



Good things leave a mark.

Annual Report 2025

KEY FIGURES OF VOLKSBANK WIEN AG

Euro million	31 Dec 2025	31 Dec 2024	31 Dec 2023
Statement of financial position			
Total assets	16,393	16,036	15,100
Loans and receivables to customers	6,292	6,060	5,858
Liabilities to customers	6,681	6,674	6,531
Liabilities evidenced by certificates	4,102	3,449	3,323
Subordinated liabilities	1,218	1,237	402
Own funds			
Common equity Tier 1 capital (CET1)	880	830	781
Additional Tier 1 capital (AT1)	0	0	220
Tier 1 capital (T1)	880	830	1,001
Tier 2 capital (T2)	1,091	1,150	300
Own funds	1,971	1,979	1,301
Risk weighted exposure amount credit risk	4,296	4,050	3,850
Total risk exposure amount market risk	24	18	23
Total risk exposure amount operational risk	649	692	662
Total risk for credit valuation adjustment	10	9	9
Total risk exposure amount	4,978	4,770	4,543
Common equity Tier 1 capital ratio	17.7%	17.4%	17.2%
Tier 1 capital ratio	17.7%	17.4%	22.0%
Equity ratio	39.6%	41.5%	28.6%
Income statement			
	1-12/2025	1-12/2024	1-12/2023
Net interest income	129.3	154.8	184.6
Risk provision	-27.9	-74.7	-23.5
Net fee and commission income	79.4	75.4	64.2
Net trading income	4.1	5.2	3.2
Result from financial instruments and investment properties	10.0	-1.7	-1.4
Other operating result	157.4	155.8	126.3
General administrative expenses	-288.6	-271.2	-236.5
Result from companies measured at equity	0.2	2.3	0.7
Annual result before taxes	63.9	46.0	117.5
Income taxes	20.9	-3.0	16.5
Annual result after taxes	84.8	43.0	133.9
Result attributable to non-controlling interests	0.0	0.0	0.0
Result of the Group	84.8	43.0	133.9
Operating result	91.6	118.3	140.3
Key ratios			
	1-12/2025	1-12/2024	1-12/2023
Cost-income-ratio	78.0%	69.3%	62.5%
ROE before taxes	6.7%	4.6%	11.3%
ROE after taxes	8.8%	4.3%	12.9%
Net interest margin	0.8%	1.0%	1.2%
NPL ratio	6.1%	6.6%	3.1%
Leverage ratio	5.3%	5.9%	7.9%
Net stable funding ratio	187.8%	192.1%	181.5%
Liquidity coverage ratio	236.7%	200.7%	202.9%
Loan deposit ratio	97.4%	93.9%	91.9%
Coverage ratio I	31.8%	29.4%	31.4%
Coverage ratio III	108.4%	102.8%	112.4%
Resources			
	1-12/2025	1-12/2024	1-12/2023
Staff average	1,312	1,286	1,245
Thereof domestic	1,312	1,286	1,245
	31 Dec 2025	31 Dec 2024	31 Dec 2023
Staff at end of period	1,326	1,306	1,265
Thereof domestic	1,326	1,306	1,265
Number of branches	54	54	54
Thereof domestic	54	54	54
Number of customers	296,571	297,267	298,994

The equity ratios are displayed in relation to total risk. The operating result is calculated from net interest income, net fee and commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses. The cost-income-ratio is the ratio between operating income and operating expenses. Operating income includes net interest income, net fee and commission income, net trading income and if positive other operating result and result from discontinued operation. Operating expenses include general administrative expenses and if negative other operating result and result from discontinued operation. Other operating result and result from discontinued operation is displayed net of other taxes, deconsolidation result and valuation result according to IFRS 5. The ROE before taxes indicates the result before taxes in relation to average equity including non-controlling interests. The ROE after taxes indicates the result after taxes in relation to average equity including non-controlling interests. The net interest margin shows the net interest income in relation to total assets. The NPL ratio indicates the portfolio of non-performing loans in relation to the total exposure of all loans to and receivables from customers. The leverage ratio indicates the business volume (CCF-weighted off-balance positions plus derivatives add-on, replacement value of derivatives, disallowance of derivative claims and financial volume) in relation to the Tier 1 capital (CET1 + AT1). The net stable funding ratio indicates the available stable funding in relation to the necessary stable funding. The liquidity coverage ratio (LCR) describes the ratio of highly liquid assets to net outflows over the next 30 days assuming a stress scenario, and thus the ability to cover short-term liquidity outflows. The loan deposit ratio indicates the total amount of loan accounts, overdraft facilities less syndicated loans in relation to the total amount of savings deposits, demand deposits and fixed term deposits. The coverage ratio I indicates the coverage ratio of non-performing loans by risk provisions. The coverage ratio III indicates the coverage ratio of non-performing loans by risk provisions and collaterals. Staff figures are calculated based on full-time equivalent.

Table of Contents

VOLKSBANK WIEN AG	4
Foreword by the Chief Executive Officer	8
Report of the Supervisory Board	11
The Managing Board	14
The Supervisory Board	16
GROUP MANAGEMENT REPORT	18
Report on the development of business and financial position	22
Report on the future development and risks of the Group	27
Report on research and development	29
Report on key features of the internal control and risk management system with regard to the accounting process	29
(Consolidated) Non-Financial Statement 2025	33
ANNUAL FINANCIAL REPORT	144
Statement of comprehensive income	148
Statement of financial position as at 31 December 2025	149
Changes in the Group's equity	150
Cash flow statement	151
Table of contents (Notes)	152
Notes	154
Auditor's Report	268
Statement of all Legal Representatives	274
OFFICERS AND ADDRESSES	276
VOLKSBANK WIEN AG	280
Terminology	281
Imprint	282

VOLKSBANK WIEN AG

VOLKSBANK WIEN AG

FOREWORD BY THE CHIEF EXECUTIVE OFFICER	8
REPORT OF THE SUPERVISORY BOARD	11
THE MANAGING BOARD	14
THE SUPERVISORY BOARD	16

FOREWORD BY THE CHIEF EXECUTIVE OFFICER



Gerald Fleischmann
CEO and Chairman
of the Managing Board

Despite a challenging market environment, VOLKSBANK WIEN AG, the largest of the regional banks in the Austrian Association of Volksbanks and in its capacity as central organisation, once more delivered solid business performance and made significant progress during the reporting period. This underscores the bank's role as a firm anchor for customers and for the Association as a whole. The regional catchment area of VOLKSBANK WIEN AG comprises all of Vienna, Burgenland, and the northern, southern and eastern parts of Lower Austria. Under the SPARDA-BANK brand, VOLKSBANK WIEN AG also provides services to the employee target group across the whole of Austria.

The economic environment in the year under review was characterised by gradual normalisation amid continued uncertainty. In 2025, the recession in Austria gave way to moderate growth. However, a further rise in inflation was mainly caused by one-off effects due to the phasing out of measures such as the 'Electricity Price Brake'. The number of insolvencies also remained above average. Global trade was shaped by a wave of tariff increases imposed by the United States, which adversely affected export demand. Interest rates continued to decline in the first half of the year and stabilised on the money market at around the ECB deposit rate of 2%, which has been in place since June 2025. Together with improved affordability following several quarters in which disposable incomes increased significantly while residential property prices declined slightly, this contributed to the stabilisation and modest recovery of the Austrian residential real estate market. Demand for residential housing finance among private households benefited in particular, while companies' willingness to invest was dampened by the uncertain economic environment.

In addition to economic developments, geopolitical and regulatory factors remained key drivers of business performance. The geoeconomic environment remains challenging. At the beginning of 2026, the war in Ukraine has entered its fifth year. Other conflicts, especially in the Middle East, have also intensified recently. While the energy market responded to geopolitical tensions, inflationary pressure eased as base effects from 2025 fell away. Moderate wage settlements in recent months, along with January data, also indicate declining inflationary pressure. Combined with catch-up effects in durable consumer goods and investment, there are signs of a slight improvement in overall macroeconomic conditions.

For VOLKSBANK WIEN AG, as for the financial sector as a whole, the regulatory environment remained demanding in 2025, although initial signs of relief became apparent compared with previous years. Restrictive requirements for granting private real estate financing under the KIM Regulation [Austria's real estate financing measures] had a significant impact on customer business in the first half of the year. At the same time, lower interest rates, the temporary exemption from land register and mortgage registration fees for private property purchases, and the scheduled expiry of the KIM Regulation at the end of June 2025 led to a noticeable upturn in the second half of the year. Overall, the year saw a gradual stabilisation of the real estate market and a cautious return to greater momentum in financing activity. Against this backdrop, VOLKSBANK WIEN AG continued to refine its business model.

VOLKSBANK WIEN AG pursues a clearly focused, cooperative-based business model. By concentrating on its core areas of deposits, lending and payment transactions, the bank aims to achieve further efficiency gains in the medium term. In the service business covering consumer loans, insurance, securities, leasing, real estate, and other business segments, VOLKSBANK WIEN AG distributes products from partners such as TeamBank, ERGO Versicherung, IMMOcontract, and Union Investment, one of Germany's largest fund management companies, which offers extensive expertise and high quality standards.

The service business with our product partners made excellent headway in 2025. In the fund segment, the Association of Volksbanks has successfully cooperated with Union Investment since 2015 and extended this partnership in 2024 until 2035 – a clear sign of mutual trust and satisfaction. Union Investment's products were again very well received by the Austrian market last year; at VOLKSBANK WIEN AG alone, net sales amounted to euro 106.4 million, an increase of more than 65% compared with the previous year (2024: euro 64.4 million). As part of the long-standing cooperation with TeamBank in consumer finance, sales of approximately euro 46.2 million were achieved last year. The insurance business with ERGO Versicherung remained a key focus following the early extension of the partnership by a further 12 years in 2021.

Strong progress in the service business also reinforced the strategic scope for action of the Association of Volksbanks – especially with regard to sustainability. A particular highlight was the first-time offering of a sustainable loan. By financing sustainable solutions such as heat pumps and photovoltaic systems, the Association of Volksbanks helps its customers to protect the environment and reduce their energy costs in the long term. This represents a significant contribution to sustainable transformation. In keeping with our new brand promise 'Good things leave a mark', Volksbank acts responsibly across the region and in so doing fulfils its cooperative mandate. Sustainability and regional focus have been part of our business model and a key component of our business activities for more than 170 years. In the past financial year, the Association of Volksbanks provided total financing of euro 23.6 billion to its regional customers.

The sustainability performance of VOLKSBANK WIEN AG has also garnered international recognition. Leading sustainability ratings agency Sustainalytics assessed VOLKSBANK WIEN AG's ESG risk, classifying it as low with a score of 17.4 in March 2022. Following the latest rating update in July 2025, the ESG risk rating stands at 13.9 (low risk).

Sustainability is not only part of our offering but is also firmly embedded within the organisation. To further integrate ESG factors into the core business of the Association of Volksbanks, a Sustainability Committee was established in 2022 as a decision-making body of the full Managing Board, responsible for steering, coordinating and monitoring ESG matters. In addition, sustainability ambassadors were appointed in each division of VOLKSBANK WIEN AG, acting as multipliers, contributing new ideas and supporting their colleagues in an advisory capacity.

The branches of VOLKSBANK WIEN AG continue to serve as regional relationship banks and remain the primary points of contact for customers. This applies to both retail and commercial business. All measures within the branch and sales organisation are aimed at placing even greater emphasis on customers and the quality of advisory services. Locations are regularly upgraded both technically and functionally. This naturally also includes ongoing investment in employee training and development to continuously enhance advisory standards.

More than 95% of all financing provided by the Association of Volksbanks takes place in Austria's local economies, making a significant contribution to regional value creation. This consistent focus forms the core of the new brand image and makes the value added for our customers – the targeted promotion of local economies and new prospects for domestic regions – visible.

The progress made during the reporting year confirms the growth strategy adopted by the Association of Volksbanks. Our thanks go to employees, functionaries and owners, whose commitment and sense of responsibility have made a significant contribution to this success. This success is built on the trust of customers and long-standing regional ties.

Looking ahead, the Association of Volksbanks will continue to position itself as a unifying, enabling and driving force. The regional bank model will be expanded in a targeted manner so as to lastingly strengthen our position as a reliable partner for private and commercial projects. At the same time, the Association of Volksbanks views itself not only as a market participant, but also as an active contributor to the continued development of Austria's banking sector.

The growth programme through to 2030 provides a clear strategic framework for these efforts. It brings together the key initiatives in sales, service, processes and products, and aligns all activities consistently with sustainable growth, efficiency and long-term customer relationships. This lays the foundation for engaging with and supporting our customers in an even more targeted, personalised and digital way going forward.

We look forward to a successful new year together.

Vienna, March 2026



Gerald Fleischmann
CEO and Chairman of the Managing Board

REPORT OF THE SUPERVISORY BOARD

pursuant to section 96 of the Austrian Stock Corporation Act (Aktiengesetz) for the 2025 business year



Robert Oelinger
Chairman
of the Supervisory Board

In the 2025 financial year, the Supervisory Board gathered information in four scheduled and five extraordinary meetings, further discussions and numerous committee meetings about the legality, expediency and efficiency of the management, as well as the situation, development and operating policies of the company. The Supervisory Board also addressed those matters for which VOLKSBANK WIEN AG, in its capacity as the central organisation of the Association of Volksbanks pursuant to Section 30a of the Austrian Banking Act [BWG], is responsible. The corresponding reports of the Managing Board were discussed at length and acknowledged, and the necessary resolutions were passed.

The chairs of its committees reported regularly to the Supervisory Board on their work. Moreover, with the exception of the HR Committee the records of all committees were made available to all members of the Supervisory Board. The Supervisory Board thus had sufficient opportunity to fulfil its information and oversight duties. The Supervisory Board has currently established the following committees: Working and Risk Committee, Audit Committee, Remuneration Committee, Nomination Committee and HR Committee.

The Working and Risk Committee held four meetings in 2025, as well as regular virtual meetings (via Microsoft Teams), at which the investments within its remit, risk-related topics, the risk strategy and the current risk situation of the company and of the Association of Volksbanks, were addressed. The Working and Risk Committee made some of its credit decisions by way of circular resolution.

The Audit Committee held four meetings in 2025. Apart from the audit of the annual financial statements, the consolidated financial statements and the annual financial statements of the Association of Volksbanks, these meetings focused particularly on planning, the internal control system, the risk management system and sustainability reporting, with regular reports from Internal Audit and the Compliance Office.

In three meetings in 2025, the Remuneration Committee addressed the principles of the remuneration policy and the remuneration report of VOLKSBANK WIEN AG and the Association of Volksbanks. The Remuneration Committee was also informed of the current status of implementation of the EU Pay Transparency Directive within the Association of Volksbanks. Furthermore, the Remuneration Committee approved payments to employees of the Association of Volksbanks for 2024 made under the employee profit-sharing scheme, as well as target values for 2025 and bonus indicators and targets for 2026.

The Nomination Committee held eight meetings in 2025, in which the annual evaluation of the members of the Managing Board and the Supervisory Board was conducted and the update of the company's Fit & Proper Policy was approved. In 2025, the Nomination Committee also addressed the finer details of the succession planning for members of the Managing Board of VOLKSBANK WIEN AG, in its capacity as the central organisation of the Association of Volksbanks, for which a succession process has now been established.

With regard to the term of office of Deputy Chairman Thomas Uher, which expires on 31 December 2025, the Nomination Committee recommended to the Supervisory Board that he be reappointed for a further term of office from 1 January 2026 to 31 December 2030. The Nomination Committee also addressed the expansion of the Managing Board to include a fourth member responsible for IT and digitalisation. For this purpose, the Nomination Committee appointed a recruitment consultant to conduct the search and subsequently conducted interviews with the proposed candidates. The Nomination Committee found that Christine Grabmair was the best-qualified candidate. Accordingly, the Nomination Committee recommended to the Supervisory Board that Christine Grabmair be appointed as a member of the Managing Board for the term of office from 1 January 2026 to 31 December 2028.

The HR Committee held two meetings in 2025, in which it addressed contractual matters relating to members of the Managing Board.

Attendance at the meetings of the Supervisory Board and its committees continued to be high.

The Association of Volksbanks continued its growth strategy in 2025 and, like VOLKSBANK WIEN AG, increased its net profit after tax compared with the previous year. Customer deposits and loans to customers also increased. Higher net fee and commission income, as well as significantly lower loan loss provisions also had a positive effect. Net interest income declined as expected due to several European Central Bank interest rate cuts in 2025 among other things. A large portion of the result strengthens the equity base, forming the foundation for further growth. The positive figures underline the stability of the Association of Volksbanks and its consistent focus on customer proximity, regional value creation and sustainable growth.

VOLKSBANK WIEN AG and the Association of Volksbanks place particular emphasis on sustainability. The 'Low Risk' ESG risk rating awarded to VOLKSBANK WIEN AG by the independent international rating agency Sustainalytics was successfully maintained and even improved on. The Supervisory Board is given regular progress updates on the attainment of the defined sustainability targets.

With a view to continuity and the continued successful work of the Managing Board of VOLKSBANK WIEN AG, the Supervisory Board of VOLKSBANK WIEN AG has accepted the Nomination Committee's recommendation and reappointed Deputy Chairman Thomas Uher for a further term of office from 1 January 2026 to 31 December 2030. To strengthen the Managing Board team, the Supervisory Board also appointed Christine Grabmair as a fourth member of the Managing Board for the term of office from 1 January 2026 to 31 December 2028, in accordance with the Nomination Committee's recommendation.

The Supervisory Board considers this to be an important step in advancing the digital development of VOLKSBANK WIEN AG and the Association of Volksbanks and in strengthening the organisational and technological structures with a view to future requirements.

PwC Wirtschaftsprüfung GmbH (PwC) audited the annual financial statements as at 31 December 2025, together with the management report, and issued an unqualified audit opinion. PwC also audited the consolidated financial statements as at 31 December 2025, together with the Group management report, and issued an unqualified audit opinion. PwC also audited the consolidated financial statements as at 31 December 2025, together with the management report of the Association of Volksbanks (an association of credit institutions under Section 30a BWG), and issued an unqualified audit opinion.

The Supervisory Board took note of the report submitted by the Managing Board and, following prior consideration by the Audit Committee pursuant to Section 96(1) of the Austrian Stock Corporation Act, examined the annual financial statements together with the management report, the consolidated financial statements together with the Group management report and the notes to the audit report, as well as the consolidated financial statements of the Association of Volksbanks (an association of credit institutions under Section 30a BWG) together with the management report and the notes to the audit report. This examination by the Supervisory Board gave no cause for objection; in particular, the Supervisory Board found that the annual financial statements, the consolidated financial statements, and the consolidated financial statements of the Association of Volksbanks (an association of credit institutions under Section 30a BWG) had been properly prepared.

The Supervisory Board therefore approves the annual financial statements together with the management report, which are thereby adopted pursuant to Section 96(4) of the Austrian Stock Corporation Act, as well as the consolidated financial statements together with the Group management report and the notes to the audit report, and the consolidated financial statements of the Association of Volksbanks (an association of credit institutions under Section 30a BWG) together with the management report and the notes to the audit report. The Supervisory Board also concurs with the results of the audit, which were discussed at length with PwC in the Audit Committee, and agrees with the Managing Board's proposal for the appropriation of profits.

In accordance with the legal requirements of Sections 243b and 267a of the Austrian Commercial Code (UGB), VOLKSBANK WIEN AG prepares a consolidated non-financial statement (sustainability report) pursuant to the Sustainability and Diversity Improvement Act (NaDiVeG). The Audit Committee reviewed the non-financial statement and reported thereon to the Supervisory Board. A voluntary sustainability report ('Sustainability Declaration') was prepared for the Association of Volksbanks for the first time in the 2025 financial year. This sustainability report for the Association of Volksbanks is based on the 'European Sustainability Reporting Standards' framework for sustainability reporting. PwC was commissioned to perform a voluntary audit of the sustainability report, and the relevant audit report has been submitted to the Supervisory Board. The Supervisory Board also examined the sustainability report for the Association of Volksbanks submitted to it in conjunction with PwC's audit report. The examinations by the Supervisory Board and PwC gave no cause for objection, and the Supervisory Board also concurs with the findings of PwC's audit.

It is noted that VOLKSBANK WIEN AG also fulfilled the support function assigned by the shareholders and stipulated in Article 3 of the Articles of Association in the financial year under review.

The Supervisory Board wishes to conclude by thanking the Managing Board and all employees for their commitment and contribution to the successful 2025 financial year.

Vienna, March 2026

For the Supervisory Board of VOLKSBANK WIEN AG:



Robert Oelinger,
born on 18.12.1955
Chairman of the Supervisory Board

THE MANAGING BOARD



Chairman:

Gerald Fleischmann

born on 27 February 1969
CEO

Areas of responsibility:

- Retail Branches
- Marketing & Communication
- Sustainability & Sustainability Officers
- HR Management & Organizational Development
- Private Banking/Treasury
- Corporate and Real Estate Financing
- Sales Management



Deputy Chairman:

Rainer Borns

born on 7 August 1970
Deputy-CEO

Areas of responsibility:

- Control
- Data Governance & Data Management
- Finance
- Legal
- VB Infrastructure and Real Estate Facility Management
- VB Infrastructure and Real Estate Property Management

Deputy Chairman:

Thomas Uher

born on 15 June 1965
Deputy-CEO

Areas of responsibility:

- Credit Risk Management, Restructuring & Recovery
- Risk Controlling
- VB Services für Banken MSC Aktiv and loan processing
- VB Services für Banken Handling of securities/payment transactions and MSC Passiv/KSC



Christine Grabmair¹, MSc

as of 01 January 2026

born on 10 October 1979
Member of the Managing Board

Areas of responsibility:

- Digital Transformation
- Organisation & IT
- Operational Resilience



Joint Managing Board

Areas of responsibility:

- Compliance
- Audit

¹ since 03 March 2026: Reuter

THE SUPERVISORY BOARD

Robert Oelinger

Certified Public Accountant/tax consultant
Chairman

Heribert Donnerbauer

Donnerbauer & Hübner Rechtsanwälte GmbH
First Deputy Chairman

Helmut Hegen, M.B.L.

HOSP, HEGEN partnership of lawyers
Second Deputy Chairman

Wilfried Aichinger, M.B.L.-HSG

Business consultant
Member

Susanne Althaler

Member

Harald Berger

Member

Johann Joachim Bruckner

Attorney-at-law
Member

Birte Burtscher, M.A. (HSG)

Certified public accountant and tax consultant
Member

Christoph Herzeg, MBA, CSE

Member

Regina Ovesny-Straka

Member

Martina Rittmann-Müller

Certified public accountant and tax consultant
Member

Walter Übelacker

Real estate trustee, certified court expert
Member

Works council delegates:

Christian Rudorfer

Chairman of the Works Council

Andrea Baier

Josef Heidegger

Christiane Spiegl

Iris Weber

Bettina Wicha

State Commissioners:

Katharina Schwaha

State Commissioner

Helmut Wiesenfellner until 31 August 2025

Deputy State Commissioner

Rainer Lindorfer from 01 December 2025

Deputy State Commissioner

Group Management Report

Group Management Report

REPORT ON THE DEVELOPMENT OF BUSINESS AND FINANCIAL POSITION	22
Economic environment	22
Result of the VBW Group for the 2025 financial year	25
Financial performance indicators	26
Report on branch establishments	27
Transactions with related parties	27
REPORT ON THE FUTURE DEVELOPMENT AND RISKS OF THE GROUP	27
Future development of the Group	27
Significant risks and uncertainties	28
REPORT ON RESEARCH AND DEVELOPMENT	29
REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS	29
Control environment	30
Risk assessment	30
Control measures	31
Information and communication	31
Monitoring	31
(CONSOLIDATED) NON-FINANCIAL STATEMENT 2025	33
1 General Information	42
2 Taxonomy Information	65
3 Environmental Concerns	86
4 Own Workforce	108
5 Consumers and End-Users	128

GROUP MANAGEMENT REPORT

Report on the development of business and financial position

Economic environment

Overall economic development in 2025 in Austria

Real GDP growth Y/Y	Inflation rate according to HICP Y/Y	Unemployment rate National definition (AMS: Austrian public employment service)
0,6 %	3,6 %	7,4 %

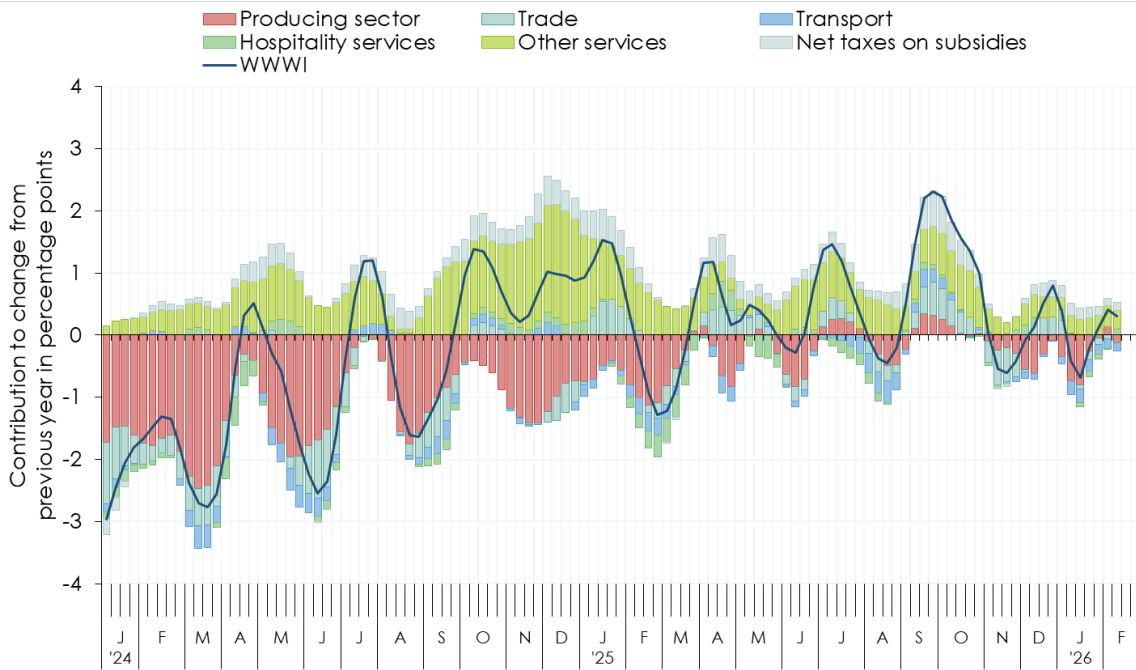
Source: WIFO, Statistics Austria and AMS, as at 30 January 2026

Inflation remained the dominant economic issue in Austria. Consumer price inflation rose again in 2025. After 7.8 % in 2023 and 2.9 % in 2024, the annual average for 2025 was 3.6 %, of which 0.71 percentage points were attributable to the increase in the price of household electricity following the abolition of the government's 'electricity price brake'. Overall, the housing, water and energy product group was the one with the highest price increase (5.7 %), although prices fell for certain components such as gas (-6.6 %), heating oil (-5.6 %), and district heating (-0.1 %). Rents rose by 4.3 % Y/Y, while prices dropped by 0.3 % for the maintenance and furnishing of residential property. The price increase for restaurants and hotels was once again clearly above average, amounting to 5.8 % last year, after 7.0 % in 2024. Food and beverage prices rose only slightly faster than the consumer price index overall (3.7 %), while leisure and culture rose by 3.4 %, healthcare by 5.0 %, and transport services by 1.0 %. On the other hand, communication saw falling prices (-6 %) and clothing and shoes rose by just 0.3 %. According to the OeNB Index, residential property prices increased by 2.1 % (Vienna: 2.9 %; other federal provinces: 1.6 %).

In addition to the elimination or amendment of regulations, energy prices were also affected by the significant increase in crude oil production in 2025. However, the sectoral differences also reflect changes in consumer demand, which has shifted from goods over to services in recent years, as well as the national and international competitive environment. The growing importance of the services sector is also evident in the approximation of the weekly real GDP growth rate by production and expenditure categories according to the Weekly WIFO Economic Index (WWWI) shown below.

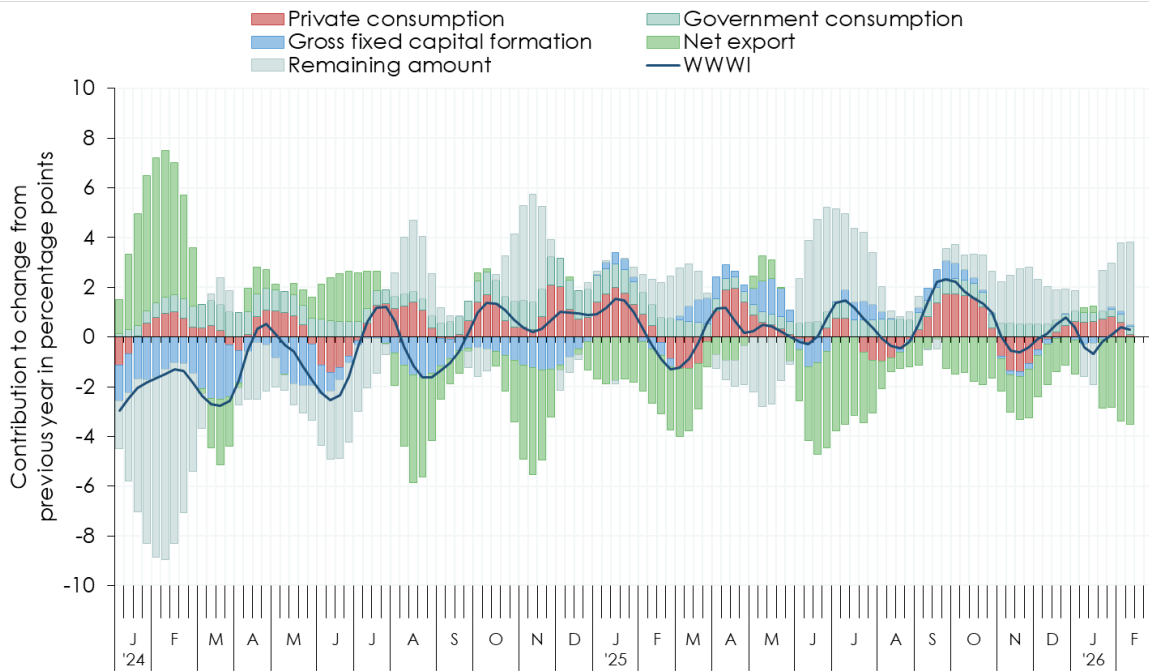
Weekly economic activity according to the WWI (for data and charts, see Weekly WIFO Economic Index – WIFO).

Production



Source: WIFO, Statistics Austria. – Producing sector NACE A to F, Trade NACE G, Transport NACE H, Hospitality services NACE I, Other services NACE J to T. – The sum of the growth contributions of the subcomponents may differ from the estimated GDP growth (residual).

Expenditure



Source: WIFO, Statistics Austria.

The Austrian economy overcame the recession in 2025 and moved onto a moderate growth path, although the international environment was characterised by uncertainties, tariff announcements and increases, as well as ongoing geopolitical challenges. Factors contributing to the recovery included catch-up effects for durable consumer goods and investments, as well as interest rate cuts by the European Central Bank. As inflation in the euro area fell to 2 % in the first half of the year and leading indicators suggested an annual HICP rate of just short of 2 % in the medium term according to ECB projections, the ECB was able to lower its interest rates further. Since June 2025, the deposit rate has been 2.00 % and the main refinancing rate 2.15 %.

Although growth momentum remained subdued, it followed an upward trajectory over the course of the year. Moreover, in the second half of the year, it also encompassed the previously declining industrial value added. According to the WIFO flash estimate, this exceeded its previous year's level in both the third and fourth quarters, although value added in mining, manufacturing, and utilities fell slightly again in the fourth quarter. According to the purchasing managers' survey, incoming orders were still weak and the willingness to invest suffered from ongoing uncertainty. However, there was a slight easing of cost pressure with moderate wage settlements and stabilised energy prices, provided companies were not reliant on supplies of intermediate products limited by export restrictions or other implications of the trade conflict. The construction sector remained weak despite falling interest rates, with the production index for civil engineering being equal to and in some cases very significantly above the previous year's figure from January to November, while that for building construction was almost consistently below it. The cumulative value added in trade, transport, accommodation and catering only achieved a positive annual growth rate in the fourth quarter; however, the new record number of 157 million overnight stays did not fully translate into real value added in tourism, as guests cut back somewhat in the face of sectoral inflation. Overall, the consumer-related sectors suffered from the fact that real disposable income fell again slightly in 2025 compared to 2024, which was marked by high wage settlements, and unemployment in Austria increased. The services sector, which for some time had been the sole growth driver, stagnated more or less overall: ICT, financial and real estate services made a positive contribution and the other service areas a slightly negative contribution to GDP growth.

The residential property market stabilised in 2025. Although price trends remained below consumer price inflation, they were positive, and residential construction loans to private households also began to grow again. Building permits for new residential buildings increased from quarter to quarter, but still remained well behind their five-year average in Q3-2025. Recovery was still not in sight for wholesale, retail, industrial or warehouse buildings, while building permits for office buildings, hotels, inns and guesthouses approached their longer-term average value. Corporate loans increased moderately, but lost momentum over the course of the year.

Insolvencies continued to increase in 2025. Despite the trade conflict, which primarily affected the manufacturing sector, the increase was lower than in the two previous years and the number of insolvencies was lower in the second half of the year than in the first, suggesting a bottoming out. The pattern of elevated but declining insolvency numbers from H1 to H2 was evident in manufacturing, distributive trades and also in the construction sector. Despite continued weak value added, construction was – alongside temporary employment agencies – the only sector with slightly falling unemployment figures. The number of insolvencies in the accommodation and catering as well as the transport and traffic sectors remained largely stable compared to the previous year. By contrast, the increases in financial service providers and in real property and housing were relatively pronounced. Insolvencies in the healthcare and social services fell in 2025. This generally remains a growth area. Current healthcare spending reached 11.7 % of nominal GDP in 2024, the second-highest value after the pandemic year (2021), with the private share having increased in recent years.

According to the figures available in January 2026, economic development in the federal provinces was quite inconsistent in the first two to three quarters of 2025. For the first half of the year, WIFO estimates the annual growth rates of gross value added at -1.5 % in Carinthia, -0.6 % in Lower Austria, -0.5% in Upper Austria, -0.3 % in Burgenland, and -0.2 % in both Salzburg and Styria, while Vienna at 0.8 %, Tyrol at 1.1 % and Vorarlberg recorded noticeable gains in value added. WIFO refers primarily to tourism, with Vienna generally having a high service sector share of value added; in view of the bottoming out of industry, the differences could have been smaller for the year as a whole.

In contrast to central bank and money market interest rates, long-term yields rose in 2025. Among other things, this was due to high planned public spending on infrastructure and defence in Germany. German benchmark yields rose by half a percentage point and thus significantly more than their Austrian counterparts, so that the spread between the two narrowed noticeably. The stock market slumped in the spring following the announcement of high US import tariffs, but the following months saw a marked recovery and new all-time highs for the ATX. The financial assets of private households developed correspondingly positively.

Result of the VBW Group for the 2025 financial year

Financial performance

The pre-tax profit of the Volksbank Wien Group for the 2025 financial year amounted to euro 63.9 million (2024: euro 46.0 million), the Group's profit after tax to euro 84.8 million (2024: euro 43.0 million) and the operating profit² to euro 91.6 million (2024: euro 118.3 million).

Net interest income decreased in the 2025 financial year from euro 154.8 million in the previous year to euro 129.3 million, with the lower key interest rate level resulting from further ECB interest rate cuts having an impact, among other things. On the income side, interest and similar income fell from euro 512.2 million to euro 424.3 million, while on the expense side, interest and similar expenses fell from euro -357.4 million to euro -295.0 million. Interest income from loans to and receivables from customers decreased by euro -20.1 million, while interest expenses to customers fell by euro 33.5 million. Net interest income from the OeNB also decreased by euro -39.5 million. In contrast, interest income from bonds rose by euro 28.4 million to euro 95.3 million (2024: euro 66.9 million). Interest expenses for debts evidenced by certificates increased by euro -8.5 million to euro -90.9 million (2024: euro -82.4 million) and for subordinated liabilities by euro -17.2 million to euro -66.5 million (2024: euro -49.3 million).

Risk provisions amounted to euro -27.9 million, which is euro 46.7 million less than in the same period of the previous year. This was mainly due to net additions to individual value adjustments (including direct write-offs and income from written-off receivables) of euro -16.0 million (2024: euro -69.8 million) and net additions to portfolio value adjustments of euro -12.4 million (2024: euro -6.8 million). Net releases of euro +0.5 million (2024: euro +1.8 million) were made for off-balance sheet business.

Net commission income of euro 79.4 million increased further for the reporting year compared with the previous year (2024: euro 75.4 million). The increase is attributable to securities business (euro 3.4 million), custody business (euro 0.9 million) and current account and payment transactions (euro 0.7 million). This was offset by declines in other service business (euro -0.7 million) and lending business (euro -0.3 million).

Net trading income amounted to euro 4.1 million in the 2025 financial year, down euro -1.1 million on the previous year. This was mainly due to the valuation of currency derivatives, foreign exchange valuations, foreign currencies and precious metals.

Income from financial instruments and investment properties rose by euro +11.7 million to euro +10.0 million in the reporting year compared with the previous year (2024: euro -1.7 million). The increase in income is mainly due to higher dividends received of euro +11.5 million, in particular from Volksbanken Holding eGen in the amount of euro 7.5 million and a euro +2.4 million increase in the valuation result from issues reported at fair value. It should be noted that these issues are offset by interest rate swaps that were concluded for hedging purposes and represent an economic hedge. The valuation of the interest rate swaps led to counteracting effects, which largely offset the positive fair value valuations of the issues. Offsetting effects were also generated by lower valuation effects from derivatives and fair value hedges of euro -6.7 million.

Other operating income amounted to euro +157.4 million in the 2025 financial year (2024: euro +155.8 million). Higher income from cost allocations by VBW to the Association's banks of euro +11.1 is offset by higher regulatory expenses and provisions for deposit protection, which totalled euro -8.4 million.

Administrative expenses amounted to euro -288.6 million, an increase of euro -17.3 million compared with the same period of the previous year (2024: euro -271.2 million). Personnel expenses rose by euro -6.9 million to euro -153.9 million due to a higher average number of employees and adjustments to collective agreements. Material and other non-personnel expenses also rose by euro -10.7 million to euro -123.6 million. The main reasons for this were increased expenditure on IT projects of euro -6.1 million and other general material expenses of euro -3.2 million.

Income taxes for the 2025 financial year amount to euro +20.9 million (2024: euro -3.0 million) and include deferred tax income of euro +24.2 million (2024: deferred tax expenses of euro -1.5 million). Based on tax planning for the next five years, deferred tax assets of euro 37.1 million (2024: four planning years euro 4.4 million) were recognised on part of the tax loss carryforwards in the reporting period. Current tax expense, including tax expense from previous periods, amounts to euro -3.3 million in 2025 (2024: euro -1.5 million).

²The operating result is calculated from net interest income, net commission income, trading income, income from financial instruments and investment properties, other operating income and administrative expenses.

Financial position

The balance sheet total as at 31 December 2025 amounts to euro 16.4 billion, which is euro 0.4 billion higher than the figure for the end of 2024 (euro 16.0 billion). The increase is mainly due to investments in fixed-income securities and a moderate growth in customer volume. This was offset by a decline in receivables from banks and balances with the OeNB.

Liquid funds (cash and central bank deposits) of euro 3.5 billion are euro 0.3 billion below the previous year's figure, which is attributable to lower deposits with the OeNB.

Loans to and receivables from banks declined at euro 1.6 billion compared with the end of 2024 (euro 1.8 billion) as a result of lower refinancing by the Association's banks.

Loans to and receivables from customers amounted to euro 6.3 billion as at 31 December 2025, which is above the previous year's figure as at 31 December 2024 (euro 6.1 billion). The moderate increase is attributable to growth in customer volume. Risk provisions remained unchanged from the previous year at euro -0.2 billion.

The growth in financial investments by euro 0.6 billion to euro 4.2 billion (2024: euro 3.6 billion) is attributable to purchases of fixed-income securities.

Liabilities to banks amounted to euro 2.8 billion, down euro -0.2 billion compared with 31 December 2024 (euro 3.0 billion) due to lower refinancing with banks.

Liabilities to customers remained unchanged from the end of the previous year at euro 6.7 billion as at 31 December 2025.

The volume of debts evidenced by certificates amounted to euro 4.1 billion as at 31 December 2025, up euro 0.7 billion on the previous year. The increase is mainly due to the issuance of a green senior preferred benchmark issue of euro 0.5 billion and other retail issues.

The slight decline in other liabilities of euro 0.1 billion is attributable to a slight decrease in the market values of derivatives.

Since the beginning of the year, equity has increased by euro 92.6 million to euro 1,005.1 million. This increase is attributable to the Group's comprehensive income for the 2025 financial year of euro 86.7 million, as well as additions of euro 5.9 million from the initial consolidation of Schulze-Delitzsch Ärzte und Freie Berufe e.Gen. The Group's comprehensive income of EUR 86.7 million comprises net profit for 2025 of euro 84.8 million and other comprehensive income of euro 1.9 million.

Financial performance indicators

The regulatory capital of the VBW Group of credit institutions amounts to euro 2.0 billion as at 31 December 2025 (31 December 2024: euro 2.0 billion). The total risk amount as at 31 December 2025 is euro 5.0 billion (31 December 2024: euro 4.8 billion). The CET1 ratio relative to total risk is 17.7% (31 December 2024: 17.4%), while the capital ratio relative to total risk is 39.6% (31 December 2024: 41.5%).

Regulatory capital, the total risk amount and the key figures calculated from this were determined in accordance with CRR (EU Regulation No. 575/2013). For further details, please refer to Note 36).

Key figures	2025	2024	2023
Return on Equity before tax	6.7%	4.6%	11.3%
Return on Equity after tax	8.8%	4.3%	12.9%
Cost-income ratio	78.0%	69.3%	62.5%

ROE before tax is calculated as the quotient of earnings before tax divided by the average equity capital on the balance sheet date and the balance sheet date of the previous year.

ROE after tax is calculated as the quotient of earnings after tax divided by the average equity capital on the balance sheet date and the balance sheet date of the previous year.

The cost-income ratio is calculated as operating income in relation to operating expenses. Operating income consists of net interest income, net commission income, trading income and, if positive, other operating income and income from a disposal group. Operating expenses include administrative expenses and, if negative, other operating income and the result of a disposal group. Other operating income and the result of a disposal group are adjusted for other taxes, deconsolidation results and IFRS 5 valuation.

The key figures presented are considered standard for the industry and contribute significantly to the credit rating of banks. Furthermore, the cost-income ratio in the Association of Volksbanks has been defined as an early warning indicator for the Federal Restructuring and Resolution Act (Bundesgesetz zur Sanierung und Abwicklung von Banken, BaSAG).

Report on branch establishments

The Volksbank Wien Group does not have any branch establishments.

Transactions with related parties

For information on business relationships with related parties, please refer to the disclosures in the notes to the 2025 Group Report, Note 45).

Report on the future development and risks of the Group

Future development of the Group

Economic environment

Economic forecast for 2026

WIFO forecast for economic development in Austria in 2026

Real GDP growth Y/Y	Inflation rate acc. to HICP Y/Y	Unemployment rate National definition (AMS)
1.2 %	2.6 %	7.3 %

After 33 months of rising unemployment rates, the increase in the number of persons registered as unemployed decreased noticeably at the end of December 2025. The economy is expected to continue to improve in the current year and lead to some decrease in the unemployment rates. Purchasing power should be supported by stable to falling energy costs despite only moderate increases in wages, and the improvement in demand for durable consumer goods and residential real estate, which began as early as 2025, may be expected to stabilise. The uncertainties, especially the geoeconomic risks, remain high, but there are also signs of stabilisation and subsequent improvement in investments. Although a credit gap is likely to continue, the growth rate of housing and corporate loans should be able to catch up to the nominal GDP growth in the medium term.

Expected development of business

The regionally operating Volksbanks serve local customers, while Österreichische Ärzte- und Apothekerbank serves doctors and pharmacies throughout Austria. In order to be able to respond even better to the needs of Austrians as their house bank, the Volksbanks are consistently implementing the "house bank of the future" service concept within the Association. The focus is placed on customers and members of the cooperatives in all regions. In view of the challenges, the cooperative mission of promoting their members is therefore more relevant than ever. The structural and cultural changes in recent financial years have helped to establish the Association of Volksbanks and Österreichische Ärzte- und Apothekerbank AG as the most modern banking association in Austria.

The focus as "house bank of the future" rests on two pillars: the high quality of support for regional customers on the one hand and centralised control and settlement activities on the other.

In view of the challenging economic conditions, the focus for 2026 is on growing with the customers across the entire Association. For this purpose, we will continue to work on improving our processes and on intensifying digitisation.

In the course of medium-term planning, the Association of Volksbanks has set itself a number of strategic goals that will be a focus for management in the years to come. These include an improvement in the cost-income ratio to below 65.0 %, a Tier 1 capital ratio (CET 1) of at least 16.0 % at the level of the Association of Volksbanks, an NPL ratio (non-performing loans) of under 3.0 %, and a return on equity (RoE) after taxes of more than 7.0 %. The NPL ratio rose sharply in fiscal year 2024, then stabilised in fiscal year 2025, but was still significantly above the strategic target of a maximum of 3.0 % as of 31 December 2025. Further information is provided in the risk report (Note 50). Due to the increased NPL ratio, an NPL reduction strategy was developed in 2025, which will be implemented particularly in fiscal year 2026. In addition, the highest levels of satisfaction among our customers thanks to a cooperatively sustainable business model and the successful implementation of the projects launched together with our new IT partner Accenture to modernise the company's IT infrastructure are the main goals to be achieved over the next years.

The Association of Volksbanks has defined sustainability goals that cover all ESG aspects. The expansion of sustainable products, decarbonisation of operations or employee development goals are continuously quantified, included in the planning of the individual areas, and monitored by the Sustainability Committee and the banks of the Association.

While the fall in short-term interest rates and the higher capital requirements due to Basel IV continue to require continuous streamlining of the cost structure and an increase in productivity, the risk situation is expected to ease. The forecasts are based on the assumption that the economy will return to at least moderate growth. The renewed increase in interest in the real estate market is an indicator of this.

The Federal Finance Court (Bundesfinanzgericht, BFG) referred a request for a preliminary ruling under Article 267 TFEU to the European Court of Justice (ECJ) on 28 June 2024. The BFG has made a request to the ECJ to decide whether the intermediate bank exemption pursuant to Section 6(1) no. 28 2nd sentence of the Austrian VAT Act (UStG) constitutes state aid within the meaning of Article 107(1) TFEU. Please refer to the notes to the consolidated annual financial statements of the Group for information on the estimates regarding the impact of any possible decision by the ECJ or the European Commission.

Regarding the fiscal unity under the Austrian Value Added Tax Act (UStG) implemented since 01 January 2025, we also refer to the relevant explanations in the Notes to the consolidated annual financial statements of the Group.

Significant risks and uncertainties

Assuming and professionally managing the risks associated with the business activities is a core function of every bank. VOLKSBANK WIEN AG (VBW), in its capacity as central organisation (CO) of the association of credit institutions under Section 30a of the Austrian Banking Act, consisting of VBW and the affiliated banks of the Volksbank-Sector, performs this central task, for the Association to have in place administrative, accounting and control procedures for the recognition, assessment, management and monitoring of the risks associated with banking transactions and banking operations as well as of the remuneration strategy and practices (Section 39 (2) of the Austrian Banking Act).

The implementation of control is effected through General and, if necessary, Individual Instructions and corresponding working instructions in the affiliated banks.

Our business model requires risks to be identified, assessed, measured, aggregated and managed effectively. Risks and capital are managed by means of a framework of principles, organisational structures as well as measuring and monitoring processes that are closely aligned with the activities of the departments and divisions. As a prerequisite and basis for sound risk management, the Risk Appetite Framework (RAF) for the Association of Volksbanks is continuously refined to define the risk appetite or the degree of risk tolerance that the Association of Volksbanks is willing to accept in order to achieve their defined objectives. The level of risk tolerance is reflected in the definition and validation of appropriate limits and controls. The framework is continuously verified and adjusted to regulatory requirements, changes of the market environment or the business model. The Association of Volksbanks aims to develop, by way of this framework, a disciplined and constructive control environment where all employees understand and live up to their role and responsibility.

Risks within the Association of Volksbanks are managed by three decision-making bodies in VBW: (i) Risk Committee (RICO), (ii) Asset Liability Committee (ALCO), (iii) Credit Committee (CC). The responsibilities of these committees include both subject areas of VBW as a single institution and matters concerning the entire Association of Volksbanks pursuant to section 30a Austrian Banking Act. Risk reporting in the affiliated banks takes place in the respective local bodies.

The following risks are classified as material by the Association of Volksbanks in the course of the risk inventory process:

- Credit risks
- Market risks
- Liquidity risks
- Operational risks
- Other risks (e.g. strategic risk, equity risk, sustainability risks)

ESG risks are integrated into all elements of the Internal Capital Adequacy Assessment Process; however, are they not included as a separate risk type but are mapped within the existing risk types. The methods, models and strategies used for ESG risks will be continuously developed in the coming years and are meant to contribute to successively measuring inherent ESG risks more accurately.

ESG risks are analysed and assessed annually as part of the risk inventory using ESG heat maps. The ESG heat map is a tool for identifying, analysing and assessing the materiality of ESG risks and/or their risk drivers. In the ESG heat map, various risk events are described and evaluated for all relevant risk types of the Association of Volksbanks. The findings are then mapped within the existing risk types in the risk inventory.

The Association of Volksbanks has committed to a sustainable corporate culture and strives to establish ESG aspects in all areas of the company. The risk strategy has been expanded to include a dedicated sub-risk strategy for ESG risks. This reflects the ESG risks inherent in the existing risk types, which can, in particular, be derived from the ESG heat maps and the internal stress test. Further information is provided in the risk report (Note 50).

For further information on financial instruments, risk management targets and methods, as well as price change, default, liquidity, cash flow and ESG risks, please refer to the disclosures in the notes to the 2025 Group report (in particular, the risk report, Note 50).

Report on research and development

The Association of Volksbanks does not carry out own research and development activities. However, customer-centric developments and innovation projects are being undertaken as part of various digitisation initiatives.

The 'hausbanking' system (online banking of the Volksbank Group for private customers) is considered the most important digital interface for interactions with customers. Online banking usage continues to increase annually, with mobile logins already accounting for over 90%. Special service requests within the hausbanking system offer the opportunity to "test" features with minimal effort in customer use before undertaking a complex, full integration into the core banking system. This allows for verification of whether the service (e.g., limit changes) meets customer expectations and identifies areas for improvement (fail fast). These service requests also support data updates (e.g., KYC) and obtaining personal consent (e.g., GDPR).

New digital customer journeys were designed and implemented with selected third-party companies or purchased as SaaS solutions and expanded to meet Volksbank's specific requirements. This will make digital onboarding processes much faster in the future and significantly reduce the workload for market and back-office units. Digital product sign-ups will be simplified, and it will be possible to deploy modern payment solutions (especially for commercial customers), as well as solutions for secure document exchange, quickly across the Association. The introduction of a new digital signature workflow will enable the broader use of advanced and qualified electronic signatures – both internally and for customers.

Report on key features of the internal control and risk management system with regard to the accounting process

The aim of the internal control system is to support the management so as to enable it to ensure effective internal controls with respect to accounting. The Managing Board is responsible for establishing and designing a suitable internal control and risk management system for the accounting process.

At the Association of Volksbanks, an internal control system (ICS) has been installed according to the internationally recognised COSO standard. Detailed descriptions of ICS processes and control measures are available. Responsibilities and roles along the three lines of defense (Accounting Process, Internal Control System (ICS) Management, and Internal

Audit) with regard to the ICS are clearly defined. Control activities are documented, continuously reviewed, and ICS-relevant risks are regularly evaluated and adjusted. ICS Management provides regular reporting, thus ensuring a continuous improvement process. Internal Audit reports to the Managing Board and independently and regularly reviews compliance with internal regulations in accounting.

Control environment

In the context of financial reporting, compliance with all relevant legal provisions – a key aim of the Association of Volksbanks – is ensured by means of a General Instruction on Accounting. The Managing Board of the CO is responsible for establishing and organising an appropriate internal control and risk management system for the accounting process. The ICS group policy provides a framework for implementing those systems which is applied throughout the entire Association. Within the Association, responsibility for implementation lies with OpRisk within the Group and risk governance within VBW.

An internal control system (ICS) according to the internationally recognised COSO standard has been put in place within the Association of Volksbanks. Detailed descriptions of ICS processes and control measures are available. The responsibilities and roles relating to the ICS are clearly defined. Regular reporting takes place for the ICS. Control activities are documented and reviewed, ICS-relevant risks are regularly evaluated and adjusted. This ensures that a continuous optimisation process is pursued.

In all the companies included in the annual financial statements of the Association of Volksbanks, the responsibility to define and introduce an appropriate ICS for each company and to ensure compliance with Association-wide policies and regulations lies with the respective managing board or with the respective company's management. In order to ensure that the data supplied by the members of the Association is transferred correctly, all data provided is initially checked for plausibility. The data is then processed using the Tagetik consolidation software. After the first round of checks, the department manager performs another review.

Control measures are applied within the current business process to ensure that potential errors are prevented and/or deviations in financial reporting are detected and corrected. The control measures range from reviews of the various results for the period by the management up to specific reconciliations of accounts and items, and an analysis of the ongoing processes within group accounting. In this context, two types of controls are distinguished:

- Operational controls include controls performed manually by employees according to specific tasks, automatic controls carried out by means of IT systems, as well as preventive controls aimed at avoiding errors and risks in advance through segregation of duties, competency regulations, and access rights.
- Management controls, on the basis of spot checks by managers, are intended to ensure that operational controls are complied with. The frequency of these checks is set by the respective manager (division manager, department manager) depending on the level of risk. The spot checks are documented in the control plan in a manner that is transparent for third parties, and the results are reported every six months as part of management reporting.

Additionally, Internal Audit verifies compliance with internal regulations independently and regularly, including in the sphere of accounting. As a specialist unit, Internal Audit is directly subordinate to the Managing Board, it reports directly to the Chairman of the Managing Board and also to the Supervisory Board on a quarterly basis.

Risk assessment

Risks relating to the accounting process are identified and monitored by process managers to ensure, in particular, complete and accurate recording of all transactions, timely transfer of invoices and correct calculation and timely payment of taxes. In the process, the focus is on risks that are to be considered significant.

In preparing the financial statements, estimates must regularly be made in areas where there is an inherent risk that actual future developments may diverge from the estimates. This applies to the following items and disclosures of the financial statements in particular: the recoverability of financial assets, banking risks, social capital, as well as the outcome of legal disputes. In some cases, publicly available sources will be used or external experts will be consulted in order to minimise the risk of inaccurate estimates.

Control measures

Control measures are applied within the current business process to ensure that potential errors are prevented and/or deviations in financial reporting are revealed and corrected. These control measures range from a review of the various results for the period by the management to reconciliation of specific accounts and items and analysis of ongoing accounting processes. A distinction is made between two types of control in the internal control system.

Operational controls are part of a process, specifically process steps for monitoring and ensuring other (risk-prone) process steps. Operational controls are typically performed per process cycle or at high frequency within operational systems. They include manual controls, performed by employees according to specific work steps, and automated controls implemented in IT systems. Operational controls may also be classified as either preventive controls, which aim to avoid errors and risks in advance, e.g. through segregation of duties, competency regulations, and access rights, or as detective controls, which aim to identify errors, e.g. by reviewing control reports or reconciliations.

Management controls are part of the internal control system (ICS) processes and aim to ensure the effectiveness of operational controls. Management controls are performed retrospectively and usually based on samples by managers. They serve to ensure compliance with operational controls by managers (implementation control) and to verify the control results (outcome control). The interval and sample size of management controls are to be determined by the respective manager, depending on the risk level and frequency of operational controls, and coordinated with the line organisation. Management controls are implemented in the operational risk and internal control system (ICS) by storing control objectives, activity descriptions, documentation requirements, responsible organisational units, and individuals within the controls themselves. One or more control executions are assigned to these ICS controls, which must be documented regularly at defined intervals.

The execution of management controls must be documented in the audit-proof ICS software system. For this purpose, user-specific record-keeping with mandatory execution documentation and deficiency assessment ("Execute Control") is provided in the operational risk and ICS systems. The control result must be documented in a way that is comprehensible to knowledgeable third parties. In particular, systemic deficiencies and process weaknesses must be recorded as part of the documentation. Management controls must be performed by the responsible party and cannot be delegated. Management controls must not be carried out by an employee who performs operational control in the respective controlled process (prohibition of self-monitoring).

Information and communication

Guidelines and regulations regarding financial reporting must be regularly updated by the management and communicated to all employees concerned.

In addition, employees in accounting are also provided with ongoing training on accounting reforms, so that risks of unintentional false reporting can be identified at an early stage.

ICS reporting provides management with insight into the ICS regarding the proper execution of management controls and any identified errors in processes or operational control activities. ICS reports are submitted quarterly to the Managing Board and department heads.

Monitoring

The Managing Board regularly receives summary financial reports, such as monthly and quarterly reports on the development of the respective segments and the most important financial performance indicators. Financial statements that must be published are subjected to a final check by executive employees within accounting, divisional management and the Managing Board before they are forwarded to the competent bodies.

The results of monitoring activities in relation to accounting processes are reported within the management report. The quarterly ICS report monitors the implementation rate of ICS management controls.

In addition, the Internal Audit department performs its internal monitoring function, independently and regularly auditing compliance with internal regulations in the area of accounting and reports to the Managing Board and the Supervisory Board.

(Consolidated) Non-Financial Statement 2025

OVERVIEW



34.86 HOURS¹⁾

AVERAGE HOURS OF TRAINING
PER EMPLOYEE AT VOLKSBANK
WIEN AG



100 %¹⁾

GREEN ELECTRICITY
AT VBW



43¹⁾

ELECTRIC VEHICLES IN
OUR COMPANY FLEET²⁾

**FROM + 13
TO + 17**

INCREASE IN EMPLOYEE
NET PROMOTER SCORE
IN 2025



500¹⁾

PART-TIME EMPLOYEES

1,530¹⁾

EMPLOYEES WORK FOR
VOLKSBANK WIEN AG



98.56%

FINANCING WITHIN THE
REGION³⁾



6

WORKS COUNCILS ARE
REPRESENTED IN THE
SUPERVISORY BOARD OF VBW

PRODUCT PARTNERSHIPS

ERGO

**Union
Investment**

TeamBank

LEASING

BONUS Gruppe

**IMMO
CONTRACT**

**VOLKSBANK
VORARLBERG**

**A.B.S.
FACTORING**

¹⁾ In the VBW Group

²⁾ As at 31.12.2025: 63 vehicles total, of which 43 are electric vehicles

³⁾ Maximum 5 % of customer receivables in neighbouring countries

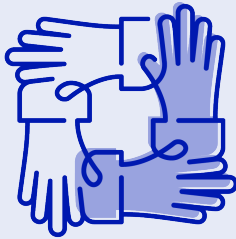
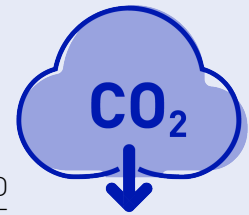


37

CUSTOMER SATISFACTION SCORE (NPS)

94.8 %⁴⁾

DEVELOPMENT OF PORTFOLIO EMISSION INTENSITY (INITIAL VALUE 2024 = 100 %)



INTEGRATION

ESG IN RISK AND CREDIT PROCESSES

26 %

SHARE OF SUSTAINABLE FINANCING IN NEW CUSTOMER BUSINESS

1.75%⁵⁾

GREEN ASSET RATIO BASED ON REVENUE KPI



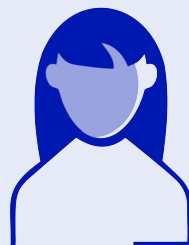
23.3 %⁵⁾

SHARE OF SUSTAINABLE FUNDS IN TOTAL 2025 FUND PORTFOLIO



0.00%⁶⁾

OF MEMBERS OF THE VBW MANAGING BOARD ARE FEMALE



44 %

OF MEMBERS OF THE VBW SUPERVISORY BOARD ARE FEMALE

30,1 %⁷⁾

FEMALE MANAGERS IN VBW

4) Only financed Scope 1 and 2 emissions (which are part of Scope 3 category 15) are taken into account

5) Key figure for the entire Association of Volksbanks

6) from 1.1.2026 25 %

7) Group parent

Table of Contents (Consolidated) Non-Financial Statement

Foreword to the Non-Financial Statement by the Chairman of the Board	39
1 GENERAL INFORMATION	42
1.1 BASIS FOR PREPARATION	44
1.1.1 General principles for preparation of the (consolidated) Non-Financial Statement (in accordance with BP-1)	44
1.1.2 Key topics covered in the statement (in accordance with BP-2)	44
1.2 Governance	46
1.2.1 The role of management and supervisory bodies as well as information and sustainability aspects subject to the company's management and supervisory bodies (in accordance with GOV-1 and GOV-2)	46
1.2.2 Inclusion of sustainability-related performance in incentive systems (in accordance with GOV-3)	50
1.2.3 Risk management and internal controls for Sustainability Reporting (in accordance with GOV-5)	50
1.3 STRATEGY, BUSINESS MODEL AND VALUE CHAIN (CF. THE SUSTAINABILITY STATEMENT OF THE ASSOCIATION OF VOLKSBANKS SBM-1)	51
1.3.1 Business model	51
1.3.1.1 Branch office network	52
1.3.1.2 Sustainability-related elements of the business model	52
1.3.2 Strategy	56
1.3.2.1 Strategy in relation to key customer groups	56
1.3.2.2 Sustainability targets	57
1.3.3 Value chain	59
1.3.4 Interests and viewpoints of stakeholders (in accordance with SBM-2)	61
1.3.4.1 Employees – stakeholders' interests and viewpoints	62
1.3.4.2 Customers – stakeholders' interests and viewpoints	62
2 TAXONOMY INFORMATION	65
3 ENVIRONMENTAL CONCERNS	86
3.1 IMPACT ON CLIMATE CHANGE AND DECARBONISATION	88
3.1.1 GHG emissions from the downstream value chain (financed emissions)	88
3.1.2 GHG (own operations)	91
3.1.2.1 Climate change transition plan (in accordance with E1-1)	91
3.1.2.2 Strategy for decarbonising of our operations (Scope 1 and 2)	92
3.1.2.3 GHG measures (own operations)	93
3.1.2.4 GHG targets (own operations)	94
3.1.2.5 Key figures and details regarding the calculation of GHG emissions within our own operations	96
3.1.3 Key figures: gross GHG emissions for Scope 3 categories and total GHG emissions	97
3.2 RISKS RELATED TO CLIMATE CHANGE	98
3.2.1 Resilience of the Association of Volksbanks regarding climate change	98
3.2.2 Assessment of financial impacts	98
3.2.3 Climate-related physical risks in the downstream value chain	98
3.2.4 Transition risks in the downstream value chain	98
3.2.5 Identified risks	98
3.3 EFFECTS ON BIODIVERSITY AND ECOSYSTEMS	98
3.4 TRANSFORMATION OF THE ECONOMY	100
3.4.1 Strategic transformation of the economy	100
3.4.2 Measures related to the transformation of the economy	101
3.4.2.1 ESG score	101

3.4.2.2 Sustainable products	101
3.4.3 Targets related to the transformation of the economy	105
3.4.3.1 Share of sustainable financing	105
3.4.3.2 Share of sustainable securities	106
4 OWN WORKFORCE	108
4.1 IMPACT ON QUALITY OF LIFE	111
4.1.1 Strategies for preventing a negative impact of work on quality of life (in accordance with S1-1)	111
4.1.2 Actions for preventing negative impact of work on quality of life (in accordance with S1-4)	112
4.1.2.1 Flexibility in working hours and the place of work	112
4.1.2.2 "Beruf und Familie" recertification	112
4.2 RISKS TO EMPLOYEE HEALTH	113
4.2.1 Strategies for preventing risks to employee health (in accordance with S1-1)	113
4.2.2 Actions in connection with risks to employee health (in accordance with S1-4)	113
4.2.2.1 Evaluating psychological stress in the workplace	113
4.2.2.2 Training on operational safety and employee health	114
4.3 EQUAL TREATMENT AND GENDER EQUALITY	114
4.3.1 Strategies for achieving gender equality (in accordance with S1-1)	114
4.3.1.1 Equal rights and recognition as the basis for an appreciative corporate culture (HR strategy)	114
4.3.1.2 Performance-based and gender-neutral remuneration	114
4.3.2 Actions in connection with equal treatment with regard to gender distribution (in accordance with S1-4)	115
4.3.2.1 Structured processes for addressing the gender pay gap	115
4.3.2.2 Women's advancement programme	115
4.3.2.2 Transparent application process	116
4.4 PREVENTION OF DISCRIMINATION AND HARASSMENT IN THE WORKPLACE	116
4.4.1 Strategy in connection with discrimination and harassment in the workplace (in accordance with S1-1)	116
4.4.2 Actions in connection with discrimination and harassment in the workplace (in accordance with S1-4)	117
4.5 TARGETS RELATED TO ADDRESSING SIGNIFICANT NEGATIVE IMPACTS, PROMOTING POSITIVE IMPACTS AND MANAGING SIGNIFICANT RISKS AND OPPORTUNITIES (IN ACCORDANCE WITH S1-5)	117
4.5.1 Target relating to impact on quality of life, risk to employee health, discrimination in the workplace via employee satisfaction	118
4.5.2 Target of equal treatment in terms of gender based on the proportion of women in management positions	118
4.6 PROCEDURES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES REGARDING IMPACTS (IN ACCORDANCE WITH S1-2)	119
4.6.1 Workers' representatives (works council) – indirect involvement of employees:	119
4.6.2 Employees – direct involvement:	119
4.7 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS (IN ACCORDANCE WITH S1-3)	120
4.8 METRICS	121
4.8.1 Characteristics of the company's employees (in accordance with S1-6)	121
4.8.2 Diversity metrics (in accordance with S1-9)	123
4.8.3 Training and skills development metrics (in accordance with S1-13)	123
4.8.4 Health and safety metrics (in accordance with S1-14)	124
4.8.5 Compensation metrics (pay gap and total compensation (in accordance with S1-16))	124
4.8.6 Incidents, complaints and severe human rights impacts (in accordance with S1-17)	126
5 CONSUMERS AND END-USERS	128
5.1 CUSTOMER SATISFACTION (CUSTOMER NET PROMOTER SCORE)	130
5.2 DATA PROTECTION	130
5.2.1 Strategies for preventing data breaches (in accordance with S4-1)	131
5.2.1.1 Data protection management	131
5.2.1.2 Human rights	131

5.2.2 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (in accordance with S4-3)	132
5.2.3 Actions for preventing data breaches (in accordance with S4-4)	132
5.2.4 Actions for data protection management	133
5.2.4.1 Process for determining appropriate and necessary actions:	133
5.2.4.2 Actions to prevent material negative impacts arising from our own practices:	134
5.2.4.3 Approaches to specific material negative impacts:	134
5.2.4.4 The processes for implementing or enabling remedial actions in the event of material negative impacts and ensuring their implementation and outcomes are:	134
5.2.4.5 Human rights	134
5.2.5 Targets for preventing data breaches (in accordance with S4-5)	134
6 CORPORATE GOVERNANCE AND CORPORATE CULTURE	136
6.1 Policies for corporate governance and corporate culture	138
6.1.1 Whistleblowing	139
6.1.2 Management of complaints	139
6.2 Prevention and detection of corruption and bribery	140
6.3 Confirmed incidents of corruption or bribery	142
	142

Foreword to the Non-Financial Statement by the Chairman of the Board



DI Gerald Fleischmann
CEO and Chairman of the Board

VOLKSBANK WIEN AG (VBW) sees sustainability as an essential part of its business model and considers this to be its responsibility towards the economy, society as a whole as well as the environment. The 2025 Non-Financial Report provides a concise overview of the key impacts, risks and opportunities in the areas of environment, social affairs and governance (ESG), and it shows how sustainability is made measurable as well as how it is managed strategically and implemented operationally. Reporting is carried out on a consolidated basis, in accordance with EU taxonomy.

As a cooperative bank, VBW has strong regional roots. At least 95% of financing takes place in the region VBW considers to be its home, in Austria. Our focus is on supporting private customers, small and medium-sized enterprises, and real estate customers in their economic and sustainable development. Sustainability is deemed to be an integral part of our Business Strategy and is consistently integrated into lending processes, product design, risk management and governance.

Strategic anchoring and governance

The overall responsibility for sustainability at VOLKSBANK WIEN AG and the entire Association of Volksbanks lies with VBW's Managing Board and is supported by a clearly defined governance system. The central steering body is the Sustainability Committee (NAKO for "Nachhaltigkeitskomitee" = Sustainability Committee), which meets regularly and monitors the implementation of the Sustainability Strategy, adherence to targets and the handling of ESG-related impacts, risks and opportunities at the Association level. The Supervisory Board is closely involved and receives regular reporting on any progress made, as well as key sustainability-related issues.

Sustainability aspects are integrated into our business and risk strategy systematically. ESG risks are managed within the framework of a "three lines of defence" model and form part of our internal control system. Sustainability performance is measured using defined key performance indicators (KPIs) and is subject to regular reporting to ensure transparency and comparability.

Environment: climate protection, financing the transition and biodiversity

In the environmental sector, our focus is on climate protection, reducing greenhouse gas emissions and taking ecological impacts into account in financing activities. Our own operations are powered entirely by green electricity. Compared to 2024, there was a 2.7% reduction in our own gross GHG emissions (Scope 1 and 2). The loan portfolio's CO₂ emission intensity is 94.8%.

A key objective is the gradual decarbonisation of the loan portfolio and an increase in the share of sustainable financing and investments. In the reporting year, sustainable financing accounted for 26.4% of new customer business, while sustainable funds made up 21.0% of the portfolio. VBW actively supports customers in transformation processes, especially in the real estate and SME sectors.

We also focus on the protection of biological diversity. In 2025, a biodiversity strategy was developed to address key impacts of the business model, particularly in relation to real estate financing and soil sealing. Specific key figures and target values will continue to be developed in the coming reporting periods.

Social: employees and customers

Our employees represent the foundation for VBW's long-term success. We employ 1,530 people, of whom 32.7% work part-time, and the average training time amounted to 34.9 hours per employee. Employee satisfaction is surveyed systematically, and in the reporting year, we achieved an Employee Net Promoter Score of 17 points.

Diversity and equal opportunities are central elements of our human resources strategy. The share of women among managers is 30.1%, while the share of women on VBW's Supervisory Board is 44%. Our aim is to continue to strengthen diversity in leadership and decision-making positions.

Customer satisfaction is another key control element. In the reporting year, the Customer Net Promoter score came to 37 points, well above the defined target of 25 points. Sustainable products and transparency in the consulting process are becoming increasingly important in this context.

The ten sustainability goals as a management tool

VBW's Sustainability Strategy is managed using ten sustainability goals covering environmental, social and governance aspects. These goals include integrating ESG criteria into the lending process, increasing sustainable financing and investments, decarbonising operations, developing a biodiversity strategy, increasing customer and employee satisfaction, promoting diversity, and maintaining high standards of governance, transparency and preventing corruption. Defined KPIs are used to measure objectives achieved and are monitored on a regular basis; key figures that are not yet available are being added gradually.

Outlook

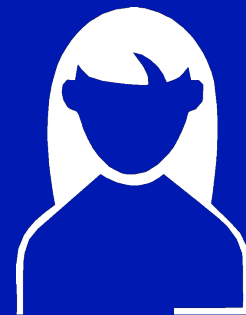
VBW sees sustainability as an ongoing, continuous development process. In the coming years, our focus will be on further improving data quality, specifying target values – particularly in the areas of the environment and biodiversity – and consistently integrating sustainability into our core business, making it possible for VBW to actively contribute to sustainable development in its home region in Austria and to the transformation of the real economy.



DI Gerald Fleischmann
CEO and Chairman of the Board

1 General Information

44 %
OF THE MEMBERS OF
THE SUPERVISORY
BOARD ARE FEMALE



1 GENERAL INFORMATION

1.1 BASIS FOR PREPARATION

1.1.1 General principles for preparation of the (consolidated) Non-Financial Statement (in accordance with BP-1)

In accordance with Section 908(2b) of the Austrian Business Code (UGB), VOLKSBANK WIEN AG (VBW) applies the provisions of Sections 243b and 267a UGB in the version prior to the Sustainability Reporting Act (NaBeG) BGBl. I 6/2026. Thus, it is obligated to include a Non-Financial Statement and a consolidated Non-Financial Statement in its management report, and combines these two statements. In addition, VBW is required to disclose information in accordance with the EU Taxonomy Regulation (EU) 2020/852. Details can be found in Section 2 (Taxonomy Information).

1.1.1.1 Scope of consolidation

The scope of consolidation corresponds to that of VBW's consolidated financial statements as at 31 December 2025, which is described in detail in notes 51–53 of the Consolidated Financial Statements.

Presentation of individual or consolidated report

The information pertaining to the loan portfolio and products applies equally to the Group and the parent company, as the Group companies do not have their own customers. This also applies to statements about VBW's own operations, as the buildings in question are used equally by the parent company and the Group companies.

Comparative information relating to the previous reporting period

Wherever possible, the previous year's figures have been provided. However, retrospective figures for the previous year were not provided in cases where, owing to special circumstances, comparisons with the previous year were not possible.

This applies in particular to values in tables that had not been collected in the 2024 financial year and are thus not available for that reporting year. This also includes the decarbonisation strategy for financed emissions, which was updated in 2025, as well as key figures regarding employees, where there had been changes in calculation methodology or definition compared to the 2024 reporting year.

