclosures)
- Due to uncertainties in the economic development, it is difficult to forecast whether the NPL goal for YE2026 can be met
- The target NPL ratio of a maximum level of 3% until YE 2027 remains unchanged

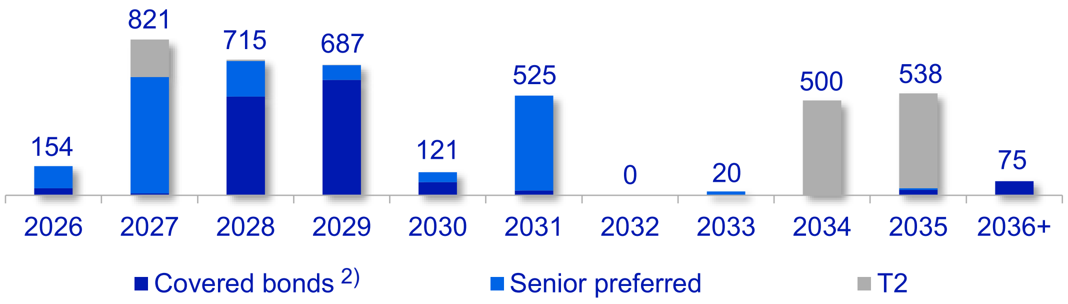
Funding and capital

AoV – stable funding structure

AoV's deposits including own retail bonds issued (in EUR bn)

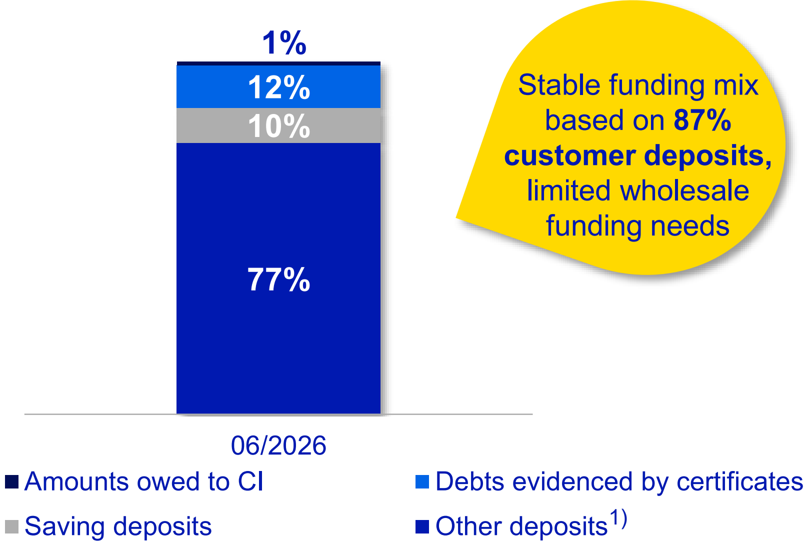


Maturity profile (as of 06/2026, EUR mn)



Funding: strong deposit base

(total funding as of 06/2026: EUR 27.4 bn)