1.1.1.2 Time horizons

VBW uses the following general classification of time horizons for planning and risk management:

Short term:	< 1 year
Medium term:	1 to 5 years
Long term:	> 5 years

1.1.2 Key topics covered in the statement (in accordance with BP-2)

In preparing the (Consolidated) Non-Financial Statement, VBW applied the European Sustainability Reporting Standards (ESRS) as the EU-based framework within the meaning of Section 267a(5) of the Austrian Business Code (UGB). This Non-Financial Statement is based on the requirements of the ESRS and does not claim to be fully ESRS-compliant. The Double Materiality Analysis was carried out for the Association of Volksbanks. VBW is part of the Association of Volksbanks, which is why key topics for VBW are derived in this report (see also the Sustainability Report of the Association of Volksbanks).

1 GENERAL INFORMATION

In doing so, the following significant impacts, risks and opportunities for the Association were identified:

Key topic	Identified impacts, risks, and opportunities (IRO)	Type of IRO	Board member
Climate change	Transformation of the economy	Positive impact	CEO/CRO
	Sustainable products	Chance	CEO
	Greenhouse gases (GHG) (holdings and own operations)	Negative impact	CFO
	GHG related to downstream value chain	Negative impact	CEO/CRO
	River flood risk	Risk (physical)	CRO
	Risk from regulations regarding GHG emissions and intensity	Risk (transitory)	CRO
	Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection	Risk (transitory)	CRO
	Risk arising from energy consumption and intensity	Risk (transitory)	CRO
Biodiversity	Energy consumption of downstream value chain	Negative impact	Entire Board
	Soil sealing (holdings in real estate)	Negative impact	CEO
Own employees	Impact on quality of life	Negative impact	CEO
	Risks to employees' health	Negative impact	CEO
	Equal treatment and gender equality	Negative impact	CEO
	Prevention of discrimination and harassment in the workplace	Negative impact	CEO
Consumers and end-users	Inadequate data protection with regard to customer data	Negative impact	Entire Board

Since these topics are also significant for VBW, the following sustainability issues arise for reporting in this (consolidated) Non-Financial Report:

Topic or sub-topic	NaDiVeG issues Sections 243b(2) and (3) and 267a(2) and (3) of the Austrian Business Code (UGB)
3.1 Decarbonisation	Environmental concerns
3.2 Biological diversity and ecosystems	Environmental concerns
3.3 Risk management	Environmental concerns
3.4 Transformation of the economy	Environmental concerns
3.5 Energy consumption of the downstream value chain	Environmental concerns
4.1 Impact on quality of life	Social information
4.2 Risks to employee health	Social information
4.3 Equal treatment and gender equality	Social information
4.4 Prevention of discrimination and harassment in the workplace	Social information
5.1 Customer satisfaction	Social information
5.2 Data protection	Social information
6 Governance: corporate culture	Social issues, fighting corruption and bribery

1 GENERAL INFORMATION

1.2 GOVERNANCE

1.2.1 The role of management and supervisory bodies as well as information and sustainability aspects subject to the company's management and supervisory bodies (in accordance with GOV-1 and GOV-2)

VBW has a comprehensive governance system that embeds sustainability as a firmly integrated part of its corporate management. The roles and responsibilities of the management and supervisory bodies are clearly defined in the respective rules of procedure. The Supervisory Board is responsible for monitoring, while the Managing Board is responsible for managing and integrating key sustainability aspects, including the associated ESG impacts, risks and opportunities within the company.

The Managing Board bears overall responsibility for the strategic direction of the company, which includes defining and further developing the Sustainability Strategy, as well as establishing governance and risk management frameworks and relevant guidelines. These are reviewed monthly by the Risk Committee and every two months by the Sustainability Committee (Nachhaltigkeitskomitee NAKO) by the Managing Board and the Supervisory Board to ensure and maintain a responsible corporate culture. It takes social and environmental interests into account and ensures VBW's long-term economic success, taking climate and environmental risks into consideration.

The Supervisory Board monitors the management, representation and realisation of the company's purpose by the Managing Board and, within the scope of its activities, verifies compliance with legal, statutory and contractual obligations. The consideration of sustainability aspects is bindingly prescribed in both the rules of procedure of the Managing Board and those of the Supervisory Board. The Managing Board and Supervisory Board have approved a binding Sustainability Strategy, the implementation and monitoring of which is the responsibility of VBW. The strategy defines the fundamental direction of VBW, and it shall remain valid from the date of adoption until further notice.

The committees within VBW, such as the Supervisory Board, are composed of supervisory bodies. The Working and Risk Committee, Audit Committee, Remuneration Committee, Nomination Committee, Personnel Committee, Sustainability Committee and Risk Committee are composed of selected members. Members are responsible for monitoring and managing ESG impacts, risks and opportunities and bear responsibility for this. The Audit Committee of the Supervisory Board is responsible for monitoring and ensuring the effectiveness of the Sustainability Reporting process.

The Managing Board has appointed a Sustainability Officer who reports to the Chief Executive Officer.

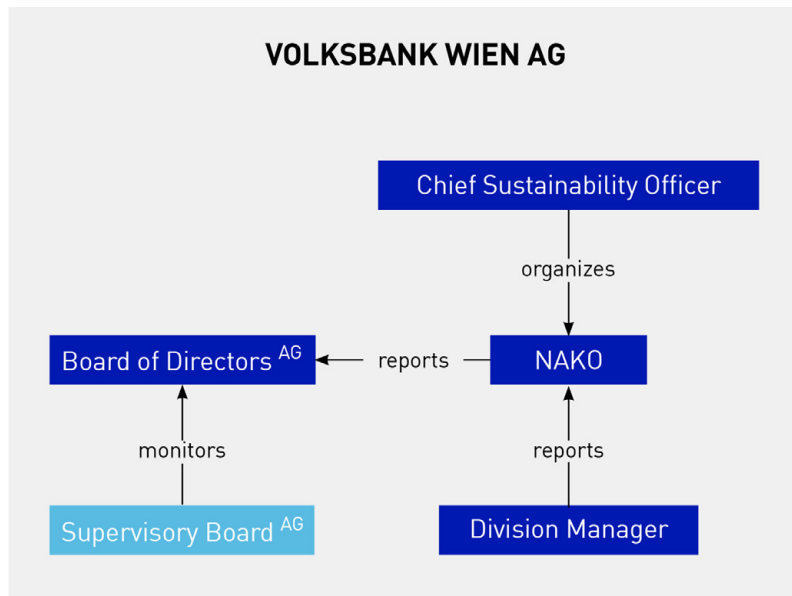
Since the beginning of 2022, NAKO, the Sustainability Committee of the full Managing Board that meets every two months to make decisions, has served as the central steering committee responsible for fulfilling reporting obligations to the Supervisory Board. It determines levels of ambition, controls Sustainability Strategy and sustainability goals, and oversees the preparation of the Sustainability Report. In addition, NAKO monitors the effectiveness of adopted concepts and measures, as well as progress regarding significant ESG impacts, risks and opportunities, and the implementation of due diligence.

Members of NAKO include the entire VBW Managing Board, the Sustainability Officer and the division managers defined in NAKO's rules of procedure. NAKO is headed by VBW's Sustainability Officer.

The Chief Executive Officer is responsible for sustainability and serves as the chair of NAKO. The Sustainability Officer and the Sustainability Team report to the Chief Executive Officer. The Chief Risk Officer is responsible for sustainability risks while the Chief Financial Officer is responsible for corporate reporting, including the Sustainability Report as well as banking operations. The Chief Executive Officer and Chief Financial Officer serve as project sponsors for the ESG Reporting project. The Chief Risk Officer assumes this role for the ESG Loan Data project, which ensures the complete collection of ESG data in the loan portfolio.

All areas of VBW report to the Managing Board in NAKO as required. At the Supervisory Board meetings, reports must be provided regarding the Sustainability Strategy and the sustainability goals and topics selected by the chair of NAKO. In addition, reports on the current status of sustainability goals are provided at each meeting. The Audit Committee receives ad hoc reports on the content of the Sustainability Report, e.g. the results of the Double Materiality Analysis.

Sustainability governance at VBW:



The Managing Board is aware that conflicts among objectives may arise; any such conflicts will be discussed within the framework of NAKO. All relevant circumstances will be carefully considered in order to find acceptable compromises. Should it become necessary, adjustments will be made to risk management procedures based on specific measures resulting from discussions within NAKO.

VBW has a number of defined control mechanisms in place to manage sustainability targets and monitor ESG impacts, risks and opportunities. The Risk Committee manages risks, and it reports to NAKO on ESG issues every two months. Key performance indicators (KPIs) are used to measure and monitor the ten sustainability goals, consisting of four environmental goals three social and three governance ones. These goals were decided by the Managing Board and were planned up until 2030. The goals are aligned with VBW's essential and voluntary sustainability topics, and thus are tied to ESG impacts, risks and opportunities. The sustainability goals were defined and adopted by the Managing Board. The determination and monitoring of the achievement of these goals are the responsibility of the Controlling department, and they are continuously quantified and incorporated into the sub-strategies and planning of the individual areas. Progress towards achieving these goals (derived from the sustainability goals) is monitored and managed every two months in NAKO.

ESG aspects are integrated into both the governance regulations and the risk management framework. Based on the materiality assessment for the evaluation of transitory and physical risks, emission intensity targets and a Business Environment Scan (BES = comprehensive analysis of risks and opportunities in the most important sectors), VBW takes ESG impacts, ESG risks and ESG opportunities into account in its Business Strategy (integration of ESG principles into product and service development, taking into account the most important sectors), in the risk strategy (Risk Appetite Statement (RAS) key figure set [incl. ESG KRI], a sub-strategy on ESG risks, a decarbonisation strategy) and in the Sustainability Strategy (principles and measures within VBW). The BES examines how climate and environmental factors influence VBW through current and future economic and regulatory developments, and it identifies opportunities and risks that are incorporated into the business and growth strategy. Finally, recommendations for actions to be taken are provided in order to optimise the strategic orientation of the company and respond to challenges and opportunities identified in the analysis. Other ESG risks are also taken into account in the investment strategy. The Sustainability Strategy is part of the Business Strategy. Ten sustainability targets and KPIs have been defined for VBW's key topics, which are used to control sustainability management.

1 GENERAL INFORMATION

Key ESG impacts/ESG opportunities/ESG risks dealt with by the Managing Board/Supervisory Board	Details
Impacts	
Transformation of the economy	<p>Managing Board discussion of positive effects, such as sustainable bonds or transformation support for SMEs, in the bi-monthly NAKO meeting</p> <p>Supervisory Board discussion of the positive effects of ESG KPIs (e.g. sustainable financing or securities) at each Supervisory Board meeting</p>
GHG (holdings and own operations)	<p>Managing Board discussion of negative effects, e.g. decarbonisation strategy in own operations in the bi-monthly NAKO meeting</p> <p>Supervisory Board discussion of the negative effects of operations via ESG KPIs at every Supervisory Board meeting</p>
GHG of the downstream value chain (financing)	<p>Managing Board discussion of negative effects, e.g. decarbonisation strategy of financed emissions in the bi-monthly NAKO meeting or RiCo respectively</p> <p>Supervisory Board discussion of the negative effects in own operations via ESG KPIs at every Supervisory Board meeting</p>
Energy consumption of the downstream value chain (financing)	<p>Managing Board discussion of negative effects, e.g. decarbonisation strategy in the bi-monthly NAKO or RiCo meeting</p> <p>Supervisory Board discussion of negative impacts, e.g. decarbonisation strategy via ESG KPIs at every Supervisory Board meeting</p>
Impact on quality of life	See section on Own Workforce
Risks to employee health	See section on Own Workforce
Equal treatment and gender equality	See section on Own Workforce
Prevention of discrimination and harassment in the workplace	See section on Own Workforce
Inadequate data protection with regard to customer data	See section on Consumers and End-Users
Opportunities	
Sustainable products	<p>Managing Board discussion of opportunities, e.g. sustainable financing or securities via bi-monthly NAKO meeting</p> <p>Supervisory Board discussion of opportunities, e.g. sustainable financing or securities via ESG KPIs at each Supervisory Board meeting</p>
Risks	
River flooding risk	<p>Managing Board discussion of the risk in RiCo</p> <p>Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings</p>
Risk arising from regulations regarding greenhouse gas emissions and intensity	<p>Managing Board discussion of the risk in RiCo</p> <p>Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings</p>
Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection	<p>Managing Board discussion of the risk in RiCo</p> <p>Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings</p>
Energy consumption and intensity (energy efficiency)	<p>Managing Board discussion of the risk in RiCo</p> <p>Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings</p>

The Supervisory Board and the Nomination Committee have defined a profile of requirements for members of the Managing Board and Supervisory Board. Previous professional experience is also examined in the context during initial appointment, reappointment and ongoing re-evaluation. All departments also receive practical and up-to-date knowledge based on a structured training plan.

1 GENERAL INFORMATION

In December 2014, the Nomination Committee drew up its own candidate profiles for the positions of Chief Sales Officer and Back Office Manager. The main objectives of these profiles are to promote the sustainable development of VBW in line with the defined guiding principles and – more generally – sustainable economic development in the explicitly assigned agendas in accordance with the defined business distribution. Among other things, it explicitly stipulates necessary professional competence and leadership quality requirements. A candidate profile for Supervisory Board members was also developed.

A necessary level of diversity is ensured thanks to a clearly defined requirements profile and is verified during initial appointments and reappointments.

Composition of VBW's Managing Board and Supervisory Board:

Diversity of the Managing Board	2025	2024
Total number of Managing Board members	3	3
Male (in %)	100	100
Female (in %)	0	0
Total number of Supervisory Board members (number)	2025 ¹	2024 ¹
	18	18
Male (in %)	56	56
Female (in %)	44	44
Proportion of independent committee members (in %) ²	83	83

A diverse variety of skills and experience is needed in order for the Managing Board and Supervisory Board to optimally carry out their responsibilities. All members of these Boards have relevant skills and expertise in relation to the material ESG impacts, risks and opportunities, as the Sustainability Report is approved annually by the Managing Board and Supervisory Board, and the reports on the ten sustainability goals and the impacts, risks and opportunities are presented to NAKO or the Supervisory Board every two months.

Managing Board members also meet the requirements profile with regard to professional qualifications, personal competence and many years of experience in management positions in various industries. This experience was gained through many years of service as Managing Board members of their own institutions, as well as through other current or former management and executive positions and their work with the loan portfolio. The Managing Board members have acquired extensive product knowledge through training and further education, and they acquired this knowledge through many years of holding positions of responsibility in the retail sector and through representative and overall responsibilities on the Managing Board. The members of the Managing Board also have extensive experience with regard to the geographical location of their own institutions and that of VBW. This experience is additionally complemented by other current and previous management and executive positions.

The essential experience of Supervisory Board members with regard to economic sectors, products and VBW's home region was defined in the requirements profile and reviewed both during the initial appointment and reappointments. In particular, this involves ensuring diversity, banking experience, legal experience, familiarity with VBW, knowledge of the regional market as well as of cooperative banks, experience in the real estate sector and in personnel management and remuneration practices, familiarity with auditing and tax consulting principles, knowledge of risk strategy, sustainability, and business administration, as well as experience in supplier and process management.

To ensure the availability of suitable skills and sustainability-related expertise, annual training courses for Supervisory Board and Managing Board members [Fit & Proper training] covering regulatory requirements and key sustainability issues have been held since 2020. The bodies have access to specialist expertise from all areas of VBW. Every two months, the entire Managing Board participates in NAKO meetings and other committees or meetings where ESG goals and topics are discussed. In addition, external consultants are brought in to provide specialist expertise.

¹ As part of the initial assessment upon taking up their posts and the annual Fit & Proper re-evaluation, members of the Supervisory Board also provide information on potential conflicts of interest and their formal independence in accordance with Section 28a of the Banking Act. The responsible body is the Nominations Committee.

² Excluding Works Council members

1 GENERAL INFORMATION

For VBW, six members of the Works Council are delegated to the Supervisory Board and are represented in various committees (excluding the Personnel Committee) of the Supervisory Board in accordance with the “parity of thirds” principle.

1.2.2 Inclusion of sustainability-related performance in incentive systems (in accordance with GOV-3)

At VBW, sustainability considerations are not directly integrated into the remuneration of the members of the Managing Board in monetary terms, as they are not in receipt of variable pay. The members of the Supervisory Board are also excluded from sustainability-target-related bonuses. In accordance with VBW’s remuneration policy, they are not entitled to variable pay. Even without the possibility of such variable pay, accountability for achieving sustainability goals is ensured through clear control mechanisms, regular reporting and strategic anchoring.

In line with regulatory requirements and our Business Strategy, an annual performance assessment was created, in which the ten sustainability goals and ESG KPIs were integrated into the performance management of Board members and senior management. This forms the basis of sustainability-linked performance indicators.

The current sustainability goals are documented in our business and Sustainability Strategy, and they are managed by the Sustainability Committee. The achievement of objectives is assessed once a year. Each member of the Managing Board as well as senior management receives clearly defined sustainability targets that are in line with VBW’s strategic priorities and documented as an integral part of the annual performance review. The performance of Managing Board members is assessed by the Supervisory Board, while that of senior management is assessed by the respectively responsible Managing Board member. Annual target reviews are conducted based on KPI results in order to analyse progress and, if necessary, adjust measures so that targets can be achieved.

The integration was decided in March of 2025 by the Remuneration Committee within the framework of General Directive 15.0. Integrating sustainability goals into performance management is crucial to ensure that sustainability is implemented as a central component of our Business Strategy and that VBW’s strategic orientation results in sustainable development.

1.2.3 Risk management and internal controls for Sustainability Reporting (in accordance with GOV-5)

Risk management and internal controls regarding sustainability reporting are arranged as follows:

- » The overall responsibility for preparing and publishing the Sustainability Report, implementing an Internal Control System (ICS) and supporting internal and external audits lies with the Sustainability Team, headed by the Sustainability Officers.
- » A project to provide organisational support for the preparation of the report has been set up (including a project plan as well as project management); this consists of representatives from the various specialist departments.
- » The project team is responsible for providing qualitative and quantitative content, coordinating this supply as well as verifying its plausibility.
- » The project is sponsored by the Chief Executive Officer and Chief Financial Officer, who set the strategic direction, make key decisions and secure resources.
- » External consultants provide support while the report is generated. They have given comprehensive training on the requirements of the CSRD (Corporate Sustainability Reporting Directive) to all employees involved.
- » A workflow tool is used to manage progress, ensure a dual-control principle with approval by the responsible specialist, and process data points in a structured way.
- » A process map with escalation processes was drawn up.
- » Sustainability reporting is embedded in VBW’s Internal Control System (ICS) through both operational and management controls, which ensure compliance with operational controls by managers and experts and to verify the results of control measures.

Reporting processes involve operational risk, and relevant specialists are responsible for managing such risks. The department in question assesses operational risk associated with the processes under its purview using a qualitative OpRisk analysis, which represents a bottom-up approach to analysing operational risks in reporting. The result of the risk assessment indicates whether operational controls and management controls are needed in the preparation of reports. Operational controls are in place to counteract process failures and are usually carried out for each process run, at high frequency.

The Reporting Project presents reports in regular sponsor meetings with the CEO and the CFO, as well as in NAKO. The Supervisory Board and Audit Committee are also informed about the Reporting Project and aspects of reporting, such as a materiality analysis. There is no reporting on the functionality of the ICS with regard to reporting.

Management control: a quarterly OpRisk and ICS report is presented to the Managing Board in the Risk Committee.

There is a risk in the possible misinterpretation of legal requirements and in the insufficient availability or inaccuracy of data within VBW, which in turn can impair reporting. To counter this risk, an inventory of data availability was carried out as a mitigating measure. In case of interpretation questions, officially available guidance – such as that provided by EFRAG – is used.

1.3 STRATEGY, BUSINESS MODEL AND VALUE CHAIN (CF. THE SUSTAINABILITY STATEMENT OF THE ASSOCIATION OF VOLKSBANKS SBM-1)

1.3.1 Business model

As a universal bank, VBW offers the following products: credit and loans, savings, current account and deposits, payment transactions, as well as insurance and securities services.

The customer segments are divided into private, business and real estate banking. The distribution of the portfolio is not yet fully balanced in terms of turnover and financing volume, but the aim is for this to be aligned with the strategy by 2031. In the 2025 reporting year, there were no significant changes in the composition of customer groups in terms of business areas and their respective volume and earnings. The credit and loan business was the main driver of revenue in years when interest rates were very low, and when interest rates were high, the deposit business became more important, which is crucial for the liquidity situation of a universal bank. Securities trading via the product partner (Union Investment) represents the third most important source of income and has been recording solid growth for years.

SPARDA-BANK is operated as a brand of VOLKSBANK WIEN AG for private customers throughout Austria, with a clear focus on employees and pensioners, as well as young people, secondary school pupils, apprentices/interns and students. SPARDA-BANK was founded over 85 years ago as a cooperative by railway workers for railway workers and has maintained a clear focus on employees: "The bank for people who keep the country moving." It has retained a close cooperation with the vta transport and service union for many years. After many years of membership in the Association of Volksbanks, SPARDA-BANK merged with VOLKSBANK WIEN AG in mid-2017 and since then has been part of VBW as an independent brand.

In 1920, the Gärtnerbank was founded to serve the horticultural industry in Vienna and the surrounding region as a savings and credit institution and a cooperative bank based on the Schulze-Delitzsch model. Since the merger of Gärtnerbank with VBW in 2014, support for the target group of commercial horticultural businesses, vegetable and ornamental plant growers, and cemetery gardeners has continued. All profession-specific institutions such as the Wiener Landwirtschaftskammer, the Bundesverband der Österreichischen Erwerbsgärtner, the Österreichische Blumenwerbung, the Landesgartenbauvereinigungen, the Wiener Bauernbund, the Junggärtnervereinigung and the various Vienna district groups are serviced and supported. Gärtnerbank's customers pursue a thoroughly regional, sustainable business model in which the value chain remains within Vienna and its surrounding region. Production and investment are kept in the region, regional professionals are hired, and products are delivered within the region, meaning that consumption and marketing are maintained locally. The financing provided by Gärtnerbank serves the region, shortens transport routes and is used by Gärtnerbank customers to invest in the transition from fossil fuels to renewable energy (biomass heating systems, PV systems).

1 GENERAL INFORMATION

Overview of the share of major product groups in turnover:

Significant product groups	Share of the company's turnover	Key sustainability aspects addressed	Related sustainability goals ¹	Assessment regarding stated sustainability goals
Real estate financing (residential construction financing/commercial real estate)	22.0%	Adaptation to climate change, climate protection, energy, land degradation, desertification, soil sealing	<ul style="list-style-type: none"> » Share of sustainable financing in new customer business » Emission intensity of the overall portfolio 	Real estate financing contributes to reducing environmental damage through investments in energy efficiency. The sales focus on sustainable financing has already contributed to achieving a higher share of the total financing volume. Dependent on: customers' willingness to invest, funding opportunities
Financing for SMEs	13.0%	Adaptation to climate change, climate protection, energy, land degradation, desertification, soil sealing	<ul style="list-style-type: none"> » Share of sustainable financing in new customer business » Emission intensity of the overall portfolio 	Sustainable financing for SMEs contributes to reducing GHG emissions and improving material and raw material efficiency, etc. The sales focus on sustainable financing has already contributed to a higher share of the total financing volume. Dependent on: customers' willingness to invest, funding opportunities
Securities trading	27.0%	Adaptation to climate change, climate protection, energy, climate change, land degradation, desertification, soil sealing	<ul style="list-style-type: none"> » Share of sustainable securities sales in total securities sales 	The sales focus on sustainable securities has resulted in more customers investing their money in sustainable securities transactions. Dependent on: customers' willingness to invest

VBW focuses on customers in its home area, located in Austria under the SPARDA-Bank brand. The products mentioned are mainly sold in Austria. In regions close to the border, VBW offers services to selected foreign customers as needed. There are no plans for an active expansion abroad; instead, the aim is for its role as a regional financial provider to continue to be strengthened. Among other things, it is stipulated that no more than 5% of customer receivables may be located in neighbouring countries. With this in mind, a limitation has been incorporated into the risk strategy that is continuously monitored and reported to the Managing Board.

1.3.1.1 Branch office network

The heart of VBW is its company-wide branch office network. VBW is an almost exclusive operator in its catchment area and on the Austrian market. There are no foreign shareholders, and all of VBW's employees work in Austria. The focus is on being the primary bank for customers in the region – for real estate customers, private customers and SMEs. There is also a focus on financing non-profit housing construction, with social aspects as its purpose. It is highly regulated in terms of both governance and environmental conditions.

Consulting services are provided by employees in the region who know their customers well and can make customer-related decisions quickly and directly, on the ground, with the customers. By focusing the business model on Austria (via the SPARDA-BANK brand), short distances allow for easy contact and, by concentrating on a largely Austrian customer portfolio – without industrial customers – the risk of negative impacts on the environment and human rights is reduced.

1.3.1.2 Sustainability-related elements of the business model

The cooperative system, the share of domestic and foreign investments, exclusion criteria, sustainable bonds, and the investment strategy and asset management are business model elements that contribute to the focus on sustainability and the financing of sustainable transformation. These elements are described in more detail below.

¹ See 1.3.2.2 Sustainability targets of the Association of Volksbanks

1 GENERAL INFORMATION

a) The cooperative system

VBW has a cooperative ownership structure. It is the central organisation of the Schulze-Delitzsch cooperative banking association in accordance with Section 30a of the Austrian Banking Act (BWG). It has been built up by many generations of members for over 170 years. One of the characteristics of cooperative banks is the mandate to promote the region and the unique feature that customers are also owners of the bank. In VBW, this particular investment opportunity is provided indirectly via the participation cooperatives. The cooperatives execute their promotional mandate together with VBW; they hold general meetings and promote a community spirit in their respective regions.

The cooperative brings together a wide variety of regional stakeholders. In addition to its role as a sponsor and financier, the regional bank supports the economic cycle in the region through the cooperative value cycle. Among other things, its task is to shape the transformation of the real economy in a cooperative way, serving as a partner to customers and members. VBW achieves this through products and services as well as information and cooperation (klimaaktiv, respACT, SME brochure, events, newsletters, etc.).

One of VBW's sustainability goals is to promote projects in the region through the cooperative dividend cycle and to establish a hub to connect sustainable activities. As a way to strengthen the cooperatives, a decision was made to attract even more customers as members through the active sale of cooperative shares and to become part of the VBW investment cooperatives' owners' club through co-ownership, thus serving the function of a sustainability hub in the region. An ESG KPI that follows the logic of the other ESG KPIs is currently being developed and is set to be defined in 2026.

The cooperative system thus addresses the challenges of sustainability issues relating to environmental and social aspects by promoting the region's economy, with cooperative members having a democratic say when it comes to advancing sustainable transformation through networking and targeted measures and projects. This is how it manages to create added value for the region, its members and society, and contributes to sustainable development.

b) Regional investment and share of foreign financing

Overall lending business increased in the reporting year, with regional financing accounting for 98.56% of all VBW financing in 2025. At 1.44% the share of financing abroad is below the target set out in the risk strategy, as in previous reporting years. For the sake of completeness, savings deposits are also listed; however, savings deposits cannot be clearly allocated to financing.

Regional investment and share of foreign financing¹:

12/31/2025	Regional [euro thousand]	Abroad [euro thousand]	Total [euro thousand]	Share: Regional	Share: Abroad
Financing for all customers	6,371,891	92,913	6,464,804	98.56%	1.44%
of which private customers	2,319,002	15,365	2,334,368	99.34%	0.66%
of which SME	2,554,607	13,141	2,567,749	99.49%	0.51%
of which business customers	763,795	46,062	809,857	94.31%	5.69%
of which miscellaneous	734,487	18,344	752,831	97.56%	2.44%
Savings deposits and other deposits	6,680,990				
Share of regional financing in savings deposits and other deposits	95.37%				

¹ Following the merger with SPARDA, a brand operating throughout Austria, the catchment area of VOLKSBANK WIEN AG has been extended to cover all of Austria. The total volume of domestic customer financing was classified as regional.

1 GENERAL INFORMATION

12/31/2024	Regional [euro thousand]	Abroad [euro thousand]	Total [euro thousand]	Share: Regional	Share: Abroad
Financing for all customers	6,104,780	111,684	6,216,464	98.20%	1.80%
of which private customers	2,118,996	16,604	2,135,600	99.22%	0.78%
of which SME	2,648,985	14,674	2,663,659	99.45%	0.55%
of which business customers	590,348	52,426	642,774	91.84%	8.16%
of which miscellaneous	746,451	27,980	774,430	96.39%	3.61%
Savings deposits and other deposits	6,673,557				
Share of regional financing in savings deposits and other deposits	91.48%				

The high share of regional financing (at least 95% from within Austria) clearly demonstrates the deep roots VBW has in the region. The motto "From the region, for the region" is clearly reflected in the figures showing the share of foreign financing.

c) Exclusion criteria

VBW does not enter into business relationships or financing arrangements in industries or business sectors that do not comply with social and environmental regulations. Special care is also taken to protect people and the environment. VBW is committed to promoting environmentally friendly technologies and projects. Exclusion criteria have been defined for this purpose; according to these, for example, no business relationships in the following industries and business areas may be entered into: ownership or operation of nuclear and coal-fired power plants, final storage sites for nuclear waste, and the mining of uranium, lignite and hard coal.

These exclusion criteria help to meet regulatory and social requirements, minimise reputational and sustainability risks, actively support climate protection and promote the transition to a sustainable economy; they serve as an important component of a responsible, forward-looking business policy.

d) Sustainable bonds

The issuance of sustainable bonds is a key element in underpinning VBW's Sustainability Strategy. The framework conditions for issuing green, social or sustainable bonds are summarised in the Sustainability Bond Framework of VBW (which is the central organisation of the Association of Volksbanks), and the framework complies with the standards issued by the International Capital Markets Association (ICMA). Adherence to ICMA standards is confirmed through a second party opinion.

Suitable loans are those that fall under the framework categories of green buildings and renewable energies and are tied to customer segments of private customers, SMEs and business customers. They were set up to provide a focus on assets with a positive impact on the environment and selling more sustainable finance products and bonds. They raise account managers' awareness of the importance of sustainable financing and investments, thus helping to achieve sustainability goals through appropriate consultations. VBW's leverage lies in financing ongoing capital requirements for climate protection and adaptation, thus supporting the necessary transition to a sustainable future.

The proceeds from the issue will subsequently be available to the Association of Volksbanks and VBW, as part of the Association, for the financing or refinancing of loans that make a positive contribution to the environment and/or society as a whole. The allocation of suitable loans is based on the evaluation and selection process described in the framework. Suitable loans can include those granted by VBW. Progress made in the use of the proceeds and the positive effects achieved as a result are presented in the allocation and impact report for the Association of Volksbanks and VBW as part of the Association.

The framework, the second party opinion and the allocation and impact report are available on the Investor Relations page of the VBW website.

Sustainable bonds are thus an instrument to secure the financing of sustainable projects, increasing the bank's credibility and actively supporting a transformation to a sustainable economy. They contribute to achieving measurable positive effects to benefit the environment and society and to securing VBW's future viability.

e) Investment strategy

The steady and continuous development of an ESG portfolio within VBW's own investment portfolio as the central organisation of the Association of Volksbanks is an important component of its investment strategy. The aim is to maintain or further increase the current share of around 18% of ESG bonds. One of the measures taken to achieve this is to actively focus on favouring ESG bonds in primary market issues. For details regarding the investment strategy, please also refer to the sustainability statement of the Association of Volksbanks. As a part of the Association, VBW is included in this strategy.

ESG bonds currently include all Green Bonds, Social Bonds and Sustainable Bonds issued within a framework that is widely recognised in the marketplace. By continuously increasing the share of ESG bonds and prioritising sustainability factors in investment decisions, the Association of Volksbanks and VBW – as part of the Association – aim to support sustainable companies and banks in refinancing themselves on the capital market. The fund primarily purchases Covered Bonds, but also bonds issued by governments, supranational organisations, development banks and companies. Investment activity is mainly concentrated in Europe, but other countries are also possible.

If issuers from neutral or even "green" sectors violate bank-wide exclusion criteria (which can be found on the Volksbank Vorarlberg eGen website), their issues will not be acquired. Investments already made will also be reviewed, and in the event of subsequent violations, a possible sale will be evaluated. In addition to public sources, the use of external systems enables VBW to carry out even more detailed checks and to act more conservatively in individual cases in order to be on the safe side, even if regulations are tightened in future.

Physical and transitory risks are already taken into account during the application process as part of the risk analysis and are reviewed on a continuous basis. Social and governance risks are considered in the overall context of the respective company and/or the political and economic situation of a country. These are also checked when the application is submitted as well as during regular internal ratings. All ESG risks are also reviewed on an ad hoc basis at the time of purchase and documented accordingly.

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f) Asset management

Due to demand – particularly at Volksbank Vorarlberg – the asset management department for customers of the Association of Volksbanks was established in 2005, and the necessary expertise was built up. Since then, it has continued to be developed in Vorarlberg and rolled out to VBW. Volksbank Vorarlberg's asset management services are marketed by VBW.

When making investment decisions on selected products, asset management takes into account not only financial criteria, but also sustainability criteria. For this sustainability analysis, the asset management department has developed a "mindful investment approach", which includes the points listed below and is published on the Volksbank Vorarlberg e. Gen. website. All data for the sustainability analysis are obtained from ISS ESG, a highly respected external research partner.

The total assets under management are reviewed every quarter. At least 90% of total assets under management must comply with the defined sustainability approach. Individual shares and bonds are reviewed for selected exclusion criteria (including fossil fuels, nuclear energy, weapons, UN Global Compact). Funds and ETFs are reviewed on the basis of their ESG scores or their classification in accordance with the EU Disclosure Regulation 2019/2088 (Articles 6, 8 and 9).

There are also additional product-specific requirements for all sustainable products:

- » For asset management strategies (income, balanced, growth), at least 80% of each individual strategy must consist of funds and ETFs classified as Article 8 or 9 in accordance with EU Disclosure Regulation 2019/2088.
- » For the Premium Selection and Premium Dividends equity strategies, the sustainable investment process involves four steps:
 - 1) Exclusion criteria: exclusion of companies with controversial business activities (including fossil fuels, nuclear energy, weapons, UN Global Compact)

1 GENERAL INFORMATION

- 2) ESG integration: environmental, social and governance (ESG) factors are taken into account in investment decisions
- 3) Impact Investing: investments in companies that contribute to achieving the 17 United Nations Sustainable Development Goals
- 4) Engagement: engaging in active dialogue with companies when identifying shortcomings in the area of sustainability

Engagement is all about active and critical dialogue with companies in order to address perceived shortcomings in sustainability performance and thus contribute to their elimination. Direct dialogue provides deeper insights into operational business and increases transparency. Engagement can also help in deciding whether a company should be kept in the portfolio. Volksbank Vorarlberg e. Gen. engages in dialogue with companies independently (internal engagement) and has also become a member of the joint investor initiative of ISS ESG (pooled engagement). The companies that were contacted, the defined objectives and the ongoing results of internal engagement activities are published annually in a separate engagement report on the Volksbank Vorarlberg e. Gen. website. An annual engagement report on the results of the pooled engagement is also published on the Volksbank Vorarlberg e. Gen. website. The asset management department publishes an ESG fact sheet for all sustainable products on the Volksbank Vorarlberg e. Gen. website.

Volksbank Vorarlberg e. Gen. first signed the United Nations Principles for Responsible Investment (PRI) back in 2016. Since then, Volksbank Vorarlberg e. Gen. has been a signatory to the Principles for Responsible Investment and undergoes annual reviews and recertification.

For 2025, the Premium Selection Equity Fund has once again been awarded the FNG seal with two stars. The FNG seal is seen as an important quality standard for sustainable investment funds in German-speaking countries. It is subject to being renewed annually to guarantee ongoing compliance with specified sustainability criteria. The measures implemented in previous years will be continued.

Asset management products thus meet the challenges of sustainable investment through the consistent integration of ESG criteria, compliance with strict exclusion and quality standards, active engagement with companies and fulfillment of regulatory requirements. They ensure transparency, credibility and a measurable contribution to sustainable development, which is of central importance to both VBW and its customers.

1.3.2 Strategy

VBW is committed to the Paris Climate Agreement and aligns its Business Strategy with the United Nations Sustainable Development Goals (SDGs) in order to actively contribute to achieving their goals. VBW's membership in the UN Global Compact underscores the central importance of sustainability factors in its business activities. By adhering to these principles, VBW is committed to responsible corporate governance and anchors sustainability as an integral part of its corporate culture.

1.3.2.1 Strategy in relation to key customer groups

The objectives of VBW's Business Strategy are business growth and the acquisition of new customers, and the focus of this growth is on sustainability-minded customers and on convincing customers that sustainability is a must. Another objective is the decarbonisation of the loan portfolio.

With that in mind, there are two strategic sustainability targets in the financing business for 2030. On the one hand, sustainable financing should account for 30% of new customer business, and on the other hand, the Scope 1 and 2 emissions intensity of VBW's total loan portfolio should be reduced to a maximum of 77.2%.

These two strategic objectives relate to the credit and lending business. No specific targets can be agreed in the deposit business, as these products serve to generate liquidity. In the securities business, on the other hand, the target share of sustainable securities in the total securities customer portfolio for 2030 was set at 30%. This target depends on customer willingness to purchase sustainable securities, but VBW will continue to expand its offering in collaboration with Union Investment and Volksbank Vorarlberg Asset Management. The service portfolio has not changed in recent years. Individual sales focal points in the financing business, such as "SanReMo financing" (SanReMo = Sanieren, Renovieren und Modernisieren (renovation, refurbishment and modernisation)) have been added.

1 GENERAL INFORMATION

Sustainability goals relating to the most important customer groups apply to private, commercial and real estate customer business and are defined in the customer and growth strategy:

- » Credit and loan business: share of sustainable financing in new customer business and emission intensity of the overall portfolio
- » Securities trading: share of sustainable securities sales in total securities sales

Prohibitions on products/services: funds from the product partner Union Investment may not be sold to US persons. The bank's own issues may also not be sold to US persons.

1.3.2.2 Sustainability targets

The most significant elements of the Sustainability Strategy are the sustainability goals mentioned above and the ESG KPIs that were derived from them. They relate both to the reduction of GHG emissions in the bank's portfolio, products and services, and to social aspects such as increasing customer and employee satisfaction, as well as diversity and promoting the region. Particular challenges are posed by regulatory developments in the environmental and climate sectors, customers' willingness to invest and innovate, and the availability of government subsidies for investments.

1 GENERAL INFORMATION

Overview of targets, ESG KPIs and measures: targets for VBW

	10 Sustainability targets	ESG KPIs	Target value 2025 ESG KPI	Actual value 2025 ESG KPI	Actual value 2024 ESG KPI	Details on measures taken and targets achieved for 2025
E	VBW's sustainability rating in the low risk category	Sustainability rating	< 20	13.9	14.3	See VBW homepage
	Consideration of ESG criteria in the loan process	Share of 2024 portfolio intensity	≤ 97,2 %	94.8%	100.0%	See section on Risk Management
	Increase share of ESG products	Share of sustainable financing in new customer business	≥ 22,9 %	26.4%	22.5%	See section on Risk Management
		Share of sustainable securities in total customer securities sales	≥ 23 %	21.0%	22.0%	See section on Risk Management
	Decarbonisation of operations	CO ₂ -emissions from operations	410 tCO ₂ e	429 tCO ₂ e	441 tCO ₂ e	See section on Risk Management
	Development of a biodiversity strategy: Targets, measures and KPI	Will be defined in 2026		Will be defined in 2026		
S	Customer and employee satisfaction	Customer Net Promoter Score	≥ 25	37	43	See section on Consumers and End-Users
		Employee Net Promoter Score	≥ 14	17	13	See section on Own Workforce
	Significantly increase diversity at VBW	Share of female managers	31.3%	30.1%	30.8%	See section on Own Workforce
	Strengthening the cooperative dividend and support cycle	Share of customers among cooperative members		Will be defined in 2026		
		Funding amount for regional projects		Will be defined in 2026		
G	Transparency regarding taxonomy, decarbonisation and governance, and introduction of a bonus system for ESG	Share of ESG reports and disclosures published and submitted on time	All disclosures published and reports submitted	Met	Met	See VBW homepage
	ESG integration in "three lines of defence"	Number of confirmed cases of corruption and bribery	0	0	0	See section on Corporate Governance and Corporate Culture
Share of trained "three lines of defence" managers		Start of measurement in FY 2026				

a) Target values at individual and group level

ESG KPIs drive a significant part of the sustainable transformation of the Association of Volksbanks. These are broken down at the level of the individual member banks, which includes VBW. For the most part, KPIs relating to VBW are always in relation to the VBW Group; in two cases, they relate only to VBW as an individual institution.

KPIs managed at VBW Group level:

- » Share of sustainable financing in new customer business
- » Share of sustainable securities in total customer securities sales
- » Customer Net Promoter Score
- » Share of 2024 portfolio intensity
- » CO₂-emissions from operations
- » Share of ESG reports and disclosures published and submitted on time
- » Number of confirmed cases of corruption and bribery
- » Share of trained "three lines of defence" managers

KPIs managed at the level of VBW as an individual institution:

- » Employee Net Promoter Score
- » Share of female managers

b) Methodology for the determination of target values

Target values are set for each of these ESG KPIs in order to achieve the underlying sustainability goal operationally. Target values are defined for 2030, and internal interim targets are derived for the intervening years.

There are three different approaches to setting target values:

The target value for 2030 is set individually, and intermediate steps are derived from it. This applies for the following:

- » Share of sustainable financing in new customer business
- » Share of sustainable securities in total customer securities sales
- » Customer Net Promoter Score
- » Employee Net Promoter Score
- » Share of female managers

The 2030 target value is derived from the calculation and application of the SBTi paths. This applies for the following:

- » Share of 2024 portfolio intensity
- » CO₂-emissions from operations

The 2030 target is necessarily determined by internal and external factors. This applies for the following:

- » Share of ESG reports and disclosures published and submitted on time
- » Number of confirmed cases of corruption and bribery
- » Share of trained "three lines of defence" managers

c) Escalation process in case ESG KPIs are not achieved

An escalation process has been defined for the eventuality that ESG KPIs are not achieved. The specialist departments define measures decided in NAKO, which are subsequently reported to the Supervisory Board.

In the 2025 reporting year, VBW failed to achieve three ESG KPIs (CO₂ emissions from operations, share of sustainable securities in total customer securities sales, and share of female managers). Measures in accordance with the escalation process are being defined and implemented.

1.3.3 Value chain

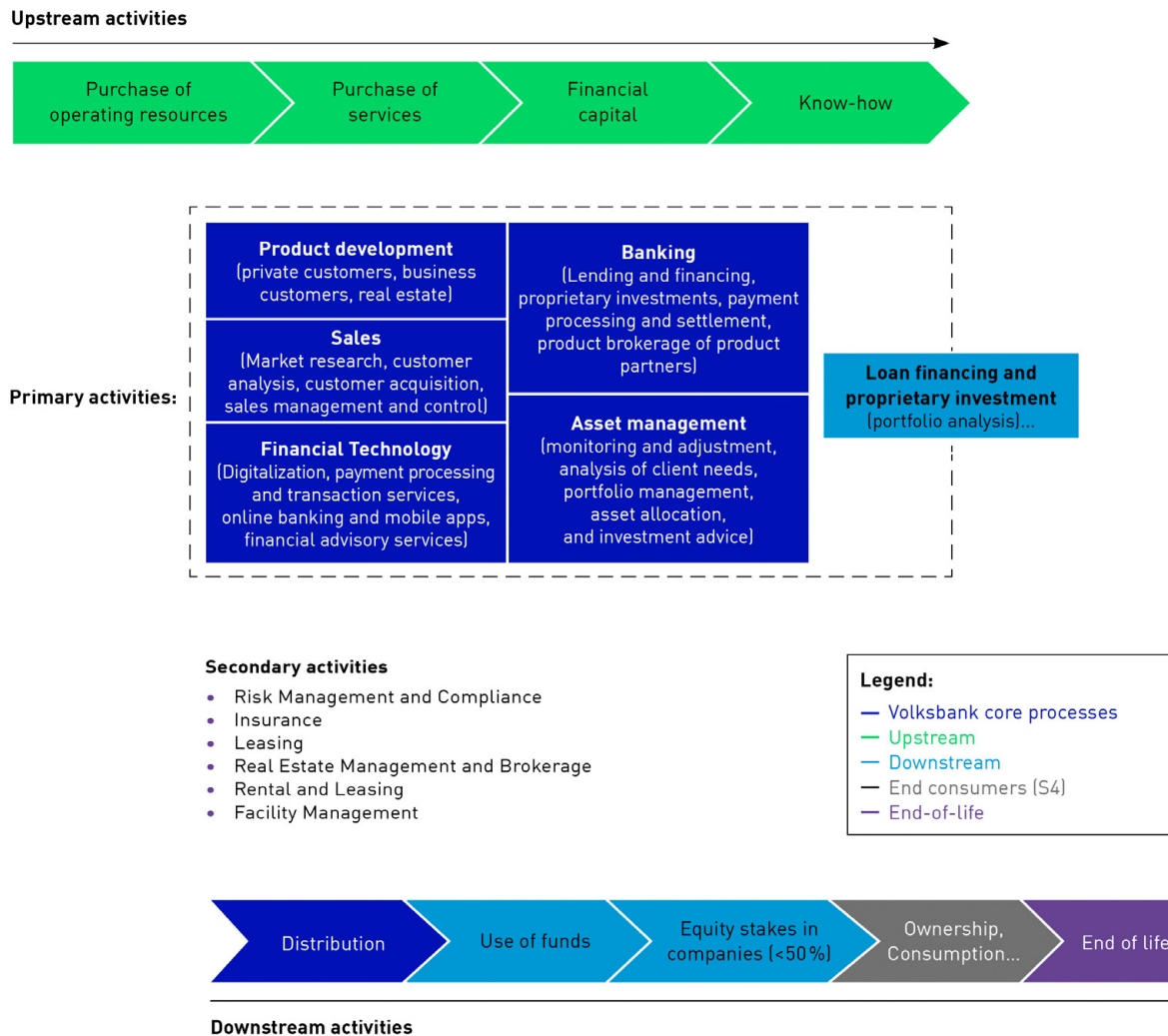
VBW's core value creation lies in offering banking products and advising customers. Since only few raw materials (energy) or suppliers are required for these services, the value added differs significantly from the value chain of, say, a manufacturing company.

Investments and other Association banks are not taken into account.

The illustration shows the key elements of value creation and the most important influencing factors in simplified form.

1 GENERAL INFORMATION

VBW value chain:



The input to VBW's value chain is as follows:

The upstream value chain comprises all stakeholders and resources that are necessary to execute the bank's core operational processes. This includes all physical goods that cooperative banks need to maintain their business activities, and it primarily includes the purchase of operating resources (IT hardware, office supplies, branch equipment, real estate and infrastructure, etc.) as well as the purchase of services (e.g. products in the private customer sector). The core products of a retail bank are provided directly to VBW's customer groups (private customers and business customers): loans, current accounts and payment transactions, as well as savings and deposit accounts. Other products and services are offered by partners and flow into the value chain in the form of know-how. That is why we have entered into partnerships with product partners who also pursue a sustainable Business Strategy.

The funding priorities are sustainable/regional (start-up) projects and projects with environmentally relevant (partial) aspects (financing of environmentally relevant industries or investments in sustainable energy supply, e-mobility, resource conservation, etc.). When it comes to commercial investment financing, VBW relies on a holistic subsidy management approach, which aims to help customers take advantage of subsidies through personalised advice supported by digital communication channels, subsidy accounting and sustainable management of subsidised financing, which should result in more investment being implemented.

VBW's downstream value chain is as follows: the company's own products and those of its product partners (financial products) are made available to private and business customers. Focus on the customer is central to output, particularly through customer loyalty measures and effective customer lifecycle management.

1.3.4 Interests and viewpoints of stakeholders (in accordance with SBM-2)

Various stakeholders were identified in the course of preparing the Association of Volksbanks' sustainability statement. These were classified according to affected stakeholders and users of the sustainability statement – these were derived for VBW. This identification focused on key stakeholders, and suitable channels were found to incorporate their views and interests (see table below).

The various dialogue formats – including a detailed stakeholder survey (2023), internal expert involvement, customer surveys, NPS surveys and a structured interview with the NGO WWF – formed the basis for systematically recording the perspectives of the most important stakeholders. Both direct feedback (e.g. from surveys and interviews) and indirect input from strategic studies and existing dialogue formats (e.g. business survey, employee feedback) were taken into account.

Key stakeholders' opinions were taken into account in the assessment of sustainability aspects. Their input was used as valuable inspiration for the further development of the Business Strategy. These include, in particular, suggestions for improvement – such as optimising the portfolio analysis, increasing data quality and ideas for sustainable products and digital processes – which serve as orientation for strategic discussions and can be incorporated into the growth strategy for 2030 in order to best meet stakeholder expectations.

The results of the key stakeholder surveys reveal key interests that are relevant to the strategy and business model: For private and commercial customers, the focus is on developing sustainable financial products, providing ESG advice and offering simple, digital processes. Employees highly value improved working conditions and a high level of satisfaction. NGOs provided valuable input to optimise portfolio analysis and improve data quality. The topic of biodiversity was also highlighted as being particularly important. NGOs – in this case, the WWF in particular – provided valuable input on optimising portfolio analysis and improving data quality, and emphasised the importance of nature-related issues. Again, the topic of biodiversity was also highlighted as particularly important, even though it is not currently classified as significant and yet continues to receive special consideration. Findings on the interests and positions of stakeholders are presented and discussed in NAKO; measures to be taken are then derived from these findings.

There are various formats for involving the respective stakeholder group; the exchange is organised accordingly, depending on the group. For the purposes of reporting, the involvement of the stakeholder "Nature" was taken into account via interviews with a non-governmental organisation (NGO). On the other hand, findings from existing stakeholder engagement activities that took place independently of the materiality analysis were also included (2024 employee survey, business survey and customer survey).

Possible adjustments to the strategy through the involvement of the customer stakeholder group arise from the increasing demand for sustainable financial products and ESG advice, which underlines the importance of offerings such as "SanReMo financing" (SanReMo = Sanieren, Renovieren und Modernisieren (renovation, refurbishment and modernisation)). Customers' desire for simpler digital processes and the relevance of transition financing and ESG transformation support are additional key drivers of strategic orientation and growth and customer strategy. The growth strategy until 2030 focuses on sustainability, digitalisation and process optimisation in order to meet the challenges faced by stakeholders in relation to the climate crisis and technological developments. The aim is to strengthen customer loyalty, attract new customers and expand VBW's position as a leading regional financial institution. Regular employee surveys also provide important insights into employees' interests in improving working conditions and satisfaction, which are incorporated into strategic planning.

The Managing Board is informed about the views and interests of the affected stakeholders at Managing Board meetings and in NAKO. The Supervisory Board is informed at Supervisory Board meetings, with both bodies being briefed on sustainability goals and the measures to implement them.

1 GENERAL INFORMATION

Overview of identified key stakeholders and other stakeholders:

Key Stakeholders	Stakeholder category	Purpose of integration	Type of integration
	Private customers	Gathering information and ensuring compliance with due diligence obligations: care is taken to ensure that affected stakeholders can report negative impacts.	Survey regarding double materiality, growth strategy taken into account in DMA Customer events, customer club, social media, newsletters, customer surveys
	Commercial customers	Gathering information, ensuring compliance with due diligence obligations: care is taken to ensure that affected stakeholders can report negative impacts.	Survey regarding double materiality, growth strategy considered in DMA, customer events, newsletters, social media, customer surveys
	Employees	Gathering and dissembling information, ensuring compliance with due diligence obligations: care is taken to ensure that affected stakeholders can report negative impacts.	Survey regarding double materiality, information events, employee survey, employee interviews, whistleblower system, dialogue with works councils
	NGOs as representatives of the stakeholder "Nature"	Gathering information, feedback on business activities	Interview with the WWF about the events of the double materiality analysis in relation to environmental issues

The table below provides an overview of other stakeholders, supplementing the key stakeholders shown above. It is arranged by stakeholder category and shows the groups that, although they are not key stakeholders, are nevertheless connected to the company in various ways and/or are influenced by its activities.

Additional Stakeholders	Stakeholder category
	Owners
	Shareholders
	Members
	Product partners
	Austrian Cooperative Association
	Media
	Political sphere
	Suppliers
	Capital market participants

1.3.4.1 Employees – stakeholders’ interests and viewpoints

VBW makes it possible for employees to incorporate their interests, viewpoints and rights into the business model and strategy. Beyond the process of the reports being prepared, extensive measures were put in place based on findings from feedback. The positions of employees are taken into account, in particular in parts of the strategy, but also in statements of principle and in various policies (e.g. diversity policy, work guidelines) (see Section 4. Own Workforce). The workforce can also express their interests and views through elected employee representatives.

1.3.4.2 Customers – stakeholders’ interests and viewpoints

The interests, views and rights of customers (including respect for human rights) are incorporated into VBW’s strategy and business model:

VBW is committed to respecting fundamental rights, data protection in particular, in all of its business activities. It has enshrined this commitment in its company-wide Code of Conduct.

Customers are involved in the reporting process of the Association of Volksbanks and through customer surveys. Affected stakeholders can report negative impacts via a structured complaints and whistleblowing system. Reports are reviewed

1 GENERAL INFORMATION

and documented by the Compliance department and remedial measures are taken if violations confirmed. Whistleblowers' protection is guaranteed.

VBW's business model is based primarily on the processing of sensitive customer and transaction data in connection with account openings, lending, advisory services and digital banking. VBW's strategy has been adjusted in recent years to include the implementation of data protection management in order to counteract the impact of "inadequate data protection with regard to customer data" (see Section 5.2 Data Protection).

1 GENERAL INFORMATION

2 Taxonomy Information

Environmental Information

2 TAXONOMY INFORMATION

Information pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The disclosure is identical to that in the sustainability statement of the Association of Volksbanks.

In accordance with Annex V to the Taxonomy Disclosure Regulation, the information is not based on the scope of consolidation of VBW's consolidated financial statements under company law, but on the (largest) scope of consolidation under supervisory law in accordance with Title II, Chapter 2, Section 2 of Regulation (EU) No. 575/2013 (CRR), i.e. the Association of Volksbanks.

That is why the total consolidated assets of the VBW Group as at 31 December 2025 amount to euro 16,378,364 thousand, while they amount to euro 32,896,517 thousand according to the CRR consolidation scope for the Association of Volksbanks.

Reporting pursuant to Article 8 of the EU Taxonomy Regulation is carried out in accordance with Article 4 of the Delegated Regulation (EU) 2026/73, applying the version of the Taxonomy Disclosure Regulation Delegated Regulation (EU) 2021/2178, which is valid until 31 December 2025.

As the fee and commission KPI and the trading book KPI are being reported for the first time, no flow data is available.

In order to reinforce understanding of the quantitative KPIs in the reporting forms, the following qualitative information is provided in addition:

1. Background information in support of quantitative indicators, including the scope of assets and activities covered by the KPI, information on data sources and limitations

The following procedure was used to determine the KPIs to be reported in accordance with EU taxonomy in the current reporting period:

Customers subject to NFRD/CSRD reporting requirements

The Association of Volksbanks sees itself as a regional bank whose target group is mainly private customers and small and medium-sized enterprises (SMEs). As a result, there are only a few customers within the Association of Volksbanks who are subject to NFRD/CSRD requirements, as these must have at least 500 employees and be of public interest.

The identification of customers subject to NFRD/CSRD reporting requirements was carried out on the basis of information available in the bank's data repository and, where necessary, supplemented by a targeted manual review of individual cases, which involved systematically checking whether the customer in question is subject to NFRD/CSRD reporting requirements or is part of a group for which corresponding (taxonomy) reporting is mandatory. Where data was available at the individual company level, this was used. In cases where only group data were available, these were used.

No exposure with a specific intended use was identified for customers subject to NFRD/CSRD reporting requirements. The review of taxonomy eligibility and compliance is thus based exclusively on the published revenue and CAPEX-based taxonomy KPIs of the customers. The reporting data used to determine the KPIs was also based on the individual company level or the parent company level.

For companies subject to NFRD/CSRD, the taxonomy KPIs were collected from the respective 2024 Annual Report or Sustainability Reports. The KPIs were recorded for inventory turnover and inventory CapEx. The reporting included key figures on the environmental goals of Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA). For the remaining environmental objectives of the EU taxonomy, only isolated, taxonomy-compliant KPIs could be identified in the evaluated reports. Due to the limited availability of data and the lack of material relevance of these environmental objectives, the detailed analysis was limited to conformity assessment with regard to Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA).

The share of taxonomy-eligible and taxonomy-compliant assets was recorded for the two environmental objectives previously mentioned. With regard to taxonomy-compliant assets, the share of transitional activities and the share of enabling activities were also recorded.

2 TAXONOMY INFORMATION

Private customers

The identification of taxonomy-relevant exposure in the private customer segment is based on the defined intended use. For mortgage-backed real estate financing, taxonomy alignment was determined on the basis of the technical assessment criteria defined in Delegated Regulation 2021/2139 for activity 7.7. in the "Climate Protection" environmental objective. The technical assessment criteria include the defined contribution criteria and the "Do No Significant Harm" (DNSH) criteria. If technical assessment criteria are met, the financing is classified as taxonomy-compliant, as the minimum social safeguard criteria do not apply to retail customers.

The assessment of contribution criteria was based on available energy performance certificate data. As there is currently no Austria-wide energy performance certificate database, the availability of energy performance certificate data did pose a challenge with regard to classification.

As part of the assessment of the DNSH criteria, an analysis of climate risks was carried out in accordance with Appendix A of Delegated Regulation 2021/2139. This was based on the risk assessment applied in the context of ESG disclosure in accordance with Article 449a CRR. Acute and chronic physical risks were identified on the basis of external data sources. For the portfolio, physical risks were evaluated using scenario analysis while taking into account various data sources and future climate scenarios. Once a financing element was classified as having a high physical risk, it was classified as non-compliant (an investigation of property-specific adaptation measures cannot be carried out due to data availability).

Renovation loans

Due to the sometimes quite expansive DNSH criteria, no taxonomy-compliant exposure could be identified in the private customer segment for restructuring loans at this point in time, based on available data.

Motor vehicle loans

Based on information available in the Volksbank data system, a low level of taxonomy-eligible exposure was identified for motor vehicle loans in the private customer segment for the current reporting period.

Local authorities

Based on information available in the Volksbank data system, a low level of taxonomy-eligible exposure was identified for the local authorities segment for the current reporting period.

Nuclear and gas reporting forms

No such exposures were identified.

2. Explanations of the nature and objectives of taxonomy-compliant economic activities and their development over time, starting with the second year of implementation, distinguishing between business-related, methodological and data-related aspects.

In 2025, the change in GAR compared to the previous year can be attributed to normal business development.

3. Description of compliance with Regulation (EU) No 2020/852 in the financial undertaking's Business Strategy, product design processes and cooperation with customers and counterparties.

From the perspective of a financial institution, when classifying investment financing for the purpose of assessing taxonomy eligibility, the financing object of CSRD/NFRD companies with a known intended use, private households with regard to residential property-backed real estate financing, and certain financing to public entities should be taken into account. If the financed activity corresponds to one of the economic activities defined in the taxonomy, the financing is classified as taxonomy-eligible.

Technical test criteria were defined for each activity. These in turn consist of the following:

- » Criteria for fulfilling the defined environmental objective ("Substantial Contribution Criteria")
- » Criteria for assessing whether the remaining five environmental objectives are not being violated ("Do No Significant Harm Criteria")
- » In addition, it must be ensured that minimum social standards are adhered to ("Minimum Social Safeguard Criteria")

If all criteria are met, the business activity can be classified as taxonomy-compliant (or taxonomy-aligned).

2 TAXONOMY INFORMATION

The taxonomy alignment assessment depends on the customer segment. For companies subject to CSRD/NFRD requirements, the focus is on collecting company-specific KPIs. For private households, compliance with the defined environmental target ("Substantial Contribution Criteria") is assessed on the basis of information in the internally developed sustainability check, and compliance with DNSH criteria is assessed by excluding physical risks.

AuM are managed centrally by Volksbank Vorarlberg. Customers subject to NFRD requirements are assessed using the same process as described in Chapter 1 for customers relevant to NFRD/CSRD.

4. For credit institutions that are not required to disclose quantitative information on trading exposures, qualitative information on the alignment of trading portfolios with Regulation (EU) No 2020/852, including overall composition, observed trends, targets and guidelines

The trading book positions in VBW are immaterial. The trading book is below the thresholds of a "large trading book" (Art. 325a CRR). Positions consist mostly of interest rate derivatives on the interbank market and, to a negligible extent, short-term bond positions. The bond positions in turn stem mainly from own issues in the course of issuing activities, largely for operational reasons in connection with customer business. As a result, no ESG targets are defined for the trading book and no further information is provided.

5. Additional or supplementary information to substantiate the financial undertaking's strategies and the importance of financing taxonomy-compliant economic activities in its overall activity

The Association of Volksbanks has defined ten sustainability targets and KPIs for the key topics. These are used to control VBW's sustainability management. One of these ESG KPIs is used to manage sustainable financing for customers in new businesses. It describes the percentage of defined financing (sustainability check) in relation to total new businesses for the current month. The sustainability check serves to identify taxonomy-eligible and taxonomy-compliant financing. There is no control in place based on taxonomy alignment or GAR.

2 TAXONOMIC INFORMATION

0. SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

	Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex VI)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex VI)	
Main KPI	Green asset ratio (GAR) stock	504,049,797.70	1.75%	1.83%	86.00%	59.93%	14.00%

	Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex VI)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex VI)	
Additional KPIs	GAR (flow)	206,429,735.17	6.93%	6.93%	98.67%	64.10%	1.33%
	Trading book*	406,853.34	11.71%	0.20%			
	Financial guarantees	0.00	0.00%	0.00%			
	Assets under management	101,969.60	0.09%	0.07%			
	Fees and commissions income**	210,067.09	4.31%	4.96%			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

** Fees and commissions income from services other than lending and AuM

Institutions shall disclose forward-looking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

***% of assets covered by the KPI over banks' total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: Across the reporting templates: cells shaded in black should not be reported.

Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

2 TAXONOMIC INFORMATION

2. GAR SECTOR INFORMATION

Turnover

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1 D 35.14	0.43	0.57			0.43	0.57			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			1.27	1.14		
2 H 49.1	4.51	4.15			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			4.51	4.15		
3 H 52.21	0.43	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.43	0.00		
4 J 61.1	0.18	0.00			0.06	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.24	0.00		
5 M 70.1	0.52	0.26			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.52	0.26		

CapEx

Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	
1 D 35.14	0.98	0.95			0.98	0.95			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			1.96	1.89		
2 H 49.1	7.37	2.90			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			7.37	2.90		
3 H 52.21	2.51	0.75			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			2.51	0.75		
4 J 61.1	0.47	0.02			0.01	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.48	0.02		
5 M 70.1	0.57	0.22			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.57	0.22		

2 TAXONOMIC INFORMATION

CapEx (T-1)

%	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk								
	Disclosure reference date T-1																																						
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				Proportion of total assets covered										
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)																		
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)															
Of which Use of Proceeds				Of which transitional				Of which enabling				Of which Use of Proceeds				Of which enabling				Of which Use of Proceeds				Of which enabling				Of which Use of Proceeds				Of which transitional				Of which enabling			
GAR - Covered assets in both numerator and denominator																																							
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	86.01%	3.24%	3.00%	0.00%	0.05%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	25.16%								
2	Financial undertakings	23.50%	1.88%	0.00%	0.05%	0.12%	0.06%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.12%	2.43%								
3	Credit institutions	23.50%	1.88%	0.00%	0.05%	0.12%	0.06%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.12%	2.43%								
4	Loans and advances	21.46%	0.90%	0.00%	0.04%	0.14%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.14%	0.10%									
5	Debt securities, including UoP	23.59%	1.93%	0.00%	0.05%	0.12%	0.06%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.12%	2.33%									
6	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
7	Other financial corporations	0.00%	1.05%	0.00%	0.02%	0.54%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.55%	0.00%									
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
11	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
15	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
16	of which insurance undertakings	0.00%	1.05%	0.00%	0.02%	0.54%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.55%	0.00%									
17	Loans and advances	0.00%	1.05%	0.00%	0.02%	0.54%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.55%	0.00%									
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
19	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
20	Non-financial undertakings	28.78%	12.21%	0.00%	0.00%	8.89%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.89%	0.12%								
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
22	Debt securities, including UoP	28.78%	12.21%	0.00%	0.00%	8.89%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.89%	0.12%								
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
24	Households	100.00%	3.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.46%	0.00%	21.01%								
25	of which loans collateralised by residential immovable property	100.00%	4.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.94%	0.00%	18.53%								
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.39%								
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%								
28	Local governments financing	1.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.59%								
29	Housing financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%								
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.57%								
31	Collateral obtained by taking possession: residential and commercial	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								
32	Total GAR assets	25.47%	0.96%	0.89%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	84.95%									

2 TAXONOMIC INFORMATION

CapEx (T)

	Disclosure reference date T																																																
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af																		
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and Ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)																		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)																		
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)																			
Of which Use of Proceeds					Of which transitional					Of which enabling					Of which Use of Proceeds					Of which enabling					Of which Use of Proceeds					Of which enabling					Of which Use of Proceeds					Of which transitional					Of which enabling				
GAR - Covered assets in both numerator and denominator																																																	
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation																																																
2	Financial undertakings																																																
3	Credit institutions																																																
4	Loans and advances																																																
5	Debt securities, including UoP																																																
6	Equity instruments																																																
7	Other financial corporations																																																
8	of which investment firms																																																
9	Loans and advances																																																
10	Debt securities, including UoP																																																
11	Equity instruments																																																
12	of which management companies																																																
13	Loans and advances																																																
14	Debt securities, including UoP																																																
15	Equity instruments																																																
16	of which insurance undertakings																																																
17	Loans and advances																																																
18	Debt securities, including UoP																																																
19	Equity instruments																																																
20	Non-financial undertakings																																																
21	Loans and advances																																																
22	Debt securities, including UoP																																																
23	Equity instruments																																																
24	Households																																																
25	of which loans collateralised by residential immovable property																																																
26	of which building renovation loans																																																
27	of which motor vehicle loans																																																
28	Local governments financing																																																
29	Housing financing																																																
30	Other local government financing																																																
31	Collateral obtained by taking possession: residential and commercial immovable																																																
32	Total GAR assets																																																

2 TAXONOMIC INFORMATION

6. KPI ON FEES AND COMMISSIONS INCOME FROM SERVICES OTHER THAN LENDING AND ASSET MANAGEMENT

Turnover (T)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x				
	Total (Million EUR)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)														
		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)														
		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)														
		Of which transitional	Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which transitional	Of which enabling						
1 Fees and commission income from NFRD corporates - Services other than lending																												
2 Services towards financial undertakings	0.21	26.96%	4.29%	0.60%	0.48%	0.16%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.11%	4.31%	0.60%	0.48%	
3 Credit institutions	0.21	26.96%	4.29%	0.60%	0.48%	0.16%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.11%	4.31%	0.60%	0.48%	
4 Other financial undertakings	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 of which investment firms	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 of which management companies	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 of which insurance undertakings	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 Non-financial undertakings	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	27.62	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CapEx (T)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x				
	Total (Million EUR)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)														
		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)		Of which towards taxonomy relevant sectors (%) (Taxonomy-eligible)														
		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)		Of which environmentally sustainable (%) (Taxonomy-aligned)														
		Of which transitional	Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which enabling		Of which transitional	Of which enabling						
1 Fees and commission income from NFRD corporates - Services other than lending																												
2 Services towards financial undertakings	0.21	86.23%	4.95%	0.61%	0.80%	0.27%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	86.49%	4.96%	0.61%	0.80%	
3 Credit institutions	0.21	86.23%	4.95%	0.61%	0.80%	0.27%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	86.49%	4.96%	0.61%	0.80%	
4 Other financial undertakings	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 of which investment firms	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 of which management companies	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 of which insurance undertakings	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 Non-financial undertakings	0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Counterparties not subject to NFRD disclosure obligations, including third-country counterparties	27.62	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

3 Environmental Concerns

Environmental Information

3 ENVIRONMENTAL CONCERNS

94.8 %¹⁾
DEVELOPMENT OF
PORTFOLIO EMISSION INTENSITY
(INITIAL VALUE 2024 = 100 %)



1) excl. Scope 3

3 ENVIRONMENTAL CONCERNS

The key ESG impacts, opportunities and risks in the area of climate change among customers are already influencing the business model, value chain, strategy and decision-making, e.g. sustainability targets and ESG KPIs such as sustainable financing (see section 1.3.2 Strategy). A significant influence along these lines is also expected in the future. The strategy has been expanded to include sustainability targets and key performance indicators (KPIs). An additional increase in the share of sustainable products in the portfolio is planned for the coming years. A Sustainability Strategy based on a Business Environment Scan (BES) has been developed, and targets, measures and key figures were derived from it. A dedicated decarbonisation strategy has already been developed with regard to addressing climate change. An underlying prerequisite for achieving set decarbonisation targets is that the Republic of Austria also achieves its self-imposed goal of climate neutrality by 2040, as basic assumptions in the decarbonisation strategy, such as the future energy mix of customers, are based on this assumption.

The Austrian banking market continues to offer numerous ESG opportunities and growth potential, partly due to far-reaching sustainability transformations taking place in the economy and society as a whole (economic transformation) that create additional financing and advisory needs. As a regional financial institution, VBW can actively take advantage of these ESG opportunities by positioning sustainable financing and securities.

Sustainable financial instruments (sustainable products) are becoming increasingly important for banks. By offering sustainable product solutions and leveraging credit growth and earnings contributions from SanReMo loans, the aim is to exploit new ESG opportunities in the market while reducing long-term ESG risks through non-sustainable investments. This is also intended to strengthen VBW's competitiveness.

The negative impact of greenhouse gas emissions (GHG) on climate protection affects both people and the environment. GHG emissions result in both environmental problems and social impacts, such as health problems, food insecurity, and social inequalities, through climate change and the destruction of ecosystems.

3.1 IMPACT ON CLIMATE CHANGE AND DECARBONISATION

VBW's decarbonisation strategy is an integral part of the Association of Volksbanks's decarbonisation strategy. Progress in decarbonisation is monitored and managed at the Association level (see also the Association of Volksbanks's Sustainability Statement).

3.1.1 GHG emissions from the downstream value chain (financed emissions)

In 2025, as part of this strategy, a portfolio-specific decarbonisation path that pursues the goal of GHG neutrality was defined for VBW until 2050. The path is based on science-based guidelines from the International Energy Agency (IEA), the Science Based Targets initiative (SBTi) and the Network for Greening the Financial System (NGFS).

Emissions reduction targets were set for VBW's financed emissions and were incorporated into the risk strategy. Individual target paths were calculated for the asset classes of Mortgages, Commercial Real Estate and Business Loans, including their associated sub-sectors (Unlisted Equity, Listed Equity & Corporate Bonds, Project Finance). Milestones were set for 2025, 2030 as well as 2050.

The targets are in relation to the financed Scope 1 and 2 emissions. Financed Scope 3 emissions are currently not taken into account, as they are only controllable to a limited extent, due to potential multiplication and since the aforementioned institutions only specify limited reduction paths for financed Scope 3 emissions.

The reference value for 2024 also serves as a representative value due to the application of the PCAF calculation logic, whereby the calculation logic for 2024 was retroactively adjusted to the 2025 calculation methodology to allow for clearer comparisons.

3 ENVIRONMENTAL CONCERNS

Carbon-neutral by 2050 (entire portfolio)

Key topic	Impact, risk or opportunity addressed	Target type	Target value	Target value in tCO ₂ e	Scopes included	Scope 3 subcategories included
3.15: Climate change: climate protection	GHG and energy consumption within the value chain	Relative target	2025: 97.2 % *	2050: 69.134 tCO ₂ e	Scope 3	Scope 3.15
			2030: 73.4 % *			
			2050: 10.7 % *			
			* CO ₂ intensity in comparison to base year 2024			
	Share of Scopes and total emissions included	Base year	Reference value	Target year	Interim results for 2025	
	100% of the financed Scope 1 and 2 emissions are taken into account. These financed emissions are Scope 3 emissions.	2024	100 % 417,082 tCO ₂ e	2050	94,8 % *	* CO ₂ intensity in comparison to base year 2024

The following focus sectors are also presented separately due to their significant weighting within the portfolio or their higher CO₂ intensity at the Association of Volksbanks level:

- » Construction
- » Hospitality/Accommodation, gastronomy and catering
- » Retail; maintenance and repair of motor vehicles
- » Agriculture, forestry and fisheries
- » Manufacturing sector, manufacture of goods

If there is a significant change in the CO₂ intensity of these sectors at the Association level, a detailed analysis is carried out at the level of the Association's member banks.

A limit system was established to ensure that the decarbonisation results at the Association level remain within the decarbonisation path set by the Republic of Austria. For VBW, progress is monitored using a set of key performance indicators (KPIs) based on this approach. The analysis focuses on the VBW WEM path (WEM = with existing measures), which reflects the portfolio's emissions trajectory in line with environmental protection measures currently in place. This trend is set against the IEA target path, which amounts to net-zero emissions by 2050. The measurement is based on a percentage reduction relative to the CO₂ intensity of the overall portfolio.

The tables below show VBW's financed emissions (Scope 3.15) broken down by PCAF asset class and NACE sector. For transactions in the Business Loans asset class that are classified under NACE Sector L "Financial and insurance activities", the financed Scope 3 emissions are reported separately due to the volatility of underlying emission factors. The calculation of financed emissions covers 100% of the portfolio.

3 ENVIRONMENTAL CONCERNS

Overview of financed issues broken down by PCAF asset class:

PCAF asset class	GCA (12/2025) Mio. EUR	FE Scope 1 and 2 (12/2025) tCO ₂ e	FE Scope 3 (12/2025) tCO ₂ e	FE all Scopes (12/2025) tCO ₂ e	Intensity Scope 1 and 2 (12/2025) g CO ₂ e/EUR	Intensity Scope 3 (12/2025) g CO ₂ e/EUR	Intensity all Scopes (12/2025) g CO ₂ e/EUR
Business Loans	5,094	197,874	1,313,792	1,511,666	38.8	257.9	296.8
A Agriculture, forestry and fisheries	25	36,180	390,756	426,936	1,424.1	15,381.1	16,805.2
B Mining and quarrying	4	1,366	15,642	17,008	374.0	4,283.0	4,657.0
C Manufacture of goods	73	14,802	102,266	117,068	203.5	1,405.9	1,609.4
D Energy supply	19	486	468	954	25.8	24.8	50.6
E Water supply; wastewater and waste disposal	19	20,387	147,687	168,075	1,048.4	7,594.5	8,642.9
F Construction	24	2,801	21,299	24,100	114.3	869.4	983.7
G Retail; maintenance and repair of motor vehicles	70	2,924	21,269	24,193	41.8	304.3	346.2
H Transport and warehousing	26	4,596	2,247	6,843	174.9	85.5	260.4
I Hospitality/Accommodation,	55	1,111	12,065	13,176	20.1	218.3	238.4
J Publishing, broadcasting, and production and distribution of media content	4	30	217	247	7.0	50.4	57.4
K Telecommunications, software development, IT consultancy and provision of other services relating to IT and computer infrastructure	11	113	819	932	10.3	74.3	84.6
L Provision of financial and insurance services *	3,074	30,417		30,417	9.9		9.9
M Properties and housing	72	42	559	602	0.6	7.8	8.3
N Provision of scientific and technical services	73	1,195	8,654	9,849	16.5	119.3	135.7
O Provision of other business services	21	1,802	13,052	14,853	85.4	619.0	704.4
P Public administration, defence, social security	1,245	72,881	527,953	600,834	58.5	424.0	482.5
Q Education and teaching	6	89	645	734	14.8	106.9	121.6
R Health and social care	19	329	2,380	2,709	16.9	122.3	139.2
S Arts, sports and leisure	3	197	1,427	1,624	66.4	481.3	547.8
T Provision of other services	15	582	4,215	4,797	39.1	283.5	322.6
U – V Miscellaneous	234	5,545	40,171	45,716	23.7	171.4	195.0
Commercial Real Estate	3,394	151,493	0	151,493	44.6	0.0	44.6
Mortgages	2,286	82,040	0	82,040	35.9	0.0	35.9
Project Finance	32	45	544	589	1.4	16.9	18.2
Listed Equity	65	3,524	10,607	14,131	54.4	163.6	218.0
Total	10,871	434,975	1,324,944	1,759,919	40.0	121.9	161.9
L Provision of financial and insurance services **	3,074	30,417	152,053,213	152,083,630	9.9	49,469.4	49,479.3

*Financed Scope 1 and 2 emissions

** Financed Scope 1, 2 and 3 emissions

For details of the Association of Volksbanks' overall decarbonisation strategy, please refer to section SBM-2 of the Association of Volksbanks's Sustainability Statement.

The calculation logic for VBW's financed emissions is based on the PCAF standard. For transactions in the Business Loans segment for which no company-specific emissions data is available, the risk positions are weighted using the CO₂ emission intensities for each sector. The Scope 1 emissions data used for this purpose are sourced from the Statistical Office of the European Commission (EUROSTAT). The capital turnover rate required for the calculation under the PCAF standard is provided by the Austrian National Bank (OeNB). Based on Scope 1 emissions, the Scope 2 and Scope 3

3 ENVIRONMENTAL CONCERNS

emissions were derived using a Scope allocation key provided by the Carbon Disclosure Project (CDP). The allocation of the emissions was carried out proportionally in accordance with the distribution logic defined by CDP.

For real estate loans, where no actual data from energy performance certificates is available, emissions are calculated based on the building type and size, and in accordance with the estimated energy performance certificate classes from the Hotmaps database, using average CO₂ parameters from the PCAF database. When calculating the financed emissions, all GHG emissions (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) are taken into account.

3.1.2 GHG (own operations)

VBW generates greenhouse gas emissions through its own operations (Scope 1 and 2 emissions); these are lower than the emissions associated with the projects the bank finances (Scope 3 emissions). Nevertheless, in line with the expectations of internal and external stakeholders and regulatory requirements, these emissions are systematically recorded and addressed, even though Scope 1 and 2 emissions account for only a small share of total emissions.

The negative effects of these emissions are not directly linked to VBW's business model. They stem from greenhouse gas emissions generated during operations, not from the core areas of the banking business. Through energy efficiency measures and the incorporation of sustainable building standards as part of building renovation activities, decarbonisation within our own operations is becoming a central component of the Sustainability Strategy. Another key factor in decarbonisation is the transition of the vehicle fleet to electric mobility.

VBW contributes to this significant impact directly through its own operations and the mobility of its own staff.

The analysis of physical risks within our operations is carried out in conjunction with that of the downstream value chain, using the same tool for both methodology and processes. The results show that VBW's sites are not subject to any climate change-related risks. The analysis focused on risks identified by the tool (climcycle) with a risk factor > 0.666. The assessed risks include river flooding, heavy precipitation, snowfall, landslides and heatwaves (more than 5 consecutive days with temperatures above 30 degrees).

3.1.2.1 Climate change transition plan (in accordance with E1-1)

Based on the 2024 Corporate Carbon Footprint (CCF) and the emissions reductions already achieved in Scope 1 and 2 of our own operations, a new decarbonisation path up to 2034 was developed in 2025. The target is based on the requirements of the SBTi Standard for financial institutions and is geared towards achieving a 1.5-degree-compatible transformation path. In future, our own operations will be aligned with climate goals in accordance with SBTi guidelines. In the short and medium term, the focus is on further reducing operational emissions through efficiency measures within our own operations. The use of carbon offsetting measures is intended solely for unavoidable emissions in the context of achieving targets.

The original definition of "climate neutrality" or "GHG neutrality" in the decarbonisation strategy of the Association of Volksbanks's own operations provided for the extensive use of offset measures from the target year of 2030 onwards. As international standards have evolved, this approach has been replaced by a more stringent framework that now allows only limited use of offsets for unavoidable residual emissions. Consequently, a long-term strategic offset plan must be developed that clearly sets out how to manage unavoidable residual emissions and is consistent with the overarching decarbonisation targets of the Association of Volksbanks. VBW supports these objectives as part of the Association of Volksbanks.

The measures defined to reduce emissions are set out in writing in a General Directive and must be implemented. Achievement of targets and adherence to the decarbonisation path are verified using CCF calculations (see section 3.1.2.4: GHG targets (own operations)).

The identified decarbonisation levers and most important planned measures and changes relate, in particular, to electrification and energy efficiency within our own operations. The measures already defined are intended to lead to a reduction in emissions in the short term.

3 ENVIRONMENTAL CONCERNS

The most significant measures comprise the following:

- » Conversion of entire vehicle fleet to electric vehicles by 2026 (in progress).
- » Conversion to LED lighting by the end of 2027 (in progress).
- » Check that sustainable building standards are met before carrying out any alterations or renovations, in accordance with a defined set of rules.

For many years now, VBW has been assessing the feasibility of implementing sustainable building standards during refurbishments and conversions, using a structured set of guidelines that take into account key areas such as energy efficiency, environmental quality, comfort and the quality of workmanship. The project is implemented once feasibility has been established and a positive assessment has been made from a business perspective. These include thermal renovation of owner-occupied properties, efficient ventilation, cooling and heating systems with energy management, window replacement with sun protection, and environmentally friendly building materials. VBW also strives to encourage landlords to invest in environmentally friendly technologies; however, as it is dependent on property owners, this may delay progress towards decarbonisation within the operation. When new tenancy agreements are drawn up, efforts are made to include appropriate clauses.

Regulations requiring investment in sustainable products apply to procurement, as well as to renovations and alterations, provided these do not fall within the scope of the property owners' control. A non-sustainable product is only acquired if there are no economically viable alternatives. The Association of Volksbanks constantly strives to minimise its environmental footprint and to focus on solutions that are both environmentally friendly and economically viable.

The Association of Volksbanks is not exempt from EU benchmarks agreed in the Paris Climate Agreement.

The decarbonisation strategy for the business has been integrated into and aligned with our corporate strategy, and it has been approved by the Managing Board as well as the Supervisory Board. The defined KPIs (targets) derived from the decarbonisation path were presented to and approved by the Remuneration Committee. From 2026, monitoring within the Sustainability Committee will take place every six months. The measures have been set out in the General Guidelines for the 2025 Budget Planning and must be implemented.

As a result, phasing out combustion-engine vehicles will reduce VBW's Scope 1 emissions. Progress is measured annually using the CCF calculation. Total (market-based) emissions under Scope 1 and 2 were reduced from 1,098,685 kg CO₂e (2021) to 440,954 kg CO₂e (2024). The CCF calculation for 2025 shows a reduction in gross GHG emissions (market-based) of approximately 2.7% and supports VBW's decarbonisation path, which is in line with the Paris Climate Agreement targets. The switch to green electricity has already been completed.

3.1.2.2 Strategy for decarbonising of our operations (Scope 1 and 2)

The strategy for our own operations includes the decarbonisation of Scope 1 and 2 emissions (offices and other premises, vehicle fleet). The measures defined to reduce emissions are set out annually as targets in the General Directive, which must be implemented in order to keep advancing emissions reductions within our own operations. The most significant contents comprise measures such as the following:

- » Conversion of vehicle fleet to electric vehicles
- » Switch from conventional lighting to LED
- » Incorporation of sustainable building standards (in consultation with the owner in the case of rented properties)
- » Installation of solar panels and electric vehicle charging points to supply electric vehicles with green electricity. Energy monitoring (to the extent that it is already in place) is intended to identify deviations from standard consumption levels in a timely manner and enable corrective action to be taken.

As part of the annual Corporate Carbon Footprint (CCF) calculation, a site-specific survey was carried out to record emissions from heating (CO₂) and electricity consumption (kWh) at all company sites.

For sites with the highest consumption figures per square metre – measured in terms of CO₂ emissions from heating (CO₂/m²) or electricity consumption (kWh/m²) – specific measures to reduce these figures were drawn up to 30 June 2025 (based on 2024 figures).

The implementation of these measures will be reviewed in 2026 and assessed with regard to their effectiveness.

3 ENVIRONMENTAL CONCERNS

A possible future expansion of the CCF calculation could include additional emission sources such as refrigerants or other operational emissions. These would increase transparency, but also place additional demands on data availability and monitoring.

The aim is to continuously minimise all emissions caused by our own activities (buildings, vehicle fleet).

Targets:

2025: A 7.0% reduction in gross emissions through market-based measures compared to the previous year

VBW is committed to continuously reducing greenhouse gas emissions from our own operations (Scope 1 and 2) in line with a scientifically grounded decarbonisation path based on the criteria of the Science Based Targets initiative (SBTi).

To monitor progress in reducing emissions from our own operations (Scope 1 and 2), the corporate carbon footprint is calculated at least once a year. This regular analysis serves to assess the effectiveness of implemented measures and compliance with the decarbonisation path in accordance with the SBTi.

It covers Scope 1 and 2 emissions stemming from the operation of buildings in Austria – regardless of ownership – with the aim of implementing energy-saving measures in rented (third-party) buildings.

The VBW Managing Board is responsible for implementing the plan.

Key stakeholders were taken into account in the formulation of the strategy (see Section 1.3.4 Interests and viewpoints of stakeholders).

3.1.2.3 GHG measures (own operations)

The decarbonisation strategy for operations will provide details of the achieved and expected reductions in GHG emissions for all measures (own operations).

a) Conversion to LED

The complete conversion from conventional lighting to LED at all Austrian sites by 2027 at the latest will reduce electricity consumption and thus indirect greenhouse gas emissions (Scope 2), improve the energy efficiency of buildings, cut costs and thus support the achievement of climate targets in line with the SBTi.

b) Consideration of sustainable building standards

As part of any renovation or conversion of a site, the feasibility of implementing sustainable building standards is assessed in accordance with a structured set of guidelines. A solar panel system can only be installed if the building is structurally suitable; in addition, in the case of rented properties, consultation and a separate agreement with the owner/landlord are required. A positive business assessment is another prerequisite.

c) Conversion of vehicle fleet to electric vehicles

The gradual transition of the vehicle fleet to electric vehicles by the end of 2026 – through the replacement of combustion-engine vehicles with electric vehicles as they reach the end of their service life – will lead to a significant reduction in Scope 1 emissions, which are projected to fall by 26,025 kg CO₂e in 2025 compared to 2024. This measure thus makes a significant contribution to adhering to the SBTi-compliant decarbonisation path and will be implemented for all VBW vehicles.

d) Business travel policy and remote working agreements

This measure supports the company's decarbonisation strategy through emissions reductions resulting from remote working and sustainable requirements in the business travel policy, even though the calculation methodology does not allow for precise quantification. Its implementation depends on available resources, makes a significant contribution to staying on track with the company's decarbonisation plan, and applies across the entire VBW business operations.

3 ENVIRONMENTAL CONCERNS

3.1.2.4 GHG targets (own operations)

As part of the recalculation of the decarbonisation path in 2025, the previous definition of “GHG neutrality” in our own operation’s decarbonisation strategy was fundamentally revised. In line with developments in international frameworks, the previous neutrality approach has been replaced by a scientifically sound concept. This approach strictly limits the use of offsetting compensation measures to unavoidable residual emissions and gives clear priority to actual emissions reductions.

The updated strategy is based on this approach and places the consistent reduction of greenhouse gas emissions within our operations at the heart of its objectives. Achieving these targets requires Austria to adhere to its national path to climate neutrality by 2040 as planned, thus ensuring the systemic framework conditions for the transition to this approach.

Based on the 2024 Corporate Carbon Footprint (CCF), a new decarbonisation path up to 2034 was developed in 2025. The objective is in line with the requirements of the SBTi standards for financial institutions. In future, our own operations will be aligned with climate goals in accordance with SBTi guidelines. In the short and medium term, the focus is on further reducing operational gross emissions through efficiency measures within our operations.

Reduction of gross emissions except for unavoidable emissions by 2050 (Scope 1 and 2). These unavoidable emissions are to be offset.

Key topic	Impact, risk or opportunity addressed	Target type	Target value	Target value in tCO ₂ e	Scopes included	Share per Scope
	GHG (own operations)	Absolute target	<p>2025: -7.0% reduction in gross emissions compared to base year 2024</p> <p>2030: -28.6% reduction in gross emissions compared to base year 2024</p> <p>2050: Reduction of gross emissions of -90 % except for unavoidable emissions by 2050 (Scope 1 and 2). These unavoidable emissions are to be offset.</p>	<p>2025: 410 t CO₂e – a reduction of 11.7 t CO₂e compared to 2024 (market-based)</p> <p>2030: 314.7 t CO₂e – a reduction of 126.2 t CO₂e compared to 2024 (market-based)</p>	Scope 1 and 2	<p>2025: Scope 1: A 10.2% reduction from the 2024 baseline, equivalent to a reduction of 34.6 tonnes of CO₂e Scope 2: An increase of 22.4% from the 2024 baseline, amounting to 22.8 tonnes of CO₂e market-based</p> <p>2030: Scope 1: A 35.0% reduction from the 2024 baseline, equivalent to a reduction of 118 t CO₂e Scope 2: An 8.0% reduction from the 2024 baseline, equivalent to a reduction of 8 t CO₂e market-based</p>
	Share of Scopes and total emissions included	Base year	Reference value	Target year	Interim results for 2025	Definition of intermediate targets
	Scope 1 and 2 emissions	2024	441 t CO ₂ e Scope 1: 338.9 t CO ₂ e Scope 2: 102 t CO ₂ e	2030 Reduction of gross emissions in line with the decarbonisation path to 314.7 t CO ₂ e in Scope 1+2 market based 2050 Reduction of gross emissions of -90 % except for unavoidable emissions by 2050 (Scope 1 and 2). These unavoidable emissions are to be offset. Scope 1: 33.9 t CO ₂ e Scope 2: 10.2 t CO ₂ e	Scope 1 and 2: 429 t CO ₂ e market based Scope 1: 304.3 t CO ₂ e market based Scope 2: 124.8 t CO ₂ e market based	The 2025 interim target was defined in 2024 in line with the existing decarbonisation path. The 2030 and 2050 targets are based on the decarbonisation path (office buildings and vehicle fleet) according to the decarbonisation set out in the new 2025 strategy.

3 ENVIRONMENTAL CONCERNS

Addressed concept (strategy): our operation's Scope 1 and 2 decarbonisation strategy

VBW is committed to continuously reducing greenhouse gas emissions from our own operations (Scope 1 and 2) in line with a scientifically grounded decarbonisation path based on the criteria of the Science Based Targets initiative (SBTi) (not validated). Based on the 2024 Corporate Carbon Footprint (CCF) in Scope 1 and 2 of our own operations, a new decarbonisation path up to 2034 was developed in 2025. Given that the calculation of the corporate carbon footprint for 2024 has already exceeded the previous decarbonisation path in the "Operations" category, and in light of the further development of the international SBTi standard—which provides for offsetting only for unavoidable residual emissions—the existing decarbonisation strategy has been revised to ensure it remains SBTi-compliant. These unavoidable emissions must first be defined and measured before they can be compensated for through CO₂ offsets to meet the target. The requirements of the SBTi standard for financial institutions form the basis for setting targets in the coming years. The new decarbonisation path was determined using the SBTi tool in line with the 1.5°C target of the Paris Climate Agreement. This tool calculates the path over a 10-year period.

The short-term target for 2025 was already derived in 2024 from the existing "Operations" decarbonisation path and provides for a 7.0% year-on-year reduction in gross Scope 1+2 emissions using market-based measures. In 2025, a 2.7% reduction was achieved in total gross Scope 1+2 market-based emissions; meaning the target of 7.0% was not met.

By 2030, absolute emissions are expected to amount to just 71.4% of the 2024 CCF, or 314.7 tonnes of CO₂e. This objective supports decarbonisation in line with the strategy.

In the long term, the Association – and VBW in particular – aims to reduce gross operational emissions (Scope 1 and 2) to a level of unavoidable residual emissions, in line with the SBTi path. These residual emissions are to be offset by CO₂ removals in the target year.

The methods and key assumptions used to set targets are based on the SBTi's guidelines and thus involve the use of science-based reduction paths. The short-term target for 2025 was defined for VBW as a whole in the autumn of 2024. Depending on the extent to which targets are met, the target values for subsequent years are set annually, taking into account SBTi pathways. These are then verified using the CCF calculation and compared with the base year.

All seven Kyoto gases (CO₂, HFC, SF₆, PFC, CH₄, N₂O, NF₃) are included.

Scope 1 and 2 emissions relating to the operation of buildings and the vehicle fleet are included.

The geographical area refers to Austria.

The actual figures from the 2024 CCF calculation serve as a representative benchmark, as no significant events occurred in 2024 that would have led to a substantial change in emissions. Achieving this target has a positive impact on decarbonisation within the company and supports the Paris Climate Agreement's targets.

External factors such as political and regulatory factors – for example, differences in building regulations, sustainability regulations – were taken into account. The actual values from the CCF calculation were used. Currently, no deviations are expected due to, for example, political developments.

As the calculation of the CCF for 2024 showed that the targets of the previous decarbonisation path had been exceeded, and given that the international SBTi standard has continued to be developed, a new decarbonisation path has been calculated using the SBTi tool based on the 2024 CCF. The 2025 target was derived from the existing "Operations" decarbonisation path as early as 2024; from 2026 onwards, it will be based on the decarbonisation path recalculated for 2025. The transition of the vehicle fleet to electric mobility was taken into account while drawing up the decarbonisation strategy.

The target of the Association of Volksbanks for its own operations is to reduce gross emissions in a market-based way under Scope 1 and 2, in line with the aggregated decarbonisation path for its buildings and vehicle fleet, as per the calculation using the SBTi tool.

The planned reduction for office buildings is based on a Sectoral Decarbonisation Approach (SDA) using the SBTi Buildings Tool, as well as on CRREM-compatible intensity paths (kg CO₂e/m².) This methodology is compatible with the 1.5°C target of the Paris Climate Agreement and is recognised internationally. The method enables the derivation of

3 ENVIRONMENTAL CONCERNS

specific, annual and sector-specific reduction targets, whilst ensuring compatibility with national decarbonisation paths, particularly those of Austria.

For the vehicle fleet, the Absolute Contraction Approach will be used for as long as vehicles with internal combustion engines are in use, as the Sectoral Decarbonisation Approach is not provided for in this case.

The climate targets have not yet been formally validated by the Science Based Targets initiative (SBTi). However, VBW's own emissions reduction target is based on the IPCC's 1.5°C scenario (AR6) and thus follows a cross-sectoral 1.5°C reference path. The 2025 interim target was set internally back in autumn of 2024, and it supports the decarbonisation path on which we have embarked.

The implementation of the defined measures for buildings and the vehicle fleet is expected to result in a reduction of 126.2 t CO₂e greenhouse gas emissions by 2030.

Monitoring of targets: the target is monitored as part of the annual CCF calculation and through internal checks of consumption data that are submitted electronically. From 2026 onward, a semi-annual calculation will be carried out, comparing the results with those of the previous year, which will allow for better monitoring. In addition, measures to reduce emissions at branch locations were established in 2024. In 2025, the implementation of these measures will be reviewed, and further measures will be identified for sites with high energy consumption or emissions (e.g. replacement of heating systems, thermal refurbishments). This procedure has been set out in a General Directive that the Association of Volksbanks is obligated to implement. If the Directive is not adhered to, a clear procedure is in place, which may lead to an individual directive.

3.1.2.5 Key figures and details regarding the calculation of GHG emissions within our own operations

GHG emissions during our operations are calculated using ESG-Cockpit (developed by the company Akaryon) with the stored emission factors. The tool's 2025 emission factors are derived from multiple sources, but primarily from the Austrian Federal Environment Agency and ecoinvent 3.11.

In particular, Austrian factors and Scope 1 emissions in the energy sector are usually reported by the Austrian Federal Environment Agency. The breakdown of emissions into the individual Scopes follows accordingly. The AUDIT report documents specific information for each subject or factor. In Scope 2, around 84% of gross emissions are attributable to green electricity, for which direct contracts with energy suppliers are in place. Since green electricity is being used, the factor is set to "0" (market-based) in Scope 2. The consumption data used to calculate emissions is obtained from invoices (for heating and electricity or fuel) and/or via digital transmission of meter readings, and is transmitted to the ESG tool (ESG Cockpit). If no value is available for energy consumption in 2025, the annual statement for 2024 is used; if no value is available there either, an average is calculated from known consumption figures per square metre to determine consumption.

3 ENVIRONMENTAL CONCERNS

3.1.3 Key figures: gross GHG emissions for Scope 3 categories and total GHG emissions

The significance of Scope 3.1–3.14 emissions in comparison to all emissions was assessed. The total of all Scope 3.1–3.14 emissions is less than 5.0% of total emissions. Scopes 3.1–3.14 were thus excluded from the total Scope 3 emissions and omitted from the annual reporting, as financed emissions account for by far the largest share of a bank's emissions.

The following emissions were deemed to be insignificant and were thus not reported:

Scope 3.1. Purchased goods and services:	The data centre is operated by Accenture (Tigital); its emissions are not significant, as they account for far less than 5.0% of the emissions in category 3.15.
Scope 3.2. Capital goods:	No capital goods were purchased during the reporting year.
Scope 3.3. Fuel- and energy-related activities:	No significant emissions from fuel- and energy-related activities that are not already included in Scope 1 or Scope 2.
Scope 3.4. Upstream transports:	No significant emissions from the transport and distribution of purchased products.
Scope 3.5. Waste generated during operations:	The office has gone paperless, so there is hardly any waste generated by office operations.
Scope 3.6. Business travel:	Business travel is not significant.
Scope 3.7. Commuting:	Employee commuting was assessed in the 2024 employee survey and was deemed not to be a significant issue, partly due to the option to work remotely.
Scope 3.8. Asset values leased upstream:	No asset values were leased upstream.
Scope 3.9. Downstream transports:	Banking services do not require transportation.
Scope 3.10. Processing of purchased products:	There is no processing of purchased bank products.
Scope 3.11. Use of products sold:	Credits/loans do not constitute sold physical products, hence see Scope 3.15.
Scope 3.12. End-of-life handling of products sold:	Banking services are not subject to end-of-life handling/disposal.
Scope 3.13. Asset values leased downstream:	The number of properties owned by VBW that are rented out is not significant.
Scope 3.14. Franchises:	VBW does not operate any franchises.

3 ENVIRONMENTAL CONCERNS

3.2 RISKS RELATED TO CLIMATE CHANGE

For further details, please also see the Association of Volksbanks' sustainability statement

3.2.1 Resilience of the Association of Volksbanks regarding climate change

As the central organisation of the Association of Volksbanks, VBW assesses the Association's resilience to environmental and climate change-related risks through stress tests as well as sensitivity and scenario analyses. For further details regarding the resilience of the Association of Volksbanks, please refer to the Association's Sustainability Statement. As a part of the Association, VBW is included in these tests and analyses.

3.2.2 Assessment of financial impacts

As the central organisation of the Association of Volksbanks, VBW's risk management team identifies and assesses ESG risks through an ESG materiality assessment (MA) across short-, medium- and long-term time horizons. For additional details on the identification and assessment of ESG risks within the Association of Volksbanks, please refer to the Association's Sustainability Statement. As a part of the Association, VBW is included in this assessment.

3.2.3 Climate-related physical risks in the downstream value chain

Physical climate-related risks are identified, assessed and reported on a continuous basis. The decision as to which physical climate-related risks are subject to detailed analysis is based on the relevant risk drivers identified in the Business Environment Scan (BES) and the materiality analysis carried out by the Association of Volksbanks. For further details about the physical climate-related risks identified within the Association of Volksbanks, please refer to the Association's Sustainability Statement. As part of the Association of Volksbanks, VBW is included in these processes; the results apply analogously to VBW as well.

3.2.4 Transition risks in the downstream value chain

Analogous to physical risks, climate-related transition risks are also assessed as part of the materiality assessment over short-, medium- and long-term time horizons with regard to relevance and financial materiality. For further details about the climate-related transition risks identified within the Association of Volksbanks, please refer to the Association's Sustainability Statement. As part of the Association of Volksbanks, VBW is included in these processes; the results apply analogously to VBW as well.

3.2.5 Identified risks

Monitoring of the ESG limit framework and implementation of RAS metrics with an escalation process

An ESG limit framework has been implemented across the Association of Volksbanks to limit risks identified as material in the materiality assessment. As part of the Association of Volksbanks, VBW is integrated into this framework. For details on the monitoring of the ESG limit framework and the implementation of risk metrics within the Association of Volksbanks, please refer to the Association's Sustainability Statement.

3.3 EFFECTS ON BIODIVERSITY AND ECOSYSTEMS

The following paragraphs outline the concepts, measures and objectives relating to biodiversity and ecosystems. As the central organisation of the Association of Volksbanks, VBW assesses biodiversity and ecosystems within the Association and is taken into account in the analyses. For further details on biodiversity and ecosystems within the Association of Volksbanks, please also refer to the Association's Sustainability Statement.

3 ENVIRONMENTAL CONCERNS

Results of the Double Materiality Analysis (DMA):

Sustainability aspect	Type of IRO	Description of IRO	Value chain/business model context
Soil sealing	Negative impact	In particular, financial commitments in the real estate sector through financing have an impact on biodiversity. Special attention should be paid to the issue of soil sealing caused by new construction. The property sector is VBW's largest financing sector and is thus dealt with separately.	Downstream value-creation: This impact is directly linked to our business model and the strategy, as financing is VBW's core business. The negative effects of soil sealing thus stem from the core operations of the Association of Volksbanks, specifically from its financing activities.

One of VBW's ten sustainability goals is to develop its own biodiversity strategy, setting out the relevant responsible parties, measures, KPIs and targets. A key focus in 2025 was to develop a biodiversity strategy in collaboration with external consultants, taking into account a peer comparison, the legal framework and the latest scientific findings on this topic. This was carried out using the LEAP approach, which is based on a business environment scan (BES), a dual materiality analysis (DMA), a materiality assessment (using ENCORE) and a SWOT analysis on the topic of biodiversity in the business model of the Association of Volksbanks. As a result, both VBW's branch locations and the sites of its customers, as well as properties in the loan portfolio, were analysed and assessed in terms of biodiversity-related classifications. Based on this current situation, strategies and measures for 2026 were set out and adopted in an initial biodiversity strategy in 2025.

In this biodiversity strategy, VBW makes a clear commitment to preserving biological diversity and ecosystems, recognising these as one of the key challenges of our time, with direct implications for the economy, society as a whole, as well as the financial system. Specific measures to protect biodiversity, along with KPIs, will be developed in 2026.

Focus topics up to the end of 2026

Based on the measures set out in the adopted biodiversity strategy, VBW will focus on the following actions by the end of 2026:

- » Review and adoption of a biodiversity KPI
- » Review of expanded data collection in the credit/loan process:
 - » Review of the coverage of data fields relating to sustainable agriculture and buildings as part of the sustainability check;
 - » Addition of new data fields for biodiversity purposes;
 - » Instructions for data collection
- » The annual brochure for corporate clients will be published in 2026, focusing on the topic of biodiversity. A related event on the topic will also be held.
- » Expansion of the range of information available on biodiversity

To date, VBW has implemented the following measures to protect biological resources and to combat soil sealing:

- » "Sanieren, Renovieren, Modernisieren" ("Refurbishment, Renovation, Modernisation") campaign
This is a campaign for the refurbishment, renovation and modernisation of properties. It is intended to enhance existing properties and upgrade their HVAC systems. This funding scheme helps to prioritise the refurbishment of existing properties over the development of undeveloped land.

3 ENVIRONMENTAL CONCERNS

3.4 TRANSFORMATION OF THE ECONOMY

As part of its Business Strategy, VBW aims to make an active contribution to financing the sustainable transformation of the economy and, through its investments, to contribute capital to climate protection, thus providing targeted support for climate-related action. At the heart of this concept is the provision of capital to businesses and private clients who invest in climate-friendly technologies, energy efficiency, renewable energy and sustainable infrastructure, as well as sustainable investment. Through targeted funding of such projects and sustainable investment, VBW aims to promote the transition to a low-carbon economy and make a measurable contribution to achieving national and international climate targets. The concept and objectives are monitored via NAKO (ESG KPIs).

This strategy opens up significant opportunities for VBW, for example by tapping into new business areas, strengthening customer loyalty and positioning itself as a responsible financial partner.

This strategy applies to all of VBW's lending and investment activities and covers both corporate financing and financing for private customers implementing sustainable projects. It includes all regions in which VBW operates, as well as relevant upstream and downstream sectors in the value chain, such as suppliers, project developers and partners. Stakeholders include, in particular, customers, employees, investors, regulatory authorities and local communities.

The responsibility for implementing this strategy lies with the Managing Board. The operational implementation is carried out in close collaboration with the Sustainability Committee, Credit Risk Management and the specialist departments for Product Development and Sales.

In designing and implementing its initiatives, VBW adheres to international as well as European standards, such as the UN Sustainable Development Goals (SDGs), the EU Taxonomy for sustainable finance, and the ICMA Green Bond Principles. In addition, sector-specific guidelines and recommendations are taken into account.

Interests of key stakeholders were fully taken into account. This was achieved, among other things, by analysing customer feedback, engaging with consultants and product partners, and consulting with regulatory authorities and external sustainability experts. We specifically sought to identify customers' needs and expectations regarding sustainable financing solutions, and we incorporated them into our product development.

The strategy and associated measures are being communicated transparently. Information is available both on the VBW website and in the branch locations. In addition, employees receive regular training to ensure they can provide expert advice and to support the practical implementation of the concept. External stakeholders, customers and cooperation partners are actively informed about new financing options and subsidy schemes.

3.4.1 Strategic transformation of the economy

Banks have a significant influence on how capital is used, and for what purpose. By determining how capital is deployed across different sectors and by engaging with customers in discussions about transformations (e.g. during annual reviews or rating meetings), VBW also has a positive impact on the transformation of the economy, both through its own activities and through its business relationships with customers.

Banks have a significant influence on how capital is used, and for what purpose. VBW is funding the transformation both through its own investments (investment strategy) and through loans that enable its customers to implement transformation measures.

3.4.2 Measures related to the transformation of the economy

3.4.2.1 ESG score

For customers with vulnerable aspects, financing requirements for CO₂ reduction, energy efficiency and resource-saving measures are taken into account during the credit assessment. Sensitivity analyses also take into account higher capital expenditure or potential risks stemming from a failure to take action. Customers at increased risk due to lacking ESG measures are specifically identified so they can receive financial support to implement transformation measures. ESG scoring strengthens clients' ESG strategies, enhances their competitiveness and contributes to a more stable, sustainable loan portfolio with reduced ESG risk, as well as to the ongoing transformation of the economy.

During the reporting year, the ESG questionnaire (introduced at the end of 2022) that forms the basis for calculating the ESG score was revised. The ESG score is used to assess ESG risks in the lending processes for corporate, SME and real estate clients within VBW's business area. The ESG questionnaire forms the basis for sustainability discussions with customers and is subsequently used to assess relevant ESG factors in the lending process. This ensures that potential risks such as CO₂ emissions, energy inefficiencies or physical climate risks are taken into account in lending decisions and during ongoing monitoring of loans. A particular focus is placed on assessing customers in CO₂-intensive sectors. At the end of the year, the ESG questionnaire was expanded to include quantitative data collection from CO₂-intensive customers with outstanding commitments exceeding EUR 3 million, greater integration into the rating process, and the introduction of a traffic-light system (green, amber, red) for early risk detection. This is expected to lead to a more objective assessment based on real-world data, improved risk assessment and, in the long term, a reduction in ESG risks within the loan portfolio, thus contributing to the achievement of climate targets and the promotion of sustainable business practices. It is not possible to provide figures for the achieved and expected reductions in GHG emissions.

ESG risks are assessed using a standardised ESG questionnaire as part of a financing application or the annual credit monitoring process. Depending on the customer segment and the exposure, the ESG questionnaire is available in a long and a short version. It covers climate-related, environmental, social and governance factors, including energy efficiency, greenhouse gas emissions, physical climate risks, as well as physical and transitory environmental risks, and social standards and governance practices. The assessment incorporates quantitative ESG sector scores from an internal heatmap, weighted at 40%. The assessment based on soft factors is given a 60% weighting. The ESG score is reported separately for the E, S and G categories, as well as in total.

In the short term, up to the end of 2025, the ESG score introduced in 2022 was developed further through adjustments to the ESG questionnaire, the collection of quantitative data, and the introduction of a traffic-light system to identify ESG risks. At the same time, account managers receive targeted training with regard to managing ESG risks and assessing sustainability-related factors. In the medium term, by 2027, the plan is to fully integrate ESG risk analyses and ESG data into credit risk management processes and internal limits in order to ensure the effective management of relevant ESG risks. In the long term, by 2030, ESG risks in the loan portfolio are to be reduced through sustainable financing decisions, thus contributing to the achievement of climate targets and sustainable economic management.

To measure progress, a key performance indicator (KPI) was defined to measure ESG score coverage across the lending-relevant portfolio. The target is to achieve a coverage rate of at least 80.0%. There is also a growing awareness of sustainable business practices among both customers and account managers. This is evident from the fact that the scores from the qualitative ESG questionnaire are higher than those shown on the sector heatmap. Feedback on the use of the ESG questionnaire has been positive, which confirms that sustainability considerations are increasingly being integrated into lending processes.

3.4.2.2 Sustainable products

Using sustainable products, VBW has an opportunity to support the transformation of the economy. In particular, sustainable financing, securities distribution (in collaboration with product partners such as Union Investment) and ESG-focused investment products are a key component of VBW's strategic direction. They address the growing demand for responsible financial solutions and make it possible for customers to play an active part in the sustainable transformation of the economy and society as a whole. The key benefits of these products lie in the promotion of climate protection and the conservation of resources. VBW also stands to benefit from positioning itself as a responsible bank and from additional revenue opportunities arising from the growing demand for sustainable financial products.

3 ENVIRONMENTAL CONCERNS

Through the sale of its products, the bank has the opportunity to positively influence its customers towards climate protection. VBW's customers are small and medium-sized enterprises (SMEs), which form the backbone of the Austrian economy, and which often have fewer resources than large corporations, but still aspire to the same standards: to be economically successful while still acting responsibly when it comes to the environment. The demands for sustainable business practices are growing, and along with them the attendant challenges: Climate targets are coming under pressure, and environmental risks such as flooding and the loss of biodiversity are on the rise.

Strategy for sustainable products

The Business Strategy forms the basis for other strategies, such as the customer, growth and sustainability strategies. The findings of the materiality analysis and the SWOT analysis have had a significant impact on VBW's Business Strategy, as the bank is part of the Association of Volksbanks, and these analyses can be applied to VBW analogously.

The outcomes of the growth and Sustainability Strategy relating to customers have been incorporated into the 2030 Customer Strategy (part of the Business Strategy).

The objectives of the Customer Strategy include the following guidelines for the responsible provision of loans and other banking products:

- » VBW sees many opportunities and potential for growth, partly due to the comprehensive sustainability transformation of the economy and society as a whole, which in turn creates additional financing and advisory needs. We intend to actively capitalise on these opportunities by positioning ourselves as a cooperative financial institution.
- » The growing demand for sustainable advisory services means that business account managers need to be familiar with ESG issues and integrate ESG considerations into the advisory process.
- » In addition to supporting business clients, it is also important to respect the private lives of business owners, particularly in the case of small and medium-sized enterprises. Consequently, the collaboration between advisors in corporate and private wealth management – particularly when combined with private banking – is essential to be able to realise significant potential on both sides.

Sustainability targets are underpinned by specific ESG KPIs. Responsibilities have been defined for the development and implementation of the measures, as well as for monitoring progress towards targets.

Scope of application in relation to business activities:

- » Financing and investment activities
- » Selling products from our product partners

Scope of application regarding geographical areas: the geographical area covers VBW's business area. Scope of application with regard to affected stakeholders: consumers and/or end-users are affected by the concept as stakeholder groups.

As the organisation's highest body, the VBW Managing Board is responsible for the implementation.

Involvement of stakeholders in the concept phase: consumers and/or end-users are not directly, actively involved in the Business Strategy itself, but they are certainly involved in the materiality analysis and through customer surveys.

Measure: sustainable financing

Measures to ensure the responsible provision of financial products as part of the 2030 Customer Strategy (which is embedded in the Business Strategy) include the following:

- » By offering ESG-related products, customers are given an opportunity to play an active part in the transition and mitigate the effects of climate change, thus reducing their own vulnerability to the damage caused by climate change.
- » By funding measures to adapt to climate change, the financial damage caused by future climate-related events such as floods and the like could be reduced.
- » The sales operation focuses on regional proximity in order to keep distances and supply chains short.
- » Design of product range with a focus on sustainability to promote sustainable business practices and raise awareness of environmental protection.
- » Taking advantage of revenue opportunities stemming from increased financing requirements of the transformation by creating sustainable financing products for private and business customers.

3 ENVIRONMENTAL CONCERNS

- » Focus on VBW's business area: leveraging VBW's long-standing experience and the high level of trust in the bank, particularly in the real estate sector.
- » Training courses on supporting corporate clients with their ESG transformation during the advising process.
- » Integrating sector-specific ESG issues into the annual commercial review.

The key outcome of the measures taken in the area of financing is the strengthening of customer loyalty and satisfaction, as well as the bank's positioning as a regional bank of choice that customers can rely on for both financing and investment matters.

Given the growing demand for sustainable products and sustainability-focused advice, it is important that commercial client advisors integrate ESG considerations into the entire advisory, support and risk decision-making process in order to tap into relevant opportunities and act as competent ESG transformation partners. It is also important to gain an understanding of the implications of ESG for the respective sectors in which our corporate clients operate, and to identify the resulting ESG opportunities and risks. This enables the identification of ESG-related potential and facilitates a direct link to both traditional and new sustainable financial instruments and subsidy schemes. The measure is intended to lead to the sale of sustainable financing schemes designed to fund energy, raw material and resource efficiency measures, as well as to phase out fossil fuels. Information on the achieved and expected reduction in GHG emissions is provided in the decarbonisation strategy for the financed emissions.

Example: Gartenbau Merschl

A current project in the business division demonstrates how sustainable financing can contribute to the transformation: the Merschl Nursery (Gärtnerei Merschl) in Vienna's Donaustadt district is replacing its existing gas supply with a 5-megawatt biomass plant, combined with an innovative carbon capture and utilisation solution. The project, funded by VBW through the Gärtnerbank brand, enables a reduction in annual greenhouse gas emissions of around 96.7%. The captured CO₂ is reused directly in the greenhouses themselves, thus contributing to plant production. The project supports both regional value chains and the decarbonisation of a local production facility, and thus serves as a prime example of sustainable business practices and VBW's ESG-focused financing approach.

Measure: sustainable securities

As part of the Business Strategy and the sustainability objectives set out in the Sustainability Strategy (which forms part of the Business Strategy), VBW aims to continuously increase the share of sustainable securities in its portfolio, thus making an active contribution to the transition of the economy towards sustainability. During the reporting year, several key measures were implemented in this regard, and further measures have been planned for the coming years.

A key focus was on the development and targeted distribution of sustainable investment products, particularly in collaboration with VBW's product partner, Union Investment. By expanding its product range to include sustainable funds, green bonds and other ESG-compliant securities, clients have been provided with an opportunity to invest specifically in sustainability-related investment vehicles. At the same time, internal training sessions were held for account managers to further develop their expertise in sustainable investing and to provide clients with comprehensive information on the benefits and mechanisms of sustainable securities.

The measures cover all of VBW's securities business and will be implemented within VBW's business area. This applies to both private and business customers, who are targeted via various channels – from branch visits to digital platforms. Product partners and external service providers are also involved in the development and selection of sustainable securities.

Clear deadlines have been set for implementation: in the short term, the focus is on expanding the sustainability-related product range and raising customer awareness. In the medium term, by 2030, the share of sustainable securities in the total portfolio is aimed to be at least 30.0%. Progress is reviewed and transparently documented in the Sustainability Report on a regular basis. It is not possible to provide figures for the actual and expected reduction in GHG emissions, as the measurement of the share is spread across a wide range of securities (Union Funds, Anleihen Volksbank, Vermögensverwaltung Vorarlberg).

The share of sustainable securities increased during the reporting year as compared to the previous year. Feedback from customers indicates a growing demand for sustainable investment solutions, a trend that is also reflected in sales figures. By consistently implementing these measures, we are making a measurable contribution to promoting sustainable financial markets and achieving our own sustainability goals.

3 ENVIRONMENTAL CONCERNS

Measure: SME transformation support

In addition to the risks posed by the climate crisis, VBW also recognises the significant opportunities that the green transition presents for the Austrian economy and supports companies on their journey towards sustainability. To complement measures aimed at the responsible provision of financial products as part of the 2030 Customer Strategy, a structured support programme has been designed to assist VBW's customers with the transition by engaging SME customers in selected decarbonisation initiatives (use cases). Training sessions were held to roll out the ESG transformation support programme, and specific ESG-related questions were systematically incorporated into the annual commercial review.

Working with partners, they gathered arguments and practical advice based on their experience to convince businesses of the value of these measures and encourage them to consider decarbonising their operations. In addition, a platform featuring fact sheets on key sectors has been made available on the intranet. This platform also contains further information from our cooperation partners, which means that, should customers express an interest, they can easily be referred to suitable partners.

The aim is to raise awareness among businesses of the need for sustainable transformation and to finance this through the VBW, and VBW hopes to make yet another small contribution to the transformation of its business area.

3.4.3 Targets related to the transformation of the economy

3.4.3.1 Share of sustainable financing

Key topic	Impact, risk or opportunity addressed	Target type	Target value	Base year	Reference value	Target year	Interim results for 2025
3.15: Climate change: adjustment to climate change	Transformation of economy, sustainable products	Relative target	Sustainable financing in new business is expected to account for 17.0% in 2025; by 2030, the share of sustainable financing in new business is to be increased to at least 25.0%.	2023	2023: sustainable financing 13.0 %	2030	In 2025, 26.4% of new business was accounted for by sustainable financing.

One of the objectives of the Business Strategy and sustainability targets set out in the Sustainability Strategy (which forms part of the Business Strategy) is to classify or flag new investment financing in the private and business customer segment for sustainability considerations as early as the loan application process, using VBW's internal sustainability check. According to VBW's Sustainability Bond Framework, the share of sustainable financing is set to rise to at least 25.0% by 2030.

Since 2023, VBW has measured the share of sustainable financing as a key performance indicator. The target describes the percentage of sustainable financing defined or identified within the core banking system as a share of total new business for the financial year; it is monitored on a monthly basis and reported to the Sustainability Committee.

Sustainable financing accounted for 26.4% of new business in 2025 (2024: 22.5%). By 2030, the share of sustainable financing in new business is to be increased to at least 25.0%. In 2025, VBW achieved these figures for the first time. Methods and key assumptions used in setting objectives: when setting targets in the area of sustainable finance, the analysis method from the core banking system is used to make informed, data-driven decisions. To set targets in the area of sustainable finance, VBW uses data-driven analysis based on reports from its core banking system. These analyses serve to systematically record relevant lending data and form the basis for deriving target paths. VBW also takes into account key assumptions regarding future developments, in particular changes in business volume.

Scientific basis: the company's objectives are currently based on internal expert estimates (experts selected on the basis of their professional experience and training), although these have not yet been validated by scientific evidence.

As at 31 December 2025, sustainable financing accounted for 26.4% of VBW's total financing (2024: 22.5%). The target for the Association was achieved in 2025. At NAKO, trends are analysed as a part of regular reporting on the current achievement of KPI targets. In case of significant deviations from the target, appropriate measures will be discussed and decided.

The results are analysed by the Controlling department every two months and reported in NAKO.

3 ENVIRONMENTAL CONCERNS

3.4.3.2 Share of sustainable securities

Key topic	Impact, risk or opportunity addressed	Target type	Target value	Base year	Reference value	Target year	Interim results for 2025
3.15: Climate change: adjustment to climate change	Transformation of economy, sustainable products	Relative target	The target for 2025 was 24.0%; by 2030, the share of sustainable securities in the total client securities portfolio is set to rise to 30.0%.	2023	Share of sustainable securities 27.0%	2030	21.0%

Another key objective of the Sustainability Strategy is to increase the share of sustainable securities within VBW's total securities portfolio. The share of sustainable securities (sustainable funds from product partners and own issues) is expected to rise from 21.0% in 2025 to 30.0% in 2030.

Together with its partners, VBW has set itself the goal of gradually expanding its range of sustainable investment products in order to channel funds towards sustainability. VBW monitors the development and implementation of sustainable products based on a defined framework of objectives for regulatory sustainable investment offerings.

Our focus is on taking ESG factors into account when selecting securities in asset management and in the insurance business. Our objectives cover all business activities relating to investment products within VBW, as well as all branch locations.

The share of sustainable securities in the total customer securities portfolio was expected to reach 24.0% in 2025, but only 21.0% was achieved. This is because, although the volume of securities sold has increased, fewer sustainable securities were sold than had been planned. By 2030, the share of sustainable securities in the total client securities portfolio is planned to be increased to at least 30.0%.

When setting targets in the area of sustainable securities, the analysis method from the core banking system is used to make informed, data-driven decisions. To set targets in the area of sustainable securities, VBW uses data-driven analysis based on reports from the core banking system. These analyses serve to systematically record relevant portfolio data and form the basis for deriving target paths. In addition, VBW takes into account key assumptions regarding future developments, in particular changes in business volume, the regulatory framework and technological developments that may have a potential impact on GHG emissions and the achievement of reduction targets.

VBW's objectives are currently based on internal expert estimates, although these have not yet been validated by scientific evidence. These experts are distinguished by many years of experience, in-depth specialist knowledge and ongoing professional development in the field of sustainability.

Target performance: as at 31 December 2025, sustainable securities accounted for 21.0% (2024: 22.0%) of VBW's total client securities portfolio. At NAKO, trends are analysed as a part of regular reporting on the current achievement of KPI targets. In case of significant deviations from the target, appropriate measures will be discussed and decided. An error was discovered during the target assessment in 2024, and the reported figures have been adjusted retroactively from 23.0% to 22.0%.

Monitoring of targets: the results are analysed monthly by Union Investment Austria GmbH and reported in NAKO every two months.

Transformation support:

No specific targets have been set for transformation support; the assumption is that the transformation support service will lead to more sustainable financing arrangements being concluded (see Section 3.4.3: Targets related to the transformation of the economy). No targets are envisaged for the future, nor are there any plans to monitor effectiveness in this regard.

3 ENVIRONMENTAL CONCERNS

4 Own Workforce

Social information



10 %

THE PROPORTION OF WOMEN IN MANAGEMENT POSITIONS IS TO INCREASE BY 10% EVERY TWO YEARS TO ENABLE EQUAL PARTICIPATION IN DECISION-MAKING AND RESPONSIBILITY.

4 OWN WORKFORCE

The work of VBW's employees may give rise to challenges and potential negative impacts.

Overview of the impacts identified as material in connection with VBW's workforce:

- » Impact on quality of life
- » Risk to employee health
- » Equal treatment with regard to gender distribution
- » Discrimination and harassment in the workplace

VBW has developed strategies to mitigate or prevent these impacts. The HR strategy of VBR is an integral part of the business strategy and applies to all employees from the time of its adoption. It is also embedded in the Association strategy. Once adopted, the sustainability strategy forms the basis for all sub-strategies of the business strategy in the area of ESG and covers all employees of VBW, without excluding any business activities. All of the bank's sites are included. In addition, the implemented data protection management system applies to all organisational units of VBW and ensures the comprehensive protection of all relevant data. The scope of application of the policies covers all employees. Further details on the Code of Conduct are provided in the following paragraphs.

The responsible contact persons for all policies are the CEO (General Management and Front Office), the CFO, the Head of Risk Control/Back Office and, in particular, the Head of HR Management for all personnel-related policies.

As part of the implementation of its HR strategy, VBW has committed itself to the UN Global Compact, and indirectly to the principles of the International Labour Organization (ILO), as Austria is a member state of the ILO. As part of its data protection strategy, VBW undertakes to comply with the EU General Data Protection Regulation (EU GDPR).

The following standards are indirectly taken into account in the policies through adherence to the UN Global Compact: United Nations Guiding Principles on Business and Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. The OECD Guidelines for Multinational Enterprises are not taken into account.

HR strategy: The company's employees were indirectly involved in the development of the strategy via an employee survey.

Diversity policy/Policy Statement on Human Rights: Stakeholders were involved in the development of the strategy via the stakeholder survey in the course of the materiality analysis.

VBW's remuneration policy is determined by the Remuneration Committee of the Supervisory Board. The interests of the most important internal stakeholders, in particular employees, workers' representatives and members of the Managing Board, are included in the decision-making process, as relevant remuneration reports, contributions from workers' representatives and control functions are incorporated into the Remuneration Committee's decision-making criteria. VBW's workforce consists of employed staff and is uniformly referred to throughout the non-financial report as "employees". External workers are not part of the workforce shown.

The Policy Statement on Human Rights is available on VBW's website and on the intranet. The HR strategy is available on the intranet.

The remuneration policy is accessible through internal rules to relevant stakeholders, in particular employees, workers' representatives, members of the Managing Board and the Supervisory Board. In addition, VBW's remuneration policy is published annually on its website in accordance with Article 450 of the Capital Requirements Regulation (CRR), thereby making it accessible to external stakeholders as well.

Human rights:

VBW has adopted a Policy Statement by the Managing Board on the protection of human rights and commits to respecting and implementing internationally recognised human rights and its corporate duty of care. This commitment is based on the principles of the UN Global Compact and the principles of the International Labour Organization. Responsibility for implementation lies with the entire Managing Board, the Sustainability Committee and the Compliance function. Compliance with standards relating to human rights is regularly reviewed, including through materiality analyses and risk monitoring. In addition, mandatory training on human rights, compliance and diversity is provided for all employees. A whistleblowing system enables anonymous reporting of violations and is continuously reviewed for effectiveness.

4 OWN WORKFORCE

In 2018, VBW joined the United Nations Global Compact (UNGC). The commitment to the ten principles relating to human rights, labour standards, the environment and anti-corruption underlines the importance of responsible corporate governance and sustainability in the business model. In particular, the principles relating to human rights (Principle 1 and Principle 2) and the principles relating to labour standards (Principles 3 to 6) focus on respect for human rights. As a signatory to the UNGC, VBW commits to the following principles, among others:

- » To support and respect the protection of internationally proclaimed human rights within its sphere of influence (Principle 1),
- » To ensure that it is not complicit in human rights abuses (Principle 2),
- » To uphold the freedom of association and the effective recognition of the right to collective bargaining (Principle 3),
- » To work towards the elimination of all forms of forced and compulsory labour (Principle 4),
- » To work towards the abolition of child labour (Principle 5),
- » To work towards the elimination of discrimination in respect of employment and occupation (Principle 6).

By adhering to these principles, VBW underlines its commitment to responsible corporate governance and sustainable action, both in its own business operations and along the supply chain. The Code of Conduct is a central instrument that obliges all employees and management to comply with human rights and sustainability standards and governs the handling of violations.

The Code of Conduct also addresses central themes such as human trafficking, forced labour and child labour.

VBW strives to ensure fair, healthy and safe working conditions in accordance with the Austrian Employee Protection Act and supports the reconciliation of professional and private life through flexible working models and preventive measures. Freedom of association and the right to collective bargaining are protected through works council agreements. Diversity, non-discrimination and equal opportunities are enshrined in the Diversity Policy. Business relationships involving forced labour, child labour or human trafficking are excluded.

Employees are actively involved in shaping working conditions. The interests of the workforce are represented by works councils, which are involved in relevant decision-making processes. Training sessions, internal communication formats and stakeholder surveys conducted as part of the materiality analysis inform employees about human rights-related issues and support the further development of the human rights policy.

If violations of human rights obligations are identified, investigations are initiated by Compliance and Internal Audit, and appropriate remedial actions are implemented together with the parties affected. Complaints and whistleblowing reports are documented and incorporated into the further development of the human rights policy.

4.1 IMPACT ON QUALITY OF LIFE

Work can pose challenges in achieving work-life balance, particularly for parents, people with other care responsibilities and people in education. A potential negative contribution by the employer to work-life balance may adversely affect employees and their environment. In addition to effects on health, well-being and personal satisfaction may also be impaired, which could limit sustainable personal and professional development.

VBW directly influences the material impact through the arrangement of working hours and places of work.

4.1.1 Strategies for preventing a negative impact of work on quality of life (in accordance with S1-1)

[Creating a framework for a better work-life balance \(HR strategy\)](#)

As part of the corporate strategy, the HR strategy addresses work-life balance primarily by creating a framework that aims to create a sense of purpose at work, in the company and in life. This fosters work-life balance.

VBW is convinced that work-life balance is decisive for the quality of life of its employees. VBW has therefore set itself the strategic goal of enabling work-life balance and addressing the issue of meaningful work as a whole. Flexible working time models and the option of remote working aid work-life balance significantly. Works council agreements on flexitime

4 OWN WORKFORCE

and remote working have therefore been concluded between the company and the works council, the representative body of the workforce. The workforce is therefore directly involved.

Success is determined by measuring employee satisfaction: this is done using the COPSQ questionnaire for evaluating psychological stress in the workplace, which includes specific questions on work-life balance, NPS (net promoter score) surveys and annual employee appraisal interviews. Externally, success is confirmed by the "berufundfamilie" certification and the associated national seal of quality.

Employees were indirectly involved in the development of the HR strategy via employee surveys and directly involved in the actions concerning the "berufundfamilie" certification process via working groups.

The HR strategy is available on the intranet.

4.1.2 Actions for preventing negative impact of work on quality of life (in accordance with S1-4)

4.1.2.1 Flexibility in working hours and the place of work

Making working hours and the place of work more flexible helps with work-life balance. This improves quality of life and reduces risks to employee health.

In addition to the statutory models already in place for parental part-time work, hospice part-time leave, caregiving part-time work, gradual return-to-work programmes, rehabilitation support and family-related leave periods (e.g. parental leave, one-month paternity leave, paid care leave), here are some examples of the most important further initiatives at VBW:

- » Works council agreement on flexitime without core working hours
- » Works council agreement on remote working
- » Fixed-term part-time model
- » Holiday week PLUS model
- » Flexible sabbatical models
- » Four-day week

Works council agreements on flexitime and remote working are concluded between the company and the works council, the representative body of the workforce. The workforce is therefore directly involved.

The Managing Board, workers' representatives and HR Management are involved.

Success is confirmed by measuring employee satisfaction periodically using company-specific questions from the COPSQ questionnaire for evaluating psychological stress in the workplace; this shows that flexible working time models are an important indicator of employee satisfaction. This is reinforced by the NPS (net promoter score) survey and the annual employee appraisal interview.

As part of the "employee satisfaction" sustainability target, an NPS (net promoter score) survey is conducted among employees once a year. The development of the NPS score over time is an important indicator of employee satisfaction. Information on the target can be found under 4.5 Targets.

The 2023 VBW employee survey, in particular the qualitative responses, shows that this flexibility is viewed positively and supported by the workforce.

4.1.2.2 "Beruf und Familie" recertification

As part of the recertification process, the programmes supporting work-life balance were reviewed and further developed in order to make working conditions more flexible and family-friendly.

The workforce was actively involved in the process through a steering group for developing initiatives.

A needs analysis was conducted, including additional questions in the employee survey. Based on the analysis, concrete measures were derived, such as improving the visibility of flexible working hours and alternative working models, particularly for older employees.

The success of these initiatives is demonstrated through recertification. Employee satisfaction is evaluated regularly; for example, through metrics on the use of family-friendly programmes and through the annual employee survey. In this way, the bank ensures that work-life balance remains a part of the corporate culture and is continually improved.

The basis for this is the HR strategy as part of the corporate strategy.

As part of the "employee satisfaction" sustainability target, an NPS (net promoter score) survey is conducted among employees once a year. The development of the NPS score over time is an important indicator of employee satisfaction. Information on the target can be found under 4.5. Targets.

4.2 RISKS TO EMPLOYEE HEALTH

People can be adversely affected by a negative impact on their physical and mental health. Possible long-term health problems include chronic illnesses such as back pain, stress-related health problems such as high blood pressure, and mental health disorders.

VBW directly influences the material impact through the design of workplaces and the working environment, as well as through continuous expansion of health initiatives for employees.

4.2.1 Strategies for preventing risks to employee health (in accordance with S1-1)

Fair, safe and dignified working conditions

Creating fair and safe working conditions is one of the essential elements of HR management. This is also central to VBW's Policy Statement on the protection of human rights and the HR strategy as part of the business strategy. Specific measures include regular evaluation of psychological stress in the workplace, implementing actions from the results, and monitoring workplace occupational health inspection reports. In order to ensure operational safety, employees are offered training covering topics such as robberies, fire evacuation and first aid. The results of regular inspections to identify hazards, risk assessments and incident investigations serve as the basis for continuously updating and developing the training.

Work-life balance contributes significantly to employees' health and quality of life. The aim is to enable such balance while at the same time promoting health.

Success is monitored by measuring employee satisfaction using the COPSQ questionnaire for evaluating psychological stress in the workplace and its specific questions in this area, and by monitoring workplace occupational health inspection reports.

Employees were indirectly involved in the development of the HR strategy via the employee surveys. The stakeholder survey was also considered in the materiality analysis in drafting the Diversity Policy/Policy Statement on Human Rights.

4.2.2 Actions in connection with risks to employee health (in accordance with S1-4)

4.2.2.1 Evaluating psychological stress in the workplace

The evaluation of psychological stress is considered a necessary and essential basic measure for determining the current situation. Regular surveys and the use of the COPSQ questionnaire to evaluate psychological stress in the workplace are used to assess the mental aspects of maintaining the health of the workforce.

Based on the results of the employee survey at VBW, such as that of 2023, specific actions relating to working conditions were implemented, including the gradual introduction of ergonomic standard workstations, noise protection in open-plan offices and the redesign of a break room to promote health and well-being.

The workforce was involved in the development of the measures via workshops and direct feedback discussions.

The effectiveness of the actions taken based on the COPSQ survey will be reviewed in the next COPSQ survey.

4 OWN WORKFORCE

4.2.2.2 Training on operational safety and employee health

In order to ensure operational safety and employee health, employees are offered training covering topics such as robberies, fire evacuation and first aid. Crisis intervention and safety training teaches how to deal with specific aspects of critical situations in customer interactions, including robberies.

The workforce is involved via the works council members on the Employee Safety Committee, where participation in training sessions is recommended as a measure.

This action involves HR management, facility management, occupational medicine, external safety experts, the Employee Safety Committee including the safety representatives, as well as the Fire Safety Officers and company first aiders.

The effectiveness of the action is not measured by any target. The effectiveness of the actions taken in the area of operational safety is tracked in the Employee Safety Committee via the open inspection findings in the inspection logs.

The intended positive outcomes are a high level of operational safety in the form of fewer accidents at work and increased mental and physical safety in crisis situations such as robberies.

Both actions are addressed by the Executive Board's Policy Statement on Respecting Human Rights, to which the HR strategy also refers, in order to create fair, healthy, safe and dignified working conditions.

These actions provide the framework for employee satisfaction and thus contribute to achieving the organisation's targets.

4.3 EQUAL TREATMENT AND GENDER EQUALITY

Unequal pay and unequal career opportunities have a negative impact on gender equality, and a gender pay gap has a negative impact on female employees.

VBW directly influences the material impact by systematically ensuring gender equality.

4.3.1 Strategies for achieving gender equality (in accordance with S1-1)

4.3.1.1 Equal rights and recognition as the basis for an appreciative corporate culture (HR strategy)

Diversity and equal opportunities are enshrined both in the Policy Statement on Human Rights and, in particular, in the HR strategy under the guiding principle of "equal rights and recognition as the basis for an appreciative corporate culture". VBW is clearly committed to equality, inclusion and equal opportunities for its employees. Diversity is also an integral part of the value system. In order to enshrine this commitment, it has been defined as a binding principle in the Diversity Policy.

Success is monitored by continuously measuring the proportion of female managers.

Employees were indirectly involved in the development of the HR strategy via the employee surveys. The stakeholder survey was also considered in the course of the materiality analysis when preparing the Diversity Policy.

4.3.1.2 Performance-based and gender-neutral remuneration

A fair and positive working environment for employees, as well as the promotion of equality, are particularly reflected in ensuring equal pay for equal work. This principle is enshrined in the HR strategy in the HR management guiding principle of "performance-based pay". The aim is to ensure fair remuneration for employees in comparable roles and with similar performance levels through active management of the gender pay gap and the equal pay gap.

Equal pay for equal work is ensured at VBW through the “General Instruction on Remuneration Policy” and the relevant working instruction of the Association, which governs its operational implementation at VBW. These define a structured process for ensuring equal pay, reducing the gender pay gap and promoting pay transparency.

The success of these measures is regularly reviewed through gender pay gap analyses. The findings are discussed and monitored by the competent committees of VBW.

Scope of application of the policy

The policy of performance-based and gender-neutral remuneration applies to all employees of VBW. The scope of application covers all employee groups, all business areas and all geographical sites of VBW. The policy also extends to all HR processes along the value chain; in particular, recruitment, salary determination, promotions, remuneration adjustments and training initiatives.

Responsibility for implementation at the highest level

The remuneration policy is decided, monitored and regularly reviewed by the Supervisory Board pursuant to Section 39b of the Austrian Banking Act [German acronym: BWG]. The ultimate responsibility for implementing the policy lies with the Supervisory Board, supported by the Remuneration Committee. This committee receives annual reports on the gender pay gap, discusses the findings and, where necessary, considers measures to ensure a gender-neutral and non-discriminatory remuneration structure. Operational implementation is the role of the Managing Board and HR management.

We ensure that discrimination is prevented as soon as it is identified. To prevent discrimination in the remuneration system, defined processes are in place to identify and correct potential inequalities. If inequalities are identified in the course of gender pay gap analyses or via internal reporting channels, they are promptly investigated and corrective action is taken where necessary. In addition, the Remuneration Policy defines clear criteria for determining remuneration to ensure that remuneration is based exclusively on objective and non-discriminatory factors.

4.3.2 Actions in connection with equal treatment with regard to gender distribution (in accordance with S1-4)

4.3.2.1 Structured processes for addressing the gender pay gap

A key success factor for equal treatment and equal opportunities is the introduction and implementation of a structured process for addressing the gender pay gap. The gender pay gap is calculated, analysed and presented at least once a year. Differences between the average remuneration of female and male employees are documented and explained as part of the annual remuneration report.

In addition, the gender pay gap is actively integrated into HR decision-making processes. Particular care is taken when hiring new employees or adjusting salaries to ensure that remuneration is non-discriminatory and determined based on role and qualifications, in order to avoid reinforcing, and actively to reduce, existing gender-based pay differences.

The remuneration report is presented to the Supervisory Board and the Remuneration Committee, on which works council members are also represented in accordance with the Austrian Labour Constitution Act [German acronym: ArbVG]. The Managing Board, Supervisory Board, workers’ representatives and HR management are involved in managing and implementing these actions.

No measurable, results-based targets have been defined for this action. However, the effectiveness of the actions is measured, in particular, based on the annual development of the gender pay gap. A reduction or stabilisation at an objectively justified and non-discriminatory level is considered a key indicator of the success of the actions taken.

4.3.2.2 Women’s advancement programme

VBW supports female managers and talented female employees in their professional and personal development and promotes networking and new perspectives.

4 OWN WORKFORCE

VBW actively empowers women through a comprehensive advancement programme. Specific actions in this regard are:

- » Lectures and events: Experts provide inspiration on personal development, diversity and work-life balance.
- » Talent training programme: A training programme offered by the Volksbank Akademie to strengthen skills and cross-departmental cooperation.
- » WoMentoring: Managing Board members and division heads mentor female talents for a year to promote visibility, self-confidence and leadership skills.

As part of the sustainability targets, it was decided to increase the proportion of women in management positions by 10% every two years to promote equal participation in decision-making processes and management responsibility. Further information on this target can be found under Chapter 4.5 Targets.

The proportion of women in management positions has already increased.

The programme is enshrined in the Managing Board's Policy Statement on Respecting Human Rights and in the HR strategy.

The measures form the basis for achieving the company-wide sustainability targets.

4.3.2.2 Transparent application process

To promote equal treatment, VBW is introducing a transparent application process. All open positions must be advertised to ensure equal opportunities for all applicants. Where applicants have equal qualifications, internal applicants will be given priority over external applicants, and female applicants over male applicants. This measure makes for greater fairness in the selection process and supports gender equality.

4.4 PREVENTION OF DISCRIMINATION AND HARASSMENT IN THE WORKPLACE

Discrimination and harassment in the workplace, whether by employers, colleagues or business associates, can have a negative impact on quality of life and personal career development.

VBW directly influences the material impact by preventing or mitigating it as far as possible by systematically ensuring an appreciative corporate culture, peaceful conflict resolution, the provision of an anonymous whistleblower portal, and clearly defined conflict processes for dealing with discrimination, sexual harassment and other inappropriate behaviour. The Code of Conduct, which all employees must adhere to, states that VBW expressly respects human rights and rejects any and all forms of discrimination. VBW has implemented specific procedures to ensure that discrimination is prevented, contained and combated as soon as it is identified. In addition, these procedures promote diversity and inclusion in general. Training on compliance, diversity and especially human rights helps raise employees' awareness of the essential importance of these topics. In order to promote the well-being of its employees, VBW is responsible for creating an inclusive working environment and equal opportunities in career planning, regardless of gender, background, religion, age, sexual orientation or other personal characteristics.

4.4.1 Strategy in connection with discrimination and harassment in the workplace (in accordance with S1-1)

Respectful, non-discriminatory and professional working environment

In its Policy Statement on Human Rights, VBW commits to equal treatment and non-discrimination. This aspiration is supported by the Code of Conduct and the HR strategy, which enshrine equality and recognition as the basis of an appreciative corporate culture. This Policy Statement affirms that all employees are valued and respected, regardless of characteristics such as skin colour, origin, gender, age, disability or sexual orientation.

The policy forms part of the HR strategy and covers all employees of VBW. There are no specific policy commitments regarding inclusion or support measures in favour of people from particularly vulnerable groups.

Managers receive regular training on diversity, dimensions of discrimination and equal opportunities, and new employees are made aware of human rights, dimensions of discrimination and the Code of Conduct as part of a new-hire event. VBW promotes equal treatment of persons with disabilities by providing barrier-free office buildings, branches and IT systems, thereby creating inclusive working conditions.

VBW's Diversity Policy also sets out a structured process for dealing with cases of discrimination in the event of conflicts. Within the scope of their duty of care, all managers are generally obliged, within their area of responsibility, to take appropriate actions and offer support in cases of bullying, sexual harassment or discrimination against marginalised employee groups.

This means that structured processes are used to investigate and deal with conflicts. In this way, VBW ensures that it embraces diversity and actively combats discrimination.

For the structured process in the event of conflict at VBW, the works council agreement on behaviour at work was concluded between the company and the works council, the representative body of the workforce. The workforce is therefore directly involved.

4.4.2 Actions in connection with discrimination and harassment in the workplace (in accordance with S1-4)

Training for managers on diversity and equal opportunities

All forms of discrimination must be consistently opposed. This principle is also emphasised, for example, in VBW's works council agreement against harassment, misconduct and bullying.

The following specific steps are being taken as a measure for achieving this target:

- » Training for managers on diversity and equal opportunities, covering legal bases, case studies and analysis of discrimination scenarios.
- » Onboarding training for all employees on the Code of Conduct and human rights, and
- » a mandatory structured conflict resolution process defined in a works council agreement on inappropriate behaviour.

Through a defined escalation process set out in the works council agreement against harassment, misconduct and bullying, the works council is involved in all cases of inappropriate behaviour related to discrimination, bullying, etc. The works council must be informed and is required to be involved in every step of the process (discussions with the affected parties, accused parties, management, case reporting, proposed actions).

The Managing Board, Compliance, HR management and the works council are involved in managing the impacts.

Success is identified and evaluated by measuring employee satisfaction every three years via company-specific surveys and the COPSQ questionnaire for evaluating psychological stress in the workplace, through the NPS (net promoter score) survey and through the annual employee appraisal interviews.

Consequently, these measures contribute to a respectful, non-discriminatory and professional working environment.

The effectiveness of the action is not measured by any target, but is indirectly reflected in the measurement of employee satisfaction. As part of the "employee satisfaction" sustainability target, an NPS (net promoter score) survey is conducted among employees once a year. The development of the NPS score over time is an important indicator of employee satisfaction. Information on the target can be found under Chapter 4.5 Targets.

4.5 TARGETS RELATED TO ADDRESSING SIGNIFICANT NEGATIVE IMPACTS, PROMOTING POSITIVE IMPACTS AND MANAGING SIGNIFICANT RISKS AND OPPORTUNITIES (IN ACCORDANCE WITH S1-5)

The sustainability targets were monitored in the NAKO and presented to the Supervisory Board, where the workers' representatives are also represented. There were no changes to the targets during the reporting year.

4 OWN WORKFORCE

4.5.1 Target relating to impact on quality of life, risk to employee health, discrimination in the workplace via employee satisfaction

The Managing Board's Policy Statement on Respecting Human Rights, which also underpins the HR strategy, emphasises the protection of health and safety through fair, healthy, safe and dignified working conditions. A working environment that enables a sense of purpose at work, in the company and in life also contributes significantly to promoting physical and mental health. Against this backdrop, VBW pursues the strategic target of improving work-life balance through flexible working time and workplace models.

The target is a continuous increase in employee satisfaction, which serves as a central development driver for VBW. For the third year running, VBW has conducted a short survey with six standardised questions to systematically determine employee satisfaction. NPS, which up to now has been captured at individual institution level, serves as an important indicator in this respect: It shows how satisfaction develops over time and gives an indication of the effectiveness of actions to promote employee satisfaction and retention.

The "employee satisfaction" target is measured at individual institution level.

Material topic	Direction	Material impacts	Type of target	Target value	Base year	Reference value	Target year
Own workforce: » Impact on quality of life » Risk to employee health » Discrimination and harassment in the workplace	Reducing negative impacts	» Impact on quality of life (-) » Long-term health damage (-) » Reducing discrimination (+)	Absolute target	NPS score at 20 points (VOLKSBANK WIEN AG (E))	The NPS score was launched in 2022.	9	2030

In terms of employee satisfaction, VBW has set itself the target of continuously improving the NPS score. The NPS score at VOLKSBANK WIEN AG (E) was 13 points in 2024 and improved to 17 points in 2025. The targets cover all VBW sites.

4.5.2 Target of equal treatment in terms of gender based on the proportion of women in management positions

Material topic	Direction	Material impacts	Type of target	Target value	Base year	Reference value	Target year
Own workforce: Equal treatment in terms of gender	Advancing positive impacts	» Equal treatment in terms of gender (+) » Equal treatment in terms of other diversity factors (+)	Relative target	Proportion of women in management positions at 50 %	2023	34.5%	2030

» VBW has set itself the target of achieving a 50% proportion of women in all management positions, including top management (see section 4.8.2.) by 2030. As of the 31 December 2025 reporting date, the proportion of women in management positions was 36.0% (Group) and 30.1% (Group parent). As of the 31 December 2024 reporting date, the proportion of women was 35.3% (Group) and 30.8% (Group parent). The target is measured only at individual institution level. This target was defined by the Managing Board at individual institution level and was determined jointly with the Supervisory Board. The targets cover all VBW sites. Performance tracking and identification of improvements are carried out in the NAKO (see section 1.2 Governance). The policies and the actions derived from them support the achievement of this sustainability target.

4.6 PROCEDURES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES REGARDING IMPACTS (IN ACCORDANCE WITH S1-2)

The views of the employees are continuously incorporated into the decision-making process and into the activities of VBW, in order specifically to manage the actual and potential impacts on the workforce. Employee engagement is already coordinated centrally at organisational level.

The Head of Human Resources Management and Organisational Development (V-1) bears operational responsibility for the involvement of employees and the consideration of the results of employee consultations in the corporate policy.

The works council members elected by the workforce are informed about the economic, social, health-related and cultural interests in discussions with the decision-makers and in their role as members of the Supervisory Board, and negotiations are conducted with regard to the necessary decisions. In the Employee Safety Committee, the works council takes a position on occupational safety issues. It is aware of the views of the workforce by means of staff meetings and employee consultations and incorporates these views into the decision-making process together with the decision-makers. The works council (and thus indirectly the employees) is therefore involved in a structured manner.