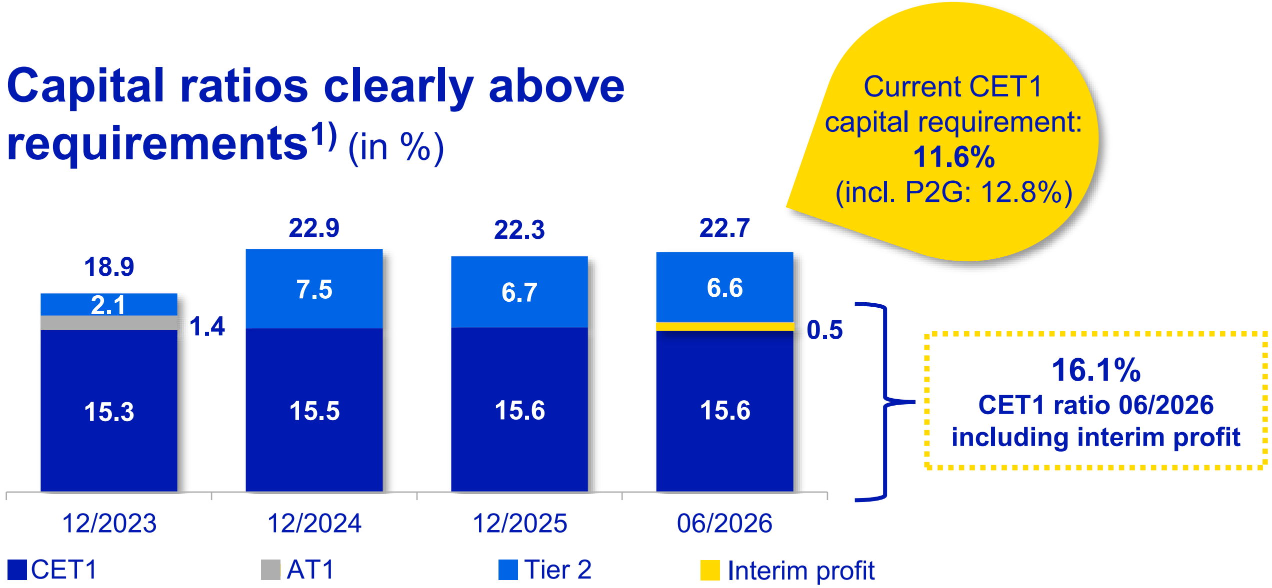


- Volksbank Wien plans the issuance of a EUR 500 mn green senior non-preferred benchmark bond in 2026
- Long-term liquidity can be generated through issuance of covered bonds (covered bond program backed by mortgages of the regional Volksbanks, rated Aaa by Moody's)

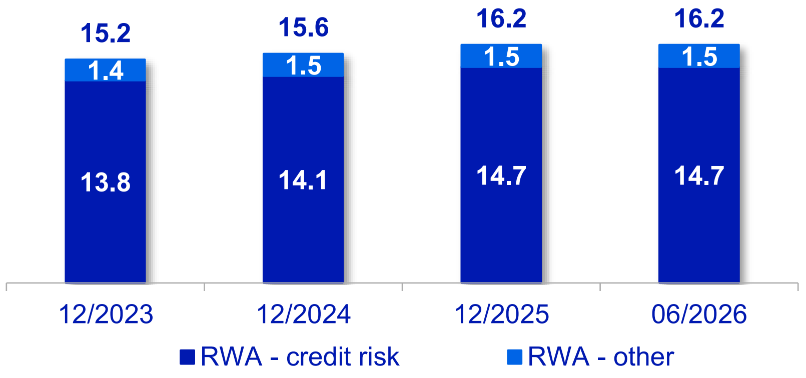
1) Other deposits: term deposits, giro deposits
2) Apart from the CB placed externally shown above, CB in an amount of ca. EUR 1.25 bn were placed as collateral at the ECB

AoV – capital ratios increased in H1 2026

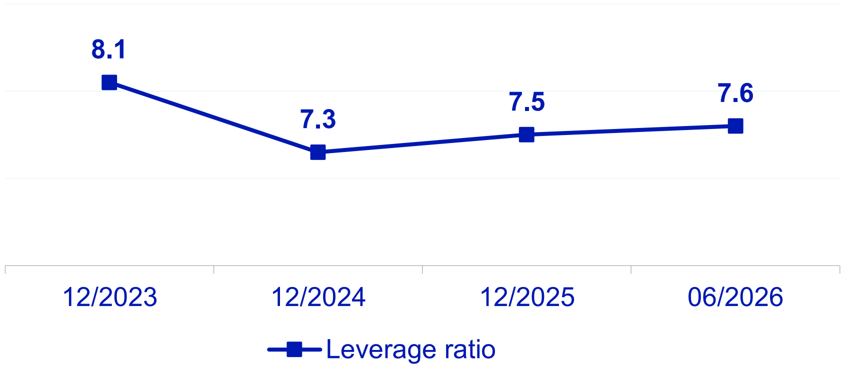
Capital ratios clearly above requirements[1)] (in %)



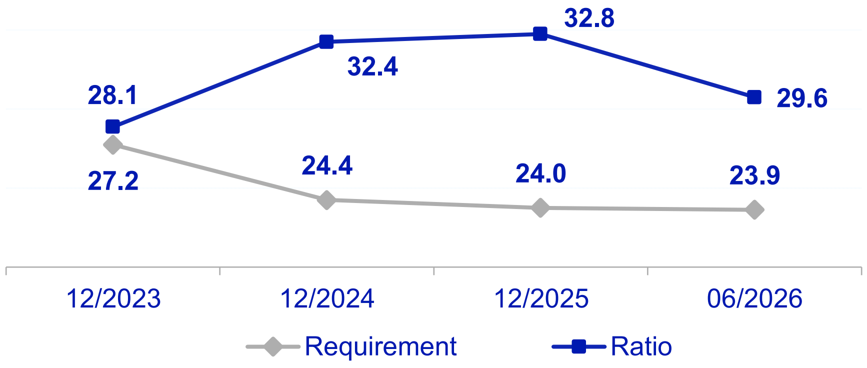
RWAs remained unchanged in H1
(in EUR bn)



Leverage ratio stable (in %)



MREL ratio exceeds requirement[2)] (in %)



1) VBW exercised the call right in its EUR 220 mn AT1 issue on 09 April 2024; capital ratios 06/2026 include interim profit, ratios as reported (excluding profit): CET1 ratio 15.6%, equity ratio 22.2%
2) Subordination requirement: 0; MREL requirement including CBR, CBR rose by ca. 25 bp in July 2026 due to an increase in the sectoral systemic risk buffer

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