The workforce was also involved via the works council in developing measures for managing risks:

- » Flexible working hours: Negotiation and conclusion of the works council agreement on flexitime
- » Flexible workplace: Negotiation and conclusion of the works council agreement and vote on the guidelines for remote working
- » Participation in the project and steering group for deriving measures from the evaluation of psychosocial stress in the workplace and the "Beruf und Familie" recertification
- » Structured process in the event of conflict: Negotiation and conclusion of the "Behaviour at Work" works council agreement and roles and responsibilities in the event of a conflict

Employees and works councils tend to be involved in two different phases of the decision-making process. While the works council is involved early in the analysis phase and in the development of suitable approaches, the workforce is involved later on in the assessment of the impacts. This approach ensures that employees' experiences and feedback are systematically taken into account and used to derive any adjustments.

The consultation and co-determination rights follow the framework set out in Austrian legislation. The involvement and exchange of views take place with the following frequency:

4.6.1 Workers' representatives (works council) – indirect involvement of employees:

- » Regular four fixed meetings between workers' representatives and the HR management team (monthly)
- » Regular business talks between workers' representatives, the Managing Board and the Head of Human Resources Management at VBW (quarterly)
- » Workers' representatives on the Supervisory Board of VBW (quarterly and as required)
- » Negotiation of collective agreements and works council agreements between the employer and workers' representatives (annually and as required)

4.6.2 Employees – direct involvement:

Comprehensive employee surveys conducted every three years and annual employee appraisal interviews are used to solicit the individual opinions of the workforce directly and subsequently reconcile them with policies and strategies. In the employee survey, employees are also directly involved in the development of actions as part of a steering group.

In addition, selected employees are invited to participate in strategic projects, and their opinions are taken into account in this way. Through these mechanisms and through regular internal communication, the workforce is able to interact directly with the organisation. Employees are also actively involved and informed about how their feedback influences decisions as part of divisional, regional and local talks in which the CEO of VBW engages directly with employees.

4 OWN WORKFORCE

The VBW works council agreement on "Behaviour at Work" sets out the existing consensus on a positive corporate culture based on respectful behaviour towards gender, origin, skin colour and religion. Employees can express their views openly thanks to clear rules on safe discussion spaces, confidentiality obligations, escalation procedures and the definition of appropriate actions.

The effectiveness of the cooperation with employees is evaluated on several levels. The most important of these is the annual NPS (net promoter score) survey, which measures employee satisfaction and provides a basis for assessing the cooperation. The comprehensive employee survey, the annual employee appraisal interviews and the staff turnover rates also provide valuable information on the quality of the cooperation.

First and foremost, the works council elected by the employees represents the workforce as a whole, including marginalised groups. The following systematic structures exist for gaining insights into the perspectives of people who may be particularly vulnerable to impacts and/or marginalised (for example, women, persons with disabilities):

- » As elected workers' representatives, the Disability Officers of VBW represent the economic, social and health-related interests of employees with disabilities and chronic illnesses.
- » In addition, the works council of VBW has nominated an Equal Opportunities Officer, who is the point of contact for equal opportunities issues.
- » Female employees have the opportunity to contribute their specific views, particularly through the women's network.
- » The company doctor at VBW is also a point of contact with whom employees can share their views and can provide valuable information about the level of stress in the organisation, especially in health matters, in a manner that is strictly anonymous.

4.7 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS (IN ACCORDANCE WITH S1-3)

VBW has processes in place to remedy negative impacts on persons in its own workforce that are associated with the company or to cooperate in remedying such impacts. The bank maintains an open dialogue about grievances within the company and has therefore implemented a system that employees can use to report them. VBW generally relies on trained and sensitised managers. However, there are also independent channels through which employees can express their concerns. The whistleblowing systems VBW has implemented support dialogue with the whistleblowers and are used by whistleblowers at irregular intervals. All reports are received by the Compliance department and are processed from there. All employees are made aware of how to access the systems in the course of training programmes. All employees have access to a 24/7 whistleblowing system on the intranet, where they can report breaches of internal and external regulatory requirements, including anonymously if they wish. The Managing Board of VBW has undertaken to protect whistleblowers in accordance with the regulatory requirements.

If a report of bullying, discrimination or sexual harassment is made personally via the works council or HR Management rather than via the established whistleblowing systems, a works council agreement regulates the stringent process for dealing with or resolving the conflict. In the event of a conflict, the process includes rules on confidentiality and process responsibility and is designed to foster dialogue. VBW is obliged to intervene in cases of bullying, sexual harassment or discrimination. Those affected can decide for themselves whether they wish to be named, and will be informed about the further process in discussions with the works council and HR management; all discussions are documented. After all the interviews have been conducted with those affected, the accused parties and any witnesses, the persons responsible for the proceedings decide on the actions to be taken. Actions range from mediation and consequences under labour law to follow-up support and regular conflict resolution meetings.

Both for reports in the whistleblowing system and for the utilisation of the processes in accordance with the works council agreement for allegations of bullying, it is ensured that all steps of a report are documented, that the group of persons processing the report is clearly defined and kept small and that employees know how they can use the process.

All employees receive training on the process every two years and are provided with login details. In accordance with the works council agreement for cases of bullying, all employees can initiate the process either online or in person by contacting the HR department or the works council.

As the central recipient of all reports in the whistleblower systems, Compliance ensures that all parties required to process a report are involved. The Managing Board and Supervisory Board are regularly informed about the volume of reports.

The processes defined in the policies are designed to offer whistleblowers maximum protection. Moreover, the Managing Board of VBW has committed itself to the protection of whistleblowers, as is documented in the Code of Conduct and in the Compliance Manual. Employees are also informed about this in the regular training sessions.

4.8 METRICS

4.8.1 Characteristics of the company's employees (in accordance with S1-6)¹

Analyses are based on employee data that is collected and managed in the SAP HCM personnel management system. Data on contract type (fixed-term or permanent) is collected manually.

None of the metrics is validated by an additional external body.

The analysis includes all active and inactive employees who are in a valid employment relationship on the analysis date. The figures include salaried employees, workers and apprentices, but exclude the members of the Managing Board of VBW.

VBW employs staff exclusively at its sites in Austria.

The employee figures are reported as numbers of persons (headcounts). The number of persons is defined as the number of employment relationships that are assigned employee numbers. Full-time employment is defined as a normal working week of 38.5 hours. The data on the number of employees is reported as at 31 December of the reporting year.

The proportion of fixed-term employment contracts at VBW is low (1.76% Group/2.26% Group parent). The majority of employment contracts are permanent (98.24% Group/97.74% Group parent). Fixed-term employment relationships include summer interns, university of applied sciences interns, part-time employment alongside parental leave, fixed-term apprenticeships and fixed-term employment contracts for other objective reasons.

VBW's workforce is predominantly female (57.19% Group/51.81% Group parent).

48.80% (Group)/45.72% (Group parent) of female employees and 32.68% (Group)/28.75% (Group parent) of male employees work part-time. This results in a workforce of 1,312 full-time equivalents as at 31 December 2025 (average number of employees, notes to the consolidated financial statements, Note 10).

Part-time employment can be attributed to various factors. In addition to part-time parental leave, which often transitions to part-time employment, as well as partial retirement models, the flexibility practised in the company also plays a decisive role. This enables employees to adapt their working hours to their individual life situations and needs, whether due to family commitments or personal priorities at different stages of their lives.

Employee turnover for 2025 is 10.07% (Group)/9.49% (Group parent).

The number of employees who left the company takes into account resignations by employees and terminations by the employer, retirements, deaths and terminations of fixed-term employment relationships, including summer interns.

Transfers within VBW companies are not assessed as leaving and subsequent joining and are therefore not included in the staff turnover figure.

If the number of employees who left the company is adjusted to exclude the termination of fixed-term employment contracts, the turnover rate is 6.60% (Group)/6.51% (Group parent).

¹ Comparative information relating to the previous reporting period: This relates, in particular, to values for which there have been changes in the calculation methodology or definition compared with the 2024 reporting year.

4 OWN WORKFORCE

The formula used to calculate the percentage of employee turnover is: Number of departures in the reporting year (as defined) / number of employees as at 31 December of the reporting year x 100.

Gender	Unit	G	GP
Female	Number of persons	875	573
Male	Number of persons	655	533
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number of employees	Number of persons	1,530	1,106

Number of employees by type of employment and gender	Unit	G	GP
Number of employees			
Female	Number of persons	875	573
Male	Number of persons	655	533
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number	Number of persons	1,530	1,106
Number of employees with permanent employment contracts			
Female	Number of persons	858	557
Male	Number of persons	645	524
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number	Number of persons	1,503	1,081
Number of employees with fixed-term employment contracts			
Female	Number of persons	17	16
Male	Number of persons	10	9
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number	Number of persons	27	25
Number of on-call employees			
Female	Number of persons	0	0
Male	Number of persons	0	0
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number	Number of persons	0	0
Number of full-time employees			
Female	Number of persons	448	311
Male	Number of persons	582	477
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number	Number of persons	1,030	788
Number of part-time employees			
Female	Number of persons	427	262
Male	Number of persons	73	56
Other	Number of persons	0	0
Not specified	Number of persons	0	0
Total number	Number of persons	500	318

4.8.2 Diversity metrics (in accordance with S1-9)

	Unit	VBW Managing Board ¹	Top management level V-1 2025	Top management level V-1 2025	Top management level V-1 2024	Top management level V-1 2024
Gender distribution by number at top management level			G	GP	G	GP
Female	Number of	0	7	5	7	5
Male	Number of	3	13	11	12	10
Other	Number of	0	0	0	0	0
Not specified	Number of	0	0	0	0	0
Total number	Number of	3	20	16	19	15
Share of employees at top management level						
Female	%	0.0	35.0	31.3	36.8	33.3
Male	%	100.0	65.0	68.8	63.2	66.7
Other	%	0.0	0.0	0.0	0.0	0.0
Not specified	%	0.0	0.0	0.0	0.0	0.0

The data on the number of employees at the top management level is reported as at 31 December of the reporting year. Analyses are based on employee data that is collected and managed in the SAP HCM personnel management system.

None of the metrics is validated by an additional external body.

The top management level of VBW consists of the VBW Managing Board and the highest management level below the VBW Managing Board (V-1). This group makes important strategic decisions in the interests of VBW.

4.8.3 Training and skills development metrics (in accordance with S1-13)

The average number of training hours per employee totalled 34.9 hours in the Group as a whole (2024: 36.5 hours), in the Group parent 41.8 (2024: 45.1). For female employees, the number was 32.6 in the Group as a whole (2024: 32.7 hours), in the group parent 41.3 (2024: 42.8). For male employees 37.9 hours in the Group as a whole (2024: 41.7), in the Group parent 42.4 (2024: 47.5).

The data is evaluated using SAP SuccessFactors.

Training and skills development metrics		Unit	2025		2024	
Absolute number of training hours			G	GP	G	GP
Female	Number of	28,540	23,656	28,448	23,896	
Male	Number of	24,802	22,603	26,822	24,961	
Other	Number of	0	0	0	0	
Not specified	Number of	0	0	0	0	
Total number	Number of	53,342	46,259	55,270	48,857	
Average number of training hours per employee						
Female	Number of	32.6	41.3	32.7	42.8	
Male	Number of	37.9	42.4	41.7	47.5	
Other	Number of	0.0	0.0	0.0	0.0	
Not specified	Number of	0.0	0.0	0.0	0.0	
Average total	Number of	34.9	41.8	36.5	45.1	

The calculation is based on the total number of training hours (female/male/total), divided by the respective number of employees (female/male/total) as reported in the sustainability statement in section 4.8.1.

¹ Values unchanged for 2025 and 2024

4 OWN WORKFORCE

4.8.4 Health and safety metrics (in accordance with S1-14)

During the reporting period and in 2024, there were no deaths attributable to work-related injuries or illnesses. The metric is determined by a manual count of the number of cases recorded (if any). This metric is not validated by any external body.

4.8.5 Compensation metrics (pay gap and total compensation (in accordance with S1-16))

A central element of the commitment to equal treatment and equal opportunities is the structured analysis of the gender pay gap. Differences between the average male and female remuneration are systematically recorded, analysed and explained transparently as part of the annual remuneration report. Based on these findings, targeted actions are developed and implemented to reduce existing inequalities in a sustainable manner.

The analysis shows that the gender pay gap is primarily attributable to structural factors: Men are more frequently employed in higher-paid positions and professions, while women are disproportionately represented in lower-paid roles. These structural differences have a significant impact on the gender pay gap and are therefore the focus of the actions to promote gender equality within the company.

Results for 2025

The following gender pay gap metrics represent the unadjusted gender pay gap. They show the average and median pay differences between women and men regardless of roles, qualifications, working hours or other structural factors.

In the 2025 reporting year, the unadjusted gender pay gap was reduced overall compared with the previous year. Both the average and median figures show a predominantly declining trend.

Gender pay gap	Unit	2024		2025	
		G	GP	G	GP
Calculation based on the average					
Employees	%	15.8	15.8	18.05	17.4
Employees without management responsibility	%	11	11	13.5	12.7
Employees with management responsibility	%	11.9	9.4	11.6	11.6
Calculation based on the median					
Employees	%	13.5	13.6	21.7	14.2
Employees without management responsibility	%	10.8	10.6	18.2	11.9
Employees with management responsibility	%	9.7	9	11.5	9.4

Overall view of all employees

For all employees in the Group, the unadjusted gender pay gap decreased in terms of the average from an average view of 18.1 % (2024) to 15.8 % (2025). The median value also decreased from 21.7 % to 13.5 %. This development indicates a reduction in gender-based pay disparities across the workforce as a whole.

Employees without management responsibility

For employees without management responsibility in the Group, the unadjusted gender pay gap decreased on average from 13.5 % to 11.0 %. The median value also decreased from 18.2 % to 10.8 %. The results indicate a convergence of remuneration levels in comparable operational roles.

Employees with management responsibility

For employees with management responsibility in the Group, the unadjusted gender pay gap increased slightly on average from 11.6 % to 11.9 %. The median value decreased from 11.5 % to 9.7 %.

Target under the EU Pay Transparency Directive

Irrespective of the unadjusted metrics presented, VBW aims at achieving an adjusted gender pay gap of below 5.0% as part of the implementation of the EU Pay Transparency Directive. The adjusted gender pay gap takes into account comparable roles and relevant objective criteria such as qualifications, experience, responsibility and working conditions.

These developments confirm the effectiveness of the actions taken to promote equal pay and show that the path taken should be continued.

Methods and significant assumptions

The calculation is based on a standardised SAP evaluation process and covers the period from 1 January 2025 to 31 December 2025 for each employee. The gender pay gap is calculated based on the relevant gross annual remuneration per hour worked.

None of the metrics is validated by an additional external body.

The actual gross annual remuneration comprises the following compensation components:

- » Annual base salary,
- » allowances, including functional allowances,
- » overtime accounted for on an individual basis,
- » benefits in kind (company car, parking space, working from home allowance, insurance),
- » pension fund contribution,
- » voluntary employee profit sharing scheme.

The following remuneration components were not included in the gender pay gap calculation:

- » Statutory and voluntary severance payments,
- » anniversary bonuses
- » education and training costs,
- » daily allowances and travel expenses,
- » bonuses from employee or customer referral programmes,
- » meal vouchers and lump-sum cafeteria subsidies,
- » wage compensation for partial retirement,
- » birth and marriage allowances.

Gross hourly earnings are calculated using actual hours worked. Unpaid periods are not taken into account, as the metric is based exclusively on the relationship between actual remuneration paid and paid working hours (including paid absences).

Calculation formula per employee:

Relevant gross annual remuneration ÷ hours worked = gross hourly earnings

Calculation of the gender pay gap based on the average:

$$\left[\frac{\text{Average gross hourly earnings of male employees} - \text{Average gross hourly earnings of female employees}}{\text{Average gross hourly earnings of male employees}} \right] * 100$$

Limitations of the method used:

- » Salary increases that were already implemented during the year to close an identified gender pay gap are not fully reflected in the calculation. Since only the remuneration actually paid in the calendar year is included in the calculation, such adjustments are not fully visible until the following year. As a result, the gender pay gap reported in the report may appear higher than the current actual situation, despite actions already implemented.
- » The calculation relates to individual gross hourly earnings, but does not take into account structural causes of differences in earnings, such as job profiles, levels of responsibility, part-time rates or career interruptions.

Gender pay gap

(Calculation based on the median – company-specific metric)

The calculation of the gender pay gap based on the median is a company-specific metric. It has the advantage that it is more robust against outliers, in particular very high or very low salaries, and therefore better reflects the typical income situation of the employees.

The methodology used to determine gross hourly earnings corresponds to that used for the gender pay gap calculation based on the average.

The gender pay gap based on the median is calculated using the following formula:

$$\left[\frac{\text{Median gross hourly earnings of male employees} - \text{Median gross hourly earnings of female employees}}{\text{Median gross hourly earnings of male employees}} \right] * 100$$

4 OWN WORKFORCE

Limitations of the method used:

The calculation based on the median has limitations, as it only considers the middle value of the distribution and does not take differences in the upper and lower salary ranges into account. As a supplementary metric, it is therefore useful to calculate the gender pay gap based on the average in order to obtain a more comprehensive picture of the differences in earnings.

Breakdown of the gender pay gap by employee categories:

The following categories of employees are taken into account in the gender pay gap calculation using the average and the median:

- » Employees
- » Employees without management responsibility
- » Employees with management responsibility.

The ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration of all employees

For 2025, the ratio of the annual total remuneration of the highest-paid individual in the company to the median annual total remuneration of all employees (excluding the highest-paid individual) is 15.6 at VBW Group level.

The ratio was calculated in accordance with the ESRS guidelines. The formula and definitions used comply with the requirements of the standards:

- » Calculation: For 2025, the ratio of the annual total remuneration of the highest-paid individual in the company to the median annual total remuneration of all employees (excluding the highest-paid individual).
- » Part-time jobs were converted into full-time equivalents in order to take account of differences in working hours.
- » All active employees were included in the calculation of the ratio.

4.8.6 Incidents, complaints and severe human rights impacts (in accordance with S1-17)

In section 4.4, VBW reports on the potential negative impacts of discrimination and VBW's respective policies for addressing them.

In the 2025 reporting year, as in the previous year, there were no incidents, legal cases or results of external reviews relating to discrimination based on gender, race, ethnic origin, nationality, religion, ideology, disability, age, sexual orientation or harassment within the workforce, nor were there any fines, sanctions or compensation payments in this regard. This also includes harassment as a specific form of discrimination. Likewise, no complaints were reported by employees.

Through its whistleblowing portal and established processes, such as the works council agreement on the prevention of bullying, sexual harassment and discrimination, VBW ensures that in every case appropriate actions are taken and support is offered to resolve conflicts peacefully and to prevent or mitigate cases of discrimination. This policy against harassment, misconduct and bullying reinforces the company's strict stance of opposing any form of discrimination.

Every employee has the option of having their complaint reviewed anonymously or transparently and confidentially, with the involvement of defined parties to the proceedings, such as the works council or the Equal Opportunities Officer, using clearly defined procedural and escalation steps to find a solution with appropriate remedial actions. These transparent conflict resolution processes also promote respect for and appreciation of diversity and inclusion in general.

Training on compliance, diversity and especially on human rights helps raise employees' awareness of the essential importance of these topics.

As in the previous year, the total amount of material fines, sanctions and compensation payments is euro 0.

As in the previous year, there were no incidents in the area of human rights, including issues such as forced labour, human trafficking or child labour. No serious violations of human rights in relation to the company's workforce were identified.

4 OWN WORKFORCE

5 Consumers and End-Users

Social information

5 CONSUMERS AND END-USERS



37,4

CUSTOMER NET PROMOTER SCORE

5 CONSUMERS AND END-USERS

5.1 CUSTOMER SATISFACTION (CUSTOMER NET PROMOTER SCORE)

The Group has set itself the measurement of customer satisfaction as one of its ten sustainability goals and assigned an ESG KPI to it. The overall result of the customer survey is presented as a customer net promoter score (NPS). The customers of VBW are surveyed annually to determine customer satisfaction using a standardised survey, both online and by telephone. The survey is conducted independently of the respective strategy or product development phase. Operational responsibility lies with the Head of Marketing of VBW. The members of the Managing Board and Supervisory Board of VBW are ultimately responsible for incorporating the results into the corporate and customer strategy 2030.

The views of customers are systematically incorporated into decisions with a potential impact, e.g. via regular customer satisfaction surveys, feedback analyses and customer events (see section 1.3.4 Interests and views of stakeholders). The cooperation takes place directly and continuously.

In 2025, the target value was a customer net promoter score of at least 25. The NPS for 2025 was 37.4 points (2024: 42.8) and shows a downward trend compared to the previous year. The aim is to continuously improve the score results, and individual subsets are analysed in order to derive actions. No stakeholders were involved in the target definition. The survey is conducted by the external opinion research institute Telemark Marketing Gebhard Zuber GmbH on behalf of VBW. It was conducted via telephone interviews in August and September 2025 with a random and representative sample of customers.

5.2 DATA PROTECTION

Improper handling of personal data can have adverse effects on people. If data is misused, it can lead to fraud and identity theft, financial damage, reputational damage, as well as stress and uncertainty.

The impacts are directly related to the business model and strategy, as the protection of customer data relates to VBW's core business. The negative impacts of the misuse of customer data arise in the course of the banking business for financing services.

VBW has a direct share in the significant impact through the handling of sensitive data and data breaches.

Data subject groups

VBW has defined its private customers as an important interest group among consumers and end-users. Service-related information is provided on the website in an accessible format wherever possible. All VBW customers are potentially affected by services that may have a negative impact on their right to privacy, the protection of their personal data, their right to freedom of expression and non-discrimination.

The negative impact identified as material relates to individual incidents.

The financial sector has sensitive customer data in its possession. If personal data is not protected and cyber security is not guaranteed, this can potentially jeopardise the rights of customers.

Inadequate data protection directly affects the business model, strategy and decision-making. A Data Protection Officer, training measures and GDPR guidelines have been implemented to address the impact.

The following sections present the policies (or strategies), the engagement processes, the processes for remedying negative impacts, the channels through which consumers and end-users can raise concerns and the actions, metrics and targets for the policies or strategies related to consumers and end-users.

5.2.1 Strategies for preventing data breaches (in accordance with S4-1)

To prevent data breaches, the company follows an integrated approach that includes organisational measures for data protection management.

Impact	Policy	Actions	Targets
Inadequate data protection with respect to customer data	Data protection management	The actions relating to information and access rights, the rights to rectification, erasure, restriction of processing, data portability and the right to object were derived from the requirements of the GDPR.	Protection of the rights of data subjects and structured handling of confidential banking and customer data

5.2.1.1 Data protection management

With the “Data Protection Management Commitment”, the Managing Board of VBW has specified the implementation of a data protection management system (DPMS). The DPMS is described in the Compliance Manual and has the aim of systematically and effectively ensuring data protection in an organisation. The Managing Board’s Policy Statement on Human Rights also addresses a DPMS.

The highest priority in the processing of personal data of natural persons is to ensure the lawfulness of the processing. VBW processes data only if the accuracy of the data has been verified to the best of its knowledge and belief and when the purpose of the processing is justified by a legal basis, such as a contract, a legitimate interest of the bank or a valid consent by the data subject. Care is taken to ensure that surplus data without a valid purpose is excluded from processing or removed from the storage media within the required periods. Both the data subjects and the competent authorities are always transparently informed about the processing activities concerning personal data. The success of the DPMS is monitored through ongoing reporting to the Managing Board and Supervisory Board.

The scope of application comprises the business territory of VBW and its service providers.

The protection of personal data of natural persons by VBW represents both the legal obligation and the basis for the trust of customers, partners and employees. VBW has an obligation to ensure the security and protection of personal data.

5.2.1.2 Human rights

VBW is committed to respecting and promoting fundamental rights, such as data protection, in all its business activities. These commitments are anchored in the company-wide Code of Conduct, which is binding for all employees and management and governs the handling of human rights risks to ensure that products and services do not negatively impact human rights, particularly in relation to data protection.

Consumers and/or end users are included in the materiality analysis at the level of the Association of Volksbanks and in customer surveys in matters of human rights. In addition, it is ensured that affected stakeholders can report negative impacts.

A central instrument for recording and processing such reports is the structured complaints and whistleblowing system. This enables internal and external stakeholders to report incidents relating to human rights. Reports are reviewed by the Compliance department, and those relating to human rights are documented and followed up. Cases are handled by independent internal departments, and where violations are confirmed, remedial actions are initiated together with the affected parties. Appropriate measures are in place to ensure the protection of whistleblowers.

As in the previous year, no instances of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving consumers and end-users have been reported in VBW’s downstream value chain.

5 CONSUMERS AND END-USERS

5.2.2 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (in accordance with S4-3)

It is important to VBW to identify negative impacts on customers quickly and to take remedial action. Compliance manages both the complaints process and the incoming reports from whistleblower systems. This makes it possible, if necessary, to quickly and purposefully involve the specialist units required to remedy grievances and to analyse the relevant process in order to effect a remedy as quickly as possible and thus counteract negative impacts on customers. Compliance monitors that the grievances have been remedied.

VBW itself provides various options for customers to address grievances: the whistleblower system, the complaints process within VBW and the retail branch structure for personal contact. Customers can also contact the ombudsman's office at the ÖGV. The options for reporting incidents are provided on the intranet and on the website of VBR. There, customers can access the whistleblower system as well as find contact details for the retail branches and the ombudsman's office at the ÖGV.

The availability of reporting mechanisms is enshrined as a clear target in the Code of Conduct. Although it is aimed primarily at all persons within the bank, the Code also applies to external partners and suppliers. VBW expects all external parties interacting with the bank to respect and support the principles of the Code of Conduct.

Compliance centrally monitors the processes for handling incoming whistleblowing reports and complaints, thereby ensuring that all reports/complaints are dealt with appropriately. As far as possible, VBW engages in dialogue with whistleblowers and complainants. VBW's employees are regularly trained on the requirements of entering customer complaints into the complaints database. Compliance monitors that any grievances identified are remedied.

Compliance maintains a central overview of all incoming complaints and reports (i.e. whistleblowing reports). The frequency of use of the reporting channels suggests that customers are aware of the option of submitting reports or complaints and that they trust these channels. No further surveys are carried out.

Further information on the whistleblower systems and the protection of whistleblowers can be found in the non-financial statement.

5.2.3 Actions for preventing data breaches (in accordance with S4-4)

Overview table of actions taken:

Policy addressed	Direction	Impact addressed	Start	(Planned) completion
Data protection management	Minimising adverse impacts	Data protection with respect to customer data	2018	More than 5 years

VBW sees the rights of data subjects not only as a legal obligation but also as an essential component of a transparent and trusting customer relationship. To safeguard customers' informational self-determination, VBW has implemented a standardised procedure for processing customer requests. VBW ensures that every request (such as a data access or erasure request) is processed carefully, comprehensively and promptly.

In the event of a data breach, the DPMS applies. This ensures compliance with two central obligations: the immediate definition and implementation of risk-mitigating measures to contain the incident and protect the data subjects, and the timely reporting of the incident to the competent supervisory authority.

To ensure effective governance and accountability, the entire Managing Board is comprehensively informed four times a year (quarterly) about the status of data protection compliance, material risks and actions taken.

Employee awareness measures: Conducting regular data protection training sessions and publishing employee information.

5 CONSUMERS AND END-USERS

Employees' awareness of security and data protection is reinforced through established, regular webinars. These formats make it possible to communicate even complex and current content quickly and clearly to all relevant target groups. The webinars are designed to be interactive and teach specific behaviours. In addition to the webinars, VBW proactively informs its employees via the intranet, where necessary, about current developments, such as new fraud tactics or changes in data protection regulations.

Target monitoring: The results are reported quarterly to the entire Management Board and monitored by means of an ICS control.

5.2.4 Actions for data protection management

Banks use algorithms for decisions that have huge implications for individuals (e.g. creditworthiness checks, credit scoring, refusal to open an account). The bank must be able to explain negative decisions clearly and transparently.

Resources for the management of material impacts: The name and contact details of the Data Protection Officer have been communicated to the supervisory authority and the public. The Data Protection Officer must be independent. VBW has provided all means and resources required for the performance of these tasks and has appointed a Data Protection Officer.

Effectiveness: The processes are set out in binding working instructions for employees. Employees are tested during the required regular training sessions. ICS controls are carried out regularly. The data protection team must be involved in all projects in which personal data is to be processed. The ethics guidelines stipulate that the so-called "human-in-the-loop" principles must be applied when using AI and profiling.

In the reporting year, 79 data protection-related requests were closed at VBW (2024: 73).

All business areas at all sites of VBW are covered by the DSMS.

All customers, cooperation partners and employees are covered by the DSMS.

Actions for remediation: All known breaches of data protection law are analysed by the Data Protection Officer and, if necessary, actions (e.g. training, technical precautions) are taken to prevent recurrences.

5.2.4.1 Process for determining appropriate and necessary actions:

Data breaches are breaches of data security and data protection in which personal data has presumably or demonstrably become known to unauthorised persons. It does not matter whether the data is available in analogue or digital form. This includes intentional or unintentional unauthorised processing of data (e.g. data leakage), unauthorised activities to circumvent security precautions in data processing, attacks on a company's IT infrastructure, loss of company hardware (laptops, mobile devices) and the emailing of personal data to incorrect external recipients.

Data breaches that may lead to a risk to the natural person concerned must be reported to the data protection authority by the Data Protection Officer within 72 hours, pursuant to Art. 33 GDPR. The following principle applies: "Report immediately and submit data and facts as soon as possible." Reportable events are identified and assessed using the CRISAM® method from the data protection impact assessment. From a potential impact classification of "MEDIUM", an incident is assessed as a potential risk to data subjects. If a data breach poses a high risk to the rights and freedoms of affected customers, they are notified without delay. The notification is given in clear and understandable language and includes a description of the incident and specific recommendations for action. VBW actively instructs customers to take necessary security measures to minimise potential negative impacts, such as changing passwords or exercising increased vigilance against phishing attempts.

As an integral part of its governance structure and risk management, VBW ensures that the protection of personal data is also guaranteed by third parties. All service providers processing personal data on behalf of VBW (processors) are subject to careful scrutiny (due diligence). In accordance with Art. 28 GDPR, they are obliged by data processing agreements (DPAs) to comply fully with the bank's high data protection standards and instructions.

5 CONSUMERS AND END-USERS

5.2.4.2 Actions to prevent material negative impacts arising from our own practices:

The data protection impact assessment pursuant to Art. 35 GDPR essentially constitutes a “proactive evaluation” of the planned processing with regard to possible influences on the rights and freedoms of the data subjects. These impact assessments are always carried out if particularly sensitive data is processed in accordance with Art. 9 or Art. 10 GDPR, or if the processing has legal effects on data subjects or affects them in a similarly significant way through systematic and comprehensive assessment of personal attributes based on automated processing, including profiling, which in turn serves as the basis for decisions. In these cases, the risks inherent in the processing activity that could lead to a restriction of the rights and freedoms of the data subjects are evaluated. The risks of a possible restriction of the rights and freedoms of the data subjects are assessed according to the criteria of availability, confidentiality and integrity (accuracy) of the personal data, the non-linkability of individual data types and the transparency and intervenability in the data processing process. VBW has processes in place to ensure that complaints are handled in a unified manner. Compliance controls and monitors the processing procedure and the derivation of suitable corrective actions.

5.2.4.3 Approaches to specific material negative impacts:

- » Continuous further development of training concepts
- » Adaptation of regulatory training courses to accommodate changes
- » Ongoing revision and improvement of processes
- » Continuous support for employees by the relevant specialist departments and representatives

5.2.4.4 The processes for implementing or enabling remedial actions in the event of material negative impacts and ensuring their implementation and outcomes are:

VBW has processes in place to ensure that complaints are handled in a unified manner. Compliance monitors the handling process and the derivation of appropriate remedial actions. The effectiveness of the measures taken in each case is assessed in a quarterly review.

5.2.4.5 Human rights

No serious problems or incidents in connection with human rights were reported to VBW either via the whistleblowing application or via the ombudsman’s office.

5.2.5 Targets for preventing data breaches (in accordance with S4-5)

The target is for VBW to respond fully to all incoming data protection requests from data subjects within the legally prescribed periods, in order to reduce negative impacts on consumers.

Protection of the rights of data subjects and structured handling of confidential banking and customer data

Material topic	Direction	Impact addressed	Type of target	Target value	Base year	Reference value	Target year
Information-related impacts for consumers and/or end-users	Minimising potential adverse impacts	Data protection with respect to customer data	relative	100 %: All enquiries received by VBW from data subjects are answered in full within the statutory deadlines.	Each year, 100% of incoming data subject requests should be answered fully and on time.		2025

Addressed policies (strategies): Data protection with respect to customer data

Title and description of the target: The target is the timely processing of 100% of requests to exercise data subject rights within the statutory period of one month (Art. 12 GDPR). In the 2025 reporting year, the bank processed a total of 79 data subject requests (2024: 73). 100% of requests were completed within the statutory period of one month (2024: 100%).

The compliance rate of 100% achieved in the 2025 reporting year underlines that compliance with data subject rights continues to be a high priority at the bank. It demonstrates the stability of internal processes for handling complex data protection requests and confirms the bank’s commitment to maintaining a data protection-compliant organisation. Processing times are monitored and managed centrally using an established digital process tool (currently supported by dedicated monitoring in an Excel file). The status of case processing and compliance with statutory deadlines are reviewed weekly to ensure early escalation and process optimisation.

All business activities and all business areas at all sites of VBW and its service providers are covered by the targets.

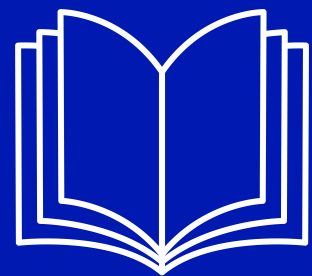
All data protection-related requests must be reported to Compliance, where they are centrally documented and processed.

No stakeholders were involved in the target definition.

There were no changes to the targets, the associated parameters or the underlying measurement methods. The metric for the timely response to data protection requests is collected through centralised recording by the Compliance department. Requests are received via various channels (e-mail, post, customer advisors in retail branches and online banking). For this reason, a mandatory process for forwarding requests to Compliance has been established. The metric is therefore subject to the following methodological limit: Recording is based exclusively on those requests that were successfully forwarded to Compliance. Despite existing internal guidelines and training on forwarding obligations, there is a risk of requests not being reported or being reported late. Such individual cases are therefore not included in the statistical population and cannot be included in the calculation of the processing rate.

6 Corporate Governance and Corporate Culture

Code of Conduct
FOUNDATION OF THE CORPORATE CULTURE



6 CORPORATE GOVERNANCE AND CORPORATE CULTURE

The following section presents the policies relating to corporate governance and culture as well as the actions for preventing and detecting corruption and bribery. The materiality analysis of the Association of Volksbanks did not identify corporate governance and corporate culture as material topics (see also the Sustainability Statement of the Association of Volksbanks).

6.1 POLICIES FOR CORPORATE GOVERNANCE AND CORPORATE CULTURE

The corporate culture of VBW is based on the Code of Conduct, which was originally adopted by the Supervisory Board. The Code of Conduct is continuously developed by Compliance and updated whenever necessary changes or additions are required. The Code of Conduct essentially describes and promotes the core values of VBW: Trust – Integrity – Respect – Confidentiality. Moreover, the Code of Conduct deals with selected compliance issues which also document the integrity of VBW in its external relations. Updates to the Code of Conduct are approved by the Managing Board of VBW and brought to the attention of the Supervisory Board at its regular meetings.

To implement the principles anchored in the Code of Conduct for supporting employees in avoiding mistakes and strengthening the trust of customers and business partners in VBW, accompanying actions were implemented, including:

- » a clear organisational structure with defined responsibilities,
- » structured written rules,
- » target group-oriented training with practical examples,
- » annual appraisal interviews,
- » specialised staff in the Compliance function,
- » a stringent complaints procedure, and
- » transparent and consistent sanction processes.

The permanent management mission plays a decisive role in the implementation of compliance issues. It is only by practising compliance that a high level of integrity can be maintained among employees. The Managing Board exemplifies this approach and communicates this expectation very clearly on various occasions. Compliance monitors adherence to the rules and meets violations with sanctions appropriate to the severity of the violation, the focus always being on talking to the employees concerned. Accidental violations are analysed with regard to their causes and, if necessary, repetitions are prevented through procedural improvements or training.

The Code of Conduct was adopted by the Supervisory Board and documents the organisation's values in its internal and external relations. The Code of Conduct is published on the intranet and on the internet. The contents of the Code of Conduct are taught as part of the Compliance training programme.

For many years already, all new employees joining the bank are instructed about the established Code of Conduct by the Compliance function in the course of an onboarding event. The training package also includes a module on respecting human rights. The Head of Compliance is responsible for implementing the training policy.

Structured training and monitoring processes ensure that all employees receive regular (usually annual) training. Furthermore, this process ensures that the fitness and propriety of the executive bodies is maintained at all times, which is why compliance topics are given high priority in the Fit & Proper training courses as well. The training cycle for executive bodies is two years.

This ensures that all executive bodies receive regular anti-corruption training and that their specialist knowledge of aspects of business conduct is up to date.

Compliance reports to the Managing Board on the current compliance risk and on current developments in compliance issues at least quarterly; Compliance reports to the Supervisory Board at least annually.

VBW pays close attention to the active fight against corruption and bribery. The Code of Conduct contains a reference to the "United Nations Convention against Corruption". Through appropriate rules, in particular on accepting and granting benefits or on the handling of donations and sponsorships, the bank ensures participation in business life and minimises the risk of criminal offences or damage to its reputation.

6 CORPORATE GOVERNANCE AND CORPORATE CULTURE

Compliance prepares an annual risk analysis to identify areas with a high risk of corruption and bribery. The result shows that the company's management and the purchasing departments are exposed to a high (gross) risk in connection with corruption and bribery and are therefore more at risk.

VBW has established an internal control system, which also aims at preventing and detecting corruption and bribery. In addition, all employees, customers and business partners have access to whistleblower systems for reporting. The contact point for suspicious transactions is Compliance, which forwards detected transactions or suspected cases to Internal Audit.

Employees are made aware of applicable anti-corruption regulations through compliance training and the Compliance Manual.

6.1.1 Whistleblowing

By means of the Business Keeper Monitoring System (BKMS®), which has been implemented at VBW for years, all employees have the opportunity to submit a report completely anonymously regarding the categories of

- » Violation of regulatory requirements
- » Fraud
- » Corruption
- » Theft
- » Breach of trust/embezzlement/misappropriation

at any time. Compliance is available for consultations and concerns related to the Code of Conduct.

The processing procedures comply with the requirements of the Austrian Corruption Criminal Law Amendment Act 2023.

Information on the BKMS® and how to access it is available to all employees on the Compliance intranet site and is communicated in numerous training sessions. VBW offers a separate whistleblower system on its website that can be used around the clock. This is available to customers, applicants, business partners, suppliers and other relevant target groups, among others. The procedure for handing reports received via this reporting channel corresponds to the established procedure for whistleblowing reports received via the BKMS®. All reports are received by selected employees in Compliance. Due to the direct affiliation with Compliance, separate training courses are not required here. The process also provides for the involvement of Internal Audit as an independent investigator in any investigations that become necessary.

The Managing Board has committed itself to fundamental protection of the whistleblower as well as the persons mentioned in a report. Both the protection of whistleblowers in cases of justified suspicion and the protection of suspects are of great importance. This includes, in particular, protecting from retaliation the bank's own employees who come forward as whistleblowers. Through introduction of the BKMS®, the Managing Board has already committed itself to the protection of those involved. Until there is reliable evidence to the contrary, the presumption of innocence applies to the accused.

The investigating body at VBW for all reported cases is Internal Audit. Internal Audit acts independently and reports to the entire Managing Board and the Supervisory Board. Audit reports are submitted to the entire Managing Board upon completion.

6.1.2 Management of complaints

Complaint management is controlled centrally by the Compliance department. This ensures that an accumulation of complaints is quickly identified and appropriate countermeasures can be initiated. VBW considers complaints as an opportunity to improve existing processes. The bank also attaches great importance to the rapid and transparent handling of all complaints to further strengthen customer loyalty. All employees are trained via e-learning to respond to complaints correctly, which also includes ensuring that complaints are consistently recorded. As part of its permanent management mandate, management monitors implementation and focuses on the positive aspect of complaints. Complaints may be submitted to VBW orally or in writing via diverse communication channels. As a general rule, the branch or unit where the incident occurred will best be able to help quickly and efficiently due to the knowledge available there about business processes and the facts relevant to the complaint.

6 CORPORATE GOVERNANCE AND CORPORATE CULTURE

If no solution is found at this level, or if the customers feel that this is not expedient, it is also possible to contact the ombudsman's office of VBW: ombudsstelle@volksbankwien.at

6.2 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

The regulations in the Code of Conduct are part of the "Compliance Manual" working instruction. Changes are communicated to all employees within VBW on the intranet. All employees are also informed of changes to the instructions by means of a weekly e-mail.

The investigating body at VBW for all cases of suspected bribery and corruption is Internal Audit. Internal Audit acts independently and reports to the entire Managing Board and the Supervisory Board. Audit reports are submitted to the entire Managing Board upon completion.

VBW has a detailed training policy in place, which covers all executive bodies and employees and all relevant compliance topics (including corruption and bribery, Code of Conduct, anti-money laundering, sanctions/embargoes and capital market compliance). The high-risk units are given particular consideration in special training sessions as part of the training policy.

One of the ten sustainability goals is to integrate sustainability into the "three lines of defence" model. The strategic objective is to train managers in the second and third lines of defence on ESG requirements and implementation. For this purpose, a KPI has been defined: the proportion of trained "three lines of defence" managers, i.e. the percentage of managers in the second and third line functions (Compliance, Operational Resilience, Data Governance, Credit Risk Management, Risk Controlling and Internal Audit) who have attended the ESG Fit-and-Proper "Sustainability Update" training.

The share of VBW Group employees in high-risk units amounts to 2.01% of the total workforce (2024: 4.22 %).

The training policy is designed to ensure that all executive bodies and employees receive comprehensive training every two years.

6 CORPORATE GOVERNANCE AND CORPORATE CULTURE

Overview table of training measures:

Type of training measure	Covered persons	Frequency of training	Training duration	Topics covered
Classroom training	All employees, with the exception of executive bodies, Managing Board members and key employees	Mandatory participation: 1 x every 2 years	Corruption and bribery are part of the content of the training and take up 16.5 minutes of the training.	Accepting and granting benefits, definition and examples of public officials, material and immaterial corruption, whistleblower system, conflicts of interest
Compliance onboarding	All new employees	One-time mandatory participation for new hires	Corruption and bribery are part of the content of the training and take up 9 minutes of the training.	Code of Conduct (prohibition of bribery, corruption and extortion), accepting and granting benefits, public officials, immaterial corruption, whistleblower system, conflicts of interest
Web-based training: Regulatory & general compliance	All employees, with the exception of executive bodies, Managing Board members and key employees	Mandatory participation: 1 x every 2 years	Corruption and bribery are part of the content of the training and take up 32 minutes of the training.	Code of Conduct (bribery and corruption), definition of corruption, public officials, accepting and granting benefits, donations, sponsoring, immaterial corruption, reputational damage, actions to prevent corruption, human rights, whistleblower system, conflicts of interest
Fit & Proper – Compliance	Executive bodies, Managing Board members and key employees	Mandatory participation: 1 x every 2 years	Corruption and bribery are part of the content of the training and take up 90 minutes of the training.	Immaterial corruption – “Small favours – big problems” – “Corruption stories” & practical tips on the topic of “immaterial corruption” from Transparency International Austria
Classroom training for VB II	All VB II employees	Mandatory participation: 1 x every 2 years	Corruption and bribery are part of the content of the training and take up 16.5 minutes of the training.	Code of Conduct (prohibition of bribery, corruption and extortion), accepting and granting benefits, public officials, whistleblower system

6 CORPORATE GOVERNANCE AND CORPORATE CULTURE

Coverage and scope of training measures by groups of persons:

2025 VBW Group and Group parent:

Category ¹	At-risk functions ²		Managers ³		Executive bodies		Other own workers	
	G	GP	G	GP	G	GP	G	GP
Training coverage								
Total ⁴	30	3	169	130	16	16	1,281	947
Total receiving training	29	3	77	58	12	12	693	513
Proportion of functions covered by training (in per cent)	96.66	100	45.56	44.62	75	75	54.1	54.17
Delivery methods and duration								
Classroom training (in min.)	438.0	0.0	1,144.5	846.0	0	0	12,054.0	9,012.0
Computer-based training (in min.)	270.0	270.0	2,974.0	2,282.0	1,080.0	1,080.0	20,448.0	15,584.0
Voluntary computer-based training	0	0	0	0	0	0	0	0
Frequency	1 x every 2 years							

2025 VBW Group and Group parent:

Category ¹	At-risk functions ²		Managers ³		Executive bodies		Other own workers	
	G	GP	G	GP	G	GP	G	GP
Training coverage								
Total ⁵	62	3	162	127	16	16	1,240	920
Total receiving training	58	0	92	72	6	6	691	506
Proportion of functions covered by training (in per cent)	93.55	0	56.79	56.69	37.5	37.5	55.73	55
Delivery methods and duration								
Classroom training (in min.)	135	0	1,416	1,083	0	0	12,132	9,043.55
Computer-based training (in min.)	1,818	0	3,434	2,736	540	540	21,242	15,610
Voluntary computer-based training	0	0	0	0	0	0	0	0
Frequency	1 x every 2 years							

The tables above show the extent to which at-risk functions, managers, executive bodies and other own workers are covered by training, including the number of persons receiving training, percentage coverage, and the delivery methods used and duration of the training. The frequency of training is also shown, which is once every two years across the Group.

6.3 CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

One of the ten sustainability goals is to integrate sustainability into the "three lines of defence" model. The strategic objective is to ensure compliance with governance regarding corruption and bribery at VBW. For this purpose, a KPI has been defined: the number of confirmed cases of corruption and bribery. As in the previous year, there were no known incidents of corruption or bribery in the reporting year.

¹ Each person is assigned to a maximum of one category.

² At-risk functions = functions deemed to be at high risk of corruption and bribery as a result of their tasks and responsibilities.

³ This category includes managers at levels V-1, V-2 and V-3.

⁴ The 1,496 persons (Group) and 1,096 persons (Group parent) are those who were obliged to undergo training as at 31 December 2025. The following persons are not included in this figure: employees on parental leave, maternity leave, leave of absence and partial retirement.

⁵ The 1,480 persons (Group) and 1,066 persons (Group parent) are those who were obliged to undergo training as at 31 December 2024. The following persons are not included in this figure: employees on parental leave, maternity leave, leave of absence and partial retirement.

Vienna, March 5, 2026

The Managing Board



Gerald Fleischmann
Chairman of the Managing Board



Rainer Borns
Deputy Chairman of the Managing Board



Thomas Uher
Deputy Chairman of the Managing Board



Christine Grabmair, MSc
Member of the Managing Board

Annual Financial Report

Annual Financial Report

STATEMENT OF COMPREHENSIVE INCOME	148
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025	149
CHANGES IN THE GROUP'S EQUITY	150
CASH FLOW STATEMENT	151
TABLE OF CONTENTS (NOTES)	152
NOTES	154
AUDITOR'S REPORT	268
STATEMENT OF ALL LEGAL REPRESENTATIVES	274

Statement of comprehensive income

INCOME STATEMENT	Note	1-12/2025	1-12/2024	Changes	
		Euro thousand	Euro thousand	Euro thousand	%
Interest and similar income		424,292	512,157	-87,865	-17.16%
thereof using the effective interest method		410,829	490,246	-79,418	-16.20%
Interest and similar expenses		-294,977	-357,378	62,401	-17.46%
Net interest income	4	129,315	154,779	-25,464	-16.45%
Risk provision	5	-27,915	-74,651	46,736	-62.61%
Fee and commission income		95,582	88,845	6,737	7.58%
Fee and commission expenses		-16,187	-13,410	-2,777	20.71%
Net fee and commission income	6	79,395	75,435	3,960	5.25%
Net trading income	7	4,076	5,223	-1,148	-21.97%
Result from financial instruments and investment properties	8	9,964	-1,687	11,651	< -200.00 %
Other operating result	9	157,386	155,819	1,567	1.01%
General administrative expenses	10	-288,578	-271,237	-17,341	6.39%
Result from companies measured at equity	11	245	2,301	-2,056	-89.34%
Annual result before taxes		63,887	45,981	17,906	38.94%
Income taxes	12	20,912	-3,008	23,921	< -200.00 %
Annual result after taxes		84,799	42,973	41,826	97.33%
Result attributable to shareholders of the parent company		84,799	42,973	41,826	97.33%
Result attributable to non-controlling interest		0	0	0	0
OTHER COMPREHENSIVE INCOME					
		1-12/2025	1-12/2024	Changes	
		Euro thousand	Euro thousand	Euro thousand	%
Annual result after taxes		84,799	42,973	41,826	97.33%
Items that will not be reclassified to profit or loss					
Revaluation of obligation of defined benefit plans (including deferred taxes)		4,114	842	3,271	> 200.00 %
Revaluation reserve (including deferred taxes)		1,281	0	1,281	100.00%
Fair value reserve - equity instruments (including deferred taxes)		-2,014	10,142	-12,156	-119.86%
Revaluation of own credit risk (including deferred taxes)		-593	-57	-536	> 200.00 %
Change from companies measured at equity		-299	201	-501	< -200.00 %
Total items that will not be reclassified to profit or loss		2,488	11,128	-8,640	-77.65%
Items that may be reclassified to profit or loss					
Fair value reserve - debt instruments (including deferred taxes)					
Change in fair value		185	250	-65	-26.00%
Cash flow hedge reserve (including deferred taxes)					
Change in fair value (effective hedge)		-1,394	-274	-1,120	> 200.00 %
Net amount transferred to profit or loss		482	163	318	194.94%
Change from companies measured at equity		113	76	37	49.34%
Total items that may be reclassified to profit or loss		-615	215	-829	< -200.00 %
Other comprehensive income total		1,873	11,343	-9,470	-83.49%
Comprehensive income		86,672	54,316	32,357	59.57%
Comprehensive income attributable to shareholders of the parent company		86,506	54,316	32,190	59.27%
Comprehensive income attributable to non-controlling		166	0	166	100.00%

Statement of financial position as at 31 December 2025

	Note	31 Dec 2025 Euro thousand	31 Dec 2024 Euro thousand	Changes Euro thousand	
					%
ASSETS					
Liquid funds	13	3,549,350	3,873,327	-323,976	-8.36%
Loans and receivables to credit institutions	14, 15	1,644,813	1,798,682	-153,869	-8.55%
Loans and receivables to customers	14, 15	6,291,672	6,059,981	231,691	3.82%
Fair value changes of hedged items in portfolio hedge of interest rate risk		-27,993	-20,959	-7,033	33.56%
Assets held for trading	16	23,175	22,598	577	2.55%
Financial investments	15, 17	4,249,901	3,632,232	617,668	17.01%
Investment property	18	31,857	28,223	3,634	12.88%
Companies measured at equity	19	26,255	28,757	-2,503	-8.70%
Participations	20	98,038	96,044	1,994	2.08%
Intangible assets	21	14,347	14,218	129	0.91%
Tangible assets	22	123,712	128,463	-4,750	-3.70%
Tax assets	23	92,915	73,929	18,985	25.68%
Current taxes		108	4,836	-4,728	-97.77%
Deferred taxes		92,807	69,094	23,713	34.32%
Other assets	24	274,509	300,695	-26,186	-8.71%
TOTAL ASSETS		16,392,550	16,036,189	356,361	2.22%
LIABILITIES					
Liabilities to credit institutions	25	2,830,107	3,069,555	-239,448	-7.80%
Liabilities to customers	26	6,680,990	6,673,557	7,433	0.11%
Fair value changes of hedged items in portfolio hedge of interest rate risk		148	514	-366	-71.19%
Liabilities evidenced by certificates	27	4,102,344	3,449,077	653,267	18.94%
Lease liabilities	28	78,164	82,242	-4,079	-4.96%
Liabilities held for trading	29	15,385	19,957	-4,573	-22.91%
Provisions	30, 31	52,973	54,425	-1,452	-2.67%
Tax liabilities	23	3,155	735	2,420	> 200.00 %
Current taxes		1,916	139	1,777	> 200.00 %
Deferred taxes		1,239	596	643	107.87%
Other liabilities	32	406,241	536,213	-129,972	-24.24%
Subordinated liabilities	33	1,217,908	1,237,365	-19,457	-1.57%
Equity	35	1,005,138	912,551	92,587	10.15%
TOTAL LIABILITIES		16,392,550	16,036,189	356,361	2.22%

Changes in the Group's equity

	Subscribed capital	Additional Tier 1 capital	Capital reserves	Retained earnings and other reserves	Shareholders' equity	Non-controlling interest	Equity
Euro thousand							
As at 01 Jan 2024	135,674	217,722	269,779	471,179	1,094,355	0	1,094,355
Consolidated net income				42,973	42,973		42,973
Other comprehensive income	0	0	0	11,343	11,343	0	11,343
Comprehensive income	0	0	0	54,316	54,316	0	54,316
Redemption AT1 emission		-217,722		-2,278	-220,000		-220,000
Dividends paid				-7,595	-7,595	0	-7,595
Coupon for the AT1 emission				-8,525	-8,525		-8,525
Changes in the scope of consolidation				0	0	0	0
As at 31 Dec 2024	135,674	0	269,779	507,097	912,551	0	912,551
Consolidated net income				84,799	84,799		84,799
Other comprehensive income	0	0	0	1,707	1,707	166	1,873
Comprehensive income	0	0	0	86,506	86,506	166	86,672
Redemption AT1 emission		0		0	0		0
Dividends paid				0	0	0	0
Coupon for the AT1 emission				0	0		0
Changes in the scope of consolidation				38	38	5,877	5,915
As at 31 Dec 2025	135,674	0	269,779	593,641	999,094	6,044	1,005,138

For further details see note 35) equity.

Cash flow statement

Euro thousand	Notes	1-12/2025	1-12/2024
Annual result (before non-controlling interest)		84,799	42,973
Non-cash positions in annual result			
Net interest income	4	-129,315	-154,779
Income from participations	8	-13,723	-2,259
Depreciation, amortisation, impairment and reversal of impairment of financial	8, 10	10,394	8,251
Allocation to and release of provisions, including risk provisions	5, 10	38,688	74,757
Result from the disposal of financial assets and liabilities, and tangible assets	8, 9	141	-6,320
Income taxes	12	-20,851	3,008
Changes in assets and liabilities from operating activities			
Loans and advances to credit institutions	14	159,661	796,664
Loans and advances to customers	14	-254,754	-295,158
Trading assets	16	-4,633	-676
Financial investments	17	64,540	-37,774
Other assets from operating activities	24	-2,359	-3,867
Liabilities to credit institutions	25	-238,206	83,420
Liabilities to customers	26	12,770	135,785
Liabilities evidenced by certificates	27	644,525	119,487
Derivatives	16, 24, 29, 32	-53,236	-20,125
Other liabilities	32	-52,320	5,464
Interest received		410,519	465,944
Interest paid		-291,737	-286,656
Dividends received	8	13,723	2,259
Dividends from equity-accounted investees	11	2,562	15,765
Income taxes paid		-1,341	-11,300
Cash flow from operating activities		379,847	934,865
Proceeds from the sale or redemption of			
Financial investments at amortised cost	17	346,725	126,428
Participations	20	1,764	17,474
Intangible and tangible assets	21, 22	131	1,454
Payments for the acquisition of			
Financial investments at amortised cost	17	-1,037,281	-1,013,004
Participations	20	0	-22,468
Intangible and tangible assets	21, 22	-7,639	-9,226
Cash flow from investing activities		-696,299	-899,342
Repayment from the termination of the AT1 capital	35	0	-220,000
Redemption of own equity interests	35	-3,000	-3,000
Dividends paid and coupon for the AT 1 capital	35	0	-16,120
Cash outflow of lease liabilities	28	-4,524	-4,244
Cash inflow of subordinated liabilities	33	0	993,240
Cash outflow of subordinated liabilities		0	-215,892
Cash flow from financing activities		-7,524	533,984
Cash and cash equivalents at the end of previous period	13	3,873,327	3,303,819
Cash flow from operating activities		379,847	934,865
Cash flow from investing activities		-696,299	-899,342
Cash flow from financing activities		-7,524	533,984
Cash and cash equivalents at the end of period	13	3,549,350	3,873,327

Details of the calculation method of cash flow statement are shown in note 3) aj).
 Details to cash in- and outflow of subordinated liabilities are shown in note 33).

Table of contents (Notes)

NOTES	154
1) General information	154
2) Presentation of and changes to the scope of consolidation	155
3) Accounting principles	156
a) Standards and interpretations applied for the first time	157
b) Standards and interpretations to be applied in the future	157
c) Accounting and valuation methods regarding ESG risks	158
d) Application of estimates and assumptions	159
e) Consolidation principles	159
f) Currency translation	160
g) Net interest income	160
h) Risk provision	160
i) Net fee and commission income	160
j) Net trading income	161
k) Result from financial instruments and investment properties	161
l) Other operating result	161
m) General administrative expenses	161
n) Financial assets and liabilities	161
o) Loans and receivables to credit institutions and customers	164
p) Risk provision	164
q) Assets and liabilities held for trading	165
r) Financial investments	166
s) Investment property	166
t) Participations and investments in companies measured at equity	167
u) Intangible and tangible assets	168
v) Tax assets and liabilities	169
w) Other assets	169
x) Assets and liabilities held for sale	169
y) Liabilities	170
z) Employee benefits	170
aa) Provisions	171
ab) Other liabilities	172
ac) Subordinated liabilities	172
ad) Equity	172
ae) Reserves	172
af) Own funds	172
ag) Trust transactions	173
ah) Repurchase transactions	173
ai) Other contingent liabilities and financial obligations	173
aj) Cash flow statement	174
4) Net interest income	175
5) Result from risk provision	175
6) Net fee and commission income	176
7) Net trading income	176
8) Result from financial instruments and investment properties	177
9) Other operating result	177
10) General administrative expenses	178
11) Result from companies measured at equity	179

12) Income taxes	179
13) Liquid funds	181
14) Loans and receivables to credit institutions and customers	181
15) Risk provision	182
16) Assets held for trading	184
17) Financial investments	185
18) Investment property	186
19) Companies measured at equity	187
20) Participations	189
21) Intangible assets	190
22) Tangible assets	191
23) Tax assets and liabilities	192
24) Other assets	193
25) Liabilities to credit institutions	193
26) Liabilities to customers	193
27) Liabilities evidenced by certificates	194
28) Lease liabilities	195
29) Liabilities held for trading	195
30) Provisions	196
31) Employee benefits	197
32) Other liabilities	199
33) Subordinated liabilities	199
34) Cash flows from liabilities based on maturities	200
35) Equity	201
36) Own funds	203
37) Financial assets and liabilities	205
38) Derivates	209
39) Hedging	210
40) Assets and liabilities denominated in foreign currencies	213
41) Trust transactions	213
42) Assets pledged as collaterals for the Group's liabilities	214
43) Contingent liabilities and commitments	214
44) Repurchase transactions and other transferred assets	215
45) Related party disclosures	216
46) Disclosures on mortgage banking in accordance with the Austrian Mortgage Bank Act, including covered bonds	217
47) Branches	217
48) Subsequent events	217
49) Segment reporting	218
50) Risk report	220
a) Internal Capital Adequacy Assessment Process	223
b) Credit risk	226
c) Market risk	261
d) Liquidity risk	265
51) Fully consolidated companies	266
52) Companies measured at equity	266
53) Unconsolidated affiliated companies	267

Notes

1) General information

VOLKSBANK WIEN AG (VBW) with its registered office at Dietrichgasse 25, 1030 Vienna, is the parent company of subsidiaries operating in Austria and the central organisation (CO) of the Austrian Association of Volksbanks. In addition to Association business with the Volksbanks, the focus of private and corporate customer business is on Austria.

VBW, as CO pursuant to Section 30a of the Austrian Banking Act, is part of the association of credit institutions (liability and liquidity association). The Association of Volksbanks is required to comply with the regulatory provisions of Parts 2 to 8 of Regulation (EU) no. 575/2013 as well as Section 39a Austrian Banking Act, on the basis of the consolidated financial position (Section 30a (7) Austrian Banking Act). VBW must continue to comply with all applicable regulatory provisions on a single-entity level and on the level of the group of credit institutions. The members of the Association of Volksbanks have joint, unlimited liability and have contractually agreed to bear the costs and risks of the CO on a pro rata basis. By letter dated 29 June 2016, the European Central Bank (ECB) granted unlimited approval of the Association of Volksbanks without further requirements.

The accounts have been prepared on the assumption that the business will remain a going concern. The consolidated financial statements are reported in euros, as this is the Group's functional currency. All figures are indicated in thousands of euros unless specified otherwise. The following tables may contain rounding differences.

These consolidated financial statements were signed by the Managing Board on 05 March 2026 and subsequently approved to be forwarded to the Supervisory Board.

2) Presentation of and changes to the scope of consolidation

Scope of consolidation and assessment of control

All directly and indirectly participating undertakings under the control of VBW are fully consolidated in the consolidated financial statements. According to the IFRS, control exists if an entity (a) has power over another entity, (b) is exposed to variable returns, and (c) has the ability to influence these returns through its power.

The assessment of whether control over a participating undertaking exists requires considerable judgement, assumptions and estimates, especially in cases where control is not based on interdependencies under company law, as is the case with the VBW and the affiliated banks. Significant discretionary scope is involved in assessing the capacity (as principal or agent) in which VBW actually influences the variable returns from affiliated banks through its existing power.

Applying the principles developed under IFRS 10 using the example of the fund manager, VBW concludes that it exercises its decision-making power over affiliated banks in the capacity of agent, i.e. not in its own interest (as principal). This means that VBW does not satisfy all the IFRS 10 criteria, which is why it does not control the affiliated banks and these are therefore not included in VBW's consolidated financial statements.

Number of consolidated companies

	31 Dec 2025			31 Dec 2024		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Fully consolidated companies						
Credit institutions	1	0	1	1	0	1
Financial institutions	0	0	0	0	0	0
Other companies	5	0	5	4	0	4
Total	6	0	6	5	0	5
Companies measured at equity						
Credit institutions	1	0	1	1	0	1
Other companies	1	0	1	1	0	1
Total	2	0	2	2	0	2

With effect from 31 December 2024, VBW has terminated shares in Schulze-Delitzsch Ärzte und Freie Berufe e.Gen. (Schulze-Delitzsch) with a nominal value of euro 1,220 thousand of the original euro 1,720 thousand. A further 56 members withdrew entirely from the cooperative by way of cancellation as at 31 December 2024. Of the cooperative's original share capital of euro 17,157 thousand as at 31 December 2024, euro 12,698 thousand was subject to a lock-out period and no longer carried voting rights as at 31 December 2025. Due to these changes in the membership structure and the relative size of VBW's share of capital and voting rights, VBW holds a majority of the votes present at the general meetings of the cooperative, which is why the participating interest had to be included in the scope of consolidation of VBW with effect from 31 December 2025. As at 31 December 2025, VBW holds a pro rata nominal amount of euro 500 thousand and a share of 11.22 % in Schulze-Delitzsch. The remaining shares in Schulze-Delitzsch represent non-controlling interests.

Number of unconsolidated companies

	31 Dec 2025			31 Dec 2024		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Affiliates	3	0	3	4	0	4
Associated companies	1	0	1	3	0	3
Companies total	4	0	4	7	0	7

The unconsolidated companies in their entirety were deemed immaterial to the presentation of a true and fair view of the net assets, financial position and results of operations of the Group. In addition to quantitative criteria like total assets and result after taxes, the effect of consolidation on specific positions as well as on the true and fair view of the consolidated financial statements is taken into account for the assessment of materiality. The calculation of the quantitative characteristics was based on the latest available financial statements of the companies and the Group's consolidated financial statements for 2025.

The list of companies included in the consolidated financial statements, of companies measured at equity, as well as of the unconsolidated companies including detailed information, can be found at the end of the Notes (see Notes 51), 52) and 53).

3) Accounting principles

The following accounting principles have been applied consistently.

The 2025 consolidated financial statements and the comparative values for 2024 of VBW were prepared on the basis of all International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) applicable as at the balance sheet date, and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), in so far as these have also been adopted by the European Union in the endorsement process and their application is mandatory, and meet the requirements of Section 245a of the Austrian Business Code (UGB) and Section 59a of the Austrian Banking Act (BWG) that regulate 'befreiende Konzernabschlüsse', i.e. consolidated financial statements prepared in accordance with internationally recognised accounting principles that release a parent company from preparing subgroup accounts if the parent company is included in the consolidated financial statements of its higher-level parent.

The consolidated financial statements have been prepared in accordance with all IFRS/IAS published by the International Accounting Standards Board (IASB) in force on the balance sheet date as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) as endorsed by the European Union (EU).

The consolidated financial statements have been prepared based on 'at cost' measurement excluding the following items:

- Derivative financial instruments – measured at fair value
- Financial instruments in the category at fair value through profit or loss and at fair value through other comprehensive income (OCI)
- Investment property – measured at fair value
- Financial assets and liabilities which constitute underlying instruments for fair value hedges – amortised costs are adjusted for changes in fair value, which are to be allocated to hedged risks
- Financial liabilities measured at fair value through profit or loss (fair value option)
- Deferred taxes – for temporary differences between tax values and IFRS values, those amounts are recognised that result in a future tax burden or relief at the time of inversion
- Employee benefit provisions – recognised at net present value less the net present value of plan assets

The following two chapters present amended and new accounting standards.

Standards and interpretations applied for the first time

Standard	Mandatory application	Significant effects on the Association
Amendments to standards and interpretations		
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01 Jan 2025	No

Standards and interpretations to be applied in the future

Standard	Mandatory application	Significant effects on the Association
Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	01 Jan 2026	No
Annual Improvements to IFRS Accounting Standards - Volume 11	01 Jan 2026	No
Amendments to IFRS 9 and IFRS 7 - Power Purchase Agreements referring to contracts for Renewable Electricity	01 Jan 2026	No
IFRS 18 Presentation and Disclosure in Financial Statements	01 Jan 2027	Yes
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 Jan 2027	No
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	01 Jan 2027	No
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 Jan 2027	No

a) Standards and interpretations applied for the first time

No significant effects on the consolidated financial statements have resulted from the application of the standards and interpretations to be applied for the first time.

Effects of changes in foreign exchange rates – lack of exchangeability (amendments to IAS 21)

The amendments on lack of exchangeability (amendments to IAS 21) amend IAS 21 as follows: They specify when a currency is exchangeable with another currency and when it is not, define how an entity determines the applicable closing rate when a currency is not exchangeable, and introduce additional disclosures on how a lack of exchangeability affects an entity's financial performance, financial position and cash flows.

b) Standards and interpretations to be applied in the future

Changes of classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)

The amendments to IFRS 9 and IFRS 7 clarify in particular the treatment of specific issues regarding the classification of financial assets. In addition to clarifications regarding terms and conditions of contract that change the timing or amount of the contractual cash flows, the treatment of non-recourse financial assets, contractually linked instruments, the derecognition of a financial liability settled by electronic payment services, and disclosures on equity instruments measured at fair value through other comprehensive income.

Annual Improvements to IFRS Accounting Standards - Volume 11

The amendments relate to the following standards:

- IFRS 1 - Hedge accounting by a first-time adopter
- IFRS 7 – Financial Instruments: Disclosures, gain or loss on derecognition
- IFRS 7 – Financial Instruments: Disclosure of deferred difference between fair value and transaction price
- IFRS 7 – Financial Instruments: Introduction and credit risk disclosures
- IFRS 9 – Financial Instruments: Lessee derecognition of lease liabilities
- IFRS 9 – Financial Instruments: Transaction price definition
- IFRS 10 – Consolidated Financial Statements: Determination of a 'de facto agent'
- IAS 7 - Statement of Cash Flows: Concept of "cost method" no longer defined.

Power Purchase Agreements - Contracts for electricity from renewable sources (amendments to IFRS 9 and IFRS 7)

Contracts for electricity from renewable sources are aimed at ensuring the stability of and access to renewable electricity. These energy sources are usually dependent on nature, which means that their supply cannot be guaranteed. For this reason, the rules for own use in IFRS 9 are amended as follows: Incorporation of new factors when applying IFRS 9.2.4 to renewable energy contracts where the source of the power generation is renewable and the purchaser is essentially exposed to the entire quantitative risk. These contracts may be designated as hedging instruments in a hedge relationship; additional disclosure requirements regarding the impact of these contracts on the company's performance and on the amount, timing and uncertainty of cash flows. These amendments have no impact on VBW.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 aims to improve reporting on a company's financial performance and improve comparability between financial reports, with the existing standard IAS 1 replaced as part of this. The focus here is on the income statement, with predefined subtotals introduced for this and with new rules that will apply to categorising and summarising or breaking down items. Disclosures are also introduced on certain key performance indicators that are defined and used by company management.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The introduction of IFRS 19 enables certain subsidiaries to reduce the disclosures in the annual report provided that, in addition to its status as a subsidiary, it is not subject to any accountability obligations and the parent company publishes consolidated financial statements that are prepared in accordance with IFRS.

Amendments to the translation into a hyperinflationary presentation currency (amendment to IAS 21)

The amendments to IAS 21 clarify that:

- when an entity translates amounts from a functional currency that is the currency of a non-hyperinflationary economy into a presentation currency that is the currency of a hyperinflationary economy, those amounts – including comparative amounts – are translated using the closing rate at the most recent balance sheet date.
- if the entity's presentation currency ceases to be hyperinflationary and the functional currency remains the currency of a non-hyperinflationary economy, the entity shall apply prospectively the current requirements of IAS 21 for such cases. Comparative amounts are not adjusted in this case.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

The amendments to IFRS 19 published in December 2025 also include reduced disclosure requirements for standards and amendments issued between February 2021 and May 2024.

c) Accounting and valuation methods regarding ESG risks

ESG risks (Environmental Social Governance risks) refer to operational risk events or conditions affecting the climate, the environment, social affairs or corporate governance, the occurrence of which might negatively impact on the value of assets or on the net assets, financial position and results of operations, as well as the reputation of the issuer and/or the VBW Group. ESG risks arise because climate, environmental, social and corporate governance concerns may affect counterparties, customers and other contractual partners of the issuer and/or the VBW Group. ESG risks were not included as a separate risk type, but were mapped within the existing risk types.

A separate scoring system was developed for assessing the risks associated with ESG factors at the level of the individual borrower, which is applied to Corporate and Real Estate customers depending on credit exposure. After the assessment of soft facts by the account manager, the risks associated with ESG factors as well as the risk mitigating measures taken by the customer are measured within the scope of an ESG score. The soft facts matched to the customer segments comprise all three risk aspects (Environmental, Social and Governance). An assessment of the risks associated with ESG factors takes place within the scope of the lending and monitoring processes.

The methods, models and strategies used for ESG risks will be continuously developed over the next years and are meant to contribute to successively measuring inherent ESG risks more accurately. More information regarding ESG risks is shown in Note 50) Risk report.

As at 31 December 2025 as in the previous year, VBW has not invested in any bonds or loans or issued any bonds whose contractual cash flows are dependent on the fulfillment of certain contractually defined ESG targets.

d) Application of estimates and assumptions

Information about assumptions and estimation uncertainties as at 31 December 2025, that may be associated with a significant risk of causing a material adjustment to the carrying amounts of recognised assets and liabilities within the next financial year is included in the following Notes:

- Notes 12) and 23): The recognition of deferred tax assets is based on the assumption that sufficient taxable income will be generated in the future to utilise the existing loss carryforwards; where appropriate, no deferred tax assets are recognised. At the beginning of 2022, the legislator decided to gradually reduce the corporate income tax rate in Austria from 25 % to 23 %. The corporate income tax rate has been 23 % since 01 January 2024.
- Note 18): The assessment of the recoverability of investment properties is based on forward-looking assumptions.
- Note 20): Different valuation models are used for the valuation of the investments. The underlying parameters of the valuation models used are also based on forward-looking assumptions.
- Note 32): For the valuation of existing social capital obligations, assumptions are used for interest rate, retirement age, life expectancy and future salary increases.
- Note 50) Risk report: The basis for determining expected credit losses is provided by scenarios relating to the expected cash flows of the debt instrument. Thus, in order to determine the impairments, assumptions and projections must be made regarding the payments still to be received from the borrower or from the realisation of the collaterals, and the probability of occurrence of the respective scenario must be estimated.

Information about discretionary decisions made in the application of accounting policies that have a significant effect on the amounts recognised in the financial statements is disclosed in the following Notes:

- Note 3) n): Derecognition and modification of a financial asset.
- Note 3) p) as well as Note 50) Risk report: Classification of financial instruments for measuring the amount of expected credit losses (valuation of the business model, SPPI assessment, stage allocation) as well as determining the methodology for considering forward-looking information and selecting models and scenario weightings to measure expected credit losses.

e) Consolidation principles

The consolidated financial statements are based on the separate financial statements of all fully consolidated companies prepared in accordance with IFRS. The figures reported in the individual financial statements of associated companies measured at equity have been adjusted to Group accounting principles where the effects on the consolidated financial statements were significant.

The financial statements of the fully consolidated companies and the companies consolidated using the equity method were prepared based on the balance sheet date of 31 December 2025.

Business combinations with a contract date on or after 31 March 2004 are accounted for using the purchase method set out in IFRS 3. Accordingly, all identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date. If the cost of acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities, goodwill is recognised as an asset. The full goodwill method is not in use. Goodwill is not amortised over the estimated useful life, but instead is tested for impairment annually in accordance with IAS 36. Negative goodwill is recognised directly in income in accordance with IFRS 3 after re-examination. Any change in contingent consideration recognised as a liability at the acquisition date is recognised in profit or loss. Transactions, which do not lead to a loss of control are recognised directly in equity.

If entities that are directly or indirectly controlled by the VBW Group are material for the presentation of a true and fair view of the net assets, financial position and profit or loss of the Group, they are fully consolidated in the consolidated financial statements. Entities over which material influence is exerted are included in the consolidated financial statements using the equity method, provided they are not of minor importance for the presentation. Material influence is generally presumed if 20 % or more of the voting rights are held. However, influence can also exist in the case of a lower participating interest if corresponding rights or agreements are in place. Conversely, a higher participating interest without material influence may occur if the relevant criteria are not met.

Loans and other receivables, provisions and liabilities, as well as contingent assets and liabilities arising from relationships between the companies included in the consolidated financial statements, as well as relevant accruals and deferrals, have been offset within the scope of debt consolidation. Income and expenses between Group companies are

eliminated in the course of the consolidation of expenditure/income, intragroup profits and losses are eliminated in the course of the elimination of intragroup profits and losses.

f) Currency translation

In accordance with IAS 21, foreign currency monetary assets and debts, non-monetary items measured at fair value and unsettled spot transactions are translated using the spot exchange mean rate, whereas unsettled forward transactions are translated at the forward exchange mean rate prevailing on the balance sheet date. Non-monetary assets and liabilities carried at amortised cost are recognised at the prevailing rate on the acquisition date.

The consolidated financial statements are prepared in the Group's functional currency, euro. The functional currency is the currency of the primary economic environment in which the company operates. Each Group company defines its own functional currency, taking into account all the factors listed in IAS 21. As in the previous year, the consolidated financial statements as at 31 December 2025 do not include any foreign subsidiaries in foreign currencies.

g) Net interest income

Interest income and interest expenses are recognised on an accrual basis in the income statement. Current or non-recurring income or expenses similar to interest, such as commitment fees, overdraft commissions or handling fees, are reported in net interest income in accordance with the effective interest method. Premiums and discounts are amortised over the term of the financial instrument using the effective interest method and reported in net interest income.

The unwinding effect resulting from the calculation of the risk provision is shown in interest income.

Net interest income consists of:

- Interest and similar income from credit and money market transactions (including unwinding effect from risk provisions)
- Interest and similar income from fixed-income securities
- Interest and similar expenses for deposits
- Interest and similar expenses for liabilities evidenced by certificates and subordinated liabilities
- Interest components of derivatives reported in the banking book
- Interest expenses from leases
- Modifications of financial assets, if they are due to market-induced contract modifications

Interest income and expenses from assets and liabilities held for trading are recognised in net trading income.

h) Risk provision

The item Risk provision includes movements of the impairments reported and risk provisions for financial assets (measured at amortised cost or at fair value through OCI) as well as for off-balance sheet obligations (essentially loan commitments and financial guarantees) based on the IFRS 9 impairment model of expected credit losses. Moreover, direct write-offs of receivables and receipts from receivables written off already are reported in the risk provision item. Gains or losses from modifications of financial assets are equally recognised in this item, if said modifications are related to credit rating.

i) Net fee and commission income

This item contains all income and expenses relating to the provision of services as accrued within the respective reporting period. Commissions and fees for services provided over a certain period of time are collected throughout the relevant period. This includes fees and commissions from lending business and clearing business, liability commissions as well as custody and management fees. However, commissions or fees for transaction-based services provided to third parties are collected upon completion of service provision. Essentially, this concerns the procurement of insurance policies, building loan contracts and loans as well as securities transactions. In those instances where an associated financial instrument exists, any commissions that are an integral component of the effective interest rate are shown as part of interest income.

j) Net trading income

All realised and unrealised results from financial investments, foreign currency positions and derivatives held for trading (assets and liabilities held for trading) are reported in this item. This includes results from changes in fair value as well as all interest income, dividends and refinancing expenses for assets held for trading. Results from the daily measurement of foreign currency positions are also reported in net trading income.

k) Result from financial instruments and investment properties

The result from financial instruments and investment properties consists of:

- Realised gains and losses from disposal of financial instruments
- Valuation gains and losses of financial instruments
- Result from hedge accounting
- Result from other derivative financial instruments
- Income from equities and other variable-yield securities
- Income from participations in unconsolidated affiliates, as well as companies with participating interests and other participations
- Income from operating lease and investment properties

Results from disposals of financial assets measured at amortised cost or debt instruments measured at fair value through OCI (with recycling) are shown in the realised gains or losses from the disposal of carrying amounts. In case of derecognition of debt instruments measured at fair value through OCI, a reclassification from fair value reserve – debt instruments to the income statement takes place.

The fair value changes of financial assets measured at fair value through profit or loss and of financial liabilities where the fair value option is applied are reported in valuation gains and losses of financial instruments.

l) Other operating result

This item contains, among others, disposals of tangible and intangible fixed assets, allocations to and releases of provisions, impairments of goodwill, valuations of IFRS 5 disposal groups and the deconsolidation result from the disposal of subsidiaries, as well as regulatory expenses and all other operating results.

m) General administrative expenses

General administrative expenses contain all expenditure incurred in connection with the business operations of the companies included in the financial statements.

Staff expenses include wages and salaries, statutory social security contributions and fringe benefits, payments to pension funds and internal pension plans, as well as all expenses resulting from severance and pension payments.

Administrative expenses (operating expenditure) include expenses for office space, office supplies and communication, advertising, PR and promotional expenses, expenses for legal advice and other consultancy, training, and IT expenses.

Depreciation, impairment and reversal of impairment of intangible and tangible assets – excluding impairment of goodwill – are also reported in this item.

n) Financial assets and liabilities

A financial asset or a financial liability is recognised in the balance sheet when the VBW Group becomes a party to a contract on the contractual terms of the financial instrument and, as a result, has the right to receive cash, equity instruments of another company or other financial assets or has a legal obligation to pay cash, provide other financial assets or fulfil contracts using the company's equity instruments. Financial assets and liabilities are recognised or derecognised on the trading day. The trading day is the date when the Group undertakes to buy or sell the assets concerned, respectively to issue or redeem the financial obligations.

Regular way purchases and sales of a financial asset are recognised at fair value on the trade date.

The Group classifies its financial assets and liabilities using the following categories. Upon initial recognition, financial instruments must be measured at fair value. In case of financial instruments that are not measured at fair value through profit or loss directly attributable transaction costs that increase the fair value of financial assets or decrease it when a financial liability is established must also be included in the fair values as incidental acquisition costs. Pursuant to IFRS 13, the fair value is defined as the current exit value. This is the price that market participants receive or pay within the scope of an ordinary transaction for the sale of an asset or transfer of a liability. The fair value is either a price determined on an active market or is determined using valuation models. The input parameters relevant for the respective valuation model may either be directly observable in the market or, if not observable in the market, determined by expert estimate. During subsequent measurement, financial instruments are recognised in the balance sheet either at amortised cost or at fair value, depending on the respective category.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method, unless the option of measuring them at fair value through profit or loss (fair value option) is exercised. For first-time recognition, the option is exercised on a voluntary and irrevocable basis in the valuation category 'measured at fair value through profit or loss', if this enables any measurement or recognition inconsistency to be avoided or reduced significantly. Moreover, financial liabilities may be designated as 'measured at fair value through profit or loss', if a group of financial liabilities or a group of financial assets and financial liabilities is controlled on the basis of their fair values and if their performance is measured on the basis of their fair values.

Derecognition and modification

Basically, a financial asset is derecognised on the date on which the contractual rights to its cash flows expire. The regulation for the derecognition of bad debts is described in Note 3) o). A financial liability is derecognised once it has been redeemed, i.e. when the liabilities agreed in the contract have either been settled, cancelled or have expired.

The VBW Group conducts transactions in which financial assets are transferred, but the opportunities or risks incident to the ownership of the asset remain with the Group. If the Group retains all or substantially all opportunities and risks, the financial asset is not derecognised, but still reported in the balance sheet. Such transactions include, for example, securities lending and repurchase agreements.

A financial asset is deemed modified whenever its contractual cash flows are renegotiated or otherwise adjusted. Renegotiation or modification may result from market-driven commercial components or prevention of default of a borrower in financial difficulties. Contract modifications may, but need not necessarily, lead to the derecognition of the old and recognition of the new financial instrument. To assess the economic substance and financial effect of such contract modifications, qualitative derecognition criteria such as change of debtor, change of currency, change of cash flow criterion, and change of collaterals were defined. The quantitative criterion for derecognition was defined as a deviation of more than 10 % from the gross carrying amount of the asset immediately prior to adjustment, in relation to the net present value of the modified cash flows (discounted using the effective interest rate before modification). Accordingly, a change in the present value of up to 10 % will not result in derecognition but must be shown separately in the result.

Contractual adjustments to financial instruments in default, forbearance or POCI, as well as financial instruments that become such through a contractual modification, generally serve to minimise risk and restore the borrower's economic performance in the longer term. These measures are generally to be assessed as a continuation of the existing financial asset and not subject to the general modification criteria for assessing a derecognition event under IFRS 9.

A contract amendment may either relate to creditworthiness (e.g. a borrower gets into financial difficulties) or be market-induced (e.g. competitive pressure). The distinction is relevant for accounting treatment:

- changes in the contract due to changes in creditworthiness must be recognised in the risk result
- market-induced contract changes must be recorded in net interest income

A non-exhaustive catalogue helps account managers to classify the modifications into creditworthiness-related and market-induced modifications.

Offsetting

Financial assets and liabilities are set off, and the net amount is presented in the balance sheet only if the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards or for gains and losses arising from a group of similar transactions, such as in the VBW Group's trading activities.

Measured at amortised cost

Amortised cost of financial assets and liabilities is defined as the amount consisting of the original purchase price adjusted for redemption amounts, the amortisation of premiums or discounts over the term of the instrument in accordance with the effective interest method and value adjustments or depreciation due to impairment or uncollectibility.

In addition to the contractual cash flows, the effective interest method specifically takes into account the allocation of premiums and discounts, as well as fees and transaction costs, provided these constitute an integral component of the effective interest rate.

Measured at fair value through profit or loss

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For the calculation of fair values, the following hierarchy is used showing the significance of the individual parameters.

Level 1: Quoted prices in active markets of identical assets or liabilities. A market is regarded as active if quoted prices are readily and regularly available and reflect actual and regularly occurring market transactions between parties on an arm's length basis.

Level 2: Valuation techniques based on observable data – either directly as prices or indirectly derived from prices. Measurement parameters used in the measurement models include for instance the use of recent arm's length transactions between knowledgeable, willing parties and a comparison with the current fair value of another, essentially identical financial instrument. Other measurement methods may include analysing discounted cash flows and option pricing models, whereby all significant parameters are derived directly or indirectly from observable market data. All factors that market participants would consider when setting prices are taken into account. The measurement is consistent with accepted economic methodologies for pricing financial instruments. All estimates used for these calculation methods reflect reasonable market expectations and take into account all risk-return factors normally inherent in financial instruments.

Level 3: Measurement methods that largely use parameters which are not observable on the market. Measurement parameters that are not observable but which have a material impact on determining the fair value are placed in this category. This category also contains instruments which are measured by adjusting non-observable inputs, provided this adjustment is considerable. The classification of a parameter as level 3 does not necessarily mean that this parameter also has a material impact on the measurement. The significance of the parameter must be assessed in each individual case. This category also includes instruments for which the measurement is based on the adjustment of observable input parameters, provided that this adjustment is significant.

The valuation methods are realigned periodically and checked for validity, using prices of current observable market transactions or prices based on available observable market data for the same financial instrument. The fair value measurement of the loans is still effected by way of a discounted cash flow method, discounting the cash flows calculated on the basis of forward rates with the risk-free interest curve including an additional charge. This additional charge consists of risk costs, liquidity costs and a collective item for all pricing parameters not taken into account (Epsilon). The risk-free interest curve is derived from market data. The liquidity cost curve is modelled based on market data. The risk cost curve is deduced from the rating or the probability of default. The constant epsilon is calibrated in such a way that a transaction will not generate any fair value gain/loss at the time of conclusion.

For financial assets and liabilities in the banking book that are allocated to the category 'measured at fair value through profit or loss', interest, dividends as well as the related fee and commission income and expenses are reported separately in the respective items in the income statement. Valuation gains and losses are shown separately in result from financial instruments and investment properties.

Derivative financial instruments

Derivative financial instruments are measured at fair value through profit or loss. For fair value calculation, credit value adjustments (CVA) and debt value adjustments (DVA) are taken into account. Counterparty risk for fair values arising from unsecured derivatives is taken into account by means of CVA or DVA - approximating the potential future loss relating to counterparty default risk. The expected future exposure (EFE) is calculated using the Monte Carlo simulation. As no observable credit risk spreads are available for these counterparties on the market, the probabilities of default for the counterparties are based on internal ratings of the VBW Group.

Changes in the fair value of derivative financial instruments which are used for a fair value hedge are immediately recognised in the income statement, under result from financial instruments and investment properties. The change in fair value of the underlying transaction resulting from the hedged risk is also recognised under result from financial instruments and investment properties, regardless of its allocation to individual categories under IFRS 9. Fair value

hedges are used to hedge interest rate risks and currency risks arising from fixed-income financial investments and liabilities, as well as foreign currency receivables and liabilities.

In case of cash flow hedges, the change in fair value of the derivative is recognised immediately in the hedging reserve in OCI, taking into account deferred taxes. The ineffective part of the hedge is recognised in the income statement. The underlying transaction is measured depending on its allocation to the individual categories.

Embedded derivatives that are subject to separate reporting are measured regardless of the financial instrument in which they are embedded, unless the structured financial instrument is designated at fair value through profit or loss. In case of hybrid financial instruments containing embedded derivatives, the SPPI-criterion must be verified based on the entire hybrid contract, without separating embedded derivatives from the underlying contract.

Own equity and debt instruments

Own equity instruments are measured at cost and deducted from equity on the liabilities side. Repurchased own issues are deducted from issues at their redemption amounts on the liabilities side of the balance sheet. The difference between redemption amount and acquisition cost is reported in the item Other operating result.

o) Loans and receivables to credit institutions and customers

Loans and receivables to credit institutions and customers are recognised in the balance sheet as soon as the Group becomes a contracting party. Loans and receivables are initially recognised at fair value plus all directly attributable transaction costs. The subsequent measurement is performed at amortised cost (see Note 3) r)), on the prerequisite that the SPPI criterion is met (cash flows of the financial instrument only consist of interest and redemption payments of the outstanding principal amount). These financial instruments are allocated to the 'Hold to collect' business model. Interest income is calculated according to the effective interest method. If the SPPI criterion is not met, the financial instrument undergoes subsequent measurement at fair value through profit or loss.

In accordance with IFRS 9, the gross carrying amount of receivables is reduced if it cannot reasonably be expected to be realisable. Therefore, the decisive criterion for derecognition of receivables is their uncollectability. A receivable must be derecognised completely in any case if all prerequisites are fulfilled, i.e. no recoverable collaterals exist for the receivables concerned, no other assets of the debtor are known and if alternatively the debtor has not paid in spite of conviction and in spite of execution proceedings, the debtor is insolvent, unless there is any clear prospective quota, or in case of hopelessness of execution.

p) Risk provision

Based on individual and collective evaluation, risk provisions are effected for the special risk of banking business. Risk provisions for off-balance sheet transactions are reported under provisions.

Impairments

The impairment model pursuant to IFRS 9 is based on statistically calculated parameters, such as historical default and loss ratios. The methods and parameters used are validated regularly in order to approximate the estimated and actual defaults and losses. The process for determining the impairment is computer-aided, using an impairment tool specifically developed for the purpose. For further details on ascertaining the impairments please refer to Note 3) n), 3) o) and to Note 50) Risk report b) Credit risk.

Impairments are based on expected credit losses (ECL) and are calculated using probability-weighted future cash flows. The essential model parameters for the measurement of ECL are the term-based probability of default (PD), the term-based loss given default (LGD), and the exposure at default (EAD). The difference between contractually agreed cash flows and anticipated cash flows is recognised as impairment.

Scope

The impairment model must be applied to the following financial instruments:

- Financial assets measured at amortised cost
- Financial assets mandatorily measured at fair value through OCI
- For purchased or originated credit-impaired financial assets (POCI) where the estimated loss amount has changed since addition, this is reported in risk provision using the credit risk-adjusted effective interest rate.
- Impairments are reported as provisions for irrevocable loan commitments and financial guarantees.

Impairments on debt instruments measured at fair value through profit or loss, as well as on equity instruments must be recognised as part of the fair value changes in the income statement or in OCI.

General approach

For the purpose of measuring the amount of anticipated credit losses, financial instruments are divided into three stages.

Stage 1 includes all financial instruments that have not shown any significant increase in default risk since first-time recognition (except for financial assets already impaired at the time of acquisition or granting). The impairment is recognised in the amount of 12-month ECL.

Stage 2 includes all financial instruments showing a significant increase in default risk since first-time recognition. The impairment recognised is equivalent to lifetime ECL.

A significant increase in credit risk is measured primarily on the basis of a rating deterioration. Additionally, default of performance of at least 30 days, classification as forborne or the customer's transfer to intensive supervision are interpreted as a significant increase in credit risk.

Stage 3 includes financial instruments that meet the definition of default. The definition of default within the Group corresponds to the requirements of CRR I Art. 178. The impairment recognised is equivalent to lifetime ECL.

Options

- The option regarding the low credit risk exemption – that is the option available for low-risk instruments to start out from the assumption that the risk of default has not increased significantly since first-time recognition – is exercised. The relevant instruments include loans and receivables to customers and securities with a rating in the investment grade range. In case of securities with several external ratings, the second best rating is used. In this way, we can ensure that at least two rating agencies provide the issuer with an investment grade rating.

Information regarding the calculation logic

The calculation logic may be described according to the following 6 dimensions:

- Time horizon: The expected losses are calculated either for a 12-month period or for the entire residual term.
- Individual or collective perspective: The calculation of the impairment at individual transaction level usually takes place for customers at Stage 3 with a certain minimum exposure. While for all other items, the calculation is also carried out for each transaction individually, the parameters used (PD, LGD, etc.) are derived from portfolios/groups with the same risk characteristics.
- Scenario analysis: The impairment is determined on the basis of at least two probability-weighted scenarios for all stages.
- Expected cash flows: The estimated expected cash flows are subject to certain requirements (determination of cash flows from collaterals, cash flows from current operations, etc.).
- Time value of money: The expected loss includes the "time value of money" and accordingly constitutes a discounted value.
- Taking into account available information: For the purpose of calculating the impairment, debtor-specific, transaction-specific and macroeconomic information about past events, current conditions and forecasts about the future are taken into account within the scope of the PD, LGD and cash flow models applied.

According to the instructions contained in the Group credit risk manual, customers with an internal rating of 4C to 4E (watchlist loans) and all other customers where other indications for an increased default risk exist, i.e. where repayment according to the contract appears jeopardised, are subjected to a more thorough examination.

For more detailed information about the impairment model, please refer to Note 50) Risk report b) Credit risk.

Post-model adjustments

Risks that are not fully mapped in the data model, or macroeconomic developments that are not fully reflected in the models, scenarios and assumptions are recorded as post-model adjustments. For detailed information, please refer to Note 50) Risk report b) Credit risk.

q) Assets and liabilities held for trading

Assets held for trading include all financial assets with a view to short-term sale or forming part of a portfolio which is intended to yield short-term profit. The items assets and liabilities held for trading also include all positive or negative fair

values of derivative financial instruments that meet the regulatory requirements of the trading book. Derivative financial instruments used as hedging instruments to manage interest rate risks in the regulatory banking book are reported under other assets or other liabilities. These items do not include any financial assets and liabilities that fall into the category of measured at fair value through profit or loss.

Both initial recognition and subsequent measurement are effected at fair value through profit or loss. Transaction costs are expensed as incurred. All changes in fair value and all interest income, dividend payments and refinancing costs attributable to the trading portfolio are reported in net trading income.

r) Financial investments

Financial investments comprise all securitised debt and equity instruments not classified as participations. Equity instruments are made up of shares of stock for the major part, without any relevance to the core business of the VBW Group, with optimisation of returns being of primary importance. Financial investments are initially recognised at fair value plus directly attributable transaction costs.

Classification of securitised debt instruments

Securitised debt instruments are classified based on the cash flow criterion and taking into account the respective business model. The following categories apply with this:

- **Measured at amortised cost**
This category includes financial assets that exclusively include the right to interest and principal payments at certain points in time (SPPI criterion). These financial instruments are measured at amortised cost. The interest income is calculated according to the effective interest method. These assets are held as part of a business model whose objective is to hold the assets to collect.
- **Measured at fair value through profit or loss**
This category relates to financial investments that are not allocated to the 'Hold to collect' business model or 'hold and sell' business model. It also includes financial instruments whose contractual cash flows do not exclusively represent payments of interest and principal on the outstanding capital. These financial instruments are measured at fair value through profit or loss.
- **Measured at fair value through OCI**
Financial investments that are allocated to the 'Hold and sell' business model and whose contractual features exclusively provide for payments of interest and principal at specified times (SPPI criterion) are measured at fair value through OCI.

Classification of equity instruments

Equity instruments are measured at fair value through profit or loss. Upon initial recognition, however, an irrevocable option (OCI option) may be exercised, individually for each instrument. This option only applies to financial instruments that are not held for trading purposes. If the option is exercised, all changes to the fair value are reported in OCI (except for dividends, which are reported through profit or loss). Gains or losses reported in OCI can never be reclassified from equity to the income statement.

The option was exercised for the respective equity instruments upon initial recognition, so that the resulting changes in value are recognised in other comprehensive income.

s) Investment property

All land and buildings that meet the definition of investment property as set out in IAS 40 are reported at fair value. Annual measurement is essentially based on RICS standards (Royal Institution of Chartered Surveyors). In accordance with IFRS 13, the RICS defines fair value as the estimated amount for which an investment property could be sold on the valuation date by a willing seller to a willing buyer in an arm's-length transaction in normal business operations, wherein the parties had each acted knowledgeably, prudently and without coercion. These calculations are earnings calculations, most of which are prepared following the discounted cash flow method based on current rent lists and lease expiry profiles. They are subject to assumptions regarding market developments and interest rates. The returns used are defined by the appraiser and reflect the current market situation as well as the advantages and disadvantages of the specific property.

The measurement for the real estate portfolio is completed exclusively by external appraisers who are selected among other things based on their documented professional qualifications and experience with regard to the respective locations and property categories.

Since parameters not based on market information are used to measure investment property, investment property is classified in Level 3 of the fair value hierarchy. The assumptions and parameters used in the valuation are updated on every valuation date.

Tenancy agreements are in place with commercial and private lessees; these vary due to the diversity of the portfolio. These tenancy agreements generally have longer terms of up to 10 years and are secured with deposits. Adjustments to indexes in line with the market are taken into account. Rents are not linked to revenue. Purchase options have been granted for some properties.

Rental income is recognised on a straight-line basis in accordance with the term of the respective contracts and reported in the result from financial instruments and investment properties.

t) Participations and investments in companies measured at equity

This item includes subsidiaries and participations established or acquired for strategic reasons. Strategic investments are companies that cover the areas of business of the VBW Group, as well as companies that support those areas of business. Subsidiaries are fully consolidated if they are material for the presentation of a true and fair view of the net assets, financial position and earnings situation of the VBW Group.

Companies on which a material influence is exerted are measured according to the equity method. All other participations are reported at fair value, except if their acquisition costs are less than euro 50 thousand and if the related equity share does not exceed the carrying amount by more than euro 100 thousand. As these participations are not listed at a stock exchange and no market prices are available on an active market, the participations are measured by means of valuation methods and input factors some of which are not observable. Valuations are effected according to the discounted cash flow method and the peer group approach. Various calculation models are applied. The income approach is used if VBW controls the company or exercises any management function, and hence budgets are available. If the company is not controlled, the fair value calculation is performed based on the dividend paid as well as the annual results of the last five years. In case of companies whose object does not permit any regular income or the result of which is controlled by the parent company through settlements, the net assets are used as valuation criterion. In case of participations in cooperatives, the share capital is used as the fair value, provided the subscription of new shares and the cancellation of existing shares are possible at any time. If valuation reports are prepared by external valuers, they will be used for current valuation.

To the extent that the discounted cash flow method is applied, the discount rates used are based on the respective current recommendations of the Fachsenat der österreichischen Kammer der Wirtschaftstreuhänder as well as of international financial data service providers and range between 7.9 % - 11.2 % in the 2025 financial year (2024: 8.5 % - 12.7 %). The market risk premium used for the calculation is 7.0% (2024: 7.0%), the beta values used range between 0.8 - 1.5 (2024: 0.85 - 1.45). Additional country risks did not have to be considered. Discounts due to fungibility and exercise of control in the amount of 10 % in each case are effected for two participations.

Changes in value are reflected in the fair value reserve. If the reason for an impairment loss ceases to exist, the reversal of impairment is made without any effect on profit or loss directly in equity in other comprehensive income, taking into account any deferred taxes.

For calculating fair value sensitivities, the interest rate is basically set at +/- 0.5 percentage points. The income components used for the calculation are taken into account at +/- 10 % for the sensitivity calculation in each case. In case of participations where the fair value corresponds to net assets, this is taken into account at +/- 10 % for information regarding sensitivity. For fair values derived from valuation reports, a lower and an upper range for sensitivity are recognised respectively. If the fair value corresponds to the share capital, no sensitivity will be calculated.

u) Intangible and tangible assets

Intangible assets and tangible assets are recognised at their respective cost of acquisition or production, less scheduled straight-line amortisation or depreciation and impairment. This item primarily comprises capitalised software, customer relationships and a brand name.

All assets are reviewed at each balance sheet date for any indications that the asset may be impaired. Impairment expense must be recognised in all cases if the recoverable amount is below the carrying amount. The impairment expense must be recognised as an expense in the income statement. The test for impairment loss is performed regularly and in particular if there are any indications of an impairment loss.

The same method for the reversal of impairment losses is used as for recognition of impairments. A review takes place at each balance sheet date to determine whether there are any indications for a reversal of impairment. The carrying amount following the reversal of impairment may not exceed the carrying amount that would have resulted without a prior impairment loss (taking into account amortisation or depreciation). The reversal of the impairment must be recognised in the income statement.

Right of use - lease

On the date of provision of the lease object, a right of use is recognised by the lessee in the balance sheet at acquisition cost. The cost of acquisition is made up as follows:

- Lease liability
- Lease payments made upon or prior to provision of the lease object, less lease incentives received
- Initial direct costs
- Any obligations to restore the object to its original condition, if applicable

All subsequent valuations take place at amortised cost. Amortisation of the rights of use is effected on a straight-line basis over the contractual term. For low-value lease objects and for short-term leases (< 12 months), use is made of simplified application, with payments being recognised in expenses on a straight-line basis. For contracts that also include non-lease components in addition to lease components, in the area of branches, use is made of the option to waive any separation of these components.

For existing leases, an assessment is effected regularly as to whether any essential parameters have changed and if this has any effect on the amount of the lease payments or the term of the lease. If, for instance, any adjustments to the rental index occur, the lease liability will be assessed anew. The newly determined present value will increase or reduce the original liability. As a rule, any such adjustments must be effected in the same amount with respect to the right of use.

Write-offs are recognised for permanent impairment. If the circumstances resulting in the recognition of a write-off cease to exist, the write-off is reversed up to a maximum of amortised cost.

The useful life is the period of time during which an asset is expected to be used and is calculated as follows:

Office furniture and equipment	up to 10 years
IT hardware (including calculators, etc.)	up to 5 years
Software	up to 4 years
Vehicles	up to 5 years
Customer relationships	up to 20 years
Strongrooms and safes	up to 20 years
Buildings, reconstructed buildings	up to 50 years
Rights of use - lease	up to 30 years

v) Tax assets and liabilities

This item is used to report current and deferred tax assets and liabilities.

Under IAS 12, tax deferral is determined according to the balance sheet liability method. Deferred taxes are derived from all temporary differences between the tax base of an asset or a liability and its carrying amount in the financial statements prepared in accordance with IFRS. Deferred taxes are calculated for subsidiaries based on the tax rates that apply or have been announced in the individual countries on the balance sheet date. Deferred tax assets are offset against deferred tax liabilities for each individual subsidiary.

Deferred tax assets are recognised and reported for such items as unused tax loss carryforwards if it is probable that sufficient taxable profits will be available at the same company in the future or if there are sufficient taxable temporary differences. The assessment period for the recognition of deferred tax assets for unused tax loss carryforwards is five years (2024: four years). The extension of the assessment period from four to five years represents a change in an accounting estimate based on updated planning assumptions on the earnings situation. This change is applied prospectively. Deferred tax assets are not recognised for loss carryforwards, other assets or liabilities whose recoverability is not sufficiently certain. Deferred taxes are not discounted.

w) Other assets

Accrued items are used for accruing expenses and are shown in this item together with other assets. Value adjustments are recognised for impairments. This item also includes all positive fair values of derivative financial instruments that are used to manage interest rate risks in the banking book. With the exception of derivatives used in cash flow hedges, which are taken directly to other comprehensive income, changes in fair value are reported in result from financial instruments and investment properties.

x) Assets and liabilities held for sale

A non-current asset (or a disposal group) is to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Financial instruments under IFRS 9 and other assets subject to separate measurement requirements under specific IFRS standards are excluded from this scope.

To qualify for classification under IFRS 5, the asset (or disposal group) must be available for immediate sale in its present condition on terms that are usual and customary for sales of such assets (or disposal groups) and such a sale must be highly probable.

These criteria are met if the necessary board resolutions have been passed, the assets can be sold without material modification or restructuring, marketing of the assets has been initiated, there is a high probability that the sale will take place and closing is expected within 12 months.

A disposal group comprises non-current assets held for sale, other assets and liabilities that are sold together in a single transaction. Therefore, liabilities settled using the proceeds from the sale of the disposal group but not transferred do not form part of the disposal group.

Following classification as held for sale, non-current assets or disposal groups are to be recognised at the lower of their carrying amount and fair value less costs to sell. Impairment losses are recognised through profit or loss in other operating expenses.

Non-current assets or disposal groups and associated liabilities classified as held for sale are presented in the balance sheet separately from other assets and liabilities.

Within the VBW Group, a discontinued operation represents a reportable segment. A major line of business or geographical area of operations that reports to the Managing Board and has a significant effect on the Association's financial position is also presented as a discontinued operation if all conditions are met. If the VBW Group ceases business activities in a specific country, this only constitutes a discontinued operation if certain size criteria are exceeded. If the VBW Group ceases business activities in an entire region, this is always a discontinued operation, regardless of the size criteria referred to above. A region is defined as one that is presented separately in the annual report within the regional distribution of total receivables by strategic business segments.

For a discontinued operation, the statement of comprehensive income shall include the after-tax profit or loss of the discontinued operation and the after-tax profit or loss that would have been recognised had the assets or disposal groups constituting the discontinued operation been measured at fair value less costs to sell or disposed of. The income statement for the previous year must be adjusted accordingly.

y) Liabilities

The initial recognition of liabilities to credit institutions and customers as well as debts evidenced by certificates is performed at fair value plus all directly attributable transaction costs. Subsequent measurement of these liabilities is generally performed at amortised cost using the effective interest method. For certain debts evidenced by certificates, the fair value option was chosen in accordance with IFRS 9, as these issues are part of an economic hedge but could not be included in a formal hedge relationship. The application of the fair value option avoids an accounting mismatch. For financial liabilities for which the fair value option was chosen, changes in value attributable to changes in the company's own credit risk must be recognised in other comprehensive income (OCI). All remaining changes in value are shown in the income statement.

Lease liability

The present value of the lease liability is reported in the balance sheet on the date of provision of the lease object. The present value is determined on the basis of the contractual lease payments, the respective residual terms and the incremental borrowing rate. The lease payments include the following components:

- fixed lease payments, less lease incentives to be provided by the lessor
- variable payments linked to any index or interest rate
- expected payments of residual value from residual value guarantees
- the exercise price of any purchase option, provided that the exercise of the option is estimated to be sufficiently certain
- any contractual penalties for terminating the lease, if the exercise of any right of termination has been taken account of in the term of the lease

In estimating lease terms, economic disadvantages are considered. Therefore the first option of termination will not be used when determining the lease term.

The lease payments are discounted using the interest rate implicitly underlying the lease relationship, if it is possible to determine that interest rate. Otherwise discounting will be effected using the incremental borrowing rate.

In the course of subsequent valuations, the lease liability will be increased by the interest expenditure and reduced by lease payments.

For existing leases, an assessment is effected regularly as to whether any essential parameters have changed and if this has any effect on the amount of the lease payments or the term of the lease. If, for instance, any adjustments to the rental index occur, the lease liability will be assessed anew. The newly determined present value will increase or reduce the original liability.

Lease agreements at the VBW Group largely contain no extension options, variable payments, service components or residual value guarantees.

z) Employee benefits

Payments to defined contribution plans are expensed as incurred. Irregular payments are allocated to the respective reporting period.

The VBW Group has made commitments under defined benefit plans for individual staff members in the amount of future benefits. These plans are partly unfunded, i.e. the funds required as cover are retained and the VBW Group recognises the necessary provisions. These plans are funded exclusively by the Group. Employees are not required to make contributions to the plans. In the VBW Group, staff pension entitlements reported as transferred assets (plan assets) were transferred to BONUS Pensionskasse Aktiengesellschaft. There are no extraordinary risks, risks specific to the company or plans, or significant risk concentrations.

For those pension obligations transferred to it, BONUS Pensionskasse Aktiengesellschaft has established a structured multi-stage investment process based on risk management considerations. In this context, the pension fund is subject to

the requirements of the Austrian Pension Fund Act as well as the Austrian Financial Market Authority's (FMA) Risk Management Regulation (Risikomanagementverordnung) and regularly reports to various boards about the investment.

The risk-bearing capacity, the determination of Strategic Asset Allocation (SAA) as well as a limit system constitute the framework for investment. The investment decisions are based on a thoroughgoing analysis of markets, asset classes and products, the aim being to achieve a high level of diversification. Apart from monitoring limit utilisation, Risk Management calculates various risk indicators, such as value at risk (VaR) or tracking error, on a current basis. Additionally, scenario analyses are performed regularly for the purpose of evaluating the effects of infrequent extreme market movements.

The respective liabilities side obligations as well as the portfolio structure within the Veranlagungs- und Risikogemeinschaft (VRG; investment and risk association) are checked on a current basis in order to recognise any changes and long-term deviations from the best-estimate actuarial assumptions used. The same applies to the valuation of those obligations that have not been transferred. As standard, the SAA is checked for compatibility with risk-bearing capacity at least once a year or in shorter intervals if necessary. Within the scope of this SAA review, the investment structure is reconciled with the liabilities side, the portfolio information and the respective liquidity requirements. This review is performed by the Risk Management function in close collaboration with the investment team. The ranges of fluctuation resulting from fluctuations of the parameters included are calculated and monitored as part of sensitivity analyses in order to assess the impact of possible fluctuations on the assets side of the balance sheet in a timely manner. In accordance with the projected unit credit method, provisions for pensions and severance payments are calculated based on generally recognised actuarial principles for determining the present value of the overall entitlement and additional claims acquired in the reporting period. For severance payments, this procedure takes into account retirement due to attainment of pensionable age, occupational incapacity, disability or death, as well as the vested rights of surviving dependants.

Actuarial gains and losses are recognised directly in other comprehensive income for pension and severance payment obligations. Past service cost is recognised immediately through profit or loss when the plan is amended. All income and expenses connected with defined benefit plans are recognised under staff expenses.

Parameters for calculating employee benefit obligations

	2025	2024	2023	2022
Expected return on provisions for pensions	3.60%	3.10%	3.40%	3.80%
Expected return on provisions for severance payments	3.60%	3.10%	3.40%	3.80%
Expected return on anniversary provisions	3.60%	3.10%	3.40%	3.80%
Expected return on plan assets	3.60%	3.40%	4.00%	3.80%
Future salary increases	2.70%	2.80%	3.70%	3.80%
Future pension increases	2.20%	2.30%	3.20%	3.00%
Fluctuation rate	none	none	none	none

The fundamental biometric actuarial assumptions of the current Austrian scheme for calculating pension insurance for salaried employees are applied as the basis of calculation (AVÖ 2018 P – Rechnungsgrundlagen für die Pensionsversicherung – Angestelltenbestand).

The current retirement age limits are generally taken into account in these calculations. It is assumed that, as a rule, men will retire at the age of 65 years and women between the age of 60 and 65 years.

Pension obligations comprise claims of employees who were in active service for the Group on the valuation date as well as entitlements of pension recipients. These entitlements are defined in special agreements and in the Group's Articles of Association and represent legally binding and irrevocable claims.

aa) Provisions

Provisions are recognised if a past event has given rise to a present obligation and it is likely that meeting the obligation will result in an outflow of resources. They are made in the amount of the most probable future claims, taking into account cost estimates of contractual partners, experience and financial mathematical methods. A contingent liability is reported if a potential obligation exists and an outflow of resources does not appear probable or no reliable estimate of the amount of the obligation can be made.

Risk provisions comprise loan loss provisions for contingent liabilities (in particular financial guarantees). Other provisions contain pending litigations, interest claims in connection with loans and floors and restructuring. Risk provisions allocated and released are recorded under risk provisions in the income statement. Discounting is used for risk provisions.

ab) Other liabilities

Deferred items are used for accruing income, and are shown in this item together with other liabilities. This item also includes all negative fair values of derivative financial instruments that are used to manage interest rate risks in the banking book. With the exception of derivatives used in cash flow hedges, which are taken directly to other comprehensive income, changes in fair value are reported in Result from financial instruments and investment properties.

ac) Subordinated liabilities

Subordinated liabilities are initially recognised at fair value plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method.

In case of bankruptcy or the winding up of the enterprise, all amounts accounted for as subordinated liabilities may only be satisfied after the claims of all other non-subordinated creditors have been satisfied.

In addition to subordination, the contractual terms for supplementary capital contain a performance-based interest payment. Interest may only be paid insofar as this is covered by annual profit before changes in reserves of the company issuing the capital. Supplementary capital interests also participate in any loss. The repayment amount is reduced by current losses. Repayment at nominal value is only possible if the proven losses are covered by profits.

ad) Equity

Financial instruments issued which do not involve a contractual obligation to transfer cash or another financial asset to another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially unfavourable to the issuer are reported in equity.

Capital management is performed on the basis of regulatory capital. Please refer to Note af) for details.

ae) Reserves

The item reserves includes capital reserves, retained earnings and valuation reserves. In accordance with IAS 32, the transaction costs of an equity transaction are accounted for as a deduction from equity, taking into account deferred taxes, to the extent that they constitute incremental cost that are directly attributable to the equity transaction. Furthermore, the difference between face value and repurchase value of treasury stocks, as far as it is covered in capital reserves, is shown here. If the difference exceeds capital reserves, this amount is deducted from retained earnings.

All legal and statutory reserves as well as other reserves, provisions against a specific liability as defined by section 57 (5) of the Austrian Banking Act, untaxed reserves and all other undistributed profits are reported in retained earnings.

The valuation reserves also assigned comprise the fair value reserve, the hedging reserve, and the revaluation reserve. Any deferred taxes are deducted from the reserves.

af) Own funds

The company is subject to external capital requirements in accordance with the Capital Requirements Regulation CRR III, applicable from 1 January 2025, which implements the final Basel III reforms into EU law. The rules for capital ratios defined therein are the central steering parameter in the Group. These ratios set regulatory capital in relation to credit, market and operational risk. Accordingly, risk/return management at the VBW Group is based on a transaction or, ultimately, on the capital allocated to an organisational unit and the return to be generated from it, taking the corresponding risk aspects into account.

Credit risk is determined by multiplying on-balance-sheet and off-balance-sheet exposures based on their relative risks by the risk weighting to be allocated to a counterparty. The procedures for determining risk-relevant parameters (exposure, risk weighting) are based on percentages specified by regulatory requirements (standardised approach). There is also an equity capital requirement for credit valuation adjustments in derivatives transactions. This is derived from regulatory requirements and, in particular, reflects the counterparty risk in the derivatives transaction. The market risk component of the VBW Group is also calculated using the standardised approach. The capital requirement for operational risk is determined on the basis of a standardised methodology in accordance with the applicable regulatory requirements.

Regulatory own funds break down into three elements:

- Common Equity Tier 1 capital (CET1)
- Additional Tier 1 capital (AT1)
- Supplementary capital - Tier 2 (T2)

The first two components jointly comprise the Tier 1 capital.

CET1 comprises the capital shares and participation capital that meet the CRR requirements. These are the following: classification as equity with separate disclosure in the accounts, perpetual, fully loss-bearing, no reduction in the principal amount except in the case of winding up or repayment without particular incentive mechanisms, no obligation to make distributions, and distributions are not linked to the face value. CET1 also includes capital reserves, retained earnings, other reserves and minority interests used to meet the regulatory capital requirement. Intangible assets and goodwill, deferred tax assets and participations in other credit institutions constitute significant deductions.

Just like CET1 capital, AT1 capital is available for covering any losses on a current basis. In this context, the central requirement is the subordinate and permanent appropriation of funds, as well as the unrestricted discretion of the issuer as to whether distributions will be made or not. Additionally, it must be possible to convert the instruments into CET1 capital, or to write them off, as soon as the CET1 capital ratio falls below the threshold of 5.125 % in proportion to exposures at the latest.

T2 includes non-current subordinated liabilities.

The minimum own funds ratio (total of Tier 1 and Tier 2) is 8 %. Minimum core capital requirements are 4.5 % for CET1 and 6.0 % for Tier 1. The VBW Group complied with these relevant supervisory requirements throughout the entire reporting period and its own funds exceeded the minimum requirements.

Apart from the minimum capital requirements pursuant to Article 92 (1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, the combined capital buffer requirements as defined in Article 128 (6) of Directive 2013/36/EU, as well as the Pillar 2 capital requirements and guidances from the Supervisory Review and Evaluation Process (SREP) must be taken into account for the Association of Volksbanks. Further explanations regarding the mentioned own funds and buffer requirements are contained in Note 50) Risk report.

Regulatory own funds of the Association are presented in Note 36).

ag) Trust transactions

Transactions in which an affiliate of the Group acts as a trustee or in any other trusteeship function and thus manages or places assets on a third-party account are not shown in the balance sheet. Commission payments from such transactions are reported in net fee and commission income.

ah) Repurchase transactions

Under genuine repurchase agreements, the Group sells assets to a contractual partner and simultaneously undertakes to repurchase these assets at the agreed price on a predefined date. The assets remain in the consolidated balance sheet as no risk or rewards are transferred and are measured in accordance with the rules applying to the respective balance sheet items. At the same time, the received payment is recognised as a liability.

ai) Other contingent liabilities and financial obligations

Possible obligations for which an outflow of resources does not appear probable or no reliable estimate of the amount of the obligation can be made, are reported under contingent liabilities. Provisions are recognised for acceptances and endorsements as part of provisions for risks if future claims are likely.

Obligations arising from financial guarantees in accordance with IFRS 9 are recognised as soon as the Group becomes a contracting party, i.e. when the guarantee offer is accepted. The initial measurement of the financial guarantees is performed at fair value. The fair value generally corresponds to the value of the premium agreed.

Guaranteed amounts of members in the case of participations in cooperatives are reported under other contingent liabilities. A follow-up check is regularly performed in order to determine whether on-balance sheet recognition in the consolidated financial statements is necessary.

aj) Cash flow statement

The cash flow statement is calculated in accordance with the indirect method. Here, the net cash flow from operating activities is calculated based on the result after taxes and before non-controlling interests, with non-cash expenses and income during the business year being included or deducted first. Moreover, all expenses and income that did affect payments, but were not allocated to operating activities are eliminated. These payments are recognised in the cash flow from investing activities or financing activities. The interest, dividend and tax payments stated separately in the cash flow statement solely originate from operating activities.

Cash flows from non-current assets used for non-operating business activities are assigned to the cash flow from investing activities. These include, in particular, participations, tangible assets and investment properties. The cash flow from financing activities includes all cash flows of the owners as well as the principal component of lease liabilities and changes in subordinated liabilities. Cash and cash equivalents were defined as liquid funds, which comprises cash in hand as well as balances with central banks. These balances are composed of the minimum reserve to be held according to statutory provisions and short-term investments with various central banks.

4) Net interest income

Euro thousand	2025	2024
Interest and similar income from	424,292	512,157
Deposits with credit institutions (incl. central banks)	71,013	120,585
Credit and money market transactions with credit institutions	35,212	74,269
Credit and money market transactions with customers	211,025	231,140
Bonds and other fixed-income securities	95,336	66,870
Derivative instruments	11,706	19,293
Interest and similar expenses for	-294,977	-357,378
Liquid funds	0	-10,047
Liabilities to credit institutions	-64,993	-95,493
Liabilities to customers	-55,171	-88,689
Liabilities evidenced by certificates	-90,935	-82,381
Subordinated liabilities	-66,548	-49,314
Derivative instruments	-16,634	-30,497
Lease liabilities	-1,015	-1,128
Valuation result - modification	259	77
Valuation result - derecognition	59	95
Net interest income	129,315	154,779

Net interest income according to IFRS 9 categories

Euro thousand	2025	2024
Interest and similar income from	424,292	512,157
Financial assets measured at amortised cost	410,313	489,867
Financial assets measured at fair value through OCI	515	380
Financial assets measured at fair value through profit or loss - obligatory	1,758	2,618
Derivative instruments	11,706	19,293
Interest and similar expenses for	-294,977	-357,378
Financial liabilities measured at amortised cost	-275,819	-324,158
Financial liabilities measured at fair value through profit or loss - designated	-2,843	-2,895
Derivative instruments	-16,634	-30,497
Valuation result - modification	259	77
Valuation result - derecognition	59	95
Net interest income	129,315	154,779

5) Result from risk provision

Euro thousand	2025	2024
Changes in risk provisions	-29,689	-72,768
Changes in provisions for off-balance sheet risks	525	1,757
Direct write-offs of loans and receivables	-679	-5,103
Income from loans and receivables previously written off	1,855	1,402
Valuation result modification/derecognition	73	61
Risk provision	-27,915	-74,651

6) Net fee and commission income

Euro thousand	2025	2024
Fee and commission income	95,582	88,845
Lending business	6,962	5,297
Securities and custody business	38,908	34,462
Payment transactions	39,191	37,854
Foreign exchange, foreign notes and coins and precious metals transactions	115	128
Financial guarantees	841	902
Other services	9,565	10,203
Fee and commission expenses	-16,187	-13,410
Lending business	-4,990	-3,073
Securities and custody business	-4,913	-4,768
Payment transactions	-6,160	-5,477
Other services	-125	-93
Net fee and commission income	79,395	75,435

Other service business mainly includes brokerage commissions for brokering loans to TeamBank AG Nuremberg. Net fee and commission income includes management fees for trust agreements in the amount of euro 263 thousand (2024: euro 174 thousand).

7) Net trading income

Euro thousand	2025	2024
Equity related transactions	9	13
Exchange rate related transactions	1,529	3,552
Interest rate related transactions	2,537	1,658
Net trading income	4,076	5,223

8) Result from financial instruments and investment properties

Euro thousand	2025	2024
Result from financial instruments	8,021	-4,007
Result from financial investments and other financial assets and liabilities measured at fair value through profit or loss	-5,702	514
Valuation measured at fair value through profit or loss - obligatory	-8,371	223
Loans and receivables to credit institutions and customers	555	1,380
Securities	6	1,108
Result from other derivative instruments	-1,741	-2,031
Exchange-rate-related transactions	1,262	-1,332
Interest-rate-related transactions	-2,999	-375
Others	-4	-324
Result from fair value hedge	-7,058	-234
Result (ineffectiveness) from cash flow hedge	-132	0
Interest-rate-related transactions	-132	0
Valuation measured at fair value through profit or loss - designated	2,624	266
Liabilities evidenced by certificates	2,624	266
Income from equities and other variable-yield securities	45	25
Result from financial investments and other financial assets and liabilities measured at amortised cost	0	-6,781
Realised losses from disposal	0	-6,781
Result from financial investments and other financial assets and liabilities measured at fair value through OCI	13,723	2,259
Income from participations	13,723	2,259
Result from investment properties	1,943	2,320
Income from investment properties and operating leases	1,435	1,284
Valuation investment properties	508	1,036
Result from financial instruments and investment properties	9,964	-1,687

The losses realised from disposals in the previous year amounting to euro -6,781 thousand are explained in detail in Note 34).

9) Other operating result

Euro thousand	2025	2024
Other operating income	184,249	178,359
Other operating expenses	-16,203	-20,259
Regulatory expenses	-10,660	-2,281
Other operating result	157,386	155,819

Regulatory expenses include the stability tax in the amount of euro -8,195 thousand (2024: euro -2,281 thousand) as well as provisions for imminent losses from a guarantee commitment and contributions to the deposit guarantee scheme in the amount of euro -2,465 thousand (2024: euro 0 thousand) are recognised.

Detailed presentation of other operating income and other operating expenses

Euro thousand	2025	2024
Income from allocation of costs	177,457	164,037
Realised gains from disposal of fixed assets and security properties	44	27
Return flows from the Volksbanken-Gemeinschaftsfonds	3,000	10,500
Others	3,286	3,796
Other operating income	183,787	178,359
Allocation of costs	-13,880	-18,429
Realised losses from disposal of fixed assets and security properties	-187	-419
Other taxes	207	3
Others	-2,344	-1,415
Other operating expenses	-16,203	-20,259

The euro 3,000 thousand (2024: euro 10.500 thousand) relates to a contractually agreed inflow from the Volksbanken-Gemeinschaftsfonds (GemFonds), which is managed as a special fund of the Österreichischer Genossenschaftsverband // Schulze-Delitzsch.

The income from allocation of costs in the amount of euro 177,457 thousand (2024: euro 164,037 thousand) relate mainly to staff and administrative expenses incurred by VBW in its function as the central organisation of the Association of Volksbanks and are allocated to the primary banks in the Association of Volksbanks according to the agreement on the assumption of the costs of the Association of Volksbanks.

10) General administrative expenses

Euro thousand	2025	2024
Staff expenses	-153,854	-146,976
Wages and salaries	-117,608	-112,886
Expenses for statutory social security	-28,829	-27,137
Fringe benefits	-1,802	-1,757
Expenses for retirement benefits	-3,673	-3,423
Allocation to provision for severance payments and pension funds	-1,941	-1,773
Administrative expenses	-123,577	-112,879
Office space expenses	-5,891	-6,264
Office supplies and communication expenses	-4,306	-1,265
Advertising, PR and promotional expenses	-7,001	-7,195
Legal, auditing and consultancy expenses	-17,280	-19,319
IT expenses	-78,854	-72,770
Other administrative expenses (including training expenses)	-10,246	-6,066
Depreciation and reversal of impairment	-11,147	-11,382
Depreciation	-6,782	-6,858
Impairments/reversals of impairments	0	-217
Right of use - lease depreciation	-4,365	-4,307
General administrative expenses	-288,578	-271,237

Staff expenses include payments for defined contribution plans and employee provision funds in the amount of euro 3,978 thousand (2024: euro 3,736 thousand).

The administrative expenses (operating expenditure) include expenses for managing investment property assets in the amount of euro 29 thousand (2024: euro 24 thousand). Expenses for leases for low-value assets are also included in the amount of euro 362 thousand (2024: euro 348 thousand). There are no short-term leases.

Expenses for the auditor of the consolidated financial statements, PwC Wirtschaftsprüfung GmbH, attributable to the financial year amount to a total of euro 1,338 thousand including value added tax. This amount includes euro 1,006 thousand, which is attributable to the audit of the annual, consolidated and Association of Volksbanks financial statements, as well as the financial statements of individual affiliated companies and joint ventures included in the

consolidated financial statements, and euro 332 thousand attributable to other assurance services. The auditor of the consolidated financial statements does not provide tax advisory services.

Information on compensation to board members

Euro thousand	31 Dec 2025	31 Dec 2024
Total compensation	4,231	4,051
Supervisory Board	711	627
Managing Board	3,128	2,972
Former board members and their surviving dependants	392	452
Expenses for severance payments and pensions		
Managing Board	-340	622
Thereof defined contribution plans	438	382

Members of the Managing Board do not receive any success- or performance-based remuneration. The total compensation of Managing Board members consists of a fixed basic salary and other compensation (e.g. in-kind benefits). There is no stock-option or share-transfer scheme for members of the Managing Board.

Principles and prerequisites of the pension scheme

The pension scheme is a defined-contribution scheme for all members of the Managing Board. The collective pension-fund bargaining agreement for commercial credit cooperatives has been applied to members of the Managing Board. All members of the VBW Managing Board who have a valid contract and a mandate to serve on the Board are eligible to join the scheme.

Principles governing pension entitlements and claims of members of the Managing Board in case of termination of the function

All members of the Managing Board are subject to the new severance payment system ("Abfertigung Neu"). There is also a D&O insurance policy (directors' and officers' insurance).

Number of staff employed during the business year

	Average number of staff		Number of staff at end of period	
	1-12/2025	1-12/2024	31 Dec 2025	31 Dec 2024
Employees	1,309	1,282	1,322	1,302
Workers	3	4	4	4
Total number of staff	1,312	1,286	1,326	1,306

All staff are employed in Austria. The determination of figures is based on full-time equivalents.

11) Result from companies measured at equity

The result from companies measured at equity arises from the pro rata results in the amount of euro 2,581 thousand (2024: euro 4,850 thousand) and the impairment loss at Volksbank Kärnten eG in the amount of euro -2,336 thousand (2024: euro -2,549 thousand) due to devaluation of the recoverable income.

12) Income taxes

Euro thousand	2025	2024
Current income taxes	-3,360	-1,376
Deferred income taxes	24,169	-1,470
Income taxes for the current fiscal year	20,809	-2,846
Income taxes from previous periods continued operation	103	-163
Income taxes	20,912	-3,008

The reconciliation below shows the relationship between the imputed and reported tax expenditure:

Euro thousand	2025	2024
Result before taxes - continued operation	63,887	45,981
Result before taxes - total	63,887	45,981
Imputed income tax 23 %	14,694	10,576
Tax relief resulting from		
Tax-exempt investment income	-2,065	-4,193
Investment allowances	-18	-71
Other tax-exempt earnings	-297	-36
Non-deductible expenses	2,825	772
Dividend distribution on AT1 capital	0	-1,961
Measurement of participations	0	3,144
Recognition of deferred tax assets on tax loss carryforwards	-37,120	-4,403
Other differences	1,172	-982
Income taxes for the current fiscal year	-20,809	2,846
Income taxes from previous periods	-103	163
Reported income taxes	-20,912	3,008
Effective tax rate - continued operation	-32.73%	6.54%

The effective tax rates differ from the statutory tax rate applicable in Austria, in particular due to deferred tax assets being offset against tax loss carryforwards.

The following effects from deferred taxes can be found in other comprehensive income:

Euro thousand	2025			2024		
	comprehensive income net	Income taxes	comprehensive income gross	comprehensive income net	Income taxes	comprehensive income gross
Valuation of obligations from defined benefit plans	5,342	-1,229	4,114	1,094	-252	842
Revaluation reserve	1,664	-383	1,281	0	0	0
Fair value reserve - equity instruments	-17	117	101	13,172	-3,029	10,142
Valuation of own credit risk	-770	177	-593	-75	17	-57
Fair value reserve - debt instruments	239	-55	184	325	-75	250
Cash flow hedge reserve	-1,186	273	-913	-144	33	-111
Change from companies measured at equity	-241	55	-186	358	-81	277
Other comprehensive income total	5,031	-1,044	3,987	14,729	-3,387	11,343

Notes to the consolidated balance sheet

13) Liquid funds

Euro thousand	31 Dec 2025	31 Dec 2024
Cash in hand		43,229
Balances with central banks		3,830,098
Liquid funds		3,873,327

The balance sheet item Liquid funds includes cash in hand, the minimum reserve and receivables from the Oesterreichische Nationalbank due on demand.

14) Loans and receivables to credit institutions and customers

Euro thousand	31 Dec 2025	31 Dec 2024
Loans and receivables to credit institutions		
Amortised cost	1,647,012	1,801,361
Gross carrying amount	1,647,012	1,801,361
Risk provision	-2,199	-2,679
Net carrying amount	1,644,813	1,798,682
Loans and receivables to customers		
Amortised cost	6,426,562	6,168,331
Fair value through profit or loss	38,242	48,133
Gross carrying amount	6,464,804	6,216,464
Risk provision	-173,132	-156,483
Net carrying amount	6,291,672	6,059,981
Loans and receivables to credit institutions and customers	7,936,485	7,858,663

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
On demand	692,937	615,949
Up to 3 months	348,654	238,286
Up to 1 year	140,813	160,101
Up to 5 years	453,171	659,395
More than 5 years	11,436	127,630
Loans and receivables to credit institutions (gross)	1,647,012	1,801,361
On demand	550,259	404,667
Up to 3 months	26,828	51,119
Up to 1 year	127,571	263,482
Up to 5 years	471,371	470,663
More than 5 years	5,288,774	5,026,533
Loans and receivables to customers (gross)	6,464,804	6,216,464

Sensitivity analysis

Loans and receivables to customers measured at fair value through profit or loss

As at 31 December 2025, there are loans and receivables to customers measured at fair value through profit or loss in the amount of euro 38,242 thousand (2024: euro 48,133 thousand).

The following table shows the changes in the fair value of the loans and receivables to customers measured at fair value through profit or loss following adjustment of the input factors:

Loans and receivables to customers

Euro thousand	Positive change in fair value	Negative change in fair value
31 Dec 2025		
Change in risk markup +/- 10 bp	88	-88
Change in risk markup +/- 100 bp	903	-860
Change in rating 1 stage down / up	3	-4
Change in rating 2 stages down / up	5	-11
31 Dec 2024		
Change in risk markup +/- 10 bp	114	-114
Change in risk markup +/- 100 bp	1,172	-1,114
Change in rating 1 stage down / up	6	-7
Change in rating 2 stages down / up	9	-18

15) Risk provision

Risk provision – loans and receivables to credit institutions

Euro thousand	Loan loss provision - Stage 1	Loan loss provision - Stage 2	Loan loss provision - Stage 3	Total
As at 01 Jan 2024	4,882	0	0	4,882
Increases due to origination and acquisition	826	0	0	826
Decreases due to derecognition	-3,024	0	0	-3,024
Changes due to change in credit risk	-4	0	0	-4
Thereof transfer to Stage 1	0	0	0	0
Thereof transfer to Stage 2	0	0	0	0
Thereof transfer to Stage 3	0	0	0	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	0	0	0	0
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	-2	0	0	-2
As at 31 Dec 2024	2,679	0	0	2,679
Increases due to origination and acquisition	286	0	0	286
Decreases due to derecognition	-770	0	0	-770
Changes due to change in credit risk	7	0	0	7
Thereof transfer to Stage 1	0	0	0	0
Thereof transfer to Stage 2	0	0	0	0
Thereof transfer to Stage 3	0	0	0	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	0	0	0	0
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	-3	0	0	-3
As at 31 Dec 2025	2,199	0	0	2,199

Risk provision – loans and receivables to customers

Euro thousand	Loan loss provision - Stage 1	Loan loss provision - Stage 2	Loan loss provision - Stage 3	Total
As at 01 Jan 2024	12,009	12,214	66,020	90,243
Increases due to origination and acquisition	588	445	1,835	2,868
Decreases due to derecognition	-141	-685	-1,194	-2,021
Changes due to change in credit risk	-5,791	7,429	76,066	77,704
Thereof transfer to Stage 1	1,058	-1,056	-2	0
Thereof transfer to Stage 2	-5,678	5,737	-59	0
Thereof transfer to Stage 3	-41	-9,785	9,826	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	-577	-2,004	0	-2,581
Decrease in allowance account due to write-offs	0	0	-9,694	-9,694
Other adjustments	-1	-6	-30	-36
As at 31 Dec 2024	6,088	17,393	133,003	156,483
Increases due to origination and acquisition	398	601	1,667	2,667
Decreases due to derecognition	-117	-824	-3,434	-4,376
Changes due to change in credit risk	-1,839	12,500	24,464	35,124
Thereof transfer to Stage 1	808	-807	-1	0
Thereof transfer to Stage 2	-3,101	3,373	-272	0
Thereof transfer to Stage 3	-27	-3,777	3,804	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	-666	-685	0	-1,351
Decrease in allowance account due to write-offs	0	0	-15,426	-15,426
Other adjustments	3	1	8	12
As at 31 Dec 2025	3,866	28,985	140,281	173,132

Risk provision – financial investments measured at amortised cost

Euro thousand	Loan loss provision - Stage 1	Loan loss provision - Stage 2	Loan loss provision - Stage 3	Total
As at 01 Jan 2024	685	0	0	685
Increases due to origination and acquisition	127	0	0	127
Decreases due to derecognition	-6	0	0	-6
Changes due to change in credit risk	-264	0	0	-264
Thereof transfer to Stage 1	0	0	0	0
Thereof transfer to Stage 2	0	0	0	0
Thereof transfer to Stage 3	0	0	0	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	0	0	0	0
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	0	0	0	0
As at 31 Dec 2024	542	0	0	542
Increases due to origination and acquisition	51	0	0	51
Decreases due to derecognition	0	0	0	0
Changes due to change in credit risk	0	0	0	0
Thereof transfer to Stage 1	0	0	0	0
Thereof transfer to Stage 2	0	0	0	0
Thereof transfer to Stage 3	0	0	0	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	0	0	0	0
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	0	0	0	0
As at 31 Dec 2025	593	0	0	593

Risk provision – financial investments measured at fair value through OCI

Euro thousand	Loan loss provision - Stage 1	Loan loss provision - Stage 2	Loan loss provision - Stage 3	Total
As at 01 Jan 2024	2	0	0	2
Increases due to origination and acquisition	0	0	0	0
Decreases due to derecognition	0	0	0	0
Changes due to change in credit risk	-1	0	0	-1
Thereof transfer to Stage 1	0	0	0	0
Thereof transfer to Stage 2	0	0	0	0
Thereof transfer to Stage 3	0	0	0	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	0	0	0	0
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	0	0	0	0
As at 31 Dec 2024	1	0	0	1
Increases due to origination and acquisition	0	0	0	0
Decreases due to derecognition	0	0	0	0
Changes due to change in credit risk	0	0	0	0
Thereof transfer to Stage 1	0	0	0	0
Thereof transfer to Stage 2	0	0	0	0
Thereof transfer to Stage 3	0	0	0	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	0	0	0	0
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	0	0	0	0
As at 31 Dec 2025	1	0	0	1

16) Assets held for trading

Euro thousand	31 Dec 2025	31 Dec 2024
Bonds and other fixed-income securities	9,325	4,621
Equities and other variable-yield securities	0	71
Positive fair values of derivative instruments	13,850	17,907
Interest rate related transactions	13,850	17,907
Assets held for trading	23,175	22,598

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 3 months	0	0
Up to 1 year	680	77
Up to 5 years	8,645	4,296
More than 5 years	0	248
Bonds and other fixed-income securities	9,325	4,621

Since assumption of the CO function, the company has maintained a trading book. The face values of the trading book as at 31 December 2025 amount to euro 961,432 thousand (2024: euro 725,122 thousand).

17) Financial investments

Euro thousand	31 Dec 2025	31 Dec 2024
Financial investments		
Amortised cost	4,218,322	3,602,239
Fair value through OCI	27,303	24,423
Fair value through profit or loss	4,868	6,113
Risk provision	-593	-542
Carrying amount	4,249,901	3,632,232

Financial investments measured at fair value through profit or loss include equity instruments in the amount of euro 3,816 thousand (2024: euro 4,045 thousand).

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 3 months	133,113	61,351
Up to 1 year	314,631	134,854
Up to 5 years	1,520,737	1,745,918
More than 5 years	2,278,197	1,686,607
Bonds and other fixed-income securities	4,246,678	3,628,729

Breakdown of securities in accordance with the Austrian Banking Act

Euro thousand	31 Dec 2025	31 Dec 2024
Listed securities	4,205,795	3,345,641
Bonds and other fixed-income securities	4,205,795	3,344,911
Equities and other variable-yield securities	0	730
Securities allocated to fixed assets	4,250,494	3,632,774
Securities eligible for rediscounting	4,159,967	3,352,784

All securities that the Group intends to hold for more than one year are recognised under securities allocated to fixed assets.

18) Investment property

Euro thousand	Investment properties
Acquisition costs as at 01 Jan 2024	21,991
Reclassification	0
Acquisition costs as at 31 Dec 2024	21,991
Reclassification	3,121
Acquisition costs as at 31 Dec 2025	25,112
Cumulative valuation as at 01 Jan 2024	5,196
Reclassification	0
Impairments	-200
Valuation gains	1,236
Cumulative valuation as at 31 Dec 2024	6,232
Reclassification	5
Impairments	-163
Valuation gains	671
Cumulative valuation as at 31 Dec 2025	6,745
Carrying amount as at 01 Jan 2024	27,187
Carrying amount as at 31 Dec 2024	28,223
Carrying amount as at 31 Dec 2025	31,857

The valuations shown in the table above are included within Result from financial instruments and investment properties. These valuations include holdings of investment property assets in the amount of euro 508 thousand (2024: euro 1,036 thousand) at the balance sheet date.

Investment properties contain 13 completed properties (2024: 11) with a carrying amount of euro 19,707 thousand (2024: euro 16,494 thousand), as well as undeveloped land with a carrying amount of euro 12,150 thousand (2024: euro 11,729 thousand). At the reporting date, all investment properties were measured at fair value and are located in Austria.

There were no disposals of investment properties in either the 2025 financial year or the previous year.

The valuation of investment properties uses parameters which are not based on market data. Investment properties are therefore classified in Level 3 of the fair value hierarchy.

The non-observable input factors are provided by independent external experts and reflect the current market assessment taking into account the specific features of each property. The main input parameters are shown below, with a distinction being made between finished properties and undeveloped land. The minimum and maximum values are reported for each individual input parameter along with the average value weighted by carrying amount (average). The average value in the carrying amount line corresponds to the average value of each property. The parameter values therefore do not generally relate to one and the same property. The sensitivity analysis was calculated for all investment properties.

Completed properties

	2025			2024		
	Minimum	Maximum	Average	Minimum	Maximum	Average
Carrying amount in euro thousand	104	4,880	1,516	104	4,930	1,499
Rentable space in sqm	38	2,741	1,303	38	2,741	1,422
Occupancy rate	0%	100%	91%	0%	100%	93%
Discount rate	3.75%	8.00%	5.71%	3.75%	8.00%	5.86%

Sensitivity analysis

Euro thousand 31 Dec 2025	Changes in the carrying amount	
	Increase of assumption	Decrease of assumption
Discount rate (0.25 % change)	-826	902
Discount rate (0.50 % change)	-1,586	1,890

31 Dec 2024		
Discount rate (0.25 % change)	-675	735
Discount rate (0.50 % change)	-1,297	1,539

Undeveloped land

	2025			2024		
	Minimum	Maximum	Average	Minimum	Maximum	Average
Carrying amount in euro thousand	40	3,190	1,105	39	3,050	1,066
Plot size in sqm	540	48,263	15,679	540	48,263	15,720
Value per sqm in euro	6	298	168	6	295	162

Sensitivity analysis

Euro thousand 31 Dec 2025	Changes in the carrying amount	
	Increase of assumption	Decrease of assumption
Land value (10 % change)	1,215	-1,215
Land value (5 % change)	608	-608

31 Dec 2024		
Land value (10 % change)	1,173	-1,173
Land value (5 % change)	586	-586

The Group has not assumed any significant maintenance obligations for investment properties that are subject to refinancing by third parties. There are no other obligations to purchase, construct, develop or maintain investment property beyond this.

19) Companies measured at equity

Euro thousand	Associates
Carrying amount as at 01 Jan 2024	42,150
Comprehensive income proportional	5,127
Received dividend	-15,971
Impairment	-2,549
Carrying amount as at 31 Dec 2024	28,757
Comprehensive income proportional	2,395
Received dividend	-2,562
Impairment	-2,336
Carrying amount as at 31 Dec 2025	26,255

Associated companies

VBW holds shares in the two associated companies Volksbank Kärnten eGen (VB Kärnten) and VB Verbund-Beteiligung eG (VB Bet). None of the companies are listed on the stock exchange.

VBW holds a 26.80% (2024: 26.79%) share in VB Kärnten with registered office in Klagenfurt. The company's main business purpose consists of banking operations and bank-related brokering and services.

VBW holds a 30.47% (2024: 30.47%) share in VB Bet with registered office in Vienna. The main business of the company is the holding of participations within the Association of Volksbanks.

After allocating the share of total comprehensive income of the associated companies, an annual assessment is made as to whether there are any indications that the calculated carrying amount is higher than the recoverable amount. If the proportional carrying amount is below the recoverable amount, an impairment loss is recognised to the recoverable amount. In the 2025 financial year, VB Kärnten recorded an impairment loss of euro 2,336 thousand (2024: euro 2,549 thousand).

Additional information regarding associated companies

Euro thousand	VB Kärnten		VB Bet	
	2025	2024	2025	2024
Assets				
Liquid funds	7,631	9,108	0	0
Loans and receivables to credit institutions (net)	383,663	333,179	13,178	13,861
Loans and receivables to customers (net)	1,209,871	1,212,886	0	0
Financial investments	10,788	10,465	0	0
Other assets	55,343	57,262	57,861	63,377
Total assets	1,667,297	1,622,901	71,039	77,238
of which current assets	556,104	559,500	71,039	77,238
Liabilities and Equity				
Liabilities to credit institutions	1,651	2,600	0	0
Liabilities to customers	1,474,941	1,435,859	0	0
Lease liabilities	5,793	5,640	0	0
Subordinated liabilities	6,873	6,873	0	0
Other liabilities	29,764	32,244	11,514	9,563
Equity	148,275	139,684	59,525	67,675
Total liabilities and equity	1,667,297	1,622,901	71,039	77,238
of which current liabilities	1,427,684	1,430,165	11,514	9,563
Statement of comprehensive income				
Interest and similar income	52,351	63,013	315	1,541
Interest and similar expense	-12,887	-19,058	0	0
Net interest income	39,465	43,954	315	1,541
Risk provisions	-2,135	-3,858	0	0
Result before taxes	10,591	9,822	2,332	8,819
Income taxes	-2,241	-1,966	-1,148	-709
Result after taxes	8,350	7,856	1,184	8,110
Other comprehensive income	471	-12,114	1,974	-6,677
Comprehensive income	8,821	-4,257	3,158	1,433

Reconciliation

Euro thousand	2025	2024	2025	2024
Equity	148,275	139,684	59,525	67,675
Equity interest	26.80%	26.79%	30.47%	30.47%
Equity proportional	30,425	28,108	17,531	20,014
Cumulative impairment and reversals	-21,701	-19,365	0	0
Carrying amount as at 31 Dec	8,724	8,743	17,531	20,014

In the reconciliation, the proportional equity is reconciled with the carrying amount. The line Valuations previous years includes the fair value measurement of the contribution of the CO business unit.

According to the statutory provisions of the Cooperative Societies Act (GenG), VBW will only get back its original capital contribution if it terminates its shares in VB Kärnten or VB Bet (not in the event of liquidation or sale).

20) Participations

Euro thousand	31 Dec 2025	31 Dec 2024
Investments in unconsolidated affiliates	3,278	2,540
Investments in companies with participating interests	2,120	5,343
Investments in other participations	92,640	88,161
Participations	98,038	96,044

A list of unconsolidated affiliates is shown in Note 53).

No investments were sold during the financial year and, consequently, no cumulative valuations were transferred from the fair value reserve. In the previous year, investments with a carrying amount of euro 17,470 thousand were sold, with a cumulative valuation of euro -84,379 thousand being transferred to retained earnings.

The most significant participations in the item Other participations are Volksbank Oberösterreich AG with a carrying amount of euro 24,163 thousand (2024: euro 22,576 thousand), Österreichische Ärzte- und Apothekerbank AG with a carrying amount of euro 20,780 thousand (2024: euro 13,158 thousand) and Volksbanken Holding eGen with a carrying amount of euro 16,776 thousand (2024: euro 22,349 thousand). Income from participations is recognised in the income statement in the item Result from financial instruments and investment properties. Income from participations includes dividends of euro 13,723 thousand (2024: euro 2,253 thousand) from participations measured at fair value through OCI. In the current financial year and in the previous year, no dividends were received from investments measured at fair value through other comprehensive income and derecognised in the respective financial year.

Sensitivity analysis

VBW holds shares in cooperatives in which the members have no entitlement to the available assets in the event that the shares are cancelled (not in the event of winding up), unless the articles of association stipulate otherwise. For this reason, no sensitivity is calculated for these companies with a carrying amount of euro 6,367 thousand (2024: euro 5,468 thousand) as any change in the interest rate would have no impact on the measurement.

Participations measured using the DCF method

Proportional fair value Euro thousand		Proportional fair value Interest rate		
		-0.50%	ACTUAL	0.50%
31 Dec 0				
Income component	-10.0%	13,300	12,911	12,558
	Actual	14,588	13,872	13,356
	10.0%	16,047	15,259	14,545
31 Dec -1				
Income component	-10.0%	10,849	10,526	10,244
	Actual	12,054	11,498	10,991
	10.0%	13,259	12,648	12,090

Participations measured on the basis of net assets

Euro thousand	Proportional fair value		
	Lower band	ACTUAL	Upper band
31 Dec 0			
Net assets (10 % change)	3,261	3,624	3,985
31 Dec -1			
Net assets (10 % change)	6,930	7,634	8,470

Participations measured on the basis of external appraisals

Euro thousand 31 Dec 0	Proportional fair value		
	Lower band	ACTUAL	Upper band
Proportional fair value	68,275	75,861	83,448
31 Dec -1			
Proportional fair value	64,269	71,410	78,551

21) Intangible assets

Euro thousand	Software	Others	Total
Acquisition costs as at 01 Jan 2024	25,966	24,824	50,790
Additions	20	0	20
Disposals	-248	0	-248
Acquisition costs as at 31 Dec 2024	25,738	24,824	50,562
Additions	1,694	0	1,694
Disposals	-396	0	-396
Acquisition costs as at 31 Dec 2025	27,036	24,824	51,860
Cumulative amortisation as at 01 Jan 2024	-25,381	-9,731	-35,113
Disposals	231	0	231
Depreciation	-171	-1,291	-1,462
Cumulative amortisation as at 31 Dec 2024	-25,321	-11,023	-36,344
Disposals	396	0	396
Depreciation	-273	-1,291	-1,565
Cumulative amortisation as at 31 Dec 2025	-25,199	-12,314	-37,513
Carrying amount as at 01 Jan 2024	585	15,093	15,677
Carrying amount as at 31 Dec 2024	417	13,801	14,218
Thereof with limited useful life	417	13,801	14,218
Carrying amount as at 31 Dec 2025	1,837	12,510	14,347
Thereof with limited useful life	1,837	12,510	14,347

22) Tangible assets

Euro thousand	Land and buildings	IT-equipment	Office furniture and equipment	Others	Total
Acquisition costs as at 01 Jan 2024	85,477	1,122	45,423	2,136	134,159
Reclassification	-1,267	0	1,267	0	0
Additions	6,557	39	2,375	235	9,206
Disposals	-4,584	-6	-7,159	-151	-11,900
Acquisition costs as at 31 Dec 2024	86,183	1,156	41,906	2,220	131,464
Reclassification	-3,369	0	248	0	-3,121
Additions	2,889	28	2,727	301	5,945
Disposals	-4,706	-38	-7,751	-110	-12,606
Acquisition costs as at 31 Dec 2025	80,997	1,146	37,129	2,410	121,683
Cumulative valuation as at 01 Jan 2024	-44,245	-850	-38,610	-1,121	-84,826
Reclassification	0	0	0	0	0
Disposals	2,813	6	7,102	151	10,072
Depreciation	-2,091	-96	-2,841	-367	-5,396
Impairments	-214	0	-3	0	-217
Cumulative valuation as at 31 Dec 2024	-43,738	-941	-34,352	-1,337	-80,367
Reclassification	1,836	0	-1	0	1,835
Disposals	4,476	38	7,707	110	12,331
Depreciation	-2,199	-59	-2,559	-400	-5,218
Cumulative valuation as at 31 Dec 2025	-39,626	-962	-29,204	-1,626	-71,419
Carrying amount as at 01 Jan 2024	41,232	272	6,813	1,015	49,333
Carrying amount as at 31 Dec 2024	42,446	215	7,554	883	51,097
Carrying amount as at 31 Dec 2025	41,372	184	7,925	784	50,264

Rights of use

Euro thousand	Branches	Administration buildings	Others	Total
31 Dec 2024				
Acquisition costs	66,711	34,625	103	101,439
Additions	5,617	0	103	5,720
Depreciation	-2,279	-1,983	-45	-4,307
Carrying amount	51,743	25,447	175	77,365
31 Dec 2025				
Acquisition costs	67,283	34,625	93	102,002
Additions	466	0	93	559
Depreciation	-2,313	-1,983	-69	-4,365
Carrying amount	49,785	23,464	199	73,448

No buildings were sold by VBW in the 2025 financial year (2024: one building was sold and the sales office located therein was subsequently leased back).

23) Tax assets and liabilities

Euro thousand	31 Dec 2025		31 Dec 2024	
	Tax assets	Tax liabilities	Tax assets	Tax liabilities
Current tax	108	1,916	4,836	139
Deferred tax	92,807	1,239	69,094	596
Tax total	92,915	3,155	73,929	735

The table below shows the differences resulting from the balance sheet figures reported in accordance with Austrian tax legislation and IFRS giving rise to deferred tax assets and liabilities:

Euro thousand	31 Dec 2025		31 Dec 2024		Net deviation 2025		
	Tax assets	Tax liabilities	Tax assets	Tax liabilities	Total	In income statement	In other comprehensive income
Loans and receivables to credit institutions (net)	665	505	816	615	-42	-42	0
Loans and receivables to customers (net)	15,641	869	15,081	0	-310	-310	0
Assets held for trading	1,380	0	2,475	0	-1,094	-1,094	0
Financial investments (net)	8,587	1	4,195	12,825	17,216	17,271	-55
Investment property	0	3,766	0	3,177	-589	-589	0
Participations	0	5,649	0	3,817	-1,831	-1,949	117
Intangible and tangible assets	21	21,075	32	21,927	841	1,223	-383
Liabilities to customers	58	0	134	0	-76	-76	0
Liabilities evidenced by certificates and subordinated liabilities	1,803	4,887	3,035	3,692	-2,426	-2,603	177
Lease liabilities	17,978	0	18,916	0	-938	-938	0
Liabilities held for trading	0	1,600	0	2,631	1,031	1,031	0
Provisions for pensions, severance payments and other provisions	3,687	1,166	4,421	1,553	-346	882	-1,229
Other assets and liabilities	26,858	29,982	54,012	41,299	-15,837	-16,110	273
Tax loss carryforwards	84,389	0	56,917	0	27,472	27,472	0
Deferred taxes before netting	161,068	69,500	160,035	91,537	23,070	24,169	-1,099
Offset between deferred tax assets and deferred tax liabilities	-68,261	-68,261	-90,942	-90,942	0	0	0
Reported deferred taxes	92,807	1,239	69,094	596	23,070	24,169	-1,099

Deferred tax assets and deferred tax liabilities are only offset if they are applicable within the same company and towards the same tax authority.

Deferred tax assets are recognized, among other things, for unused tax loss carryforwards, provided it is likely that sufficient taxable profits will be generated in the same company in the future. The assessment period for evaluating future taxable results was extended from four to five years in the financial year.

The extension of the planning horizon constitutes a change in an accounting estimate in accordance with IAS 8 and is based on the assumptions underlying the medium- and long-term planning. The change will be applied prospectively. The extended planning horizon leads to a positive effect on deferred tax assets of euro 22,207 thousand, as the longer period under review means that additional taxable income is likely.

For tax loss carryforwards in the amount of euro 44,892 thousand (2024: euro 206,276 thousand) no deferred taxes were recognised. Of these non-recognised tax loss carryforwards, euro 44,892 thousand (2024: euro 206,276 thousand) can be carried forward without restriction and primarily concern VBW itself.

In accordance with IAS 12.39, deferred tax liabilities for temporary differences relating to investments in subsidiaries in the amount of euro 1,191 thousand (2024: euro 1,398 thousand) and deferred tax assets in the amount of euro 2,262 thousand (2024: euro 1,990 thousand) were not recognised, as they are not expected to reverse in the foreseeable future.

24) Other assets

Euro thousand	31 Dec 2025	31 Dec 2024
Deferred items	6,806	4,639
Other receivables and assets	45,216	31,045
Positive fair values of derivative instruments	222,486	265,011
Other assets	274,509	300,695

Other assets essentially consist of open outgoing invoices and accruals in the amount of euro 23,242 thousand (2024: euro 16,642 thousand), auxiliary accounts of the banking business in the amount of euro 9,079 thousand (2024: euro 5,620 thousand) and receivables to employees in the amount of euro 4,029 thousand (2024: euro 3,947 thousand).

In addition to derivatives that are used for hedge accounting in accordance with IFRS 9, the item Positive fair values from derivative financial instruments also includes derivatives in the amount of euro 61,234 thousand (2024: euro 70,726 thousand) that are used for managing interest rate risks in the banking book.

The table below shows the fair values of derivatives included in the position Other assets which are used in hedge accounting under IFRS 9:

Euro thousand	31 Dec 2025		31 Dec 2024	
	Fair value hedge	Cash flow hedge	Fair value hedge	Cash flow hedge
Interest-rate-related transactions	161,253	0	194,286	0
Positive fair values of derivative instruments	161,253	0	194,286	0

25) Liabilities to credit institutions

Euro thousand	31 Dec 2025	31 Dec 2024
Other credit institutions	2,830,107	3,069,555
Liabilities to credit institutions	2,830,107	3,069,555

Liabilities to credit institutions are measured at amortised cost.

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
On demand	2,704,878	2,501,849
Up to 3 months	121,057	378,393
Up to 1 year	3,947	3,989
Up to 5 years	0	116,756
More than 5 years	224	68,568
Liabilities to credit institutions	2,830,107	3,069,555

The information about maturities of future cash flows is shown in Note 34).

26) Liabilities to customers

Euro thousand	31 Dec 2025	31 Dec 2024
Savings deposits	657,500	764,598
Other deposits	6,023,490	5,908,959
Liabilities to customers	6,680,990	6,673,557

Liabilities to customers are measured at amortised cost.

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
On demand	5,372,464	5,339,213
Up to 3 months	357,204	500,382
Up to 1 year	821,038	769,330
Up to 5 years	129,387	64,630
More than 5 years	898	1
Liabilities to customers	6,680,990	6,673,557

27) Liabilities evidenced by certificates

Euro thousand	31 Dec 2025	31 Dec 2024
Bonds	4,102,344	3,449,077
Amortised cost	4,044,046	3,378,008
Fair value through profit or loss - designated	58,298	71,069
Liabilities evidenced by certificates	4,102,344	3,449,077

The item 'bonds – measured at fair value through profit or loss' consists of the repayment amount at maturity of euro 38,000 thousand (-1: euro 50,000 thousand), and the changes in value recognised in profit or loss resulting from the fair value measurement, including the current interest components of the interest-bearing bonds and the compounding of the zero-coupon bond. In the 0 financial year, the fair value change in own credit risk was recognised in the amount of euro -593 thousand (-1: euro -57 thousand) in other comprehensive income. The cumulative amount of the fair value change in own credit risk totalled euro 1,248 thousand (-1: euro 1,842 thousand).

The amount of credit risk recognised as accumulated OCI is determined as the difference between the present value of the financial liability, calculated using the original credit spread, and the fair value of the liability. The amount of the fair value change attributable to a change in the credit risk of the liability in the respective reporting period corresponds to the difference between the cumulative amount at the end of the reporting period and the corresponding amount at the beginning of the period.

The present value of the liability is calculated by discounting the contractual cash flows using the original credit spread as the discount rate, taking the observed interest rate (swap yield curve) as the basis. The original credit spread is determined when the financial liability is first recognised and at that time corresponds to the difference between the total return on the liability and the observed interest rate (swap yield curve).

In the 0 financial year, there were 8 issues (-1: 6 issues) by VBW, with a total nominal value of euro 794,000 thousand (-1: euro 258,500 thousand).

In September 2025, the euro 500,000,000 3.625 % Fixed-to-Floating Callable Green Preferred Senior Notes due September 2031 were issued with a nominal value of euro 500 million and an issue price of 99.618 %. The issue has a term of 6 years and will be redeemed at 100 % of the nominal value on 9 September 2031. The fixed interest rate is 3.625 % p.a. until 30 September 2030 and is paid annually on 9 September. From 9 September 2030, the bond will bear interest quarterly at a variable rate equal to the three-month Euribor plus 1.35 % p.a. The issuer has the right to terminate the bond and repay it early on 9 September 2030.

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 3 months	1,001,566	1,668
Up to 1 year	269,614	141,571
Up to 5 years	2,177,755	3,106,868
More than 5 years	653,408	198,969
Liabilities evidenced by certificates	4,102,344	3,449,077

The information about maturities of future cash flows is shown in Note 34).

28) Lease liabilities

Presentation of the inflow and outflow of lease liabilities

Euro thousand	Lease liabilities
As at 01 Jan 2024	79,553
Cash outflow	-4,244
Non-cash changes	
Others	6,933
Total non-cash changes	6,933
As at 31 Dec 2024	82,242
Cash outflow	-4,524
Non-cash changes	
Others	446
Total non-cash changes	446
As at 31 Dec 2025	78,164

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 3 months	1,141	1,074
Up to 1 year	3,428	3,224
Up to 5 years	22,038	21,526
More than 5 years	51,556	56,419
Lease liabilities	78,164	82,242

29) Liabilities held for trading

Euro thousand	31 Dec 2025	31 Dec 2024
Negative fair values of derivative instruments		
Interest rate related transactions	15,385	19,957
Liabilities held for trading	15,385	19,957

30) Provisions

Provisions for off-balance sheet risks

Euro thousand	Loan loss provision - Stage 1	Loan loss provision - Stage 2	Loan loss provision - Stage 3	Total
As at 01 Jan 2024	1,737	1,693	6,123	9,552
Increases due to origination and acquisition	456	74	3,605	4,135
Decreases due to derecognition	-111	-252	-342	-705
Changes due to change in credit risk	-593	853	-5,341	-5,081
Thereof transfer to Stage 1	84	-84	0	0
Thereof transfer to Stage 2	-260	268	-8	0
Thereof transfer to Stage 3	-1	-75	77	0
Post-Model Adjustment	-197	0	0	-197
Other adjustments	0	-110	110	0
As at 31 Dec 2024	1,292	2,258	4,154	7,704
Increases due to origination and acquisition	610	177	598	1,385
Decreases due to derecognition	-29	-182	-521	-733
Changes due to change in credit risk	-521	494	-1,388	-1,414
Thereof transfer to Stage 1	60	-60	0	0
Thereof transfer to Stage 2	-175	184	-8	0
Thereof transfer to Stage 3	0	-35	36	0
Post-Model Adjustment	25	0	0	25
Other adjustments	0	-120	120	0
As at 31 Dec 2025	1,377	2,627	2,963	6,967

Further details regarding off-balance sheet credit risks are contained in Note 50) Risk report.

Other provisions

Euro thousand	Restructuring	Pending litigations	Others	Total
As at 01 Jan 2024	415	399	1,182	1,996
Utilisation	-14	0	-64	-78
Release	0	-308	-636	-944
Addition	100	20	520	640
As at 31 Dec 2024	501	111	1,002	1,613
Utilisation	-427	-21	-335	-782
Release	-74	-90	-91	-255
Addition	106	798	3,984	4,888
As at 31 Dec 2025	106	798	4,579	5,483

Provisions are recorded at the best possible estimate of the expected outflow of resources with economic benefits as at the balance sheet date, taking into account the risks and uncertainties expected to fulfil the obligation. Risks and uncertainties have been taken into account in making the estimates.

Fiscal unity of the Association of Volksbanks and termination of the interbank exemption

On 28 June 2024, the Austrian Federal Finance Court (BFG) referred a request for a preliminary ruling under Article 267 TFEU to the European Court of Justice (ECJ). The BFG is asking the ECJ to rule on whether the so-called interbank exemption under Section 6(1)(28), second sentence, of the Austrian Value Added Tax Act (UStG) constitutes state aid within the meaning of Article 107(1) TFEU. Section 6(1)(28), second sentence, of the Austrian Value Added Tax Act (UStG) exempts services between companies that predominantly carry out banking, insurance or pension fund transactions from the obligation to charge value added tax, provided that these services are used directly for the performance of tax-exempt transactions. On 5 May 2025, the request for a preliminary ruling was rejected by the ECJ as manifestly inadmissible. On 30 May 2025, the BFG referred the case back to the ECJ, this time with more detailed reasoning. The Association of Volksbanks is not itself involved in the original dispute for which the preliminary ruling procedure was requested, but has also made use of the interbank exemption under Section 6(1)(28) sentence 2 of the VAT Act in its business transactions with other companies in the Association of Volksbanks until the end of 2024. In order to avoid uncertainty for the future, the Austrian legislature has deleted the entire second sentence with effect from 1 January 2025 through the Tax Amendment Act 2024.

Due to the special situation of the Association of Volksbanks resulting from the requirements of organisational integration pursuant to Section 30a of the Austrian Banking Act (BWG) and the organisational structure existing in this context, VBW, together with the other members of the association and other affiliated companies, notified the competent tax offices before the end of 2024 of the existence of a fiscal unity in accordance with the UStG with effect from 1 January 2025, which means that the abolition of the interbank exemption within the Association of Volksbanks would have no significant impact. The requirements for an association-wide fiscal unity have already been met in the past, since the Association of Volksbanks was established in accordance with Section 30a of the Austrian Banking Act (BWG). VBW is therefore convinced that any decisions by the European Court of Justice or the European Commission on the previous application of the interbank exemption will have no impact on the Association of Volksbanks.

As expected, proceedings are currently underway at the relevant tax offices with regard to the reported VAT fiscal unity. The matter has already been referred to the Federal Finance Court (BFG) due to the appeals lodged against the negative decisions of the tax offices. However, it is still assumed that the fiscal unity pursuant to the VAT Act (UStG) for the Association of Volksbanks is legally valid and that the VAT of euro 0.1 million that would otherwise be payable for the 2025 financial year does not have to be paid. No provision was therefore required for this amount.

Services outside the Association-wide fiscal unity that have previously fallen under the interbank exemption are only sporadic and of minor significance. Due to the insignificant amounts involved, a more detailed investigation of the facts was not carried out and no provision was made.

31) Employee benefits

Euro thousand	Provision for pensions	Provision for severance payments	Provision for anniversary bonuses	Total Employee benefits
Net present value as at 01 Jan 2024	8,745	31,764	6,313	46,822
Current service costs	24	1,322	353	1,699
Interest expenses	298	1,131	228	1,657
Payments	-929	-1,077	-524	-2,530
Actuarial gains or losses arising from changes in financial assumptions	186	-1,280	-259	-1,353
Net present value as at 31 Dec 2024	8,324	31,861	6,111	46,295
Current service costs	17	1,287	340	1,644
Interest expenses	259	1,016	200	1,475
Payments	-856	-663	-543	-2,062
Actuarial gains or losses arising from changes in financial assumptions	-1,090	-4,252	-355	-5,697
Net present value as at 31 Dec 2025	6,653	29,248	5,752	41,654

Net present value of plan assets

Euro thousand	Provision for pensions
Net present value of plan assets as at 01 Jan 2024	1,115
Result from plan assets	73
Net present value of plan assets as at 31 Dec 2024	1,188
Result from plan assets	-56
Net present value of plan assets as at 31 Dec 2025	1,132

The provision for pensions is netted with the net present value of plan assets in this item.

Contribution payments to plan assets for 2026 are expected in the amount of euro 0 thousand (2024: euro 18 thousand).

Euro thousand	Provision for pensions	Provision for severance	Provision for anniversary	Total Employee
31 Dec 2024				
Long-term employee provision	8,324	31,861	6,111	46,295
Net present value of plan assets	-1,188	0	0	-1,188
Net liability recognised in balance sheet	7,136	31,861	6,111	45,107
31 Dec 2025				
Long-term employee provision	6,653	29,248	5,752	41,654
Net present value of plan assets	-1,132	0	0	-1,132
Net liability recognised in balance sheet	5,521	29,248	5,752	40,522

Historical information

Euro thousand	2025	2024	2023	2022	2021
Net present value of obligations	41,654	46,295	46,822	44,393	55,061
Net present value of plan assets	1,132	1,188	1,115	994	1,029

Composition of plan assets

Euro thousand	31 Dec 2025			31 Dec 2024		
	Plan assets - quoted	Plan assets - unquoted	Plan assets - total	Plan assets - quoted	Plan assets - unquoted	Plan assets - total
Bond issues regional	233	0	233	258	0	258
Bond issues credit institutions	60	0	60	64	0	64
Other bond issues	228	0	228	245	0	245
Shares EU countries	91	0	91	88	0	88
Shares USA and Japan	149	0	149	182	0	182
Other shares	112	0	112	126	0	126
Derivatives	73	35	108	52	32	84
Real estate	0	93	93	0	96	96
Fixed deposit	0	39	39	0	40	40
Cash in hand	0	18	18	0	5	5
Total	946	185	1,132	1,014	173	1,188

The Plan assets – quoted column shows all assets within plan assets that have a quoted market price in an active market.

Sensitivity analysis

With all other variables kept constant, possible changes that could reasonably be expected in any of the significant actuarial assumptions as of the reporting date would have influenced the defined benefit obligation as follows.

	Change in the present value	
	Increase of assumption	Decrease of assumption
31 Dec 2024		
Discount rate (0.75 % change)	-2,787	2,968
Future wage and salary increases (0.50 % change)	1,638	-1,665
Future pension increases (0.25 % change)	171	-164
Future mortality (1 year change)	503	-483
31 Dec 2025		
Discount rate (0.75 % change)	-2,184	2,612
Future wage and salary increases (0.50 % change)	1,539	-1,274
Future pension increases (0.25 % change)	133	-127
Future mortality (1 year change)	387	-368

As at 31 December 2025, the weighted average term of defined-benefit obligations for pensions was 7.9 years (2024: 8.2 years) and for severance payments 9.0 years (2024: 9.8 years).

Although the analysis does not take into account the full distribution of cash flows expected based on the plan, it does provide an approximate value for the sensitivity of the assumptions presented.

32) Other liabilities

Euro thousand	31 Dec 2025	31 Dec 2024
Deferred items	2,347	2,044
Other liabilities	213,889	250,104
Negative fair values of derivative instruments	190,004	284,064
Other liabilities	406,241	536,213

The other liabilities are essentially composed of auxiliary accounts of banking business in the amount of euro 165,630 thousand (2024: euro 173,418 thousand), incoming invoices and deferred income in the amount of euro 17,883 thousand (2024: euro 26,062 thousand), taxes and fiscal liabilities in the amount of euro 16,644 thousand (2024: euro 21,917 thousand) and commitments to staff in the amount of euro 5,451 thousand (2024: euro 6,529 thousand).

In addition to derivatives that are used for hedge accounting in accordance with IFRS 9, the item Negative fair values of derivative instruments also includes derivatives in the amount of euro 52,514 thousand (2024: euro 62,011 thousand) that are used for managing interest rate risks in the banking book.

The table below shows the negative fair values of derivatives included in the item Other liabilities which are used in hedge accounting according to IFRS 9:

Euro thousand	31 Dec 2025		31 Dec 2024	
	Fair value hedge	Cash flow hedge	Fair value hedge	Cash flow hedge
Interest-rate-related transactions	135,557	1,934	221,474	580
Negative fair values of derivative instruments	135,557	1,934	221,474	580

33) Subordinated liabilities

Euro thousand	31 Dec 2025	31 Dec 2024
Subordinated capital	1,217,908	1,237,365
Subordinated liabilities	1,217,908	1,237,365

Subordinated liabilities are measured at amortised cost.

In the previous year, two subordinated Tier 2 bonds with a volume of euro 500,000 thousand each were issued. The first Tier 2 bond with a volume of euro 500,000 thousand and a coupon of 5.75 % (fixed to fixed) was issued in March of the previous year. The bond has a term until 21 June 2034 and a fixed interest rate of 5.75 % until 21 June 2029. Interest is payable annually on June 21st; from the Interest Rate Change Date, the interest rate will be recalculated based on the five-year euro mid-swap rate plus a margin of 3.10 % p.a. Repayment is made at the end of the term at 100 % of the nominal value. The issuer has a one-time cancellation right in 2029. In September of the previous year, the second subordinated Tier-2 bond was issued for euro 500,000 thousand with a maturity date of December 4, 2035 and a fixed interest rate of 5.5 % until December 4, 2030. Interest is payable annually on December 4th. From the Interest Rate Change Date, interest is calculated based on the six-year euro mid-swap rate plus a margin of 3.05 % p.a. Repayment takes place at the end of the term at 100 % of the face value. The issuer has a one-time right of cancellation in 2030.

In September 2024, with the approval of the ECB, a subordinated Tier 2 bond from 2017 with a nominal value of euro 209,500 thousand was bought back from investors within the scope of a buyback offer. The loss of euro -6,781 thousand resulting from this buy-back relates to the previous year and is recognised accordingly in the previous year's result from financial instruments and investment properties.

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 5 years	193,859	192,430
More than 5 years	1,024,048	1,044,935
Subordinated liabilities	1,217,908	1,237,365

Presentation of the inflow and outflow of subordinated liabilities

Euro thousand	Subordinated liabilities
As at 01 Jan 2024	401,973
Cash inflow	993,240
Cash outflow	-215,892
Non-cash changes	
Others	58,043
Total non-cash changes	58,043
As at 31 Dec 2024	1,237,365
Cash inflow	0
Cash outflow	0
Non-cash changes	
Others	-19,457
Total non-cash changes	-19,457
As at 31 Dec 2025	1,217,908

34) Cash flows from liabilities based on maturities

The table below presents the future cash flows from liabilities classified according to their maturity:

Euro thousand	Up to 3 months	Up to one year	Up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
31 Dec 2025						
Liabilities to credit institutions	2,826,574	4,053	1,914	15,043	2,847,584	2,830,107
Liabilities to customers	5,752,469	828,701	135,733	18,224	6,735,127	6,680,990
Liabilities evidenced by certificates	1,001,566	368,017	2,341,877	705,852	4,417,312	4,102,344
Lease liabilities	1,141	3,428	22,038	51,556	78,164	78,164
Subordinated liabilities	0	66,393	426,613	1,259,620	1,752,627	1,217,908
Derivative instruments banking book	32,792	18,101	166,860	178,140	395,894	190,004
31 Dec 2024						
Liabilities to credit institutions	2,880,898	4,161	119,941	95,145	3,100,145	3,069,555
Liabilities to customers	5,858,891	780,261	69,036	59,278	6,767,466	6,673,557
Liabilities evidenced by certificates	1,668	251,329	3,286,617	233,470	3,773,084	3,449,077
Lease liabilities	1,074	3,224	21,526	56,419	82,242	82,242
Subordinated liabilities	0	66,141	434,881	1,336,757	1,837,779	1,237,365
Derivative instruments banking book	19,501	74,059	345,738	284,190	723,488	284,064

Cash flows for contingent liabilities are shown in Note 43).

35) Equity

As at 31 December 2025, the subscribed capital of VBW before deduction of treasury stocks amounted to euro 137,547 thousand (2024: euro 137,547 thousand). It consists of no-par-value shares as follows:

	Euro thousand
1,467,163 Non-par value shares	137,547

Changes in subscribed capital

Number of units	Shares
Shares outstanding as of 01 Jan 2024	1,460,505
Repurchase of own shares	-6,658
Shares outstanding as of 31 Dec 2024	1,453,847
Repurchase of own shares	-6,658
Shares outstanding as of 31 Dec 2025	1,447,189

Repurchase of own shares

As part of the implementation of the structural simplification concept for crisis situations within the Association of Volksbanks, VBW has concluded a purchase agreement for a total of 19,974 of its own shares with a face value of euro 1,873 thousand, corresponding to 1.36 % of VBW's shares, at a purchase price of euro 9,000 thousand. The transaction was carried out in three installments. In 2023, the first tranche of 6,658 treasury shares was acquired as part of this purchase agreement. The second tranche of 6,658 units also followed in 2024. The final tranche of 6,658 units was due in 2025. The entire purchase agreement was fully recorded in the financial statements in 2023, meaning that later tranches only reduced the recorded liability and therefore no longer appear in the statement of equity.

Equity as of 31 December 2025 decreased by the interest accrued on shares repurchased in previous years and in the reporting year, amounting to euro 9,000 thousand. (2024: euro 8.948 thousand). The interest expense from the compounding of the recorded obligation amounts to euro -52 thousand for the 2025 financial year (2024: euro -152 thousand).

Additional Tier 1 capital

An Additional Tier 1 bond was issued in April 2019 with a nominal amount of euro 220,000 thousand and an issue price of 100.00 %, which constituted additional Tier 1 capital in accordance with Article 52 of the CRR. The bond had an unlimited term with a right of termination on the part of the issuer for the first time on 9 April 2024; this right of termination was exercised with the approval of the ECB and the bond was repaid at 100 % of the nominal amount.

Dividend payment

Euro thousand	2025	2024
Dividend voting equity	0	7,595
Coupon for the AT1 emission	0	8,525
Total	0	16,120

Return on capital employed

The return on capital employed for the 2025 business year was 0.52% (2024: 0.27%) and was calculated as the ratio of result after taxes to total assets as at the reporting date.

Revaluation reserve

The revaluation reserve comprises revaluations resulting from the reclassification of tangible fixed assets to investment properties. The revaluation reserve remains unchanged until the remeasured assets are derecognised. The revaluation reserve is transferred to retained earnings with derecognition of the assets.

The following table shows a breakdown of and the changes to retained earnings and other reserves:

Euro thousand	Other reserves							
	Retained earnings	IAS 19 reserve	Revaluation reserve	Fair value reserve - equity instruments	Fair value reserve - debt instruments	Cash flow hedge reserve	Own credit risk reserve	Retained earnings and other reserves
As at 01 Jan 2024	425,079	9,018	1,633	33,992	-117	-325	1,899	471,179
Consolidated net income	42,973							42,973
Other comprehensive income	0	906	0	10,343	262	-111	-57	11,343
Redemption AT1 emission	-2,278							-2,278
Dividends paid	-7,595							-7,595
Coupon for the AT1 emission	-8,525							-8,525
Reclassification fair value reserve due to sale (including deferred taxes)	-78,818			78,818				0
Change due to reclassifications shown under non-controlling interest, capital increases and deconsolidation	0							0
As at 31 Dec 2024	370,837	9,924	1,633	123,153	144	-436	1,842	507,097
Consolidated net income	84,799							84,799
Other comprehensive income	0	4,209	1,281	-2,480	203	-913	-593	1,707
Redemption AT1 emission	0							0
Dividends paid	0							0
Coupon for the AT1 emission	0							0
Reclassification fair value reserve due to sale (including deferred taxes)	-860			860				0
Change due to reclassifications shown under non-controlling interest, capital increases and deconsolidation	38							38
As at 31 Dec 2025	454,815	14,134	2,914	121,532	347	-1,349	1,248	593,641

The reclassifications from the fair value reserve to retained earnings mainly relate to the cumulative valuations of participations disposed of in the respective financial year and the associated deferred taxes.

The reclassification from the fair value reserve to retained earnings in the previous year was mainly due to the cumulative fair value measurement of Volksbanken Holding eGen in connection with the disposal of shares.

36) Own funds

The own funds of the VBW credit institution group which were calculated pursuant to the Capital Requirement Regulation (CRR) break down as follows:

Euro thousand	31 Dec 2025	31 Dec 2024
Common Tier 1 capital: Instruments and reserves		
Capital instruments including share premium accounts	338,303	338,303
Retained earnings	400,548	332,562
Accumulated other comprehensive income (and other reserves)	255,403	250,337
Non-controlling interest	6,044	0
Common Tier 1 capital before regulatory adjustments	1,000,298	921,202
Common Tier 1 capital: regulatory adjustments		
Intangible assets (net of related tax liability)	-14,347	-14,218
Cash flow hedge reserve	1,349	436
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-1,248	-1,842
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	256	186
Value adjustments due to the requirement for prudent valuation	-685	-854
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-84,389	-56,917
Insufficient coverage for non-performing exposures	-4,967	-3,877
Regulatory adjustments - transitional provisions	0	1,893
Adjustments to be made due to transitional regulations under IFRS 9		1,893
Additional CET1 deductions pursuant to article 3 CRR	-16,296	-16,316
Total regulatory adjustments	-120,327	-91,509
Common Equity Tier 1 capital - CET1	879,971	829,693
Additional Tier 1 capital - AT1	0	0
Tier 1 capital (CET1 + AT1)	879,971	829,693
Tier 2 capital - instruments and provisions		
Capital instruments including share premium accounts	1,091,175	1,149,554
Tier 2 capital before regulatory adjustments	1,091,175	1,149,554
Tier 2 capital - T2	1,091,175	1,149,554
Own funds total - TC (T1 + T2)	1,971,146	1,979,247
Common Equity Tier I capital ratio	17.68%	17.40%
Tier I capital ratio	17.68%	17.40%
Equity ratio	39.60%	41.50%
each in relation to total risk exposure		

The risk-weighted assessment amounts as defined in the CRR break down as follows:

Euro thousand	31 Dec 2025	31 Dec 2024
Risk weighted exposure amounts - credit risk	4,296,474	4,050,271
Total risk exposure amount for position, foreign exchange and commodities risks	23,580	18,392
Total risk exposure amount for operational risk (OpR)	648,508	692,055
Total risk exposure amount for credit valuation adjustment (cva)	9,555	8,855
Total risk exposure amount	4,978,117	4,769,572

Group issues which are included in Tier 1 or Tier 2:

31 Dec 2025

ISIN	Name	Identification IFRS	Redemption date	Conditions	Face value in euro thousand
Tier 2 issues					
AT000B121967	Subordinated 17-27	Subordinated liabilities at amortised cost	06 Oct 2027	2.75% p.a.; from 6 Oct 2023 5Y-Mid Swap + 255 bp p.a.	190,500
AT000B122270	Subordinated 24-34	Subordinated liabilities at amortised cost	21 Jun 2034	5,75 % p.a.; from 21 June 2029 5Y-Mid Swap + 310 bp p.a.	500,000
AT000B122296	Subordinated 24-35	Subordinated liabilities at amortised cost	04 Dec 2035	5,5 % p.a.; from 4 December 2030 6Y-Mid Swap + 305 bp p.a.	500,000

31 Dec 2024

Tier 2 issues					
AT000B121967	Subordinated 17-27	Subordinated liabilities at amortised cost	06 Oct 2027	2.75% p.a.; from 6 Oct 2023 5Y-Mid Swap + 255 bp p.a.	190,500
AT000B122270	Subordinated 24-34	Subordinated liabilities at amortised cost	21 Jun 2034	5,75 % p.a.; from 21 June 2029 5Y-Mid Swap + 310 bp p.a.	500,000
AT000B122296	Subordinated 24-35	Subordinated liabilities at amortised cost	04 Dec 2035	5,5 % p.a.; from 4 December 2030 6Y-Mid Swap + 305 bp p.a.	500,000

The scope of consolidation under IFRS differs from the scope of consolidation under CRR, as IFRS also includes companies from other sectors. Institutions and financial institutions that are subject to control but are not material for the presentation of the credit institution group in accordance with Article 19 (1) CRR are deducted from own funds to the extent that they exceed the threshold.

Subsidiaries which are managed jointly with non-Group companies are consolidated proportionately. Shares in companies in the financial sector with a stake of between 10 % and 50 % where there is no joint management, as well as participations in companies in the financial sector with a stake of less than 10 %, are also deducted from own funds if the threshold is exceeded, unless they are included voluntarily on a pro rata basis.

All credit and financial institutions under control or where the Group holds a majority of shares either directly or indirectly are considered in the scope of consolidation under the CRR.

In the 2025 financial year, there were no substantive, practical or legal impediments to the transfer of own funds or the repayment of liabilities between the parent institution and its subordinate companies.

37) Financial assets and liabilities

The table below shows financial assets and liabilities in accordance with their individual categories and their fair values:

Euro thousand	Amortised cost	Fair value through OCI	Fair value through profit or loss	Carrying amount - total	Fair value
31 Dec 2025					
Liquid funds	3,549,350	0	0	3,549,350	3,549,350
Loans and receivables to credit institutions	1,644,813	0	0	1,644,813	1,645,941
Loans and receivables to customers	6,253,430	0	38,242	6,291,672	6,188,773
Assets held for trading	0	0	23,175	23,175	23,175
Financial investments	4,217,729	27,303	4,868	4,249,901	4,241,100
Participations	0	98,038	0	98,038	98,038
Derivative instruments	0	0	222,486	222,486	222,486
Financial assets total	15,665,323	125,341	288,771	16,079,435	15,968,863
Liabilities to credit institutions	2,830,107	0	0	2,830,107	2,829,163
Liabilities to customers	6,680,990	0	0	6,680,990	6,681,105
Liabilities evidenced by certificates	4,044,046	0	58,298	4,102,344	4,123,383
Lease liabilities	78,164	0	0	78,164	78,164
Liabilities held for trading	0	0	15,385	15,385	15,385
Derivative instruments	0	0	190,004	190,004	190,004
Subordinated liabilities	1,217,908	0	0	1,217,908	1,255,859
Financial liabilities total	14,851,214	0	263,687	15,114,901	15,173,063
31 Dec 2024					
Liquid funds	3,873,327	0	0	3,873,327	3,873,327
Loans and receivables to credit institutions	1,798,682	0	0	1,798,682	1,803,546
Loans and receivables to customers	6,011,848	0	48,133	6,059,981	5,941,300
Assets held for trading	0	0	22,598	22,598	22,598
Financial investments	3,601,697	24,423	6,113	3,632,232	3,565,619
Participations	0	96,044	0	96,044	96,044
Derivative instruments	0	0	265,011	265,011	265,011
Financial assets total	15,285,553	120,467	341,856	15,747,876	15,567,446
Liabilities to credit institutions	3,069,555	0	0	3,069,555	3,067,171
Liabilities to customers	6,673,557	0	0	6,673,557	6,678,324
Liabilities evidenced by certificates	3,378,008	0	71,069	3,449,077	3,458,245
Lease liabilities	82,242	0	0	82,242	82,242
Liabilities held for trading	0	0	19,957	19,957	19,957
Derivative instruments	0	0	284,064	284,064	284,064
Subordinated liabilities	1,237,365	0	0	1,237,365	1,236,915
Financial liabilities total	14,440,727	0	375,090	14,815,817	14,826,919

All financial instruments recognised on the assets side that are measured at fair value through profit or loss are mandatorily allocated to this measurement category. There is no voluntary designation of financial assets at fair value through profit or loss. On the liabilities side, the entire recognised amount of the debts evidenced by certificates is voluntarily measured at fair value through profit or loss (designated). The other financial liabilities recognised measured at fair value through profit or loss are mandatorily allocated to this measurement category.

The table below shows all assets and liabilities which are measured at fair value according to their fair value hierarchy:

Euro thousand	Level 1	Level 2	Level 3	Total
31 Dec 2025				
Loans and receivables to customers	0	0	38,242	38,242
Assets held for trading	680	22,495	0	23,175
Financial investments	28,335	635	3,201	32,171
Fair value through profit or loss	1,032	635	3,201	4,868
Fair value through OCI	27,303	0	0	27,303
Participations	0	0	98,003	98,003
Fair value through OCI - designated	0	0	98,003	98,003
Derivative instruments	0	222,486	0	222,486
Financial assets total	29,015	245,616	139,446	414,078
Liabilities evidenced by certificates	0	58,298	0	58,298
Liabilities held for trading	0	15,385	0	15,385
Derivative instruments	0	190,004	0	190,004
Financial liabilities total	0	263,687	0	263,687
31 Dec 2024				
Loans and receivables to customers	0	0	48,133	48,133
Assets held for trading	4,529	18,070	0	22,598
Financial investments	26,491	1,329	2,716	30,536
Fair value through profit or loss	2,068	1,329	2,716	6,113
Fair value through OCI	24,423	0	0	24,423
Participations	0	0	96,010	96,010
Fair value through OCI - designated	0	0	96,010	96,010
Derivative instruments	0	265,011	0	265,011
Financial assets total	31,019	284,410	146,859	462,288
Liabilities evidenced by certificates	0	71,069	0	71,069
Liabilities held for trading	0	19,957	0	19,957
Derivative instruments	0	284,064	0	284,064
Financial liabilities total	0	375,090	0	375,090

Please refer to Note 3) t) for a description of the valuation procedures used for participations. Participations with a carrying amount of euro 34 thousand (-1: euro 34 thousand) were measured at amortised cost due to their immateriality.

When determining fair values for Level 2 financial investments, VBW only uses prices based on observable market data. If systems deliver price information for positions which are not actively traded, this is checked based on secondary market data or transactions in comparable products performed on active markets. The system prices are then adjusted accordingly if necessary. The main Level 2 input factors are interest rates including associated interest rate volatilities, foreign exchange swap points, exchange rates, share prices, index rates, including related volatilities and credit spreads obtained from brokers on a daily basis. Market valuation adjustments are made through linear interpolations of the directly obtained broker data. The input factors used undergo daily quality assurance and are archived in the valuation system.

In 2025, as in the previous year, there were no reclassifications of financial instruments between Levels.

Development of Level 3 fair values of financial assets and liabilities:

Euro thousand	Loans and receivables to customers	Financial investments	Participations	Financial assets total	Liabilities evidenced by certificates	Financial liabilities total
As at 01 Jan 2024	65,729	0	77,860	143,589	70,126	70,126
Reallocation	0	0	0	0	-70,126	-70,126
Additions	39	1,711	22,451	24,201	0	0
Disposals	-19,015	0	-17,474	-36,489	0	0
Valuations						
Through profit or loss	1,380	1,005	0	2,385	0	0
Through OCI	0	0	13,172	13,172	0	0
As at 31 Dec 2024	48,133	2,716	96,010	146,859	0	0
Reallocation	0	0	0	0	0	0
Additions	150	509	0	660	0	0
Disposals	-10,597	0	-1,764	-12,360	0	0
Valuations						
Through profit or loss	555	-24	0	531	0	0
Through OCI	0	0	-511	-511	0	0
As at 31 Dec 2025	38,242	3,201	98,003	139,446	0	0

The valuations shown in the table above are included in the item Result from financial instruments and investment properties (income statement) or the fair value reserve (other comprehensive income). The valuations recorded in the income statement include holdings of financial assets and liabilities in the amount of euro 470 thousand (2024: euro 2,477 thousand) at the balance sheet date.

The debts evidenced by certificates were reclassified into the Level 2 category in the 2024 financial year following a re-evaluation.

The value of loans and receivables is assessed by discounting the cash flows of these loans using the risk-free swap curve plus markup. The markups used for discounting are the standard risk costs and the liquidity costs. The liquidity costs are derived from the market (spreads of senior unsecured bank issues in Austria and Germany; spreads of covered bonds for loans in the coverage fund and loans eligible for credit claims). The standard risk costs are used after clustering of the loans according to rating. The remaining components of the preliminary calculation are summarised in one factor (epsilon factor) upon conclusion of the deal and frozen for subsequent measurement.

Please refer to Note 14) for further details regarding the sensitivities regarding the fair values of loans and receivables to credit institutions and customers.

The sensitivities regarding the fair values of investment properties (IAS 40) are shown in Note 18).

The sensitivities regarding the fair values of participations are shown in Note 20).

The fair value of financial instruments which are not measured at fair value is calculated solely for disclosure purposes within the Notes. Therefore, it has no influence on the consolidated balance sheet and the consolidated statement of comprehensive income.

The following table assigns all financial assets and liabilities not measured at fair value to various fair value hierarchies:

Euro thousand	Level 1	Level 2	Level 3	Fair value total	Carrying amount
31 Dec 2025					
Liquid funds	0	3,549,350	0	3,549,350	3,549,350
Loans and receivables to credit institutions	0	0	1,645,941	1,645,941	1,644,813
Loans and receivables to customers	0	0	6,150,531	6,150,531	6,253,430
Financial investments	4,208,929	0	0	4,208,929	4,217,729
Financial assets total	4,208,929	3,549,350	7,796,472	15,554,751	15,665,323
Liabilities to credit institutions	0	0	2,829,163	2,829,163	2,830,107
Liabilities to customers	0	0	6,681,105	6,681,105	6,680,990
Liabilities evidenced by certificates	3,017,734	1,047,351	0	4,065,086	4,044,046
Lease liabilities	0	0	78,164	78,164	78,164
Subordinated liabilities	1,255,859	0	0	1,255,859	1,217,908
Financial liabilities total	4,273,593	1,047,351	9,588,431	14,909,376	14,851,214
31 Dec 2024					
Liquid funds	0	3,873,327	0	3,873,327	3,873,327
Loans and receivables to credit institutions	0	0	1,803,546	1,803,546	1,798,682
Loans and receivables to customers	0	0	5,893,167	5,893,167	6,011,848
Financial investments	3,276,904	258,180	0	3,535,084	3,601,697
Financial assets total	3,276,904	4,131,507	7,696,712	15,105,123	15,285,553
Liabilities to credit institutions	0	0	3,067,171	3,067,171	3,069,555
Liabilities to customers	0	0	6,678,324	6,678,324	6,673,557
Liabilities evidenced by certificates	2,479,408	907,768	0	3,387,176	3,378,008
Lease liabilities	0	0	82,242	82,242	82,242
Subordinated liabilities	1,236,915	0	0	1,236,915	1,237,365
Financial liabilities total	3,716,324	907,768	9,827,737	14,451,829	14,440,727

For financial instruments that are largely short-term in nature, the carrying amount is an adequate estimate of fair value.

For long-term financial instruments, the fair value is calculated by discounting contractual cash flows. In the case of assets, interest rates are used that could have been obtained for assets with similar residual durations and default risks (especially estimated defaults for lending receivables). For liabilities, the interest rates used are those with which corresponding liabilities with similar residual durations could have been assumed or issued as at the reporting date.

Fair value hierarchy

Financial instruments recognised at fair value are allocated to the three IFRS fair value hierarchy categories.

Level 1 – Financial instruments measured at quoted prices in active markets, whose fair value can be derived directly from prices on active, liquid markets and where the financial instrument observed on the market is representative of the financial instrument owned by the Group that requires measurement.

Level 2 – Financial instruments measured using procedures based on observable market data, whose fair value can be determined using similar financial instruments traded on active markets or using procedures whose inputs are observable.

Level 3 – Financial instruments measured using procedures based on unobservable parameters, whose fair value cannot be determined using data observable on the market. Financial instruments in this category have a value component that is not observable, and which has a significant influence on fair value.

Reclassifications between the levels of the fair value hierarchy are recognised at the time at which the input factors relevant to the classification change.

38) Derivates

Derivative financial instruments

Euro thousand 2025	Face value				Total	Fair value
	Up to 3 months	Up to 1 year	Up to 5 years	More than 5 years		
Interest-rate-related transactions	100,512	1,208,705	7,583,436	8,240,206	17,132,859	29,194
Caps & Floors	688	3,732	78,907	88,730	172,056	-323
Interest rate swaps	99,824	1,204,973	7,504,529	8,151,477	16,960,803	29,517
Exchange-rate-related transactions	245,124	17,021	107,855	0	370,001	2,255
Cross currency interest rate swaps	108,190	0	107,855	0	216,045	2,136
FX swaps	136,934	17,021	0	0	153,956	119
Other transactions	20,433	743	905	23,135	45,215	-502
Options	20,433	743	905	23,135	45,215	-502
Total	366,069	1,226,469	7,692,197	8,263,341	17,548,075	30,947
2024						
Interest-rate-related transactions	46,077	206,025	6,112,256	4,981,212	11,345,570	-20,016
Caps & Floors	521	1,823	72,153	83,799	158,296	-453
Interest rate swaps	45,557	204,202	6,040,102	4,897,414	11,187,274	-19,564
Exchange-rate-related transactions	297,341	72,597	213,733	0	583,671	-503
Cross currency interest rate swaps	0	0	213,733	0	213,733	1,617
FX swaps	297,341	72,597	0	0	369,938	-2,120
Other transactions	7,466	1,162	2,066	37,663	48,357	-583
Options	7,466	1,162	2,066	37,663	48,357	-583
Total	350,884	279,784	6,328,055	5,018,875	11,977,598	-21,103

All derivative financial instruments are OTC products.

The following table shows fair values divided into balance sheet items:

Euro thousand 31 Dec 2025	Assets	Liabilities	Total
Interest-rate-related transactions	13,850	15,385	-1,534
Trading portfolio	13,850	15,385	-1,534
Interest-rate-related transactions	219,717	188,988	30,729
Exchange-rate-related transactions	2,520	265	2,255
Other transactions	250	752	-502
Other assets / liabilities	222,486	190,004	32,482
Total	236,336	205,389	30,947
Sum interest-rate-related transactions	233,567	204,372	29,194
Sum exchange-rate-related transactions	2,520	265	2,255
Sum other transactions	250	752	-502
31 Dec 2024			
Interest-rate-related transactions	17,907	19,957	-2,050
Trading portfolio	17,907	19,957	-2,050
Interest-rate-related transactions	261,705	279,671	-17,966
Exchange-rate-related transactions	2,986	3,489	-503
Other transactions	321	905	-583
Other assets / liabilities	265,011	284,064	-19,053
Total	282,918	304,021	-21,103
Sum interest-rate-related transactions	279,612	299,628	-20,016
Sum exchange-rate-related transactions	2,986	3,489	-503
Sum other transactions	321	905	-583

39) Hedging

Derivatives are used in the banking book to hedge interest rate and currency risks. Interest rate risks result primarily from fixed-interest products and, to a lesser extent, from variable-interest products. This is mainly achieved using interest rate swaps, and to a lesser extent caps and floors. Currency risks are hedged using FX swaps and cross currency swaps.

Derivatives used for hedging purposes are measured at fair value (dirty price) and recognised in the balance sheet under other assets or other liabilities. Positive fair values from hedging derivatives are allocated to other assets, while negative fair values are presented as other liabilities. Changes in the fair value (clean price) of the designated derivatives are recognised in the income statement in the result from fair value hedges in the item "Result from financial instruments and investment properties" (see Note 8).

In addition to micro fair value hedges and micro cash flow hedges, the regulations for recognising portfolio fair value hedges in accordance with IAS 39 are also used to manage interest rate risks. For fixed-interest customer receivables, the IAS 39 EU Carve-out is used, which allows the designation of part of an identified portfolio as the underlying transaction within the framework of so-called "bottom-layer approach" hedging. To create suitable hedging portfolios, customer receivables with similar fixed interest rate periods and comparable contractual structures, particularly with regard to repayment structures and payment dates, are grouped together. In addition, the respective customer segment (e.g. commercial loans and private residential loans) is taken into account when composing the portfolio, as these segments can behave differently with regard to early repayments. In addition to own issues, fixed-interest securities are also hedged against interest rate risks as part of micro fair value hedges.

Changes in the value of the underlying transactions attributable to the hedged risk from portfolio hedges are presented in separate balance sheet lines under fair value changes from portfolio hedges, while changes in value from micro hedges are recorded under the respective underlying financial instrument. Changes in the fair value of the underlying and hedge transaction are reported in the same period in the income statement under 'Result from fair value hedge' (see Note 8).

In the 0 financial year, there was no need to adjust the hedge ratio in any hedge relationship.

Possible sources of ineffectiveness that may occur during the term are changes in the counterparty's creditworthiness (CVA/DVA) and unhedged risk components such as credit spreads. These factors may lead to minor inefficiencies without significantly affecting the effectiveness of the hedging strategy. The ineffectiveness from hedging relationships recognised in the result from fair value hedges in the VBW Group amounted to euro -7,058 thousand in the 0 VBW financial year (-1: euro -234 thousand), whereas the face value of the hedged underlying transactions as of 31 December 0 totalled euro 9,291,441 thousand (-1: euro 7,913,659 thousand). Ineffectiveness therefore corresponds to just 0.08% (-1: 0.00%) of the hedge portfolio. The hedging strategy at VBW is therefore highly effective.

For terminated hedging relationships, the fair value adjustment of the underlying transaction is amortised over the remaining term of the hedging transaction and shown in the income statement in the net interest expense; this applies equally to micro hedges and portfolio fair value hedges.

The following tables provide detailed information on hedging instruments and hedged items for fair value hedges and cash flow hedges. The hedging instruments are recognised in the balance sheet under other assets or other liabilities. The ineffectiveness of fair value hedges and cash flow hedges is shown separately in Note 8). The amounts reclassified from the cash flow hedge reserve are recognised in net interest income.

Only micro hedges are used for the balance sheet items financial investments, debts evidenced by certificates and subordinated liabilities. In contrast, the balance sheet items loans and receivables to customers and liabilities to customers are almost exclusively hedged by portfolio hedges.

The face value of derivatives designated as hedging instruments for fair value hedges is as follows, according to balance sheet items that include the underlying transactions:

Euro thousand	Interest rate swaps				Total
	Up to 3 months	Up to 1 year	Up to 5 years	More than 5 years	
31 Dec 2025					
Loans and receivables to customers	1,800	16,097	61,871	991,262	1,071,030
Financial investments	113,000	76,500	1,281,300	2,103,500	3,574,300
Liabilities to customers	0	0	0	20,000	20,000
Liabilities evidenced by certificates and subordinated liabilities	1,000,000	258,000	3,272,350	100,000	4,630,350
31 Dec 2024					
Loans and receivables to customers	0	26,750	95,388	725,678	847,816
Financial investments	29,500	54,700	1,136,950	1,400,950	2,622,100
Liabilities to customers	0	0	0	20,000	20,000
Liabilities evidenced by certificates and subordinated liabilities	0	97,000	3,710,850	620,500	4,428,350

The face value of derivatives designated as hedging instruments for cash flow hedges is as follows, according to balance sheet items that include the underlying transactions:

Euro thousand	Interest rate swaps				Total
	Up to 3 months	Up to 1 year	Up to 5 years	More than 5 years	
31 Dec 2025					
Loans and receivables to customers	0	470,000	319,000	4,117	793,117
31.12.2024					
Loans and receivables to customers	0	0	0	4,402	4,402

The following table shows interest rate swaps designated as hedging instruments in fair value hedges broken down by the type of the related hedged items:

Euro thousand	Face value	Carrying amount assets	Carrying amount liabilities	Changes in fair value used for calculating hedge ineffectiveness for the current year	Ineffectiveness recognised in profit or loss
Loans and receivables to customers measured at amortised cost	1,071,030	30,244	4,906	7,548	-29
Financial investments measured at amortised cost	3,574,300	52,024	77,959	66,373	-8,836
Liabilities to customers	20,000	316	73	-375	-9
Liabilities evidenced by certificates and subordinated liabilities - bonds measured at amortised cost	4,630,350	78,669	52,619	-5,536	1,816
Interest rate swaps total	9,295,680	161,253	135,557	68,011	-7,058
31.12.2024					
Loans and receivables to customers measured at amortised cost	847,816	30,118	12,173	-20,107	132
Financial investments measured at amortised cost	2,622,100	52,752	127,222	-40,595	1,336
Liabilities to customers	20,000	618	0	103	-15
Liabilities evidenced by certificates and subordinated liabilities - bonds measured at amortised cost	4,428,350	110,798	82,079	66,668	-1,687
Interest rate swaps total	7,918,266	194,286	221,474	6,070	-234

The following table shows a breakdown of the corresponding hedged items:

Euro thousand 31 Dec 2025	Carrying amount assets	Carrying amount liabilities	Basis adjustment	Changes in value used for calculating hedge ineffectiveness for the current year	Status of the basis adjustment to be amortised of hedged items that are no longer in a hedging relationship
Loans and receivables to customers measured at amortised cost	1,071,391	0	-25,974	-7,578	-2,110
thereof loans and receivables to customers hedged with portfolio hedges	1,068,250	0	-25,882	-7,636	-2,110
Financial investments measured at amortised cost	3,567,012	0	-16,882	-75,210	0
Liabilities to customers	0	20,000	148	366	0
thereof liabilities to customers hedged with portfolio hedges	0	20,000	148	366	0
Liabilities evidenced by certificates and subordinated liabilities - bonds measured at amortised cost	0	4,619,767	-16,456	7,353	6,648
Hedged items of interest rate swaps total	4,638,403	4,639,767	-59,164	-75,069	4,537
31 Dec 2024					
Loans and receivables to customers measured at amortised cost	847,809	0	-18,396	20,239	-2,713
thereof loans and receivables to customers hedged with portfolio hedges	844,299	0	-18,246	20,134	-2,713
Financial investments measured at amortised cost	2,616,733	0	58,328	41,931	0
Liabilities to customers	0	20,000	514	-119	0
thereof liabilities to customers hedged with portfolio hedges	0	20,000	514	-119	0
Liabilities evidenced by certificates and subordinated liabilities - bonds measured at amortised cost	0	4,415,769	-2,983	-68,354	1,019
Hedged items of interest rate swaps total	3,464,541	4,435,769	37,461	-6,304	-1,694

The following table shows interest rate swaps designated as hedging instruments in cash flow hedges broken down by the type of the related hedged items:

Euro thousand 31 Dec 2025	Face value	Carrying amount assets	Carrying amount liabilities	Changes in fair value used for calculating hedge ineffectiveness for the current year	Ineffectiveness recognised in profit or loss	Change in fair value (effective hedge)	Net amount transferred to profit or loss
Loans and receivables customers measured at amortised cost	793,117	0	1,934	-1,317	-132	-1,186	482
Interest rate swaps total	793,117	0	1,934	-1,317	-132	-1,186	482
31 Dec 2024							
Loans and receivables customers measured at amortised cost	4,402	0	580	52	0	-111	163
Interest rate swaps total	4,402	0	580	52	0	-111	163

The following table shows a breakdown of the corresponding hedged items:

Euro thousand 31 Dec 2025	Face value	Changes in value used for calculating hedge ineffectiveness for the current year
Loans and receivables customers measured at amortised cost	793,117	1,239
Hedged items of interest rate swaps total	793,117	1,239
31 Dec 2024		
Loans and receivables customers measured at amortised cost	4,402	-134
Hedged items of interest rate swaps total	4,402	-134

40) Assets and liabilities denominated in foreign currencies

At the balance sheet date, assets denominated in foreign currencies totalled euro 304,891 thousand (2024: 211,097 thousand), whereas liabilities denominated in foreign currencies amounted to euro 70,691 thousand (2024: euro 66,030 thousand).

41) Trust transactions

Euro thousand	31 Dec 2025	31 Dec 2024
Trust assets		
Loans and receivables to credit institutions	85,283	74,883
Loans and receivables to customers	47,521	65,816
Trust liabilities		
Liabilities to credit institutions	85,283	74,883
Liabilities to customers	47,521	65,816

42) Assets pledged as collaterals for the Group's liabilities

Euro thousand	31 Dec 2025	31 Dec 2024
Assets pledged as collateral		
Loans and receivables to customers	30,146	39,781
Financial investments	7,391	7,911
Liabilities for which assets have been pledged as collateral		
Liabilities to credit institutions	30,146	39,781
Liabilities to customers	7,391	7,911

In the context of corporate funding via Oesterreichische Kontrollbank AG (OeKB), loans and receivables to customers in the amount of euro 30,146 thousand (2024: euro 39,781 thousand) were provided as collaterals. These loans and receivables are guaranteed by means of Austrian government default guarantees, private insurance policies and draft guarantees. OeKB cannot repledge or sell these loans and receivables customers if the Group performs in accordance with the contract. The previous year's figure was adjusted in the course of a review.

Loans and receivables customers in the amount of euro 7,391 thousand (2024: euro 7,911 thousand) were provided as collaterals for OeNB refinancing of VBW in the 2024 business year.

43) Contingent liabilities and commitments

Euro thousand	31 Dec 2025	31 Dec 2024
Contingent liabilities		
Liabilities arising from guarantees	125,743	129,535
Others (amounts guaranteed)	9,104	6,614
Commitments		
Unutilised loan commitments	4,074,775	3,831,412

Based on the management's estimation of cash outflow for financial guarantees, a provision was made for off-balance sheet risks in the amount of the probable cash outflow taking account of possible available collaterals. This amounts to euro 2,963 thousand (2024: euro 4,154 thousand).

VBW is involved in various judicial proceedings both as plaintiff and as defendant. These proceedings are due to current banking business. The volume of the proceedings is not unusual. The outcome of the proceedings is not expected to have any significant impact on the financial situation and profitability of VBW.

Beyond that, there are no government interventions, judicial or arbitral proceedings (including those that are still pending or might yet be initiated according to the knowledge of VBW) that have existed or were completed within the last twelve months and have a significant impact on the financial situation or profitability of the VBW Group or have recently had such an impact.

The table below presents future cash flows of contingent liabilities classified according to their contractual maturity, for guarantees also according to their expected maturity:

Euro thousand	Loan commitments	Guarantees as contracted	Guarantees expected
31 Dec 2025			
Carrying amount	4,074,775	125,743	0
Undiscounted cash flows	4,074,775	126,482	2,963
Up to 3 months	4,074,775	126,482	1,482
Up to 1 year	0	0	1,482
Up to 5 years	0	0	0
More than 5 years	0	0	0
31 Dec 2024			
Carrying amount	3,831,412	129,535	0
Undiscounted cash flows	3,831,412	129,535	4,154
Up to 3 months	3,831,412	129,535	415
Up to 1 year	0	0	1,662
Up to 5 years	0	0	2,077
More than 5 years	0	0	0

As for loan commitments, the first possible time of utilisation was used for the presentation of the contractual term. Contracted guarantees are reported when full utilisation is possible for the first time, while the column Guarantees expected shows management estimates of the expected utilisation during the different terms.

44) Repurchase transactions and other transferred assets

As at 31 December 2025, VBW as pledgor had buy-back commitments under genuine repurchase agreements to euro 0 thousand (2024: euro 298,198 thousand).

The balance sheet does not contain any further financial assets for which material risks and rewards were retained.

45) Related party disclosures

Euro thousand	Unconsolidated affiliates	Companies in which the Group has participating interests	Companies measured at equity
31 Dec 2025			
Loans and receivables to credit institutions	0	0	1,651
Liabilities to credit institutions	0	0	373,303
Liabilities to customers	2,956	5,710	4,178
Business transactions	648	8,203	351,233
Administrative expenses	0	0	10
Other operating income	2	34	12,148
Other operating expenses	0	0	3
31 Dec 2024			
Loans and receivables to credit institutions	0	0	2,600
Liabilities to credit institutions	0	0	323,456
Liabilities to customers	90	5,432	10,861
Business transactions	116	9,240	290,345
Administrative expenses	0	96	2
Other operating income	13	0	11,256
Other operating expenses	0	0	-9

Business transactions are measured as the average receivables and liabilities from/to credit institutions and customers. The calculation is based on the figures at the quarterly reporting dates during the period under review, which are summed up irrespective of whether the figures are positive or negative (plus/minus).

Transfer prices between the VBW Group and its related parties are geared to usual market conditions. As in the previous year, the VBW Group does not have any other liabilities for unconsolidated affiliates or associated companies on the balance sheet date.

Loans and receivables granted to key management personnel during the business year:

Euro thousand	31 Dec 2025	31 Dec 2024
Outstanding loans and receivables	39	103
Redemptions	62	24

At the VBW Group, the Managing Board members and the members of the Supervisory Board of the parent company are classified as management members in key positions. The presentation of the remuneration of key personnel is included in Note 10). No further contracts were concluded with key personnel.

As at 31 December 2025 loans and receivables to credit institutions/customers contained settlements with the Volksbank sector amounting to euro 1,514,510 thousand (2024: euro 1,679,428 thousand), and amounts owed to credit institutions/customers included settlements with the Volksbank sector amounting to euro 2,652,301 thousand (2024: euro 2,632,523 thousand).

46) Disclosures on mortgage banking in accordance with the Austrian Mortgage Bank Act, including covered bonds

Euro thousand	Covering loans	Coverage requirements debts evidenced by certificates	Surplus cover
31 Dec 2025			
Covered bonds			
Amortised cost	4,995,598	2,044,257	2,951,340
Fair value through profit or loss	124,630	38,760	85,870
Total	5,120,227	2,083,017	3,037,210
31 Dec 2024			
Covered bonds			
Amortised cost	4,969,692	1,977,627	2,992,065
Fair value through profit or loss	128,161	51,000	77,161
Total	5,097,853	2,028,627	3,069,226

The required coverage for liabilities evidenced by certificates includes a surplus cover of 2 % calculated based on the face value of all outstanding covered bonds.

47) Branches

	31 Dec 2025	31 Dec 2024
Total number of domestic branches	54	54

48) Subsequent events

There were no significant operational risk events after the end of the reporting period.

49) Segment reporting

The VBW Group has two business segments - retail and CO which correspond to strategic business segments. These segments fulfil a variety of tasks and are controlled in varying ways in accordance with the internal management and reporting structure. In this process, a business unit is organised as a profit centre, which means that all results are allocated to the business unit, irrespective of whether these results are generated in the business unit (as separate legal entity) itself or in the parent company.

A report is submitted to the Managing Board and management for each business segment. These reports are based on VBW's and the subsidiaries' separate financial statements. Interest results of the profit centres are calculated according to the principles of the market interest method. Transfer prices for investments and refinancing between entities within the Group are in line with standard market conditions. Expenses are divided between business segments based on proportional service performance. The cost of Group projects is also allocated to business segments.

Retail

The retail segment comprises the standard banking services provided to private customers, SMEs and commercial clients in terms of investment and financing, advisory and investment services for securities, payment services, brokerage of insurance products, and foreign exchange business.

Services are typically performed through the branches as well as through internet and direct sales. Accordingly, this segment includes the results for the branches and the commercial clients profit centres.

CO

The CO segment comprises the top institution activities as well as the CO tasks for the entire Austrian Association of Volksbanks. Treasury is primarily responsible for obtaining liquidity on the money and capital markets and for balancing liquidity within the Association of Volksbanks. Liquidity management in connection with regulatory requirements through management of the banking book in the areas of liquidity and interest rate risk is another key component of VBW's tasks as top institution and CO.

The syndicate financing division including large-scale housing construction is another profit centre. VBW provides its services as a syndicate partner for large loan commitments held by commercial clients of the Volksbanks. This item also includes the results of VB Services für Banken Gesellschaft m.b.H., which provides the Volksbanks with services in the area of technical processing of payment transactions and securities, loan processing and other back office services, and VB Infrastruktur und Immobilien GmbH, which provides facility management and infrastructure services.

Finally, all other activities that are undertaken in managing the Association of Volksbanks and performed by VBW as the CO within the meaning of the CRR and the Austrian Banking Act are reported.

Consolidation

Consolidation matters are reported separately from other activities in the Consolidation column. These items contain amounts arising from consolidation processes that are not performed within a segment.

Segment reporting by business segments

Euro thousand

1-12/2025	Retail	CO	Consolidation	Total
Net interest income	171,098	-41,783	0	129,315
Risk provision	-28,819	903	0	-27,915
Net fee and commission income	70,455	8,287	652	79,395
Net trading income	346	3,730	0	4,076
Result from financial instruments and investment properties	7,008	2,956	0	9,964
Other operating result	-2,519	240,070	-80,165	157,386
General administrative expenses	-169,072	-199,019	79,513	-288,578
Result from companies measured at equity	322	-77	0	245
Annual result before taxes	48,819	15,068	0	63,887
Income taxes	16,493	4,419	0	20,912
Annual result after taxes	65,312	19,487	0	84,799
31 Dec 2025				
Total assets	7,505,940	9,941,305	-1,054,695	16,392,550
Loans and receivables to customers	6,292,855	-1,183	0	6,291,672
Companies measured at equity	16,024	10,231	0	26,255
Liabilities to customers	6,100,640	596,316	-15,966	6,680,990
Liabilities evidenced by certificates, including subordinated liabilities	296,710	5,023,542	0	5,320,252
1-12/2024				
Net interest income	177,004	-22,225	0	154,779
Risk provision	-77,496	2,845	0	-74,651
Net fee and commission income	68,185	7,141	109	75,435
Net trading income	241	4,982	0	5,223
Result from financial instruments and investment properties	2,910	-4,597	0	-1,687
Other operating result	7,116	222,361	-73,658	155,819
General administrative expenses	-161,818	-182,969	73,550	-271,237
Result from companies measured at equity	2,207	94	0	2,301
Annual result before taxes	18,349	27,632	0	45,981
Income taxes	903	-3,912	0	-3,008
Annual result after taxes	19,253	23,720	0	42,973
31 Dec 2024				
Total assets	7,815,743	9,882,972	-1,662,526	16,036,189
Loans and receivables to customers	6,047,162	12,819	0	6,059,981
Companies measured at equity	18,239	10,518	0	28,757
Liabilities to customers	5,915,912	769,623	-11,978	6,673,557
Liabilities evidenced by certificates, including subordinated liabilities	350,957	4,335,485	0	4,686,442

50) Risk report

General

Assuming and professionally managing the risks associated with the business activities is a core function of every bank. In its capacity as central organisation (CO) of the association of credit institutions under Section 30a of the Austrian Banking Act, consisting of VBW and the affiliated banks of the Association of Volksbanks, VOLKSBANK WIEN AG (VBW) performs this central task for the Association of Volksbanks, so that the latter has in place administrative, accounting and control procedures for the recognition, assessment, management and monitoring of the risks associated with banking transactions and banking operations as well as of the remuneration strategy and practices (Section 39(2) of the Austrian Banking Act). The implementation of control within the Association of Volksbanks is effected through General, and, if necessary, Individual Instructions and corresponding working instructions in the affiliated banks.

The following risks are classified as material within the Association of Volksbanks in the course of the self-assessment process:

- Credit risks
- Market risks
- Liquidity risks
- Operational risks
- Other risks (e.g. strategic risk, equity risk, sustainability risks)

Current developments

The consolidated own funds under the CRR are composed of Common Equity Tier 1 (CET1), Additional Tier 1 capital (AT1), and supplementary capital (Tier 2, T2).

In addition to the own funds requirements pursuant to Art. 92 CRR, the capital buffers provided for in the Austrian Banking Act and the Capital Buffer Regulation (KP-V) (capital conservation buffer (CCB), systemic risk buffer (SyRB), capital buffer for systemically important institutions (O-SIIB), and countercyclical buffer (CCyB)) must be complied with. As at 31 December 2025, this results in a combined buffer requirement (CBR) for the Association of Volksbanks of 3.72 % (previous year: 3.95 %) consisting of capital conservation buffer of 2.50 % (previous year: 2.50 %), systemic risk buffer of 0.50 % (previous year: 0.50 %), buffer for systemically important institutions of 0.45 % (previous year: 0.90 %), countercyclical buffer (CCyB) of 0.05 % (previous year: 0.05 %). Since 1 July 2025, a sectoral systemic risk buffer (sSyRB) has also been required for commercial property financing. For the Association of Volksbanks, this is 0.22%. The capital buffers must be met in full with CET1 capital, and they relate to total risk.

The Supervisory Review and Evaluation Process (SREP) resulted in a Pillar 2 Requirement (P2R) of 2.25% for the Association of Volksbanks for 2025 (previous year: 2.25%).

Moreover, the result of the Supervisory Review and Evaluation Process (SREP) also took account of the SSM stress test of the ECB that was carried out in 2023, with a Pillar 2 Guidance (P2G) of 1.25 %. The Pillar 2 Guidance must be met entirely with Common Equity Tier 1 (CET1) and has no impact on the maximum distributable amount (MDA).

Based on the SREP decision of December 2024 and taking into account the changed composition of the additional own funds requirement (P2R), the capital requirements and capital recommendations for the Association of Volksbanks as at 31 December 2025 are as shown in the table. Any shortfall in AT1/Tier 2 will increase the CET1 requirement accordingly.

Minimum capital requirements and capital buffers

Pillar 1	31 Dec 2025	31 Dec 2024
CET1 minimum requirement	4.50%	4.50%
Tier1 minimum requirement	6.00%	6.00%
Total minimum requirement for own funds	8.00%	8.00%
Combined buffer requirement (CBR)	3.72%	3.95%
Capital conservation buffer (CCB)	2.50%	2.50%
Systemic risk buffer (SyRB)	0.50%	0.50%
Sectoral systemic risk buffer (sSyRB; based on exposure at year-end)	0.22%	
Buffer for other systemically important institutions (O-SIIB)	0.45%	0.90%
Countercyclical capital buffer (CCyB; based on exposure at year-end)	0.05%	0.05%
Pillar 2 capital requirement (P2R)	2.25%	2.25%
CET1 minimum requirement	1.27%	1.27%
Tier1 minimum requirement	1.69%	1.69%
Total minimum requirement for own funds	2.25%	2.25%
Total CET1 requirement	9.49%	9.72%
Total Tier1 requirement	11.41%	11.64%
Total capital requirement	13.97%	14.20%
Pillar 2 Guidance (P2G)	1.25%	1.25%
CET1 total capital guidance	10.74%	10.97%
Tier1 capital guidance	12.66%	12.89%
Total capital guidance	15.22%	15.45%

During the 2025 financial year, the Association of Volksbanks complied with the minimum capital requirements and/or capital guidance amounts resulting from the SREP continuously.

With the 2025 SREP decision, the SREP requirement (P2R) will increase to 2.50% from 2026. The SREP recommendation (P2G) from the 2025 ECB stress test remains unchanged at 1.25%.

Risk policy principles

The risk policy principles comprise the standards for the management of risks that are applicable within the Association of Volksbanks and are defined by the CO Managing Board together with the risk appetite. A common set of rules and understanding of risk management across the Association is the basis for developing risk awareness and a risk culture within the Company. The Association of Volksbanks carries on its activities subject to the principle that risks will only be accepted to the extent this is required to achieve strategic business goals. Applying the risk management principles, the associated risks are comprehensively managed by creating an appropriate organisational structure and corresponding business processes.

Organisation of risk management

VBW has taken all required organisational precautions to meet the requirements regarding modern risk management. There is a clear separation between front office and back office. A central, independent risk control function has been established. At Managing Board level, the Chief Risk Officer (CRO) is the head of Risk Control. Within the Managing Board responsibilities of the CRO, there is a separation between risk control and operational credit risk management. Risk assessment, risk measurement and risk control are carried out according to the dual-control principle. For the purpose of avoiding conflicts of interest, these tasks are performed by different organisational units.

The business model requires risks to be identified, assessed, measured, aggregated and controlled effectively. Risks and capital are managed by means of a framework of principles, organisational structures as well as measuring and monitoring processes that are closely aligned with the activities of the departments and divisions. As a prerequisite and basis of solid risk management, the Risk Appetite Framework (RAF) for VBW is continuously being developed, in order to define risk appetite and the level of risk tolerance that VBW is prepared to accept to achieve its defined goals. The level of

risk tolerance manifests itself in the definition and monitoring of appropriate limits and controls, in particular. The framework is verified and developed with respect to regulatory requirements, changes of the market environment or the business model on a current basis. The Association of Volksbanks aims to develop, by way of this framework, a disciplined and constructive control environment where all employees understand and live up to their role and responsibility.

Within the Association of Volksbanks, risks are controlled by three decision-making bodies in VBW: (i) Risk Committee (RICO), (ii) Asset Liability Committee (ALCO), (iii) Credit Committee (CC). The responsibilities of these committees include both topics of VBW as a single institution and matters concerning the entire Association of Volksbanks pursuant to Section 30a Austrian Banking Act. Risk reporting in the affiliated banks takes place in the respective local bodies.

The RICO serves to control all material risks, with a focus at portfolio level, ensuring that risk policy decisions are in compliance with the risk appetite. The aim is to provide the Managing Board of VBW with a comprehensive view of all risks (aggregate bank risk report) and with a summary of regulatory and other risk-relevant topics.

The ALCO is the central body for controlling interest rate, foreign currency and liquidity risks, as well as investment risks through positions in the banking book, with a view to optimising risk and return, and to securing refinancing in the long term.

The CC is the body responsible for credit decisions based on applicable definitions of responsibilities, for approving action plans for customers undergoing restructuring or debt enforcement (workout), as well as for approving allocations to individual allowances for impairment, provisions and waivers.

Additionally, a sustainability committee (NAKO) with the power to adopt resolutions was set up for reporting purposes and to manage key sustainability topics.

Regulatory requirements

The implementation of regulatory requirements at VBW is as follows:

Pillar 1: Minimum own funds requirements

Within the scope of Pillar 1, compliance with the minimum regulatory requirements is ensured. With respect to both credit risk and market risk, and also for operational risk, the respective regulatory standard approaches for determining the minimum capital requirements apply.

Pillar 2: Internal Capital & Liquidity Adequacy Assessment

By way of the Internal Capital & Liquidity Adequacy Assessment process, VBW as CO of the Association of Volksbanks takes all measures required to ensure that all risks arising from current and proposed business activities are counterbalanced by an adequate liquidity and capital base at all times. The detailed design of the Internal Capital & Liquidity Adequacy Assessment process depends on the regulatory requirements and supervisory expectations of the ECB as well as on internal guidelines.

Pillar 3: Disclosure

The requirements of Pillar 3 are met by publishing the qualitative and quantitative disclosure requirements in accordance with Regulation (EU) No. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV) as well as the applicable Regulation (EU) No. 2019/876 (CRR II) and Directive No. 2019/878 (CRD V) on the Bank's own website under Disclosure / VBW.

Risk management across the Association

The Risk Control function of VBW as CO is responsible for risk governance, methods and models for strategic risk management topics across the Association, as well as for the regulations for control at portfolio level. For the purpose of performing its steering function, the CO has issued General Instructions (GI) for the affiliated banks. The GI RAF (Risk Appetite Framework), GI ICAAP, GI ILAAP, GI Principles of Credit Risk Management (GI PCRM) and the downstream manuals of the Association and the associated working instructions govern the risk management function in a binding and uniform manner. The risk strategy for the Association of Volksbanks is also issued in the form of a GI including a pertinent manual of the Association. The aim is to comprehensively and verifiably document and set down general conditions and principles, consistently throughout the Association, for the assessment and management of risks, and for the creation of processes and organisational structures. Within the scope of their general duty of care, the members of the Managing Board and the managing directors of all affiliated banks must ensure, without exception and restriction, in the interest of the respective companies, that the General Instructions are put into effect formally and de facto. Any deviations and special regulations concerning the General Instructions shall only be permissible in exceptional cases and must be coordinated with VBW as the CO in advance, and approved by the latter.

Within the Association of Volksbanks, comprehensive communication about risks and a direct exchange of information is considered very important. In order to allow for professional exchange in a working context, an RMF Jour Fixe (expert committee) was set up in Risk Control. Each affiliated bank must dispose of its own Risk Management Function (RMF) that is responsible for independent monitoring and communication of risks within the respective affiliated bank.

Risk governance as well as the methods and models are regularly refined and adjusted to the current environment by the Risk Control unit of VBW as CO. Apart from regular remodelling, recalibration and validation of the risk models, the methods in the ICAAP & ILAAP are being improved continuously, with new regulatory requirements being monitored and implemented in a timely fashion.

a) Internal Capital Adequacy Assessment Process

To ensure a sustainable, risk-adequate capital base, VBW, in its capacity as CO of the Association of Volksbanks, has set up an Internal Capital Adequacy Assessment Process (ICAAP) as a revolving control cycle, in line with international best practices. The ICAAP starts by identifying the material risks of the Association of Volksbanks, followed by the process of risk quantification and aggregation, determination of risk-bearing capacity, limitation, and concludes with ongoing risk monitoring and the measures derived therefrom. Explanations regarding the ILAAP are presented in item d) Liquidity risk.

The individual elements of the cycle are performed at varying intervals (e.g. daily for market risk / trading book risk measurement, quarterly for the risk-bearing capacity calculation, annually for risk inventory and determination of the risk strategy). All the activities described within the cycle are reviewed for up-to-dateness and adequacy at least annually, and adjusted to the respective current environment if necessary; they are approved by the Managing Board of the CO. ESG (E=Environment, S=Social, G=Governance) and sustainability risks have been integrated into the internal capital adequacy process over recent years by taking ESG risks into account in all elements of the internal capital adequacy process. ESG risks were not included as a separate risk type, but were mapped within the existing risk types. The methods, models and strategies used will be continuously developed and are meant to contribute to successively measuring inherent ESG risks more accurately.

Risk inventory

The risk inventory process aims to define the materiality of existing and newly assumed risks. The risk inventory results are summarised and analysed for VBW. The findings from the risk inventory process are collected, evaluated for VBW and summarised in a risk inventory. The results of the risk inventory process are used to inform the risk strategy and form a starting point for the risk-bearing capacity calculation, as material risks are taken into account within the risk-bearing capacity calculation.

Additionally, ESG risks are analysed and assessed annually as part of the risk inventory. The ESG materiality assessment is a tool to identify, analyse and assess the financial materiality of ESG risks and/or their risk drivers. As part of this assessment, various risk events are identified via transmission channels and evaluated for all relevant risk types of the Association of Volksbanks in terms of relevance and financial materiality. The findings are taken into account in strategic risk management.

Risk strategy

The risk strategy of the Association is based on the business strategy of the Association and provides for consistent general conditions and principles for uniform risk management. VBW's local risk strategy essentially builds on the Association's risk strategy and defines regional specifications and local specifics. The risk strategy is reviewed for up-to-dateness and adequacy at least annually and adjusted to the respective current general conditions. It provides the rules for the handling of risks and ensures risk-bearing capacity at all times. The risk strategy is prepared in the course of business planning. The contents of the risk strategy and of the business planning of the Association of Volksbanks are linked up by incorporating the targets of the Risk Appetite Statement in the GI Strategy, Planning and Reporting.

VBW is committed to a sustainable corporate culture and strives to establish ESG aspects in all areas of the company. The risk strategy also includes a sub-risk strategy for ESG risks. It maps the ESG risks inherent in the existing risk types, which can be derived from the ESG heat maps and the internal stress test.

Risk Appetite Statement (RAS) and limit system

The core element of the risk strategy is a Risk Appetite Statement (RAS) and integrated limit system in line with the business strategy. The RAS set of indicators comprising strategic and deepening indicators helps the Managing Board to implement central strategic goals of VBW, specifying the same. Moreover, a comprehensive set of additional RAS indicators is considered regularly.

The risk appetite, meaning the indicators of the RAS, is derived from the business model, the current risk profile, the risk capacity and the earnings expectations and/or the strategic planning process. The limit system broken down by risk subtypes and the RAS provide the framework for the maximum risk that VBW is ready to accept to achieve its strategic targets. As a rule, the RAS indicators are provided with a target, a trigger and a limit value and are monitored on a current basis, as are the aggregate bank and partial risk limits. In this way, it can be ensured that deviations from the risk strategy are identified swiftly and that countermeasures can be initiated in a timely manner. The RAS set of indicators is essentially made up of the following strategic and more detailed RAS indicators:

- Capital-based ratios (e.g. CET1 ratio, T1 ratio, TC ratio, utilisation of risk-bearing capacity)
- Credit risk ratios (e.g. NPL ratio, coverage ratio, foreign customer exposure, forbearance ratio, sector concentrations)
- Market/liquidity risk ratios (e.g. LCR, NSFR, survival period, interest rate coefficients)
- Ratios relating to operational risk (e.g. OpRisk losses in proportion to CET1, ICS implementation rate)
- Other risk-relevant ratios (e.g. cost-income ratio)

Indicators with an ESG focus (e.g. physical risks, ESG score coverage of the portfolio, reduction in the portfolio's carbon intensity) have also been integrated into the RAS set of indicators.

Risk-bearing capacity statement

The risk-bearing capacity statement constitutes a central element within the implementation of the ICAAP. It is used to provide evidence of the fact that the risks assumed are sufficiently covered by adequate internal capital at all times and to ensure such cover in future. For this purpose, all relevant individual risks are aggregated. This total risk is then compared to the existing and previously defined internal capital. Compliance with the limits is monitored and reported on quarterly.

In determining risk-bearing capacity, different objectives are pursued that are reflected in three perspectives:

- Regulatory perspective (compliance with regulatory own funds ratios)
- Economic perspective
- Normative perspective

The regulatory Pillar 1 perspective compares the total risk exposure amount calculated in accordance with applicable legal provisions with regulatory own funds. Ensuring regulatory risk-bearing capacity is stipulated under the law and constitutes a minimum requirement. The composition of the regulatory total risk exposure of VBW corresponds to that of any regionally operating retail bank.

The economic perspective contributes to ensuring the continued existence of VBW by foregrounding the economic value within the assessment of the capital adequacy. The risk-bearing capacity under the economic perspective derives from a comparison of economic risks with internal capital (risk covering potentials). Economic risks are risks that may impair the economic value of the bank, and hence may negatively affect the adequacy of capital resources under an economic perspective. During quantification of economic risks, internal procedures – normally "value at risk" (VaR) – with a confidence level of 99.9 % and a time horizon of one year are resorted to. In doing so, all quantifiable risks are taken into account that were identified as material within the scope of the risk inventory process. Own funds available for loss absorption upon continuation of business activities (usually CET1 capital) as well as the result achieved in the current financial year, reduced by deductions for strategic risks, any hidden burdens and any distribution requirements are recognised as risk covering potential. The aggregate bank risk limit is set at 95 % of available internal capital. A prerequisite for capital adequacy from an economic perspective is for internal capital to be sufficient to cover the risks and to support the strategy on an ongoing basis.

The normative perspective ensures that VBW is able, throughout a period of several years, to meet its own funds requirement and to cope with other external financial constraints. It represents the risk-bearing capacity on the basis of strategic planning under normal and adverse conditions, essentially comprising a simulation of the P&L and own funds positions over three years. In the process, the strategic planning as well as various crisis scenarios are simulated and the

development of regulatory own funds ratios calculated taking into account the effects of the relevant scenario. Therefore, the key parameters of the normative perspective are the regulatory own funds ratios CET1, Tier 1 and total capital.

Stress testing

For credit, market and liquidity risk, as well as for operational risk, specific stress tests resp. risk analyses are performed regularly, with crisis scenarios being conceived in such a way that the occurrence of events that are highly unlikely, but not impossible, is simulated and estimated. By way of this approach, huge losses – among others – can be identified and analysed.

Apart from these risk-type-specific stress tests and sensitivity analyses, internal stress tests are regularly carried out across risk types. The regular internal stress test consists of scenario analyses, sensitivity analyses and the reverse stress test. In the scenario analyses, economic crisis scenarios are defined and changed risk parameters for the individual risk categories and business areas derived therefrom. Apart from the risk aspect, the effects of crisis scenarios on regulatory own funds and the internal capital under the economic perspective are determined as well. At this point, the requirements of the normative perspective overlap with the requirements regarding scenario analyses for the internal stress test: the development of regulatory own funds ratios is simulated for various crisis scenarios over a period of several years. Based on the findings of the internal stress test, recommended actions are defined and transposed into measures if necessary.

Specific climate and environmental scenarios also calculated as part of the internal stress test in order to identify and assess the ESG risks inherent in the existing portfolio as early as possible. The scenarios are continuously extended to include the latest findings.

At present, EU-wide stress tests across risk types are being carried out by the EBA/ECB every two years, with the Association of Volksbanks participating. The last EBA/ECB stress test was carried out in 2025. The results of the stress tests for the Association of Volksbanks were used by the ECB to assess the capital requirement (Pillar 2 Guidance) within the SREP.

Risk reporting

The reporting framework implemented at VBW is meant to ensure that all significant risks are fully identified, monitored and promptly and efficiently managed. The reporting framework offers a holistic and detailed presentation of the risks and a specific analysis of the individual risk types.

The aggregate bank risk report, which is issued both on a monthly and (for the risk-bearing capacity (RBCC) calculation and capital ratios) on a quarterly basis, serves as a core element of the reporting framework. The aggregate bank risk report provides a summary of the situation and development of the RAS indicators and the utilisation of the risk-bearing capacity, addressing the significant risks and containing comprehensive qualitative and quantitative information. The aggregate bank risk report provides the VBW Managing Board, which is also the CO Managing Board, with key figures on a monthly basis and is sent to the Supervisory Board of VBW quarterly. Complementing the aggregate bank risk report, various risk-specific reports (e.g. analyses within credit risk regarding the development of individual sub-portfolios) are provided as a supplement to round out the reporting framework.

Recovery and resolution planning

As the Association of Volksbanks was classified as a significant institution in Austria, the Association must prepare a recovery & resolution plan and submit the same to the European Central Bank. This recovery plan is updated at least once a year and takes into account changes in the bank's business activities as well as changes in regulatory requirements.

b) Credit risk

Credit risk refers to potential losses that occur because a contract partner fails to meet its payment obligations.

Credit risk management organisation

Within VBW, the responsibilities associated with credit risk are taken care of by the Credit Risk Management divisions and certain subdivisions of Risk Control. The Credit Risk Management Restructuring & Workout division is responsible for operational credit risk management. Risk Control is responsible for risk assessment, risk measurement and risk control as well as for credit risk reporting at portfolio level.

Operational credit risk management

Lending principles

- Loan transactions are necessarily based on decisions involving borrower-specific limits. The determination and monitoring of certain limits is subject to uniform regulations at the level of the Association.
- The rating obligation applies to all borrowers with exposures above the defined minimum amount. The rating process is based on the dual-control principle and is applicable across the Association.
- Loan commitments take account of the economic performance of borrowers, of financing requirements and investment volumes. The borrower's repayment ability is a prerequisite for granting a loan. Financing requirements and investment volume are reconciled in advance. Loan maturities must not exceed the useful lives of the assets financed. Attention is paid to the inclusion of reasonable own funds.
- Loan transactions with private customers are subject to the regulations and information requirements of the Austrian Consumer Credit Act (VKrG) and those of the Austrian Mortgage and Real Estate Credit Act (HfKRG), which apply independently of each other.
- The provisions under the FMA's ordinance regarding real estate financing measures by credit institutions (KIM-VO) for newly agreed private real estate financing transactions were complied with and separately monitored until their expiry on 30 June 2025.
- The topic of sustainability/ESG factors as well as potential climate-related transitory and physical risks are considered in the lending process.
- In selecting collaterals, attention is paid to the cost-benefit ratio, and therefore recoverable collaterals that cause little administrative effort and are not very cost-intensive will preferably be resorted to, as well as actually realisable collaterals. For this reason, physical collaterals, such as real estate collaterals, and financial collaterals, such as cash collaterals or collaterals in the form of securities, are given priority. The recoverability and enforceability of collaterals must basically be assessed prior to any credit decision. Principles for the management of collaterals and uniform rules for the selection, provision, administration and valuation of collaterals apply at the level of the Association.
- Foreign currency and repayment vehicle loans are basically no longer offered or granted.
- The principal market for lending business is the Austrian market.

Decision-making process

In all units of VBW that generate credit risk, there is a strict separation of sales and risk management functions. All decisions in individual instances are taken strictly observing the dual-control principle; clear processes have been defined for this purpose. Limit systems play an important role in this context, as they provide a framework for the decision-making powers of the individual units.

Monitoring of exposures and collaterals

The processes for the review of exposures and collaterals are governed by uniform regulations across the Association and must be observed by all affiliated banks.

Limits

The monitoring, control and limitation of the risk of individual exposures and of risk clusters is effected according to differentiated limit categories.

Within the Association of Volksbanks, the group of connected clients (GcC) is used as the basis for limits in case of new lending and for current monitoring. As regards the limits, the requirements on the level of the Association of Volksbanks differ from those applicable to the individual banks. A review of the limits on individual transaction level takes place continuously within the Credit Risk Management function of the affiliated bank and is monitored by the Credit Risk Management function of VBW as CO, using centralised analyses.

In connection with portfolio limits, within the Association of Volksbanks, mainly limits for international financing transactions and limits for the industry sectors and the real estate sector are being defined at present. As of 30 June 2025, a portfolio limit for commercial customer receivables outside the property sector and a portfolio limit for retail customer receivables have also been implemented. These limits are relevant for the lending process and are monitored in monthly intervals by Risk Control. In addition, materiality limits are defined for industry sectors at the level of the Association (incl. VBW) and of the affiliated banks, and further control measures are applied if these limits are exceeded. In order to achieve a sustainably healthy portfolio quality, requirements exist for transactions with new customers and increases of the exposure of existing customers; these depend on the customer's credit rating and are applicable across the Association.

Intensified credit risk management

Within the Association of Volksbanks, and accordingly also within VBW, intensified credit risk management means the special monitoring of customers with payment difficulties and/or customers threatened by default. Among others, intensified credit risk management comprises processes relating to the early detection of customers threatened by default, the dunning procedure, forbearance processes, as well as default identification.

Early identification: During the early warning process, customers who might show an increased risk of default within the next few months are systematically identified on the basis of certain indicators. In this way, VBW is put in a position to counteract potential defaults early on. The early identification of customers threatened by default is governed within a uniform early warning system throughout the Association.

Dunning procedure: The dunning procedure applied across the entire Association of Volksbanks and accordingly within VBW is uniform and automatized and based on corresponding predefined processes.

Forbearance: Forbearance refers to concessions made by the bank to the borrower in connection with financial difficulties or imminent financial difficulties of the borrower, but which the bank would not grant otherwise. Borrowers whose transactions were classified as forborne are subject to special (monitoring) regulations within the Association of Volksbanks.

Default identification: The process of default identification serves to recognise defaults in time. A customer is deemed defaulted if there is a default of performance of more than 90 days, pursuant to the CRR, and/or if complete settlement of the debt is considered unlikely without realising any collaterals. The Association of Volksbanks has defined 15 possible types of default events that are used for the consistent classification of default events across the Association. Among others, default identification also builds on the early warning and forbearance processes described above. Additionally, there are other (checking) processes, e.g. the analysis of expected cash flows within the regular or event-driven exposure checks, which may trigger classification to a default category.

The NPL ratio of the association of credit institutions and VBW saw positive development until 2022 and in the years before this, but a significant increase can be seen from the second half of 2023 until the end of 2024. By the end of 2024, VBW's NPL ratio had peaked. By the end of 2025, a slight decline can already be seen (VBW's NPL ratio at year-end 2025: 6.1 % / VBW's NPL ratio 2024: 6.6 %). The highest increase in new defaults in 2025 is seen in the Real Estate sector. The following factors in particular led to a significant drop in transactions on the Austrian residential real estate market since the second half of 2023:

- significant increase in the interest rate within a short period of time
- regulatory restrictions on lending under the Austrian Real Estate Financing Measures (KIM) Regulation
- increase in construction costs due to delivery difficulties subsequently followed by high inflation

In response to the rise in NPLs in 2024, VBW and other Association banks drew up separate, local NPL reduction strategies at the start of 2025, the primary aim of which is to reduce the NPL ratio to $\leq 3\%$ by the end of 2027, in line with the Association's strategy.

In light of the above-referenced high levels of tension in the property market and delayed loan repayments, a significant increase in intensified credit risk management is evident, particularly up to the end of 2024, due to the resulting key forbearance indicators and/or rating downgrades. Here too, a decline is evident in 2025 due to changes in the loan portfolio and reclassifications to standard servicing.

Problem Loan Management

Within the Problem Loan Management system (PLM) applicable throughout the Association, customers are classified on the basis of clearly defined indicators applied consistently across the Association. Subsequently, a distinction is made between customers

- under intensive supervision (negative change of risk assessment, but not defaulted yet)
- in the process of restructuring (imminent risk of default or defaulted already, but customer is eligible for restructuring), and
- subject to workout (defaulted customers not eligible for restructuring)

and appropriately differentiated processing routines have been put in place consistently throughout the Association of Volksbanks.

Monitoring of industry sectors

In order to enable an even more detailed and, above all, more sector-specific management of the portfolio of the Association of Volksbanks over and above all the measures and limits already in place, industry sectors with a higher risk level are identified based on the results of the regular sector analyses, with a distinction being made between a regular, half-yearly process and an ad hoc process. Subsequently, the results of this analysis will be transferred to the existing EWS system, thus enabling sector-specific early warning. As part of the industry sector monitoring process, property market values are also monitored. This ensures that any changes in property market conditions are identified in good time and that appropriate measures (e.g. an unscheduled review of a sub-portfolio) are taken. Since 2022, separate requirements have been applying to new financing in those sectors that are particularly affected by an increase in energy costs.

Sustainability/ESG factors

Physical risks:

Climate-related physical risks to which the financed business partners of the Association of Volksbanks are exposed are determined on a regular basis. For this purpose, location-specific assessments from an external IT tool are used. Physical risks are assessed by taking into account various climate scenarios (RCP scenarios RCP 2.5, RCP 4.5, RCP 6.0 and RCP 8.5 from the IPCC) using a location-specific scenario analysis for all loan collateral. Up to 18 physical climate risks to be assessed can be classified and evaluated as 14 acute and four chronic climate risks.

ESG score:

Since autumn 2022 already, ESG factors have been taken into account in the lending process through the internal ESG score developed within the association of credit institutions, integrating the consideration of environmental, social and ethical governance risks and strengths in the process to reach a credit decision.

Based on the data generated by the external IT tool (CO₂ emissions and physical risks) as well as the internal ESG score, initial KPIs have been defined within the RAS set of indicators, and a monitoring process has been implemented, starting in 2024. This set of key performance indicators was expanded in 2025 based on the results of the materiality assessment. In addition, existing indicators were refined and the monitoring process was expanded.

Strategic credit risk management and credit risk control

Measurement and control of credit risk

The development of sophisticated models as well as of systems and processes tailored to the bank-specific portfolio is required for the measurement and control of credit risk. In this way, the credit decision is meant to be structured and improved on the one hand, on the other hand, these instruments and/or their results also form the basis of portfolio management. The results of credit risk measurement are reported to the Managing Board within the scope of the Risk Committee on a monthly basis. The most important objective of the use of the credit risk models and tools is to avoid losses through early identification of risks.

Rating systems

Across the Association, standardised models are applied to determine credit ratings (the VB rating family) and to determine the amount of loss in case of default. The expected probability of default of each customer is assessed via the VB rating family and expressed through the VB master scale, which comprises a total of 25 rating levels. The PD range used not only allows for a comparison of internal ratings with classifications by external rating agencies, but also a comparison of credit ratings across customer segments. The rating levels in rating category 5 cover the reasons for defaulting on loans as applied across the Association and are also used for reporting non-performing loans (NPL).

Credit value at risk

The calculation of the economic capital requirement necessary for the credit risk is conducted by means of the Credit value at risk (CVaR) method. For this purpose, the Association of Volksbanks has chosen a statistical simulation method. A refined Merton model, adjusted to internal requirements, is used for modelling the credit exposures in the loan portfolio in detail.

Concentrations

Quantification and valuation of the effects of concentrations takes place monthly, via the risk parameters identified, on the one hand, and in the course of preparing the risk report, on the other hand.

Counterparty default risk

The counterparty risk from unsecured derivatives is taken into account by way of credit value adjustments (CVA) or debt value adjustments (DVA). The expected future exposure (EFE) is determined by means of the Monte Carlo method. The probabilities of default for counterparties for which no credit spreads are observable on the market are based on internal ratings of the Association of Volksbanks.

Credit risk mitigation

The consideration of collaterals within the scope of the credit risk models for CVaR and in expected loss calculations is primarily effected through the LGD models applied across the Association. The starting point for taking into account collaterals is the respective current fair value, appraisal value, nominal value or redemption value.

For the purpose of reducing the counterparty risk of derivative transactions, the Association of Volksbanks uses credit risk mitigation methods such as netting and exchange of collaterals. The Association strives to conclude standardised ISDA framework agreements for bilateral netting and a corresponding Credit Support Annex (CSA) with all key market participants. The fair values of derivative transactions with counterparties are reconciled daily. If the fair values exceed certain contractually agreed thresholds, such excess amounts must be covered by collaterals. These collaterals are recognised in regulatory terms and reduce the risk.

Factors influencing the estimate of Expected Credit Losses (ECL) for the purpose of determining impairments

Data at the level of the Association is decisive for developing the models for determining the ECL and for regular recalibration of the risk parameters. This includes, for instance, default time series or portfolio compositions. External data, such as macroeconomic forecasts of the ECB, equally apply to the entire Association. Hence, uniform methods are generally used for all aspects of determining impairments in all affiliated banks. Methods or procedures specific to any particular bank of the Association will be applied in exceptional cases only and are subject to strict governance within the Association.

Various influencing factors, assumptions and methods are used to measure any significant increase of credit risk.

Rating systems

Upon initial recognition, each exposure is allocated to a credit risk rating based on the information available about the borrower. The exposures are monitored continuously, and the risk management guidelines of the bank require credit ratings to be reviewed at least once a year. The established governance processes, including RAS limits (Risk Appetite Statement), ensure that valid credit assessments exist for more than 98 % of exposures.

The bank disposes of a comprehensive set of rating systems to cover all relevant types of receivables. The most important elements of the rating systems for the major portfolios are shown in the following table:

Portfolio	Main influencing factors of the rating systems
SME and Corporate	<ul style="list-style-type: none"> Information obtained during the regular review of the borrower's annual financial statements and management accounts, including information on the economic circumstances of the owners Actual or expected material changes in the borrower's regulatory, technological, or business environment Qualitative assessment of the borrower's management, the transparency of information provided by the borrower, the adequacy of the borrower's accounting and reporting processes, and other relevant qualitative ("soft") factors New and/or expected changes in the borrower's financial position that are not yet reflected in the most recent financial statements Internally collected information on the borrower's behaviour, such as overdrafts on current accounts or the utilisation of granted credit facilities Where available, ratings assigned by external rating agencies to the borrower or to the borrower's parent company
Private Customers	<ul style="list-style-type: none"> Creditworthiness indicators and a sociodemographic assessment of the credit application Information obtained from credit bureaus For new lending to existing customers and for ongoing monitoring: internally collected information on the customer's account behaviour, such as payment delays or changes in incoming and outgoing payment flows
Banks	<ul style="list-style-type: none"> Information obtained during the regular review of the borrower's financial statements, disclosures and other reports Qualitative assessment of the counterparty's market position, asset quality and concentration risk within the counterparty's portfolio Implicit support or explicit guarantees provided by sovereigns, governments or parent companies

All rating systems apply the Volksbank master scale that consists of 20 rating levels (1A to 4E) plus 5 additional levels (5A to 5E) for defaulted customers. To each rating level, the master scale will allocate intervals of probabilities of default (PD) that do not overlap. The PDs of the rating system are modelled as long-term through-the-cycle (TTC) probabilities of default over a period of 12 months. Ratings by external rating agencies are also reproduced on the VB master scale by way of statistical analyses of the historical default rates published by the rating agencies. [The mapping of external credit rating agencies' ratings to the VB master scale shown here has been in force since 1 December 2024.]

Short description	VB - Master Scale			External Ratings	
	Rating Class	Rating notch	Mean PD	S & P - Rating	Moody's - Rating
Best creditworthiness		1A	0.01%	AAA ; AA+	Aaa,Aa1
Best creditworthiness		1B	0.02%	AA	Aa2
Best creditworthiness	K1	1C	0.03%	AA-	Aa3
Best creditworthiness		1D	0.04%		
Best creditworthiness		1E	0.05%	A+	A1
Excellent creditworthiness		2A	0.07%	A	A2
Excellent creditworthiness		2B	0.11%	A-	A3
Very good creditworthiness	K2	2C	0.16%	BBB+	Baa1
Very good creditworthiness		2D	0.24%	BBB	Baa2
Very good creditworthiness		2E	0.35%	BBB-	Baa3
Good creditworthiness		3A	0.53%		
Good creditworthiness		3B	0.80%		
Good to Medium creditworthiness	K3	3C	1.20%	BB+	Ba1
Medium creditworthiness		3D	1.79%	BB	Ba2
Acceptable creditworthiness		3E	2.69%	BB-	Ba3
Poor creditworthiness		4A	4.04%	B+	B1
Poor creditworthiness		4B	6.05%		
Watch List	K4	4C	9.08%	B	B2
Watch List		4D	13.62%	B-	B3
Watch List		4E	20.44%	CCC/C	Caa-C
Default of Payment		5A	D		
Specific Provision / UTP		5B	D		
Restructuring / Call-in	Write-off	5C	D		
Insolvency		5D	D		
Write-off		5E	D		

Lifetime Probability of Default

Ratings provide essential input for determining the lifetime PD for ECL calculation. At each balance sheet date, the bank will assess whether the default risk for a financial instrument has increased significantly since first-time recognition. To identify any significant increases in default risk, companies may combine financial instruments into groups based on common default risk properties, and in this way may carry out an analysis aimed at being able to promptly identify any significant increases in default risk. For the purpose of analysing lifetime PD, the portfolio of Volksbank is divided into the following segments:

- SME and Corporates
- Real Estate Portfolio (property companies, incl. special financing)
- Private Customers
- Banks
- Sovereigns and international organisations rated by external rating agencies
- Other Exposures (mainly municipalities and other public-sector enterprises and organisations that are not dealt with using the usual rating systems for SME or Corporates)

For the segments Private Customers, SME and Corporates and Real Estate, the bank extracts long-term, representative samples of internal ratings and defaults that cover all material subsegments and rating categories. Statistical models are used to analyse the data collected and to prepare estimates regarding residual term PD and the way these are expected to change over the course of time.

For the Banks and Sovereign States segments, the bank uses long-term default studies of the external rating agencies to determine the lifetime PD by rating category. For Other Exposures, the balance sheet data of Austrian municipalities are used, a default approximation is defined on the basis of a business analysis, and lifetime PD is estimated.

Forward-looking information

The bank takes account of forward-looking information, both in assessing whether the credit risk of any instrument has increased significantly since its initial recognition, and in measuring the ECL. The forward-looking information includes both macroeconomic projections and existing information at individual customer level. Information at the individual customer level, such as new and/or expected changes in the borrower's financial situation that are not reflected in the most recent financial statements, are recorded and evaluated as part of the rating process.

The ECB's macroeconomic projections are used as an anchor for determining the real economic scenarios. Based on the analysis carried out by economists of the bank's research department and taking into account additional market data, two or more scenarios are defined. In any case, a base case scenario for the future development of the relevant economic variables is defined. The base case scenario represents the most likely outcome and is broadly consistent with the ECB's Baseline scenario. The scenario is also reconciled with information used by the bank for other purposes, such as strategic planning and budgeting. In addition, further possible prognostic scenarios are defined that represent an outcome of the relevant economic variables that deviates from the base case. The number and design of the other scenarios are based on the ECB's specifications.

The prognostic process comprises both the forecast of the development of the relevant economic variables over the course of the next three years and the estimate of probability for each scenario. The bank performs regular (semi-annual) stress tests with shocks to quantify the effects of a massive deterioration of economic conditions and to analyse the necessity of re-calibration of the base case scenario and/or of the other prognostic scenarios.

Consideration of forward-looking information

The bank performs a thorough analysis to identify and calibrate the relationships between changing default rates and changes of the most important macroeconomic factors.

For Private Customers and for Corporate Customers (SME and Corporates and Real Estate incl. special financing), the analysis is based on a time series of average default rates estimated on the basis of the internally available data set. For portfolios with only few defaults (banks, sovereign states, municipalities), the downgrade and default time series of the external rating agencies and/or the balance sheet data of the municipalities are used. Based on historical time series, the most selective macroeconomic variables are determined using statistical methods. In the process, multivariate regression analyses are performed for each portfolio. Adverse macroeconomic scenarios are mapped using a second set of regression coefficients specifically calibrated to negative observations. Explanatory variables are, among others, total GDP growth and the change in the unemployment rate in Austria and the euro zone, as well as market-based indicators (3M Euribor, credit spreads, especially spreads between the 10-year Austrian and German government bonds, and stock indices that are representative of the euro zone). Other forward-looking statistical indicators, such as the contribution of gross investment to GDP and the growth rate of loans to private households, are also taken into account, using their current values as reported by Statistics Austria.

Definition of 'default' (Stage 3)

A financial asset is considered to be in default (Stage 3) if:

- it is unlikely that the borrower is going to meet its loan obligations in full without recourse to certain measures, such as the realisation of collateral (if available); or
- if the borrower has been in default with respect to any material loan obligation for more than 90 days.

The definition of default is fully in line with the default definition of the bank for capital adequacy purposes (CRR). Volksbank uses a default identification process with this which takes account of both automatically determined and manually determined default events, ensuring the downgrade of the customer concerned to rating class 5.

The default events include the following:

Default event	Triggered	Rating level
Payment default of 90 days	automatically	5A
Default of 30 days in case of forbearance	automatically	5A
Repayment vehicle event	automatically or manually	5A
Formation of an individual loan loss provision	automatically	5B
Insufficient expected cash flows	manually	5B
Derecognition	automatically	5E
Restructuring	manually	5C
Repeated forbearance	automatically	5C
Distressed restructuring	automatically	5C
Call-in on the account (unsuccessful dunning procedure)	automatically	5C
Debt restructuring at a loss	manually	5C
Waiver of ILLP due to sufficient collateralisation	manually	5B
Opening of insolvency proceedings; bankruptcy	manually	5D
Restructuring proceedings	manually	5D
Other call-in	manually	5C

Any default may be deferred and transferred back to Stage 1 or Stage 2 six months after commencement of the period of good conduct at the earliest, provided that good conduct is shown within said period of six months, and the other prerequisites set down in the CRR and the internal guidelines are met.

Timely identification of defaults and Stage 2 transfers

For the purpose of identifying defaults in time, Volksbank applies its unlikelihood-to-pay (UTP) measurement process that is supported by a comprehensive early warning system (EWS). The EWS uses various qualitative and quantitative indicators to identify potential significant increases in credit risk, including (but not limited to) rating downgrades, negative observations regarding account conduct or deteriorations of certain financial ratios of the borrower.

Exposures to borrowers the redemption of which is considered unlikely will be allocated to Stage 3 for impairment loss purposes. Borrowers with any less substantial, but still significant increase in credit risk (customers under intensive supervision) will be rated as Stage 2 for impairment purposes. Thus, the essential qualitative criteria for default identification and for allocation to Stage 2 are determined within the same process and on the basis of uniform data to inform the decision.

Moreover, additional fully automated criteria are used for allocation to Stage 2:

- Borrowers with payments overdue (in default) for more than 30 days for material exposures,
- accounts subject to forbearance measures,
- all financial instruments where the bank is not able to assess the credit rating upon initial recognition or the credit rating at the balance sheet date. It should be noted in this context that due to the procedures and guidelines implemented, it is almost exclusively immaterial exposures that are affected by this.

Apart from the qualitative criteria, Volksbank also uses quantitative criteria for the transfer to Stage 2. The bank calibrates a bidirectional illustration of the changes to expected credit losses over the term and the rating migration from initial recognition until the current date, taking into account the respective current forward-looking information. Hence, the quantitative stage transfers are derived from significant downgrades of the customer's current rating compared to the credit risk upon initial recognition. Based on the VB master scale with 20 (performing) rating levels, the number of rating class downgrades leading to Stage 2 is 1 to 5, depending on the original maturity and residual term of the respective financial instrument, on the initial rating, on the customer segment and on the current forward-looking information. Financial assets with a rating in the investment grade range at the measurement date – corresponding to a rating level of 2E or better, based on the VB master scale – are classified as Stage 1 ("Low Credit Risk Exemption", IFRS 9.5.5.10).

The transfer from Stage 2 to Stage 1 takes place immediately on the measurement date upon the qualitative and quantitative Stage 2 criteria lapsing (without consideration of any periods of good conduct).

Measurement of Expected Credit Loss (ECL)

The bank determines ECL on the basis of the individual instrument, regardless of the materiality of the exposure. Collective parameters and assumptions are used if applicable.

The impairment model generally determines the risk provision in the amount of expected credit losses:

- over a period of 12 months for financial instruments in Stage 1 (including financial instruments with a low default risk ("Low Credit Risk Exemption")),
- over the residual term for financial instruments in Stage 2 or Stage 3.

Performing portfolio

For the performing portfolio (Stage 1 and Stage 2), measurement is based on model parameters derived from internally developed statistical models and other historical data.

The most important model parameters for ECL measurement are:

- Probability of Default (PD);
- Exposure at Default (EAD), subdivided into secured EAD and unsecured EAD; and
- Loss Given Default (LGD).

The PD parameters depend on the current rating and on the segment of the borrower and are reconciled with forward-looking information as described above.

The EAD parameter is measured as the projected future exposure of the relevant financial instrument. The projection is based on the cash flow plan of the instrument. For ECL calculation, the bank uses the cash flow plan from the Asset Liability Management (ALM) system. It is used to reconcile the ECL calculation and the strategic interest rate and liquidity risk management with each other. The cash flow plan is based on the contractual terms of the financial instrument, including amortisation, and is adjusted in line with the comprehensive ALM models of the bank, including (but not limited to) interest rate forecasts for variable-yield instruments. For off-balance-sheet financial instruments, such as credit facilities or guarantees, the bank uses Credit Conversion Factors (CCF) to determine the amount of the exposure in case of default (off-balance EAD). The CCF parameters are estimated using the account conduct information of previously defaulted customers over a period of twelve months prior to default. The bank uses the regulatory CCF benchmarks set down in the CRR for product types where only limited internal standard data is available.

The EAD is subdivided into secured EAD and unsecured EAD components that depend on the value of the collaterals pledged by the borrower. The starting point for secured EAD calculations are the lending values of the collaterals. These lending values are regularly verified and updated in line with the bank's risk management guidelines. The secured EAD is that part of the EAD that is covered by collaterals (limited to 100 % of EAD). The unsecured EAD is considered as the rest of the EAD.

The LGD is the amount of probable loss upon default. The secured LGD and unsecured LGD parameters are determined separately. The secured LGD parameter reflects the residual risk that derives from the probability that a certain collateral cannot be liquidated at a sustainable price at the time of default. The unsecured LGD parameter reflects any defaulted borrower's readiness and ability to pay back the obligations beyond the lending value of available collaterals. Both LGD parameters combined measure the realisation risk, including the cost of liquidating collaterals, as well as the time value of money (based on the effective interest rate of the defaulted assets).

For the main customer groups (Private Customers, Corporates, Real Estate incl. special financing), the bank determines the LGD parameters on the basis of the history of the rates of recovery of claims against defaulted customers. The historical data includes both the main operational risk event data (date of default, date of conclusion, event status, etc.) and the individual postings undertaken (redemptions, realisations, write-offs). Statistical procedures are used to counter any possible bias in the historical data. The analysis of historical data takes into account, in particular, the default rating category, the treatment category and the amount of collateral.

For certain portfolios, where the bank does not dispose of any, or any sufficient, historical default event data, an expert estimate will be effected. The following serve as a basis for the estimate:

- Regulatory benchmarks set down in the CRR
- Business scenario analyses
- External and internal research and documentation

Expected losses for financial instruments in Stage 1 are projected over the shorter of a period of 12 months or the maturity of the instrument. For Stage 2 financial instruments, the expected losses are projected for the entire term of the instrument. The maturity coincides with the contractual term. In case of financial instruments such as loan commitments and guarantees, the contractual maturity is determined based on the first day when the bank is entitled to request redemption or to terminate any loan commitment or guarantee. In cases where the contractual term could not be determined (e.g. for loans and receivables with no predefined repayment structure and with very short notice periods, which are usually cancelled if a deterioration in risk is identified due to the implemented risk management), the total term of the instrument is set at 20 years.

The ECL is calculated as the present value of the expected losses as forecast. Discounting is effected using the effective interest rate of the instrument.

Defaulted exposures

In case of defaulted customers (Stage 3), measurement depends on the significance of the exposure.

For defaulted customers with a total exposure of more than euro 750 thousand and for a limited number of special cases, the ECL estimate will be performed without applying statistical model parameters. Instead, the bank will estimate the cash flows primarily on the basis of the individual instruments in two scenarios:

- Going concern: After restructuring and forbearance measures, the borrower is able to meet the obligations.
- Gone concern: The borrower is not able to cover the obligations, and the bank liquidates the collateral.

The recovery cash flows and the probabilities of both scenarios will be estimated at the level of the individual instrument, taking into account documented benchmarks and guidelines. If required, additional scenarios are defined, weighted and used to map particularly positive (recovery or return to the performing portfolio) or particularly negative (complete loss in cases of workout) developments.

ECL is calculated as the difference between carrying amount of the financial instruments and the probability-weighted average present value of the return flows in both scenarios. Discounting is effected using the effective interest rate of the instrument.

For defaulted borrowers not treated specially as described above, the statistical model approach is applied. The ECL is determined by multiplying the carrying amount of the financial instrument with LGD. The LGD parameter is estimated using the same historical random sample data that are used for LGD in the performing portfolio. The amount of the collateral, in particular, is taken into account by dividing the defaulted exposure into a secured and an unsecured component, and by applying the secured LGD and the unsecured LGD. LGD parameters are set according to customer segment, default rating category, duration of default and treatment category. The approach does not require any additional discounting, as the present value effect is incorporated in the LGD estimate.

Design of the macroeconomic scenarios

The design of the macroeconomic scenarios is based on the projections published by the ECB/OeNB and supplemented by forecasts from WIFO, the European Commission and the IMF. The relevant indicators and the scenarios used in the previous year (equally based on the publications of the ECB/OeNB and other institutions) are shown in the table below.

Scenario	Period	GDP growth	Spread to	Unemployment	GDP Growth	Share prices
		Austria	Germany	Eurozone	Eurozone	Eurostoxx 50
	Macro model	Companies, private customers	(bp AT-DE 10J) Companies, states	(change in bp) Private customers, municipalities	Banks	Banks
Median value	2008-2021	1.2%	26	-30	1.5%	3.9%
Worst case	2008-2021	-7.1%	94	230	-6.5%	-43.3%

Balance sheet date 31 Dec 2024

BASILINE 2024	2025	1.2%	50	0	1.4%	5.0%
BASILINE 2024	2026	1.5%	50	0	1.5%	5.0%
BASILINE 2024	2027	1.2%	50	-10	1.3%	5.0%
ADVERSE 2024	2025	-0.2%	60	70	—%	-10.0%
ADVERSE 2024	2026	0.5%	60	20	0.4%	-5.0%
ADVERSE 2024	2027	0.7%	55	-50	0.8%	2.5%
POSITIV 2024	2025	2.6%	40	-70	2.8%	10.0%
POSITIV 2024	2026	2.5%	40	-20	2.6%	5.0%
POSITIV 2024	2027	1.7%	40	30	1.8%	5.0%

Balance sheet date 31 Dec 2025

BASILINE 2025	2026	0.9%	35	-10	1.0%	5.0%
BASILINE 2025	2027	1.1%	35	-20	1.3%	5.0%
BASILINE 2025	2028	1.2%	35	0	1.6%	5.0%
ADVERSE 2025	2026	-0.1%	55	50	—%	-7.5%
ADVERSE 2025	2027	0.3%	55	20	0.5%	-5.0%
ADVERSE 2025	2028	0.7%	50	10	1.1%	2.5%
POSITIV 2025	2026	1.9%	30	-70	2.0%	10.0%
POSITIV 2025	2027	1.9%	25	-60	2.1%	10.0%
POSITIV 2025	2028	1.7%	20	-10	2.1%	10.0%

The baseline scenario assumes a modest recovery in 2026/27, followed by a return to potential growth. The upturn is initially driven by catch-up effects in cyclical consumption and investment. It is bolstered by the emerging impact of the monetary easing initiated just over a year ago, by public investment in neighbouring countries, and by the easing of cost inflation (weak oil prices and US dollar, base effects, collective agreements). At the same time, it is held back by a loss of competitiveness and limited production potential (risk capital, key skills, proportion of part-time workers), as well as by an elevated (albeit declining) unemployment rate and an uncertain geopolitical environment.

An upper and lower band are determined for more favourable (positive scenario) and less favourable (adverse scenario) conditions.

The adverse scenario is the lower band of the baseline scenario, in other words the adjustment processes that dampen the basic scenario are even slower here. The adverse assumptions include, amongst other things, a trade conflict involving new demands from the US on its trading partners. Climate policy also comes under scrutiny as a non-tariff trade barrier. Regulations in the internationally tradable sector (industry) are relaxed, or at least not tightened, whilst in other (more domestically oriented) sectors (transport, housing, energy) the regulatory burden is greater. Trade diversions, weak demand, an even stronger euro due to US key interest rates falling more sharply than in the baseline scenario, a weaker labour market and increased 'fear-driven saving' act as pressures weighing down European inflation, meaning that key interest rates are temporarily lower than in the baseline scenario. In Austria, inflation remains the same as in the

baseline scenario, due to sluggish growth, fiscal consolidation (including through fees) and negative real interest rates. Tourism continues to suffer from the spending restraint of visitors (who are nevertheless numerous), a trend exacerbated in the adverse scenario by the gap between Austrian and eurozone inflation, moderate losses in real income and an increased propensity to save. The negative gap between Austrian and European GDP growth rates persists, but is not widening.

The positive scenario is the upper band of the baseline scenario, meaning it is construed as mirror image of the adverse scenario. The adjustment processes dampening the baseline scenario take place very quickly, and quick economic recovery is assumed already at the beginning of the period.

Weighting of the macroeconomic scenarios

In weighting the macroeconomic scenarios, the risk situation and the composition of the portfolio of the Association are taken into account in particular.

The starting point for the internal methodology for determining the weightings is an approach based on 3 scenarios: Baseline scenario, with a weighting of 60 %, as well as two scenarios deviating from the Baseline scenario (one optimistic, one pessimistic), with a weighting of 20 % each. The starting point has not changed compared with the previous year.

Following this, indicators specific to the Association are determined to define an adjusted weighting. The following Association-specific indicators are applied in this context:

- The development of gross value added in the individual sectors by comparison with the average development of economic performance in Austria, weighted using the respective exposures and probabilities of default. The fact that the industry mix of the Association portfolio does not coincide with the composition of Austria's overall economy is taken into account in this context. The analyses performed indicate that the expected gross value added in 2025 is slightly below-average in the sectors that are of key importance to the Association. These include in particular the trade, gastronomy & tourism sector, as well as construction sectors. Some sectors, such as information and communication technology, have shown above-average performance, but their share in the portfolio of the Association is not high.
- The rating migrations observed during the reference period of one year. Rating downgrades (especially the significant downgrades to the lower rating levels) are interpreted as an indicator of an expected (negative) trend in terms of portfolio quality. In the course of the analyses, a slightly negative trend for ratings was observed throughout the reference period.

The development of gross value added in individual sectors as well as the rating migrations observed in the portfolio are aggregated according to the defined method, thus shifting the initial weightings of the scenarios. Applying the internal method to determine the scenario weighting results in a weighting of 49 % (2024: 49 %) for the Baseline scenario, 37 % (2024: 35 %) for the Adverse scenario and 14 % (2024: 16 %) for the Optimistic scenario.

The weightings determined methodically are subsequently analysed in the overall context of the Association of Volksbanks in order to make any qualitative adjustment as necessary. The current and expected future development of relevant risk indicators for the Association of Volksbanks is taken into account in particular in this process. Default rates were slightly above average in 2025 at the overall portfolio level (2024: above average). A slightly negative trend was also observed for other risk indicators such as the forbearance ratio (2024: negative trend). The NPL ratio within the Association of Volksbanks increased by approx. 40 basis points in 2025, from around 5.1 % to approx. 5.5 %. This development is primarily due to general macroeconomic developments (recession, weak consumer spending, stagnating property prices).

Looking to the future, default rates are expected to improve, driven by the knock-on effects of the ECB's monetary policy easing. With the expiry of the KIM-V regulation in 2025, demand for new real estate properties has also recovered. Overall, from today's perspective, there are no indications pointing to a further significant and systematic or cross-sectoral deterioration, which is why the weightings determined methodologically were used unchanged for the ECL calculation as at 31 December 2025.

Scenario	Starting point for methodological weighting	Methodical weighting		Final weighting
		Rating migrations, industry composition, industry forecasts	Further geopolitical or macroeconomic uncertainties	
Balance sheet date 31 Dec 2024				
BASELINE 2024	60.0%		49.0%	49.0%
ADVERSE 2024	20.0%		35.0%	35.0%
POSITIV 2024	20.0%		16.0%	16.0%
Balance sheet date 31 Dec 2025				
BASELINE 2024	60.0%		49.0%	49.0%
ADVERSE 2024	20.0%		37.0%	37.0%
POSITIV 2024	20.0%		14.0%	14.0%

Based on the selected weighting of 49 % Baseline, 37 % Adverse and 14 % Optimistic, the amount of risk provisions under IFRS 9 for the performing portfolio within the Association exceeds the 1-year expected loss under the ICAAP/CRR definition (determined using the through-the-cycle probabilities of default over a period of one year) by a factor of 3.5. At the peak of the COVID-19 crisis (balance sheet date 31 December 2020) and at the peak of the uncertainties relating to inflation and the war between Russia and Ukraine (balance sheet date 31 December 2022), this factor was 4.2. Before the COVID-19 crisis (balance sheet date 31 December 2019), the factor was around 2.1. A factor of 2.5 would be expected as per the historical average with a symmetrical weighting of 60 % Baseline, 20 % Adverse and 20 % Optimistic. The difference between the factors 3.5 (current result based on the weightings chosen) and 2.5 (result against a background of minor to no uncertainties of the overall economy) is considered as risk measure for the valuation of current uncertainties. The difference of 1.0 is approx. 60 % of the historical maximum (previous year: approximately 10% before post-model adjustments and approximately 60% after post-model adjustments). Given the unusually prolonged recession in Austria compared with historical trends and contrary to the baseline assumptions made in the previous year, this differentiation is considered appropriate.

Post-model adjustments

Post-model adjustments (PMAs) are adjustments made outside of the primary risk provision model. PMAs can close gaps in models, take expert judgements into account and map risks/uncertainties that are not or cannot be captured in the primary models. The PMA amount for risk provisions and other provisions is recognised in the balance sheet in addition to the risk provisions and other provisions from the primary models.

The process for recognising risk provisions provides for an assessment of the current risk situation in the last quarter or following recalibration of the IFRS 9 parameters in connection with the up-to-date nature of the data and the appropriateness of the forecasts. New risks that have not been fully mapped in the available data, or possible macroeconomic developments that are not fully reflected in the models, scenarios and assumptions are recorded as post-model adjustments.

Up-to-date nature of the data

With regard to the up-to-date nature of the underlying data, the effects of rating recalibrations that have already been completed but not yet implemented in practice are taken into account. Effects arising from rating changes that are not yet reflected in the existing data are anticipated and recorded as post-model adjustments. The effects of this future rating calibration were mapped in the 2024 consolidated financial statements as post-model adjustments. In the previous year, corresponding adjustments were applied to the rating model for companies that prepare financial statements. Following the introduction of the new model in the course of 2025, post-model adjustments were applied only to those customers who had been rated prior to the model's implementation. In addition, post-model adjustments were made in 2025 for the planned recalibration of the behavioural rating models and the rating model for income-producing real estate (IPRE) projects.

Novel risks

In terms of consideration of novel risk drivers that are not fully reflected in the models, scenarios and assumptions, a comprehensive and systematic analysis was implemented in the following steps:

- Risk identification: Definition of the new type of risk driver, including delimitation exclusively to impact channels with an influence on the expected credit risk loss in accordance with IFRS 9
- Materiality: Qualitative review taking into account quantitative information and threshold values
- Coverage: Analysis regarding whether and to what extent the risks are already covered in the model or by the macroeconomic scenarios used

- Quantification: Analytical or simulation-based procedures for determining post-model adjustments are defined for material risks and any risks not covered.

The following risk categories were analysed as at 31 December 2025:

- Geopolitical risks
- Climate and environmental risks
- Energy costs, prices of raw materials and supply chain risks
- Inflation risks and risks of increasing interest rates
- Macroeconomic uncertainties

Geopolitical risks

Geopolitical risks are not material due to the structure of the portfolio with a heavy focus on Austria. Indirect geopolitical risks, which primarily comprise the risks due to trade restrictions, are also categorised as immaterial and these risks are adequately accounted for via the mapping in the baseline and adverse macro scenarios.

Climate and environmental risks

The climate and environmental risks are analysed in depth as part of the comprehensive sustainability strategy and examined from a wide range of strategic and operational perspectives, e.g. in the stress testing or in the credit portfolio model. The formation of a PMA, where the focus is on expected and measurable changes in default rates or collaterals, is not considered to be appropriate in this context. Among other things, the analysis of the most recent precedent involving materialised physical environmental risks (the September 2024 flood event in Lower Austria) revealed no significant deterioration in the risk rating or collateral assessment of the portfolios potentially affected.

Energy costs, prices of raw materials and supply chain risks

A threshold-based review has revealed a normalisation in gas price volatility, which is expected to lead to a reduction in uncertainty for energy-intensive companies. In the previous year, a PMA of approximately euro 3.6 million was recorded for these customers within the Association of Volksbanks, of which approximately euro 1.0 million was attributable to VBW.

Inflation and risks of increasing interest rates

The macroeconomic scenarios assume that inflation will return to normal levels and that interest rates will be stable. Further negative effects on borrowers resulting from a sharp rise in interest rates are currently considered to be low.

Macroeconomic uncertainties

Macroeconomic uncertainties are assessed using a range of quantitative and qualitative indicators, which are based in turn on internal and external data. The following factors were examined in particular:

- The band of the macroeconomic forecasts (baseline vs. adverse)
- The development of real estate prices and gross value added for key industry sectors in the forecasts
- Increase in the number of insolvencies reported according to credit protection association KSV
- Industry sector-specific rating downgrades in the Bank's credit portfolios

The analysis showed that the 'properties and housing', 'construction', 'tourism' and 'transport' sectors were affected to a disproportionate extent. The customers in these sectors for which an increase in the probability of default was observed were assigned to Stage 2. For this purpose, a customer-specific adjustment to the Stage 2 transfer logic was carried out and reflected directly in the bank's risk-bearing system (in-model adjustment). In the previous year, a PMA of approximately euro 10.4 million was recorded for the Association of Volksbanks, of which VBW accounted for approximately euro 2.9 million.

Summary of PMAs

Overall, an increase in model-based risk provisions of EUR 4.7 million was recognised for VBW, of which approximately euro 1.9 million was recognised directly in the bank's risk-bearing system (in-model adjustment) and euro 2.8 million as a PMA (post-model adjustment). In the previous year, the PMA stood at euro 4.2 million.

31 December 2025:

Customer type	Determination	Total exposure in EUR million	Actual risk provisions as of 31/12/2025	Of which, in-model adjustments	Post-model adjustments	In- and post-model adj. rating-recalibration	In- and post-model adj. for novel risks	Risk provision inventory incl. PMA
Corporate and SME customers preparing financial reports	Rating recalibration, if necessary tightening of the stage 2 criteria.	752.3	2.6	1.1	1.34	1.4	1.0	3.9
Income Producing Real Estate (IPRE) customers	Rating recalibration, if necessary tightening of the stage 2 criteria.	124.5	0.8	0.4	0.80	0.9	0.4	1.6
Other customers in the sectors Real Estate and Housing, Construction, Hospitality and Transport	Tightening of the stage 2 criteria	52.9	0.5	0.3	0.01	—	0.3	0.5
Customers with account behaviour rating	Rating recalibration, if necessary tightening of the stage 2 criteria.	16.3	0.4	0.1	0.69	0.7	0.1	1.1
Total		945.8	4.3	1.9	2.8	2.9	1.8	7.1

31 December 2024:

Customer type	Determination	Total exposure in EUR million	Actual risk provisions as of 31/12/2024	Of which, in-model adjustments	Post-model adjustments	In- and post-model adj. rating-recalibration	In- and post-model adj. for novel risks	Risk provision inventory incl. PMA
Customers with a high gas or energy dependency	Downgrade 2 rating levels, if necessary rating recalibration	88.7	0.8	—	1.10	0.1	1.0	1.9
Customers in the real estate and construction sectors	Tightening of the Stage 2 criteria, if necessary rating recalibration	162.5	0.4	—	2.0	0.2	2.9	2.3
Other companies (reporting)	Rating recalibration	695.4	1.1	—	1.1	1.1	-	2.2
Total		946.6	2.2	—	4.2	1.4	3.9	6.4

In summary, the risk provisions (including provisions for off-balance-sheet receivables) for the performing portfolio (Stages 1 and 2, excluding financial investments and receivables from affiliated credit institutions and companies) are as follows:

31 December 2025:

VBW - Risk provisions performing	in euro million	In %
Risk provisions (Stage 1+2 portfolio including provisions), standard model	31.4	100.0%
+ In-model adjustment based on the scenario weights	1.9	6.1%
+ Post-model adjustment	2.8	9.0%
Risk provisions (Stage 1+2), final	36.2	115.1%

31 December 2024:

VBW - Risk provisions performing	in euro million	In %
Risk provisions (Stage 1+2 portfolio including provisions), standard model	22.3	100.0%
+ In-model adjustment based on the scenario weights	—	—%
+ Post-model adjustment	4.2	18.7%
Risk provisions (Stage 1+2), final	26.4	118.7%

Sensitivity analyses of risk provisions

Sensitivity analyses are performed to quantify the estimation uncertainties of the models for ECL measurement in the current situation. The sensitivities relate to risk provisions (including provisions for off-balance-sheet receivables), including in-model adjustments. Post-model adjustments and risk provisions for financial investments and for receivables from affiliated credit institutions and companies are excluded from the sensitivity calculations.

Impairments Stage 3

The ECL measurement for Stage 3 customers uses current estimates for the fair values of the collaterals. Sensitivities to real estate market values are shown as Volksbank's portfolio is collateralised primarily using real estate collaterals.

Sensitivities in the NPL portfolio have risen, primarily due to defaults among secured commercial property clients in 2025.

Sensitivities of the NPL portfolio (year 2025):

	in euro million	in basis points Coverage Ratio I
Risk provisions NPL (Stage 3 portfolio)	143.2	31.5%
Depreciation by 15 %	45.6	10.0%
Depreciation by 25 %	65.0	14.3%

Sensitivities of the NPL portfolio (year 2024):

	in euro million	in basis points Coverage Ratio I
Risk provisions NPL (Stage 3 portfolio)	133.7	29.4%
Depreciation by 15 %	39.5	8.7%
Depreciation by 25 %	58.6	12.9%

When calculating the ECL for Stage 1 and 2 customers, estimates of the collaterals are also taken into account via the LGD risk parameters.

Sensitivities of the performing portfolio (year 2025):

	in euro million	LGD in %
Risk provisions (Stage 1 & 2 portfolio, incl. off-balance sheet provisions without PMA)	33.3	15.5%
Depreciation by 15 %	7.5	3.5%
Depreciation by 25 %	9.7	4.5%

Sensitivities of the performing portfolio (year 2024):

	in euro million	LGD in %
Risk provisions (Stage 1 & 2 portfolio, incl. off-balance sheet provisions without PMA)	22.3	14.6%
Depreciation by 15 %	5.6	3.7%
Depreciation by 25 %	7.3	4.8%

A simplified methodology was used to estimate the sensitivities with regard to the devaluation of the real estate collaterals. Devaluations of real estate collaterals are simulated at the customer level first of all. The simulation takes into account any excess collateralisation as at the balance sheet date as a risk-mitigating buffer for the devaluation. Complex scenarios, including in particular simultaneous mortgages that encompass multiple real estate properties and collateralise multiple accounts potentially for several customers at the same time, are represented in a simplified manner in the simulation. In order to avoid double-counting properties, a suboptimal calculation is accepted at this point, or individual properties are intentionally disregarded in the simulation in a way that increases the perceived risk. Other non-mortgage real estate collaterals are simulated without any changes. No further effects are considered for either Stage 3 or Stage 1 and 2 customers, with no second-round effects on the probabilities of default or on other risk parameters or assumptions considered in particular.

For customers in Stage 3, the resulting effective devaluations of the collaterals are presented as a sensitivity amount, assuming that the devaluations are covered in full by Stage 3 risk provisions. For customers in Stages 1 and 2, the resulting effective devaluations of the collaterals are translated into an increase in the portfolio's average LGD. The risk provisions determined as at the balance sheet date (without post-model adjustments) are then scaled up with the ratio of the average LGDs before and after depreciation of the collaterals in order to determine an estimate of the risk provisions following depreciation.

Regulatory risk provision – NPL backstop

Due to the requirements for the minimum coverage of non-performing exposures pursuant to the CRR, additional capital may be required for the exposures concerned. These provisions supplement the ECB requirements previously applicable to the Association of Volksbanks (Supervisory Coverage Expectations for NPE) and the requirements submitted by means of the SREP notice. Hence, all non-performing exposures are subject to one of the aforementioned requirements and may be subject to regulatory provisioning in the form of deductions from equity in Pillar 1 or Pillar 2. The determination of this provision is fully automated within the Association of Volksbanks.

In order to limit the equity effects to the extent possible, a restriction on the retention period in the NPL portfolio was introduced.

Credit risk reporting

Credit risk reporting takes place monthly (truncated version) and quarterly (detailed version) with the aim to provide a detailed presentation of the credit risk for a certain reporting date and to report the same to the entire Managing Board. Relevant reports are prepared for VBW, the major units of the Association and the key areas of business. The information is also included in the credit risk section of the aggregate bank risk report.

The reports comprise a quantitative presentation of credit risk information relevant for risk control, which is supplemented by a brief assessment of the situation and additional qualitative information, if applicable.

The following analyses form part of the report:

- Portfolio distribution
- Development of new business
- Distribution of credit ratings
- Non-performing loans (NPL) incl. tracking of the NPL reduction strategy
- EWS/PLM portfolio
- Real Estate portfolio
- Corp/SME portfolio
- Forbearance
- Credit risk concentrations
- Country group analysis
- Customer segments
- Distribution across industry sectors

In addition to reporting as part of the aggregate bank risk report, a Fast Close Risk Report is prepared at Association level on a monthly basis immediately after month-end based on daily raw data from the core banking system. The report provides an initial indication of the current development of the customer portfolio, of crisis indicators, and of inflows and

outflows in the NPL (non-performing loans) and forbearance portfolio, and information about the development of the overdraft portfolio. Moreover, it contains a brief overview of the development of risk provisions to track developments continuously and to implement measures promptly..

Development of the credit risk-related portfolio in the 2025 financial year

Definition of credit risk-related portfolio

The credit risk-related portfolio summarises all positions that include a credit risk in the narrower sense. Credit risk-related positions are included in the following balance sheet and off-balance sheet items:

- Liquid funds excl. cash in hand, since the latter does not include any credit risk
- Loans and receivables to credit institutions, gross
- Loans and receivables to customers, gross
- Assets held for trading: only fixed-income securities are included, but no positive fair values from derivatives, as they do not include any credit risk in the narrower sense
- Financial investments: here, too, only fixed-income securities are included. Equities are excluded, as they do not include any credit risk in the narrower sense
- Contingent liabilities: liabilities arising from guarantees, contingencies and letters of credit are included, other liabilities are excluded
- Credit risks: include commitments not utilised yet

The following table shows the credit risk-related portfolio as at 31 December 2025 compared to the previous year. The relevant figure is the gross value before deduction of any impairments, collaterals or other credit risk mitigating securities.

Credit risk-related portfolio

Euro thousand	31 Dec 2025	31 Dec 2024
Liquid funds	3,507	3,830
Loans and receivables to credit institutions	1,647	1,801
At amortised cost	1,647	1,801
Loans and receivables to customers	6,465	6,216
At amortised cost	6,427	6,168
At fair value	38	48
Assets held for trading - fixed-income securities	9	5
At fair value	9	5
Financial investments - fixed-income securities	4,247	3,629
At amortised cost	4,218	3,602
At fair value	28	26
Contingent liabilities	126	130
Credit risks	4,075	3,831
Total	20,076	19,442

As at 31 December 2025, the total credit risk-related portfolio amounted to euro 20,075,320 thousand (2024: euro 19,442,221 thousand). Loans and receivables to customers constitute the biggest group of receivables, which corresponds to the business model of classic lending business with a focus on Private Customers and SME. At VBW, there are no receivables from finance leases.

The securities portfolio primarily contains securities that are used to manage the liquidity of the Association of Volksbanks. It mainly includes European government bonds and covered bonds issued by European banks in the investment grade segment. VBW has also been building up a securities portfolio as a CO since 2024, the main objective of which is to generate profits. However, this only represents a very small part of the total securities portfolio. The loans and receivables to credit institutions consist almost exclusively of claims against the National Bank for the purpose of managing liquidity and include a comparatively low credit risk. As liquidity risk is controlled centrally by VBW in its role as CO of the Association of Volksbanks, there are hardly any credit risk-related items in the securities portfolio within the other Volksbanks.

Among off-balance sheet items, it is mainly unutilised loan commitments and liabilities from guarantees and contingencies that are of significance.

Therefore, the internal focus of credit risk control is on balance sheet and off-balance sheet loans and receivables to customers.

Development by customer segments¹

The following tables show the distribution of the credit risk-related portfolio by balance sheet items and customer segments. As VBW assumes the central liquidity management function within the Association of Volksbanks, an essential customer segment of credit risk-related positions is the public sector. This segment includes the amounts owed by the central bank and the major part of financial investments. As at 31 December 2025, the largest customer segment of the credit risk-relevant items in loans and receivables to customers is the SME segment in the amount of euro 2,567,749 thousand (2024: euro 2,663,659 thousand) that is internally broken down into SME Retail, SME and SME Corporate followed by the Private Customer segment.

Portfolio distribution by customer segments

Euro thousand							
31 Dec 2025	Banks	Retail private	SME	Corporates	Public sector	Others	Total
Liquid funds	0	0	0	0	3,507,395	0	3,507,395
Loans and receivables to credit	1,647,012	0	0	0	0	0	1,647,012
At amortised cost	1,647,012	0	0	0	0	0	1,647,012
Loans and receivables to customers	0	2,334,368	2,567,749	809,857	161,892	590,939	6,464,804
At amortised cost	0	2,306,635	2,558,350	809,857	161,699	590,022	6,426,562
At fair value	0	27,733	9,399	0	193	917	38,242
Assets held for trading - fixed-income securities	8,645	0	0	680	0	0	9,325
At fair value	8,645	0	0	680	0	0	9,325
Financial investments - fixed-income securities	2,865,754	0	0	68,736	1,312,187	0	4,246,678
At amortised cost	2,847,559	0	0	68,716	1,302,047	0	4,218,322
At fair value	18,195	0	0	20	10,140	0	28,355
Contingent liabilities	54	32,430	78,574	12,947	109	1,629	125,743
Credit risks	3,307,629	287,564	311,374	123,129	17,507	27,572	4,074,775
Total	7,829,095	2,654,362	2,957,696	1,015,350	4,999,090	620,140	20,075,731
31 Dec 2024							
Liquid funds	0	0	0	0	3,830,098	0	3,830,098
Loans and receivables to credit	1,801,361	0	0	0	0	0	1,801,361
At amortised cost	1,801,361	0	0	0	0	0	1,801,361
Loans and receivables to customers	0	2,135,600	2,663,659	642,774	82,149	692,281	6,216,464
At amortised cost	0	2,101,026	2,651,363	642,765	81,826	691,351	6,168,331
At fair value	0	34,575	12,296	10	323	930	48,133
Assets held for trading - fixed-income securities	3,287	0	0	1,335	0	0	4,621
At fair value	3,287	0	0	1,335	0	0	4,621
Financial investments - fixed-income securities	2,475,594	0	0	69,249	1,083,886	0	3,628,729
At amortised cost	2,455,307	0	0	69,249	1,077,683	0	3,602,239
At fair value	20,287	0	0	0	6,204	0	26,491
Contingent liabilities	370	28,397	65,259	33,731	109	1,670	129,535
Credit risks	3,045,377	259,527	362,955	85,814	26,805	50,934	3,831,412
Total	7,325,989	2,423,524	3,091,873	832,903	5,023,047	744,885	19,442,221

¹ The definition of customer segments is derived from the regulatory classification criteria.

Development by currencies

In line with the risk strategy, the major part of the loan portfolio is denominated in euros; the FX holdings within loans and receivables to customers – especially FX loans – are gradually reduced.

Portfolio distribution by currencies

Euro thousand				
31 Dec 2025	EUR	CHF	Others	Total
Liquid funds	3,507,395	0	0	3,507,395
Loans and receivables to credit institutions	1,396,962	241,361	8,690	1,647,012
At amortised cost	1,396,962	241,361	8,690	1,647,012
Loans and receivables to customers	6,410,335	53,597	873	6,464,804
At amortised cost	6,372,093	53,597	873	6,426,562
Thereof Retail private	2,265,046	41,574	15	2,306,635
Thereof SME	2,545,469	12,023	857	2,558,350
Thereof Corporates	809,857	0	0	809,857
Thereof other	751,721	0	0	751,721
At fair value	38,242	0	0	38,242
Thereof Retail private	27,733	0	0	27,733
Thereof SME	9,399	0	0	9,399
Thereof Corporates	0	0	0	0
Thereof other	1,110	0	0	1,110
Assets held for trading - fixed-income securities	9,325	0	0	9,325
At fair value	9,325	0	0	9,325
Financial investments - fixed-income securities	4,246,678	0	0	4,246,678
At amortised cost	4,218,322	0	0	4,218,322
Thereof Banks	2,847,559	0	0	2,847,559
Thereof Corporates	68,716	0	0	68,716
Thereof Public sector	1,302,047	0	0	1,302,047
Thereof other	0	0	0	0
At fair value	28,355	0	0	28,355
Thereof Banks	18,195	0	0	18,195
Thereof Corporates	20	0	0	20
Thereof Public sector	10,140	0	0	10,140
Contingent liabilities	125,743	0	0	125,743
Thereof Banks	54	0	0	54
Thereof Retail private	32,430	0	0	32,430
Thereof SME	78,574	0	0	78,574
Thereof Corporates	12,947	0	0	12,947
Thereof other	1,738	0	0	1,738
Credit risks	4,074,441	0	334	4,074,775
Thereof Banks	3,307,629	0	0	3,307,629
Thereof Retail private	287,564	0	0	287,564
Thereof SME	311,040	0	334	311,374
Thereof Corporates	123,129	0	0	123,129
Thereof other	45,079	0	0	45,079
Total	19,770,878	294,957	9,896	20,075,731

31 Dec 2024	EUR	CHF	Others	Total
Liquid funds	3,830,098	0	0	3,830,098
Loans and receivables to credit institutions	1,659,234	134,973	7,153	1,801,361
At amortised cost	1,659,234	134,973	7,153	1,801,361
Loans and receivables to customers	6,148,033	67,610	821	6,216,464
At amortised cost	6,099,900	67,610	821	6,168,331
Thereof Retail private	2,051,148	49,857	21	2,101,026
Thereof SME	2,632,810	17,753	800	2,651,363
Thereof Corporates	642,765	0	0	642,765
Thereof other	773,177	0	0	773,177
At fair value	48,133	0	0	48,133
Thereof Retail private	34,575	0	0	34,575
Thereof SME	12,296	0	0	12,296
Thereof Corporates	10	0	0	10
Thereof other	1,253	0	0	1,253
Assets held for trading - fixed-income securities	4,621	0	0	4,621
At fair value	4,621	0	0	4,621
Financial investments - fixed-income securities	3,628,729	0	0	3,628,729
At amortised cost	3,602,239	0	0	3,602,239
Thereof Banks	2,455,307	0	0	2,455,307
Thereof Corporates	69,249	0	0	69,249
Thereof Public sector	1,077,683	0	0	1,077,683
Thereof other	0	0	0	0
At fair value	26,491	0	0	26,491
Thereof Banks	20,287	0	0	20,287
Thereof Corporates	0	0	0	0
Thereof Public sector	6,204	0	0	6,204
Contingent liabilities	129,493	42	0	129,535
Thereof Banks	327	42	0	370
Thereof Retail private	28,397	0	0	28,397
Thereof SME	65,259	0	0	65,259
Thereof Corporates	33,731	0	0	33,731
Thereof other	1,779	0	0	1,779
Credit risks	3,830,548	0	864	3,831,412
Thereof Banks	3,045,377	0	0	3,045,377
Thereof Retail private	259,527	0	0	259,527
Thereof SME	362,091	0	864	362,955
Thereof Corporates	85,814	0	0	85,814
Thereof other	77,739	0	0	77,739
Total	19,230,757	202,627	8,837	19,442,221

Development of repayment vehicle and foreign currency loans

As at 31 December 2025, the total borrowings under repayment vehicle and foreign currency loans amounted to euro 77,169 thousand (2024: euro 96,801 thousand).

Development by countries

The main business activity of the Association of Volksbanks, and thus of VBW, focuses on the Austrian market. This is also evident from the following tables: As at 31 December 2025, Austrian exposures accounted for 83.4 % of the credit risk-related portfolio (2024: 86.8 %).

Portfolio distribution by countries

Euro thousand				
31 Dec 2025	Austria	Germany	Others	Total
Liquid funds	3,507,395	0	0	3,507,395
Loans and receivables to credit institutions	1,521,824	70,460	54,728	1,647,012
At amortised cost	1,521,824	70,460	54,728	1,647,012
Loans and receivables to customers	6,371,891	70,235	22,677	6,464,804
At amortised cost	6,334,115	70,235	22,212	6,426,562
Thereof Retail private	2,291,735	6,150	8,750	2,306,635
Thereof SME	2,545,208	10,831	2,310	2,558,350
Thereof Corporates	763,795	34,911	11,152	809,857
Thereof other	733,377	18,344	0	751,721
At fair value	37,776	0	466	38,242
Thereof Retail private	27,267	0	466	27,733
Thereof SME	9,399	0	0	9,399
Thereof Corporates	0	0	0	0
Thereof other	1,110	0	0	1,110
Assets held for trading - fixed-income securities	9,325	0	0	9,325
At fair value	9,325	0	0	9,325
Financial investments - fixed-income securities	1,147,449	730,296	2,368,932	4,246,678
At amortised cost	1,133,802	725,394	2,359,126	4,218,322
Thereof Banks	643,438	458,432	1,745,690	2,847,559
Thereof Corporates	1,024	15,836	51,856	68,716
Thereof Public sector	489,340	251,126	561,581	1,302,047
Thereof other	0	0	0	0
At fair value	13,647	4,902	9,806	28,355
Thereof Banks	3,487	4,902	9,806	18,195
Thereof Corporates	20	0	0	20
Thereof Public sector	10,140	0	0	10,140
Contingent liabilities	122,600	2,724	420	125,743
Thereof Banks	47	7	0	54
Thereof Retail private	31,898	142	390	32,430
Thereof SME	76,024	2,521	29	78,574
Thereof Corporates	12,894	54	0	12,947
Thereof other	1,738	0	0	1,738
Credit risks	4,070,972	2,959	843	4,074,775
Thereof Banks	3,307,629	0	0	3,307,629
Thereof Retail private	286,740	195	629	287,564
Thereof SME	309,385	1,775	214	311,374
Thereof Corporates	122,139	990	0	123,129
Thereof other	45,079	0	0	45,079
Total	16,751,457	876,675	2,447,600	20,075,731

Euro thousand

31 Dec 2024	Austria	Germany	Others	Total
Liquid funds	3,830,098	0	0	3,830,098
Loans and receivables to credit institutions	1,687,549	52,494	61,318	1,801,361
At amortised cost	1,687,549	52,494	61,318	1,801,361
Loans and receivables to customers	6,104,780	82,442	29,242	6,216,464
At amortised cost	6,057,242	82,442	28,647	6,168,331
Thereof Retail private	2,085,016	6,214	9,795	2,101,026
Thereof SME	2,636,689	12,499	2,174	2,651,363
Thereof Corporates	590,338	36,660	15,766	642,765
Thereof other	745,198	27,068	911	773,177
At fair value	47,538	0	594	48,133
Thereof Retail private	33,980	0	594	34,575
Thereof SME	12,296	0	0	12,296
Thereof Corporates	10	0	0	10
Thereof other	1,253	0	0	1,253
Assets held for trading - fixed-income securities	4,621	0	0	4,621
At fair value	4,621	0	0	4,621
Financial investments - fixed-income securities	1,292,365	511,047	1,825,318	3,628,729
At amortised cost	1,281,704	506,220	1,814,315	3,602,239
Thereof Banks	844,557	349,769	1,260,982	2,455,307
Thereof Corporates	1,044	16,025	52,180	69,249
Thereof Public sector	436,104	140,426	501,153	1,077,683
Thereof other	0	0	0	0
At fair value	10,661	4,827	11,003	26,491
Thereof Banks	4,458	4,827	11,003	20,287
Thereof Corporates	0	0	0	0
Thereof Public sector	6,204	0	0	6,204
Contingent liabilities	129,020	182	334	129,535
Thereof Banks	362	7	0	370
Thereof Retail private	27,948	145	304	28,397
Thereof SME	65,200	30	29	65,259
Thereof Corporates	33,731	0	0	33,731
Thereof other	1,779	0	0	1,779
Credit risks	3,827,414	2,854	1,144	3,831,412
Thereof Banks	3,045,377	0	0	3,045,377
Thereof Retail private	258,716	232	579	259,527
Thereof SME	362,359	32	564	362,955
Thereof Corporates	83,224	2,590	0	85,814
Thereof other	77,739	0	0	77,739
Total	16,875,848	649,019	1,917,354	19,442,221

Development by sectors²

The most important sectors within loans and receivables to customers of VBW are the commercial sector of real estate (properties and housing) with 41.4 % [2024: 43.8 %], followed by private households with 36.1 % as at 31 December 2025 [2024: 34.4 %].

As at 31 December 2025, the largest commercial sectors in loans and receivables to customers in the SME segment are the following:

- the real estate sector with a share of 58.77 % [2024: 60.90 %]
- the trade and repairs sector with a share of 6.04 % [2024: 6.77 %].

As at 31 December 2025, the largest commercial sector in loans and receivables to customers in the Corporates segment is:

- the real estate sector with a share of 71.6 % [2024: 63.27 %].

² The definition of the sector is largely aligned with the ÖNACE codes and cannot be compared directly with customer segments, where a different classification logic is applied

As part of the transition to the OeNACE 2025 industry codes, a change was also made to the industry classification in 2025 within the framework of risk reporting. This change has the following specific impact on the table below (carrying amounts as at 31 December 2025):

The tourism/leisure sector has been reclassified as accommodation/catering; as a result,

- a volume of approximately euro 74,068 thousand has been reallocated from the "Other" sector to the accommodation/catering sector, and
- a volume of approximately euro 40,319 thousand was reallocated from the Leisure sector to the "Other" sector.

The 'Retail and Repair' sector has been reclassified as 'Retail'; as a result,

- a volume of approximately euro 18,179 thousand has been reallocated from the "Repair" sector to the "Other" sector, and
- a volume of approximately euro 3,754 thousand has been reallocated from the "Pharmacies" sector to the "Retail" sector

In the healthcare sector,

- a volume of approximately euro 20,933 thousand was reallocated from the health resorts sector to the "Other" sector, and
- as already mentioned above, a volume of approximately euro 3,754 thousand was reallocated from the pharmacies sector to the retail sector.

In the agriculture and forestry sector,

- a volume of approximately euro 35,371 thousand was reallocated from the food production sector to the "Other" sector.

Portfolio distribution by sectors

Euro thousand 31 Dec 2025	Private households	Financial services incl. Banks	Public authorities	Real estate	Construction industry
Liquid funds	0	0	3,507,395	0	0
Loans and receivables to credit institutions	0	1,647,012	0	0	0
At amortised cost	0	1,647,012	0	0	0
Loans and receivables to customers	2,335,100	129,939	161,892	2,678,903	54,800
At amortised cost	2,307,367	129,918	161,699	2,675,665	54,646
At fair value	27,733	20	193	3,238	154
Assets held for trading - fixed-income securities	0	8,645	0	0	0
At fair value	0	8,645	0	0	0
Financial investments - fixed-income securities	0	2,819,243	1,312,187	20	0
At amortised cost	0	2,801,048	1,302,047	0	0
At fair value	0	18,195	10,140	20	0
Contingent liabilities	32,430	21,805	109	15,635	8,704
Credit risks	287,592	3,324,676	17,507	192,141	27,730
Total	2,655,122	7,951,320	4,999,090	2,886,699	91,234

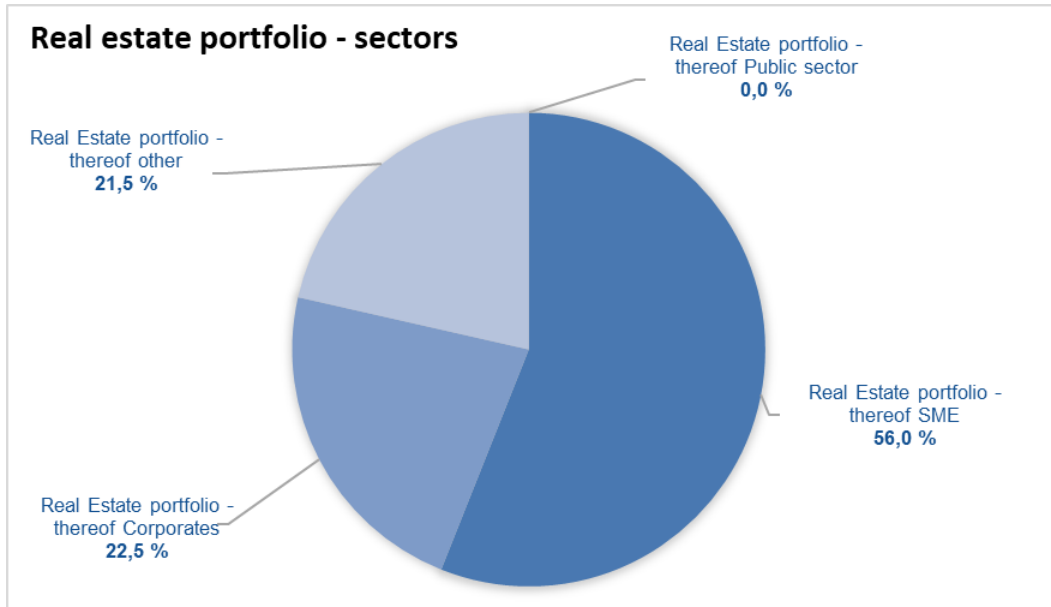
Euro thousand 31 Dec 2025	Accommodation/ catering	Trade	Physicians/ healthcare	Agriculture and forestry	Others	Total
Liquid funds	0	0	0	0	0	3,507,395
Loans and receivables to credit institutions	0	0	0	0	0	1,647,012
At amortised cost	0	0	0	0	0	1,647,012
Loans and receivables to customers	145,865	165,794	83,996	114,239	594,276	6,464,804
At amortised cost	145,727	165,123	83,845	111,131	591,439	6,426,562
At fair value	137	671	151	3,108	2,836	38,242
Assets held for trading - fixed-income securities	0	0	0	0	680	9,325
At fair value	0	0	0	0	680	9,325
Financial investments - fixed-income securities	1,577	0	0	0	113,650	4,246,678
At amortised cost	1,577	0	0	0	113,650	4,218,322
At fair value	0	0	0	0	0	28,355
Contingent liabilities	4,143	12,695	428	605	29,188	125,743
Credit risks	13,436	51,839	31,952	18,167	109,735	4,074,775
Total	165,020	230,328	116,377	133,011	847,529	20,075,731

Euro thousand 31 Dec 2024	Private households	Financial services incl. Banks	Public authorities	Real estate	Construction industry
Liquid funds	0	0	3,830,098	0	0
Loans and receivables to credit institutions	0	1,801,361	0	0	0
At amortised cost	0	1,801,361	0	0	0
Loans and receivables to customers	2,135,600	135,179	82,149	2,720,649	85,707
At amortised cost	2,101,026	135,144	81,826	2,717,289	84,726
At fair value	34,575	35	323	3,359	981
Assets held for trading - fixed-income securities	0	3,287	0	0	0
At fair value	0	3,287	0	0	0
Financial investments - fixed-income securities	0	2,470,387	1,083,886	0	0
At amortised cost	0	2,450,100	1,077,683	0	0
At fair value	0	20,287	6,204	0	0
Contingent liabilities	28,397	37,402	109	9,695	8,481
Credit risks	259,527	3,066,813	26,805	172,274	34,233
Total	2,423,524	7,514,428	5,023,047	2,902,619	128,422

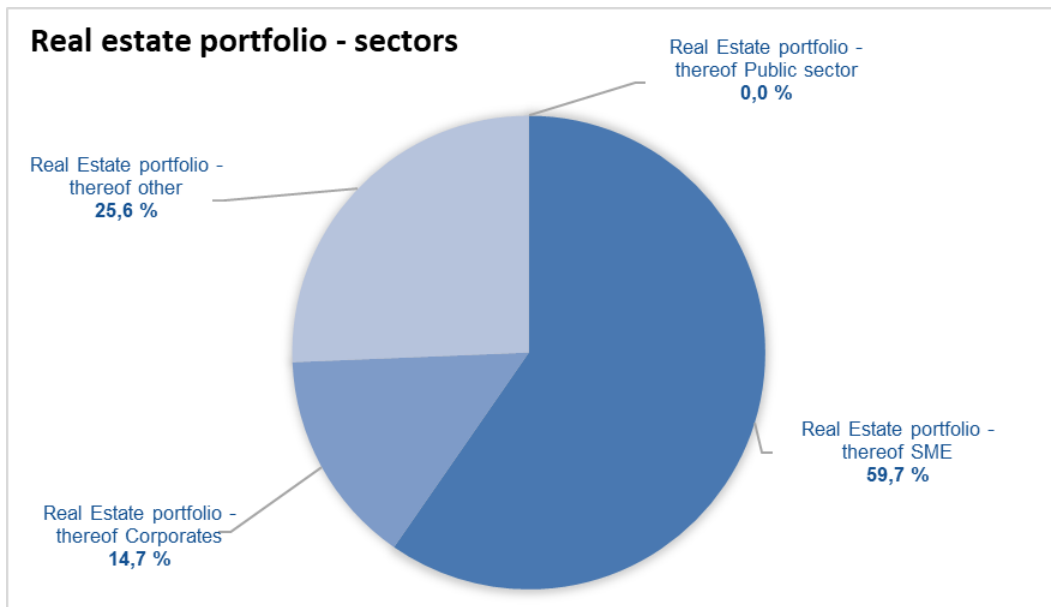
Euro thousand 31 Dec 2024	Accommodation/ catering	Trade and repair	Physicians/ healthcare	Food/ agriculture and forestry	Others	Total
Liquid funds	0	0	0	0	0	3,830,098
Loans and receivables to credit institutions	0	0	0	0	0	1,801,361
At amortised cost	0	0	0	0	0	1,801,361
Loans and receivables to customers	112,135	193,911	83,849	136,861	530,423	6,216,464
At amortised cost	111,968	192,830	81,953	132,462	529,106	6,168,331
At fair value	167	1,081	1,896	4,399	1,317	48,133
Assets held for trading - fixed-income securities	0	0	0	0	1,335	4,621
At fair value	0	0	0	0	1,335	4,621
Financial investments - fixed-income securities	0	0	0	0	74,456	3,628,729
At amortised cost	0	0	0	0	74,456	3,602,239
At fair value	0	0	0	0	0	26,491
Contingent liabilities	4,516	12,344	2,155	1,202	25,235	129,535
Credit risks	13,197	63,719	16,719	34,645	143,479	3,831,412
Total	129,848	269,974	102,723	172,709	774,928	19,442,221

The following charts show the distribution of the real estate portfolio by segments, and the proportion of non-performing loans within the real estate portfolio. The major part of the real estate portfolio is found in the SME segment with 56.0 % (2024: 59.7 %), at 10.8 % (2024: 11.2 %) the NPL ratio in the real estate portfolio is above the NPL ratio of internal risk control for VBW of 6.1 % (2024: 6.6 %) as at 31 December 2025.

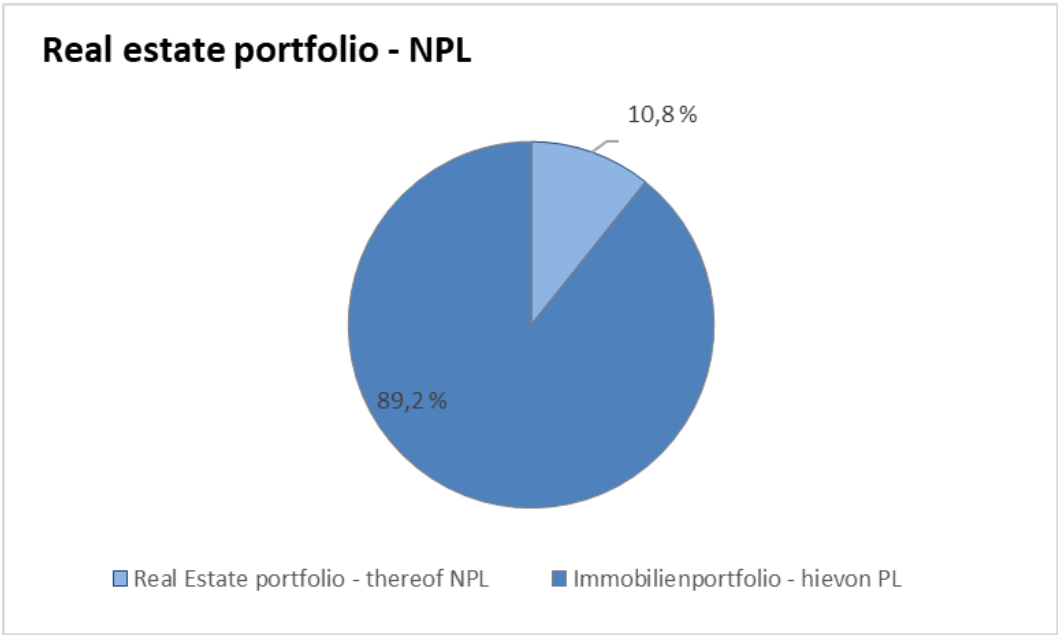
Real estate portfolio – sectors as at 31 December 2025:



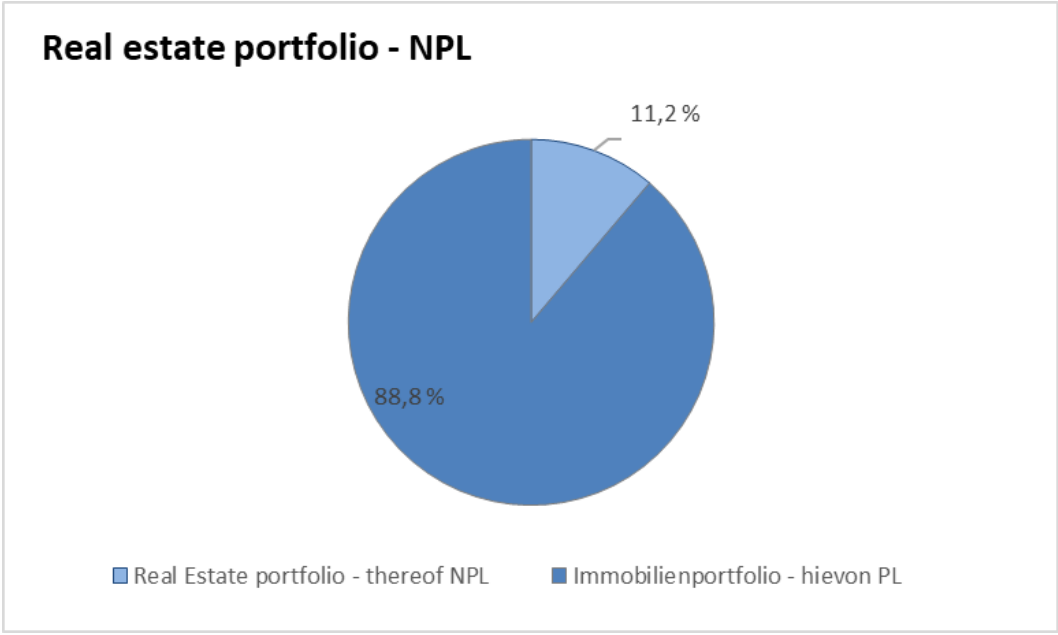
Real estate portfolio – sectors as at 31 December 2024:



Real estate portfolio – NPL ratio as at 31 December 2025:



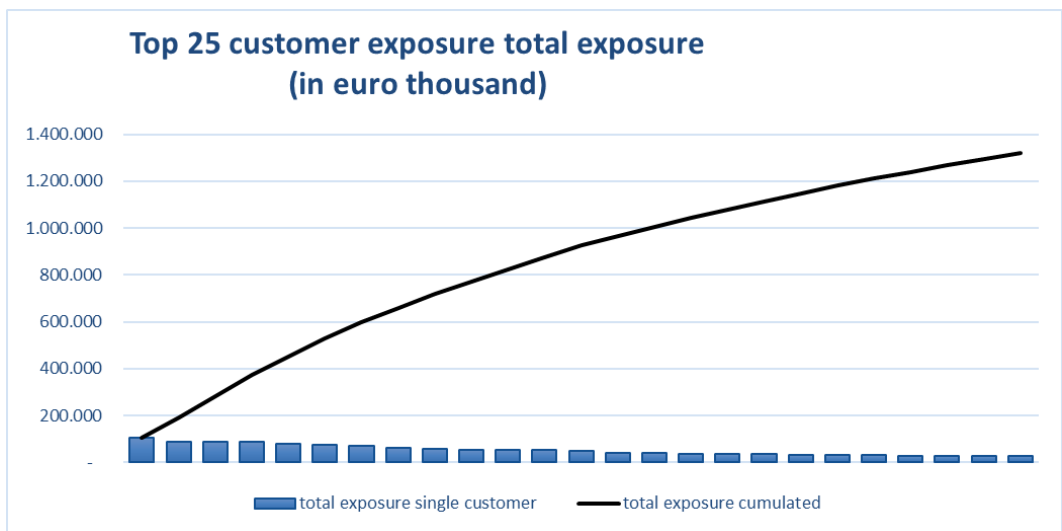
Real estate portfolio – NPL ratio as at 31 December 2024:



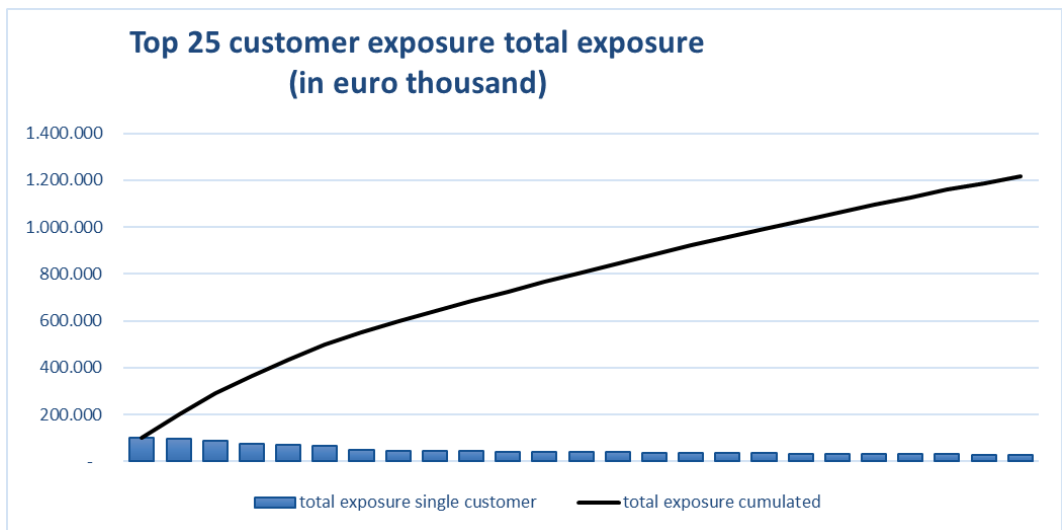
Presentation of the Top 25 exposures

The following chart shows the Top 25 loans and receivables to customers of VBW as at 31 December 2025 with the total exposure per individual customer as well as the cumulative total exposure of euro 1,322,105 thousand (2024: euro 1,216,174 thousand), and reflects the business model of VBW with a focus on small-volume private and SME customers. The Top 25 loans and receivables to customers correspond to some 17.9 % (2024: 17.1 %) of total loans and receivables to customers of VBW (Top no. 1 customer: 1.4 % of total loans and receivables to customers). The values are shown in line with the internal risk perspective, meaning loans and receivables to customers as well as credit risks and contingent liabilities customers excluding internal transactions within the Association.

Top 25 customers total exposure as at 31 December 2025:



Top 25 customers total exposure as at 31 December 2024:



Development by ratings

The division of the individual risk categories is effected according to the internal rating levels applicable within the Association. Receivables of risk category 1 have the highest credit rating (lowest expected default rate), while receivables of risk category 4 have the lowest credit rating, and receivables of risk category 5 constitute defaulted receivables (non-performing loans, NPLs). The NR (not rated) category primarily comprises exposures below the threshold for mandatory rating.

Portfolio distribution by ratings and stages

Euro thousand 31 Dec 2025	Risk category						Total
	1 (1A - 1E)	2 (2A - 2E)	3 (3A - 3E)	4 (4A - 4E)	5 (5A - 5E)	6 (NR)	
Liquid funds	3,507,395	0	0	0	0	0	3,507,395
Loans and receivables to credit	56,076	1,590,892	44	0	0	0	1,647,012
At amortised cost	56,076	1,590,892	44	0	0	0	1,647,012
Thereof Stage 1	56,076	1,590,892	1	0	0	0	1,646,969
Thereof Stage 2	0	0	43	0	0	0	43
Thereof Stage 3	0	0	0	0	0	0	0
Loans and receivables to customers	314,312	3,226,418	2,091,162	389,181	443,244	487	6,464,804
At amortised cost	311,282	3,200,424	2,086,687	386,199	441,484	487	6,426,562
Thereof Stage 1	308,947	3,107,826	1,278,172	7,536	0	265	4,702,745
Thereof Stage 2	2,336	92,598	808,515	378,663	0	222	1,282,334
Thereof Stage 3	0	0	0	0	441,484	0	441,484
At fair value	3,030	25,994	4,475	2,982	1,760	0	38,242
Assets held for trading - fixed-income securities	0	9,325	0	0	0	0	9,325
At fair value	0	9,325	0	0	0	0	9,325
Financial investments - fixed-income securities	2,990,704	1,255,954	20	0	0	0	4,246,678
At amortised cost	2,964,823	1,253,499	0	0	0	0	4,218,322
Thereof Stage 1	2,964,823	1,253,499	0	0	0	0	4,218,322
Thereof Stage 2	0	0	0	0	0	0	0
Thereof Stage 3	0	0	0	0	0	0	0
At fair value	25,880	2,455	20	0	0	0	28,355
Contingent liabilities	13,802	56,647	44,429	9,371	1,286	209	125,743
Thereof Stage 1	11,777	51,638	28,648	2,922	0	199	95,184
Thereof Stage 2	2,024	5,008	15,781	6,449	0	10	29,273
Thereof Stage 3	0	0	0	0	1,286	0	1,286
Credit risks	136,635	3,688,769	215,375	25,440	7,100	1,456	4,074,775
Thereof Stage 1	129,718	3,671,481	162,130	727	0	376	3,964,431
Thereof Stage 2	6,917	17,288	53,245	24,713	0	1,080	103,243
Thereof Stage 3	0	0	0	0	7,100	0	7,100
Total	7,018,923	9,828,005	2,351,030	423,992	451,630	2,152	20,075,731

Euro thousand 31 Dec 2024	Risk category						Total
	1 (1A - 1E)	2 (2A - 2E)	3 (3A - 3E)	4 (4A - 4E)	5 (5A - 5E)	6 (NR)	
Liquid funds	3,830,098	0	0	0	0	0	3,830,098
Loans and receivables to credit	81,816	1,719,488	57	0	0	0	1,801,361
At amortised cost	81,816	1,719,488	57	0	0	0	1,801,361
Thereof Stage 1	81,816	1,719,488	25	0	0	0	1,801,329
Thereof Stage 2	0	0	32	0	0	0	32
Thereof Stage 3	0	0	0	0	0	0	0
Loans and receivables to customers	249,073	3,064,455	2,172,661	282,000	447,803	473	6,216,464
At amortised cost	245,767	3,032,809	2,163,002	280,043	446,237	473	6,168,331
Thereof Stage 1	244,473	2,970,046	1,454,426	10,354	0	206	4,679,506
Thereof Stage 2	1,294	62,763	708,576	269,689	0	267	1,042,588
Thereof Stage 3	0	0	0	0	446,237	0	446,237
At fair value	3,306	31,645	9,659	1,957	1,566	0	48,133
Assets held for trading - fixed-income securities	0	3,541	1,080	0	0	0	4,621
At fair value	0	3,541	1,080	0	0	0	4,621
Financial investments - fixed-income securities	2,254,644	1,374,085	0	0	0	0	3,628,729
At amortised cost	2,232,926	1,369,312	0	0	0	0	3,602,239
Thereof Stage 1	2,232,926	1,369,312	0	0	0	0	3,602,239
Thereof Stage 2	0	0	0	0	0	0	0
Thereof Stage 3	0	0	0	0	0	0	0
At fair value	21,718	4,772	0	0	0	0	26,491
Contingent liabilities	14,006	63,376	46,032	4,089	1,726	307	129,535
Thereof Stage 1	12,264	58,601	38,074	556	0	294	109,789
Thereof Stage 2	1,741	4,775	7,959	3,533	0	13	18,020
Thereof Stage 3	0	0	0	0	1,726	0	1,726
Credit risks	139,531	3,395,578	249,534	24,114	20,828	1,827	3,831,412
Thereof Stage 1	133,686	3,379,998	189,792	2,977	0	440	3,706,892
Thereof Stage 2	5,846	15,580	59,743	21,137	0	1,387	103,692
Thereof Stage 3	0	0	0	0	20,828	0	20,828
Total	6,569,168	9,620,522	2,469,365	310,203	470,357	2,607	19,442,221

Effects from contract amendments

Within the Association of Volksbanks, only customer receivables are affected by contract amendments.

In 2025, a carrying amount of euro 239,201.2 thousand (2024: euro 311,593.0 thousand) at VBW was affected by the effects of contract amendments to financial instruments.

For the year 2025, there was a profit and loss effect from contractual changes to financial instruments amounting to euro +392 thousand (2024: euro -5,492 thousand).

In 2025, with a carrying amount of euro 451.7 thousand (2024: EUR 0.0 thousand), due to a change from Stage 2 to Stage 1, the impairment losses during the period were reclassified from an amount equal to the expected credit losses over the entire lifetime (Lifetime ECL) to an amount equal to the expected credit losses for 12 months (12-month ECL).

Development of NPL portfolio

Receivables are considered defaulted if there is a default of payment of more than 90 days, pursuant to the CRR, and/or if it is unlikely that the borrower is going to meet its loan obligations in full without recourse to certain measures, such as the liquidation of any collateral (if available), or due to other events that could lead to a default. The defaulted loans or NPLs are allocated to risk category 5 within the Association of Volksbanks. Internal control is effected according to the NPL ratio for balance sheet and off-balance sheet loans and receivables to customers. While defaults are monitored for the remaining types of receivables as well, in the past they have been of minor importance for the purpose of control.

As at 31 December 2025, the NPL ratio within internal risk control amounted to 6.1 % for VBW (2024: 6.6 %).

The NPL coverage ratio through risk provisions or Coverage Ratio I for internal reporting amounts to 31.8 % for VBW as at 31 December 2025 (2024: 29.4 %).

The NPL coverage ratio through risk provisions and collaterals or Coverage Ratio III for internal reporting amounts to 108.4 % for VBW as at 31 December 2025 (2024: 102.8 %).

These ratios under the internal risk perspective exclusively refer to loans and receivables to customers as well as credit risks and contingent liabilities towards customers excluding internal transactions within the Association. For this reason, these figures are different from the values presented in the following table. The credit risks and contingent liabilities in the table below also include transactions concluded with other Volksbanks. The items substantially increase the NPL denominator, thus reducing, for instance, the NPL ratio significantly [see explanatory notes below]; accordingly, this perspective is less relevant for risk control.

The loan volume relevant for calculating the NPL ratio amounted to euro 7,375,543 thousand (2024: euro 7,112,309 thousand) in internal reporting. As mentioned already, this amount excludes the internal transactions of the Association and is accordingly much lower than the euro 10,665,322 thousand shown in the following table as at 31 December 2025 (2024: euro 10,177,412 thousand).

Portfolio distribution NPL Portfolio

Euro thousand 31 Dec 2025	Loan volume - total	NPL	NPL Ratio	Risk provision for NPL
Liquid funds	3,507,395	0	0.00%	0
Loans and receivables to credit institutions	1,647,012	0	0.00%	0
At amortised cost	1,647,012	0	0.00%	0
Loans and receivables to customers	6,464,804	443,244	6.86%	140,281
At amortised cost	6,426,562	441,484	6.87%	140,281
Thereof Retail private	2,306,635	38,406	1.67%	9,702
Thereof SME	2,558,350	181,324	7.09%	52,741
Thereof Corporates	809,857	15,199	1.88%	7,089
Thereof other	751,721	206,555	27.48%	70,749
At fair value	38,242	1,760	4.60%	0
Thereof Retail private	27,733	1,400	5.05%	0
Thereof SME	9,399	360	3.83%	0
Thereof other	1,110	0	0.00%	0
Assets held for trading - fixed-income securities	9,325	0	0.00%	0
At fair value	9,325	0	0.00%	0
Financial investments - fixed-income securities	4,246,678	0	0.00%	0
At amortised cost	4,218,322	0	0.00%	0
At fair value	28,355	0	0.00%	0
Contingent liabilities	125,743	1,286	1.02%	741
Credit risks	4,074,775	7,100	0.17%	2,225
Total	20,075,731	451,630	2.25%	143,247
Loans and receivables to customers, contingent liabilities, credit risks	10,665,322	451,630	4.23%	143,247
Liquid funds, loans and receivables to credit institutions	11,619,211	443,244	3.81%	140,281

	NPL coverage ratio (Risk provision)	Collaterals for NPL	NPL coverage ratio (Risk provision +
Liquid funds	0.00%	0	0.00%
Loans and receivables to credit institutions	0.00%	0	0.00%
At amortised cost	0.00%	0	0.00%
Loans and receivables to customers	31.60%	343,463	109.10%
At amortised cost	31.80%	341,717	109.20%
Thereof Retail private	25.30%	31,620	107.60%
Thereof SME	29.10%	145,821	109.50%
Thereof Corporates	46.60%	8,206	100.60%
Thereof other	34.30%	156,071	109.80%
At fair value	0.00%	1,746	99.20%
Thereof Retail private	0.00%	1,403	100.20%
Thereof SME	0.00%	343	95.40%
Thereof other	0.00%	0	0.00%
Assets held for trading - fixed-income securities	0.00%	0	0.00%
At fair value	0.00%	0	0.00%
Financial investments - fixed-income securities	0.00%	0	0.00%
At amortised cost	0.00%	0	0.00%
At fair value	0.00%	0	0.00%
Contingent liabilities	57.60%	772	117.70%
Credit risks	31.30%	0	31.30%
Total	31.72%	344,235	107.94%
Loans and receivables to customers, contingent liabilities, credit risks	31.70%	344,235	107.90%
Liquid funds, loans and receivables to credit institutions and	31.60%	343,463	109.10%

Euro thousand 31 Dec 2024	Loan volume - total	NPL	NPL Ratio	Risk provision for NPL
Liquid funds	3,830,098	0	0.00%	0
Loans and receivables to credit institutions	1,801,361	0	0.00%	0
At amortised cost	1,801,361	0	0.00%	0
Loans and receivables to customers	6,216,464	447,803	7.20%	133,003
At amortised cost	6,168,331	446,237	7.23%	133,003
Thereof Retail private	2,101,026	34,690	1.65%	8,541
Thereof SME	2,651,363	167,505	6.32%	50,860
Thereof Corporates	642,765	22,703	3.53%	12,188
Thereof other	773,177	221,339	28.63%	61,414
At fair value	48,133	1,566	3.25%	0
Thereof Retail private	34,575	1,170	3.39%	0
Thereof SME	12,296	395	3.22%	0
Thereof other	1,253	0	0.00%	0
Assets held for trading - fixed-income securities	4,621	0	0.00%	0
At fair value	4,621	0	0.00%	0
Financial investments - fixed-income securities	3,628,729	0	0.00%	0
At amortised cost	3,602,239	0	0.00%	0
At fair value	26,491	0	0.00%	0
Contingent liabilities	129,535	1,726	1.33%	1,285
Credit risks	3,831,412	20,828	0.54%	2,872
Total	19,442,221	470,357	2.42%	137,160
Loans and receivables to customers, contingent liabilities, credit risks	10,177,412	470,357	4.62%	137,160
Liquid funds, loans and receivables to credit institutions and	11,847,923	447,803	3.78%	133,003

	NPL coverage ratio (Risk provision)	Collaterals for NPL	NPL coverage ratio (Risk provision +
Liquid funds	0.00%	0	0.00%
Loans and receivables to credit institutions	0.00%	0	0.00%
At amortised cost	0.00%	0	0.00%
Loans and receivables to customers	29.70%	346,944	107.18%
At amortised cost	29.81%	345,427	107.21%
Thereof Retail private	24.62%	28,450	106.63%
Thereof SME	30.36%	134,430	110.62%
Thereof Corporates	53.68%	8,176	89.69%
Thereof other	27.75%	174,371	106.53%
At fair value	0.00%	1,517	96.89%
Thereof Retail private	0.00%	1,122	95.86%
Thereof SME	0.00%	395	99.92%
Thereof other	0.00%	0	0.00%
Assets held for trading - fixed-income securities	0.00%	0	0.00%
At fair value	0.00%	0	0.00%
Financial investments - fixed-income securities	0.00%	0	0.00%
At amortised cost	0.00%	0	0.00%
At fair value	0.00%	0	0.00%
Contingent liabilities	74.48%	1,480	160.23%
Credit risks	13.79%	0	13.79%
Total	29.16%	348,424	103.24%
Loans and receivables to customers, contingent liabilities, credit risks	29.16%	348,424	103.24%
Liquid funds, loans and receivables to credit institutions and	29.70%	346,944	107.18%

The following table shows the development of NPL holdings in the business year:

Euro thousand	Total
NPL as at 01 Jan 2024	216,574
Classified as impaired during the year	324,690
Transferred to not-impaired during the year	-5,193
Write off - NPL	-31,689
Net repayments and other movements	-34,025
NPL as at 31 Dec 2024	470,357
Classified as impaired during the year	98,876
Transferred to not-impaired during the year	-21,719
Write off - NPL	-69,043
Net repayments and other movements	-26,840
NPL as at 31 Dec 2025	451,630

Development forbearance portfolio

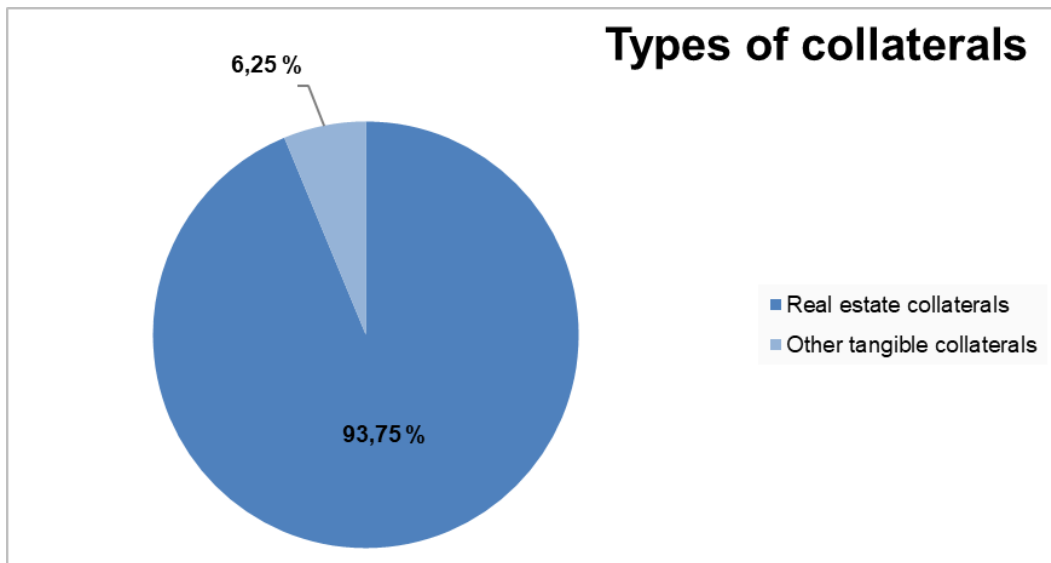
Forbearance refers to contractual concessions made by the bank to the borrower in connection with financial difficulties or imminent financial difficulties of the borrower, but which the bank would not grant otherwise. Borrowers whose transactions are classified as forbore are subject to special monitoring regulations within the Association of Volksbanks. With respect to customer loans, forbearance was agreed for a total carrying amount of euro 337,694 thousand (2024: euro 329,940 thousand) for financial reasons. This amount relates to performing forbore loan exposure in the amount of euro 119,487 thousand (2024: euro 74,313 thousand) and non-performing forbore loan exposure in the amount of euro 218,208 thousand (2024: euro 255,627 thousand).

Development of the portfolio of collaterals:

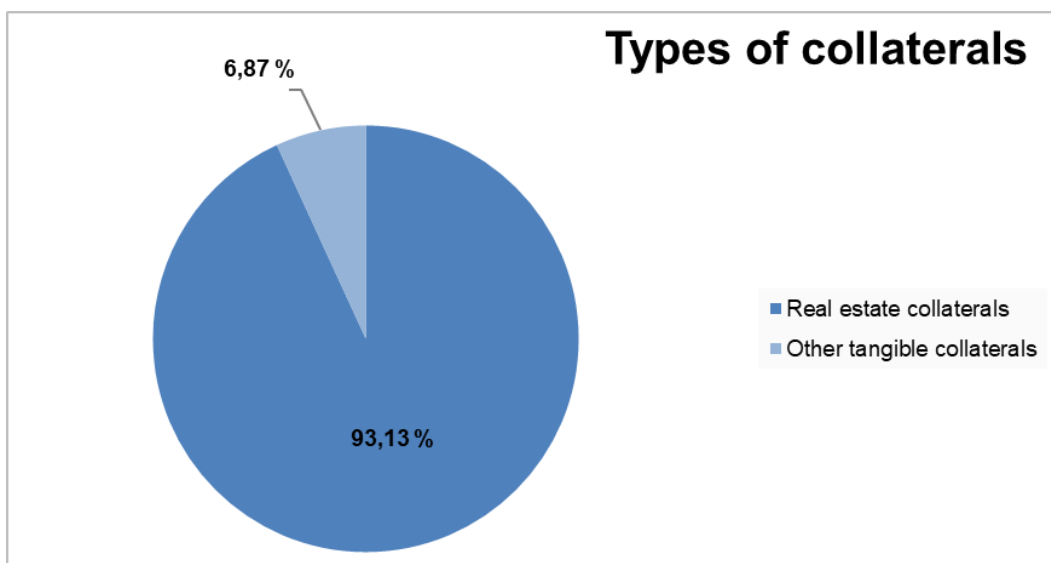
The following charts and table show the development of the portfolio of collaterals, with real estate collaterals accounting for the major part within the Association. The values reported represent the eligible value of the collaterals (after measurement and cap based on the amount of the receivable secured).

In the 2025 business year, no significant changes to the principles – applicable across the Association – for the management of loan collaterals occurred.

Types of collaterals as at 31 December 2025:



Types of collaterals as at 31 December 2024:



Euro thousand 31 Dec 2025	Loan volume - total	Allowable collateral amount - total	Real estate collaterals	Other tangible collaterals	Risk provision	Provision	Loan volume - total, by collaterals and risk provision
Liquid funds	3,507,395	0	0	0	0	0	3,507,395
Loans and receivables to credit	1,647,012	46,060	0	46,060	2,199	0	1,598,753
At amortised cost	1,647,012	46,060	0	46,060	2,199	0	1,598,753
Loans and receivables to customers	6,464,804	5,787,171	5,479,857	307,314	173,132	0	504,501
At amortised cost	6,426,562	5,751,979	5,446,968	305,011	173,132	0	501,451
Thereof Retail private	2,306,635	2,273,823	2,217,335	56,488	14,619	0	18,192
Thereof SME	2,558,350	2,294,943	2,075,563	219,380	73,877	0	189,529
Thereof Corporates	809,857	640,480	620,336	20,144	8,510	0	160,868
Thereof other	751,721	542,733	533,735	8,999	76,125	0	132,862
At fair value	38,242	35,192	32,889	2,303	0	0	3,050
Thereof Retail private	27,733	25,076	23,246	1,831	0	0	2,656
Thereof SME	9,399	9,175	8,704	471	0	0	224
Thereof Corporates	0	0	0	0	0	0	0
Thereof other	1,110	941	940	1	0	0	169
Assets held for trading - fixed-income securities	9,325	0	0	0	0	0	9,325
At fair value	9,325	0	0	0	0	0	9,325
Financial investments - fixed-income securities	4,246,678	0	0	0	593	0	4,246,085
At amortised cost	4,218,322	0	0	0	593	0	4,217,729
At fair value	28,355	0	0	0	0	0	28,355
Contingent liabilities	125,743	45,058	30,866	14,192	0	3,153	77,532
Credit risks	4,074,775	0	0	0	0	3,814	4,070,961
Total	20,075,731	5,878,290	5,510,723	367,567	175,924	6,967	14,014,551

Euro thousand 31 Dec 2024	Loan volume - total	Allowable collateral amount - total	Real estate collaterals	Other tangible collaterals	Risk provision	Provision	Loan volume - total, by collaterals and risk provision
Liquid funds	3,830,098	0	0	0	0	0	3,830,098
Loans and receivables to credit	1,801,361	73,680	0	73,680	2,679	0	1,725,002
At amortised cost	1,801,361	73,680	0	73,680	2,679	0	1,725,002
Loans and receivables to customers	6,216,464	5,619,188	5,313,401	305,788	156,483	0	440,793
At amortised cost	6,168,331	5,575,514	5,272,431	303,084	156,483	0	436,334
Thereof Retail private	2,101,026	2,039,058	1,979,770	59,287	13,213	0	48,756
Thereof SME	2,651,363	2,416,455	2,212,185	204,270	66,344	0	168,564
Thereof Corporates	642,765	452,510	422,101	30,409	12,939	0	177,315
Thereof other	773,177	667,492	658,375	9,117	63,987	0	41,699
At fair value	48,133	43,674	40,970	2,704	0	0	4,459
Thereof Retail private	34,575	31,288	29,208	2,080	0	0	3,286
Thereof SME	12,296	11,417	10,793	624	0	0	879
Thereof Corporates	10	10	10	0	0	0	0
Thereof other	1,253	959	959	0	0	0	294
Assets held for trading - fixed-income securities	4,621	0	0	0	0	0	4,621
At fair value	4,621	0	0	0	0	0	4,621
Financial investments - fixed-income securities	3,628,729	0	0	0	542	0	3,628,187
At amortised cost	3,602,239	0	0	0	542	0	3,601,697
At fair value	26,491	0	0	0	0	0	26,491
Contingent liabilities	129,535	39,379	25,213	14,166	0	3,411	86,745
Credit risks	3,831,412	0	0	0	0	4,293	3,827,120
Total	19,442,221	5,732,247	5,338,614	393,633	159,704	7,704	13,542,566

Acquisition of real estate collaterals

In the past, real estate collaterals were only acquired in individual instances within VBW. This instrument is not applied currently.

Development of the netting positions

The following tables show the netting positions in the portfolio of VBW:

Euro thousand			
31 Dec 2025			
Derivatives	Assets	Liabilities	Net values
Banking book	209,019	-140,962	68,057
Trading book	14,007	-24,810	-10,803
Cash collaterals	Pledged	Received	Net values
Banking book	223,026	-165,772	57,254
Total			114,508

31 Dec 2024			
Derivatives	Assets	Liabilities	Net values
Banking book	241,426	-233,674	7,751
Trading book	18,065	-32,624	-14,560
Cash collaterals	Pledged	Received	Net values
Banking book	259,490	-266,298	-6,808
Total			-13,616

c) Market risk

Market risk is defined as the risk of loss due to adverse developments in market risk factors, e.g. interest rates, credit spreads, foreign exchange rates and volatilities. The Association of Volksbanks distinguishes the following types of market risk:

- Interest rate risk in the banking book
- Credit spread risk in the banking book
- Market risk in the trading book
- Foreign exchange risk (open FX positions)

Interest rate risk in the banking book

Interest rate risks emerge primarily through term transformation, which arises from different fixed interest rates between assets and liabilities. VBW pursues a strategy of positive maturity transformation, where the fixed interest period of the assets is longer than that of the liabilities, and which represents a source of income (i.e. maturity transformation contribution) within net interest income. The interest rate position mainly results from retail banking, where also fixed-interest loans are granted, which are refinanced by customer deposits with short fixed interest periods. The fixed interest portfolio has been built up over several years, creating a rolling fixed-interest position.

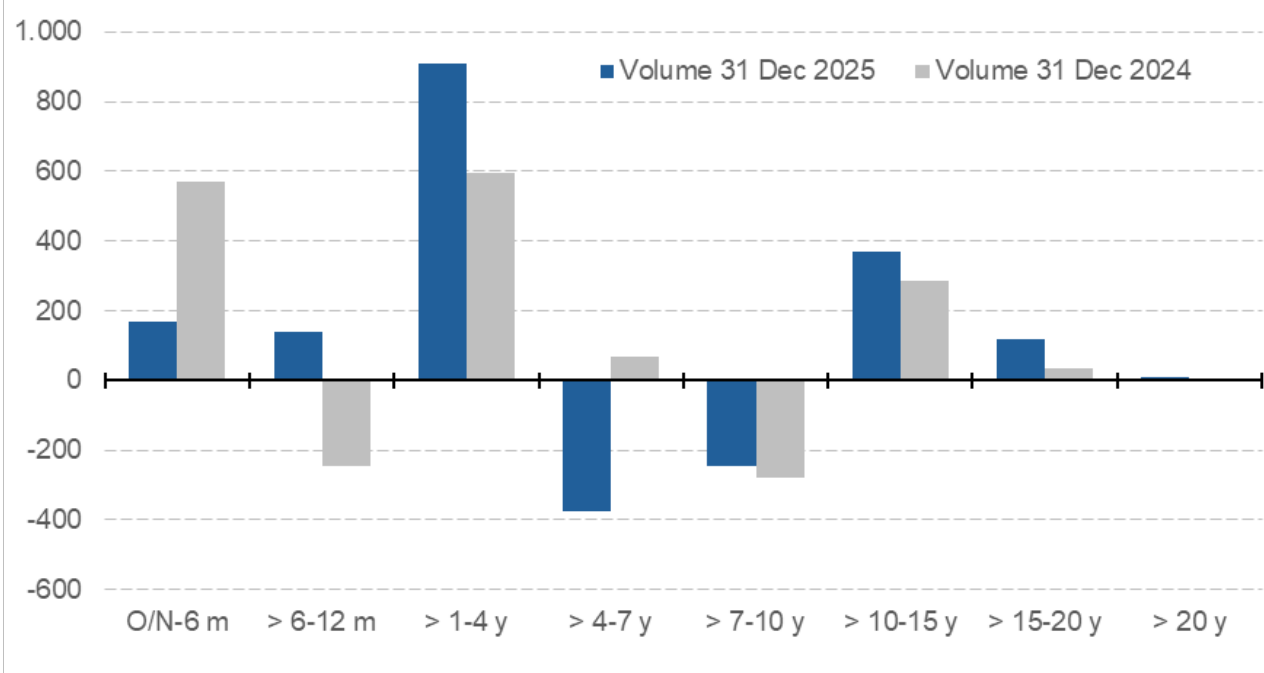
The interest rate risk in the banking book comprises all interest-bearing on-balance-sheet and off-balance-sheet positions (except for transactions in the trading book), as well as interest-sensitive assets and liabilities (participations and provisions). The interest rate risk position associated with the retail business of VBW mainly arises from index-linked loans and loans with fixed interest rates, from deposits with no fixed interest rate or deposits with limited-term bonus interest in the form of sight and savings deposits and fixed-interest deposits. The implicit floors in both the assets side and the liabilities side retail business are also taken into account. Other decisive factors are bond positions of the bank's own portfolio, own issues and the interest rate swaps used to control the interest rate position. Layer hedges for fixed-interest loan portfolios and cash flow hedges for index-linked loan portfolios may be used for hedging under IFRS and the Austrian Business Code (UGB). Micro hedges for securities positions, issues and individual loans may also be used. Retail business with no fixed term and without fixed interest rates or with a limited bonus interest is included in interest rate risk modelling by way of replication assumptions, so as to take into account sensitivity to interest rate changes (e.g. for demand and savings deposits, and giro receivables).

A distinction is made between present value interest rate risk (EVE risk, Economic Value of Equity) and net interest income risk (NII risk). The present value interest rate risk is measured using the EVE coefficient in accordance with Article 84 CRD and the RTS for the interest rate risk outlier test, the PVBP (Price Value of a Basis Point) and the interest rate

book VaR. The VaR is included in the ICAAP as part of the risk-bearing capacity calculation. Net interest income risk is measured using the NII coefficient (equally pursuant to Art 84 CRD and the RTS for the interest rate risk outlier test). The two coefficients of the regulatory outlier test are defined as strategic RAS indicator.

In line with the company’s strategy, VBW has a positive maturity transformation, measured using the regulatory EVE coefficient and PVBP. In case of positive term transformation, the present value interest rate risk consists in increasing interest rates. As opposed to present value interest rate risk, the interest income risk consists in falling interest rates, especially short-term interest rates. This is mainly due to the fact that a large proportion of assets continues to be index-linked, and interest rate adjustments for customer deposits are comparatively sluggish. In addition to changes in the balance sheet structure and fixed-rate periods, payment transaction and fixing effects also influence the monthly coefficient.

VBW interest rate gap (in euro million)



The risk exposure in the EVE risk arises from the asset surplus in the maturity bands exceeding 10 years, which results from the granting of long-term fixed-rate loans. In the maturity bands up to 10 years, customer deposits modelled by the interest rate replicas reduce the interest rate gap. Due to the asset surplus in the long-term maturity bands, the present value risk therefore lies in rising interest rates. In 2025, the +200 BP scenario was applied consistently in the EVE coefficient. Hedges were required from May 2025 onwards to comply with the EVE coefficient, primarily due to continued growth in fixed-rate loans and model enhancements following the implementation of OSI findings. Consequently, the EVE coefficient fluctuated in the second half of the year between the strategic target of 12% and the internal trigger of 13%.

The risk exposure in the NII risk arises from the asset overhang in the maturity band up to 6 months, which is mainly caused by the index-linked loan portfolio. The NII risk therefore lies in falling short-term interest rates. In 2025, the -200 BP scenario was applied consistently to the NII coefficient. A hedging requirement also arose in the NII coefficient in 2025, mainly due to the EVE hedges implemented, which increase the asset gap up to 6 months, and due to the falling deposit interest rate level, which increases the risk from the deposit floors in the event of further interest rate cuts. The NII hedges implemented reduced the gap in the maturity band up to 6 months and increased the gap in the 1–4 year maturity band.

The Asset Liability Committee (ALCO) is responsible for controlling the interest rate position of the Association of Volksbanks within the scope of risk limits defined by Risk Control and approved by the Managing Board through the risk strategy. The ALCO is convened monthly at the CO or ad hoc as required. The Asset Liability Management (ALM) of the CO, which belongs to the Treasury division in organisational terms, is responsible for the management of the ALCO. Proposed measures to control the interest rate position are worked out by ALM in co-operation with Risk Control and the local ALCOs of the affiliated banks. Interest rate risk reporting within the ALCO is taken care of by the Market and Liquidity Risk department of the CO. Interest rate risk is controlled both under a present-value perspective and under a periodic/P&L perspective.

Concentration risk

No concentration risks exist within interest rate risk.

Credit spread risk

The portfolio relevant for the credit spread risk includes both the company's own bond portfolio and receivables from customers that are classified as FVPL (fair value through profit or loss) and do not meet the SPPI requirements (solely payments of principal and interest). The bond portfolio is primarily held as a liquidity buffer, centrally at VBW for the major part, and is therefore mainly invested in public sector bonds of European countries with good credit ratings and in covered bonds. Most of it is eligible for the regulatory liquidity coverage ratio (LCR). Moreover, an opportunity portfolio has been developed since 2024 through investments in Corporates and Senior Financials, to invest liquidity reserves as profitably as possible. As hidden losses can also be realised in the bond portfolio in exceptional cases due to extraordinary sales, AC-classified items are also included in the credit spread risk. The SPPI-impaired loans and receivables to customers classified as FVPL (fair value through profit or loss) represent an expiring portfolio that is distributed across the banks of the Association, with new business only taking place in exceptional cases. Other balance sheet items that are subject to a credit spread are classified as non-credit-spread sensitive, as any hidden burdens cannot be realised.

A distinction is made between the present value risk (EVE risk) and the periodic risk (NII risk). Present value risk measurement is effected via a credit spread VaR and the sensitivity to any increase in credit spreads by 100 bps. For the purposes of calculating the VaR, the portfolio is divided into risk clusters, depending on credit rating, branch of industry, type of product and seniority. The VaR is included in the ICAAP as part of the risk-bearing capacity calculation. Reporting takes place monthly within the ALCO and is part of the aggregate bank risk report.

Risk measurement of the periodic credit spread risk (NII risk) is currently being developed. However, this risk is not material, as the major part of the bond portfolio is invested in securities with high credit ratings and low spreads, meaning that any material decline in the spreads of new investments is not possible. The volume of FVPL is small, and new investments are only possible in exceptional cases, which means that no material risk arises in this area either. The major part of the bond portfolio is allocated to the AC category (amortised cost) under IFRS 9. Therefore, the credit spread risk that affects P&L and OCI is low.

Credit spread sensitivities of VBW

Euro thousand	100 Basispunkte-Shift			Total
	At amortised cost	Fair value through OCI	Fair value through profit or loss	
31 Dec 2025				
Section 30a of the Austrian Banking Act - Association of Volksbanks	-200,547	-959	-925	-202,432
31 Dec 2024				
Section 30a of the Austrian Banking Act - Association of Volksbanks	-168,811	-947	-1,295	-171,053

In 2025, the credit spread risk increased in line with the planned expansion of the bond portfolio. The trend in loans adversely impacting SPPI is declining and of secondary importance.

Concentration risk

Concentration risks within credit spread risk can arise at the level of issuers or risk clusters in case of similar issuers. The risk clusters are reported in the ALCO. As at 31 December 2024, the biggest concentrations currently exist in the covered bonds risk cluster and in the Republic of Austria risk cluster. Concentrations with individual issuers are limited by the issuer lines within credit risk.

Portfolio distribution by credit rating

Euro thousand	31 Dec 2025	31 Dec 2024
Risk category 1 (1A - 1E)	3,925,402	3,122,930
Risk category 2 (2A - 2E)	304,811	514,203
Risk category 3 (3A - 3E)	4,409	8,031
Risk category 4 (4A - 4E)	2,408	1,532
Risk category 5 (5A - 5E)	0	0
Risk category 6 (NR)	0	0
Total	4,237,030	3,646,697

A depot risk cluster

Euro thousand	Amortised cost	Fair value through OCI	Fair value through profit or loss	Total
31 Dec 2025	Carrying amount	Carrying amount	Carrying amount	Carrying amount
Covered EUR AAA	2,390,915	16,825	0	2,407,741
Sovereigns Austria	455,174	10,026	0	465,200
Other sovereigns EUR AAA	402,930	0	0	402,930
Sovereigns Germany	301,645	0	0	301,645
Sovereigns France	131,989	0	0	131,989
Sovereigns Slovakia	57,928	0	0	57,928
Other sovereigns EUR AA	56,860	0	0	56,860
Sovereigns Belgium	45,771	0	0	45,771
Other sovereigns EUR A	44,708	0	0	44,708
Sovereigns Poland	39,921	0	0	39,921
Carrying amount < euro 37	245,904	0	36,433	282,337
Total	4,173,745	26,852	36,433	4,237,030
31 Dec 2024				
Covered EUR AAA	1,963,391	18,015	0	1,981,406
Sovereigns Austria	419,887	6,182	0	426,069
Sovereigns Germany	262,867	0	1,714	264,582
Sovereigns France	151,180	0	0	151,180
Financials EUR AA	142,535	0	0	142,535
Other sovereigns EUR AAA	105,856	0	0	105,856
Sovereigns Slovakia	105,742	0	0	105,742
Sovereigns Belgium	63,026	0	0	63,026
Sovereigns Spain	46,843	0	0	46,843
Sovereigns Portugal	42,373	0	0	42,373
Carrying amount < euro 42	271,960	0	45,126	317,085
Total	3,575,659	24,197	46,840	3,646,697

Structure by IFRS 9 categories

Euro thousand	Bond	Loan & SSD	Fund & Equity	Total
31 Dec 2025				
Amortised cost	4,173,745	0	0	4,173,745
Fair value through OCI	26,852	0	0	26,852
Fair value through profit or loss	1,005	35,429	0	36,433
Total	4,201,601	35,429	0	4,237,030
31 Dec 2024				
Amortised cost	3,575,659	0	0	3,575,659
Fair value through OCI	24,197	0	0	24,197
Fair value through profit or loss	2,740	44,100	0	46,840
Total	3,602,597	44,100	0	3,646,697

Market risk in the trading book

The market risk in the trading book of VBW is of subordinate importance. The trading book is kept centrally at the CO. The affiliated banks do not keep a trading book. The main function of the trading book is that of a transformer, where smaller batches from retail banking are collected and dynamically hedged in the market. Additionally, Treasury takes market risks within the scope of the limits approved, in order to produce income. The trading book volume (including FX and commodity positions in the banking book) is continuously far below the regulatory threshold of euro 500 million (Art. 325a CRR).

Risk measurement is effected mainly through a VaR of interest rate, volatility and foreign exchange risks (historical simulation), a BPV gross and net (outright), and an indicative P&L for the stop-loss limit. Additionally, limits customary in the industry exist for option-related indicators ("Greeks"). Reporting is effected daily to the Treasury and Risk Control divisions and monthly within the ALCO.

The trading book risk within VBW is relatively low and mainly arises from euro interest rate positions.

Interest, interest volatility and credit spread sensitivities in the trading book

Euro thousand	Interest +1 basis point	Interest volatility +1 %	Credit spread +1 basis point
31 Dec 2025			
Trading book	-4	-3	-7
31 Dec 2024			
Trading book	-1	-4	-3

Foreign exchange risk (open foreign exchange positions)

The foreign exchange risk from open FX positions is immaterial at VBW. It arises due to changes of the value of outstanding receivables and liabilities in foreign currencies through exchange rate fluctuations. It is minimised by Treasury as part of operational liquidity management.

Open foreign exchange positions:

Euro thousand	31 Dec 2025	31 Dec 2024
Currency		
GBP	25	16
CZK	24	28
JPY	15	0
USD	4	-133
CHF	-3	-37
Others	1,246	984
Total	1,311	858

d) Liquidity risk

The most important source of funding of VBW consists of highly diversified customer deposits, which have proven to be a stable source of funding. Obviously, this is responsible for the major part of liquidity risk. More than two-thirds of total assets are refinanced through customer deposits. Refinancing via capital market issues, the majority of which are covered bonds, is significantly lower. The proportion of capital market refinancing remains below 15% of total assets.

VBW is the only institution in the Association that has access to the ECB/OeNB and can therefore also refinance itself through central bank funds.

In liquidity risk, a distinction is made between illiquidity risk and "Fundingsverteuerungsrisiko" (the risk that the cost of obtaining funding will increase). Illiquidity risk is the risk to be unable to settle payment obligations when they are due. For the Association, which consists of retail banks, illiquidity risk typically consists in the risk of a bank run. This occurs when, due to a loss of confidence, customers withdraw large deposit volumes and at the same time alternative funding sources are not accessible. Illiquidity risk is managed by holding a sufficient liquidity buffer. VBW is responsible for the central management of the liquidity buffer for the whole of the Association of Volksbanks. The liquidity buffer mainly consists of highly liquid bonds that are LCR-eligible for the major part, of deposits with the national bank, of ECB tender potential, and covered bond issue potential. The liquidity of the liquidity buffer is tested regularly. The "Fundingsverteuerungsrisiko" is the risk that, while there is access to funding, this funding is getting more expensive. The "Fundingsverteuerungsrisiko" constitutes a burden on the income statement. It is accounted for as P&L risk within the ICAAP.

The measurement and limitation of illiquidity risk is effected through the regulatory indicators LCR and NSFR, the survival period from internal liquidity stress testing. The LCR aims to ensure the short-term financial solvency of banks under stressed conditions over a short-term horizon of 30 calendar days. The NSFR limits the liquidity term transformation by determining a minimum of stable refinancing, depending on the liquidity characteristics of the assets and other off-balance sheet transactions of a bank. The survival period is the period during which, under a given stress scenario, the liquidity buffer held is sufficient to cover cumulated net liquidity outflows. The ratios are calculated on a monthly basis and, additionally, the LCR on a weekly basis. The Fundingsverteuerungsrisiko is measured by way of a scenario analysis that takes into account the effect on funding costs, considering general planning uncertainties and adverse idiosyncratic conditions. These calculations provide input to the ICAAP as well as stress testing activities across the Association.

VBW centralises both operational, short-term liquidity management and medium- to long-term liquidity management for the entire Association. The affiliated credit institutions cover their refinancing needs and invest their surplus liquidity through VBW. Monitoring and limitation of liquidity risk across the Association, as well as the methodological guidelines for risk measurement, are handled by the Market and Liquidity Risk Controlling department within VBW. The liquidity position of the Association of Volksbanks is managed by the ALCO and the Treasury department of the CO within the framework of risk limits set by Risk Controlling and approved by the Managing Board. Liquidity risk reporting within the ALCO is carried out by the Market and Liquidity Risk Controlling department. Operational liquidity management is handled by the Liquidity Management department within the Treasury division. This department is also responsible for transfer pricing, central management of collateral across the Association, determining the funding structure, distributing available liquid funds, and ensuring compliance with the refinancing strategy.

Liquidity position and liquidity ratios in 2025:

The association of credit institutions continues to enjoy a comfortable liquidity position in 2025. The increase in customer deposits continued as planned. In addition, further liquidity was raised through issuances to customers and on the capital market. Issuances to customers do not result in material liquidity inflows, as this liquidity mostly originates from deposits. The increase in refinancing offset the liquidity requirements arising from lending activities, thereby maintaining the comfortable liquidity position. Customer receivables continue to be refinanced primarily through customer deposits.

The LCR remained broadly stable at a high level between 190% and 210% up to November 2025. As at 31 December 2025, the LCR rose to 236% (2024: 201%), which is mainly attributable to short-term payment transaction effects. The survival period (calculated only at the Association level) also shows high values in the bank run scenario, analogous to the LCR. In 2025, it remained above 250 days throughout the year. The NSFR also remained virtually stable in 2025 at a high level of between 180 % and 200 %, demonstrating the solid liquidity structure of the Association and therefore of VBW over the longer term also.

Concentration risk

Due to diversified funding through customer deposits, concentration risk is not material. Risk clusters might occur at customer level. Accordingly, the largest deposits at customer level are monitored both in Risk Control and within operational liquidity management. Generally, they amount to less than 1 % of total assets. There are only a few temporary exceptions with a few major accounts for implementing payment transactions or balancing liquidity peaks. These deposits are regularly monitored and reported on within the scope of liquidity risk management.

51) Fully consolidated companies

Company names and headquarters	Type*	Equity interest	Share in voting rights	Nominal capital in euro thousand
3V-Immobilien Errichtungs-GmbH; Vienna	HD	100.00%	100.00%	35
Schulze-Delitzsch Ärzte und Freie Berufe e.Gen.; Vienna	HO	11.22%	11.22%	4,459
VB Infrastruktur und Immobilien GmbH; Vienna	HD	100.00%	100.00%	35
VB Services für Banken Ges.m.b.H.; Vienna	HD	100.00%	100.00%	327
VOBA Vermietungs- und Verpachtungsges.m.b.H.; Baden	HD	100.00%	100.00%	36

All fully consolidated companies are under control.

52) Companies measured at equity

Company names and headquarters	Type*	Equity interest	Share in voting rights	Nominal capital in euro thousand
VB Verbund-Beteiligung eG; Vienna	HO	30.47%	30.47%	51,742
Volksbank Kärnten eG; Klagenfurt	KI	26.79%	26.79%	32,691

53) Unconsolidated affiliated companies

Company names and headquarters	Type*	Equity interest	Share in voting rights	Nominal capital in euro thousand
ARZ-Volksbanken Holding GmbH; Vienna	HO	74.54%	74.54%	256
UVB-Holding GmbH; Vienna	SO	100.00%	100.00%	35
VBKA-Holding GmbH; Vienna	SO	100.00%	100.00%	35

*Abbreviations Type

KI credit institution
HD ancillary banking service
SO, HO other enterprise

We draw attention to the fact that the English translation of this auditor's report according to section 60 para. 1 and section 43 para 1 BWG (Austrian Banking Act) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the accompanying consolidated financial statements of VOLKSBANK WIEN AG, Vienna and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, the cash flow statement and the changes in the Group's equity for the financial year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended in accordance with IFRS Accounting Standards published by the International Accounting Standards Board (IASB) as adopted by the EU and the additional regulations of section 59a BWG in connection with section 64 BWG and 245a UGB (Austrian Company Code).

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles, the Austrian Banking Act and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Emphasis of matter – Scope of consolidation

We refer to note 2 "Presentation of and changes to the scope of consolidation" which explains that VOLKSBANK WIEN AG, Vienna, does not include the other Volksbanks of the Association of Volksbanks in the consolidated financial statements pursuant to section 30a BWG. In this assessment, the management of VOLKSBANK WIEN AG, Vienna, made significant assumptions and used judgements. There is a chance that an oversight body might reach a different conclusion in a later consideration of the matter, leading to an inclusion of the other Volksbanks of the Association of Volksbanks in the scope of consolidation pursuant to section 30a BWG. Moreover, we have identified this matter as a key audit matter.

Our audit opinion is not modified in respect of this matter.

Other matter

The consolidated financial statements of VOLKSBANK WIEN AG, Vienna, for the financial year ended 31 December 2024 were audited by another auditor who issued an auditor's report containing an unqualified audit opinion dated 5 March 2025.

Our audit opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures

1. Scope of consolidation

Description

Determining the scope of consolidation pursuant to IFRS 10 requires assessing whether VOLKSBANK WIEN AG controls another company, meaning (a) has power over another entity, (b) is exposed to variable returns and (c) has the ability to affect those returns through its power to direct the activities of the entity. Regarding criterion (c) a difference is to be made whether this right is exercised for their own behalf (principal) or for someone else (agent). Regarding the Association of Volksbanks, which is centrally organised, association contract and general instructions, analysing the control criteria is complex and involves significant assumptions and areas of judgement. Incorrectly determining the scope of consolidation may have significant effects on presentation, key figures and disclosures in the consolidated financial statements. In this light, we have determined the proper application of the consolidation requirements pursuant to IFRS 10 as key audit matter.

Audit approach and key observations

In order to assess the appropriateness of the scope of consolidation, we

- read and acknowledged the relevant documents (e.g. association contract, articles of association, and individual instructions) in order to identify applicable rights and obligations to assess control over other companies including distinguishing standard essential patents from patents and evaluating their enforceability.
- assessed together with internal IFRS experts whether VOLKSBANK WIEN AG, Vienna
 - has power over the allocated credit institutions,
 - is exposed to variable returns and
 - has the ability to affect those returns through its power to direct the activities of the entity as well as whether VOLKSBANK WIEN AG, Vienna acts as principal or agent.
- reviewed and critically assessed the evaluations of management (documentation of assessments pursuant to IFRS 10, assumptions and judgements).

Reference to related disclosures

We refer to the disclosures made by management in note "2 Presentation of and changes to the scope of consolidation" in the Notes.

2. Impairment of loans and advances to customers (expected credit losses)

Description

Impairment of loans and advances to customers reflect the management's best possible estimate of expected credit losses from loans and advances to customers as at the balance sheet date. VOLKSBANK WIEN AG has recognised an impairment of EUR 6,426.6m to cover expected credit losses of loans and advances to customers valued at amortised cost of EUR 173.1m as at 31 December 2025. In the consolidated financial statements, the impairment is calculated pursuant to the expected credit loss model according to IFRS 9 and is subject to a significant degree of judgment by management due to the included assumptions and required estimates.

The impairment for non-defaulted loans and advances to customers is calculated based on statistical principles, including parameters relevant for risk (e.g. probability of default, loss-given defaults, exposure at default) and forward-looking information. Moreover, a significant increase of the client's credit risk is recognised according to an assignment to risk levels. The models developed and implemented for calculating impairment are specific to the individual credit portfolios.

Within monitoring of loans and advances to customers, it is verified whether an impairment is to be recognised for already defaulted loans and advances. This includes also an assessment whether customers will be able to pay the full amount of contractually agreed repayments. The calculation of the impairments for defaulted, individually material loans and

advances to customers is based on an individual analysis of expected and scenario-weighted future repayments. The analysis depends on the assessment of the economic situation and development of the respective client, the valuation of securities as well as the estimate of the amount and point in time of derived repayments. For defaulted, individually non-material loans and advances to customers, the impairment is calculated based on statistically calculated common risk features. The calculation depends on the rating method and available securities using statistical loss-given defaults.

Due to the mentioned uncertainties due to estimates and required judgement in calculating the impairment, we have identified this matter as a key audit matter.

Audit approach and key observations

To assess the appropriateness of impairment of loans and advances to customers, we

- obtained an understanding of the methods applied by VOLKSBANK WIEN AG to calculate impairments on loans and advances to customers (expected credit loss pursuant to IFRS 9), evaluated these methods using guidelines, process documentation and interviews and verified their appropriate implementation.
- evaluated the control activities in credit risk management and in the credit processes – especially credit granting/ credit approval, ongoing monitoring and early warning systems, UTP assessment (unlikely to pay), rating models as well as evaluation of securities. We tested identified key controls regarding their design, implementation and effectiveness of their function based on samples.
- reviewed the model governance and validation processes and critically assessed the validation reports as well as information reported to management.
- assessed the appropriateness of the risk parameters (especially probability of default, loss-given default, exposure at default) and of the transfer of risk levels as well as the inclusion of forward-looking information (macroeconomic scenarios and their weighting) and reviewed the plausibility of possible overlays/post-model adjustments.
- tested the correct assignment to risk levels for selected portfolios pursuant to the relevant guidelines.
- verified based on samples, whether loss events were identified pursuant to internal guidelines.
- evaluated furthermore the underlying scenarios as well as the expected, scenario-weighted cashflows and retraced the mathematical calculation of the impairment in case of defaulted, individually material engagements.

Reference to related disclosures

We refer to the disclosures made by management in note 3 p) "Risk provision" and note 15 "Risk provision" in the Notes.

3. Recoverability of deferred tax assets from tax loss carry-forwards

Description

Deferred tax assets for future claims from tax loss carry-forwards amount to EUR 84.4m. In order to determine the recoverability of deferred tax assets, it is required to assess the utilisation of loss carry-forwards under tax law based on a forecast of future taxable results. The expected macroeconomic situation and the expected business development of VOLKSBANK WIEN AG significantly determine this forecast.

Due to the mentioned uncertainties due to estimates and required judgement in determining the deferred tax assets, we have identified this matter as a key audit matter.

Audit approach and key observations

In order to assess the appropriateness of the recognition of deferred tax assets from tax loss carry-forwards regarding income tax matters selected based on materiality together with internal tax experts, we

- identified and assessed the process to determine deferred tax assets from tax loss carry-forwards.
- performed plausibility checks of assumptions on which the approved budgets are based.
- examined the book-to-tax reconciliation between planned IFRS results (budgets) and tax results.
- critically assessed and reconciled the determination of recoverability of deferred tax assets from tax loss carry-forwards to the calculation notes.
- reviewed the determined recoverable deferred tax assets of the consolidation and reconciled with the recognised amounts.

Reference to related disclosures

We refer to the disclosures made by management in note 3 v) "Tax assets and liabilities" and note 23 "Tax assets and liabilities" in the Notes.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the group management report and our auditor's report thereon. The annual report, is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and the additional regulations of section 245a Austrian Company Code, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, on measures taken to eliminate identified threats or on applied safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Group Management Report

Pursuant to Austrian Generally Accepted Accounting Principles, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the group management report was prepared in accordance with the applicable legal regulations. Regarding the (consolidated) non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to consider whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the group management report in accordance with Austrian Generally Accepted Accounting Principles and the Austrian Banking Act.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the group management report.

Opinion

In our opinion, the group management report was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the group management report came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor for the financial year 2025 at the ordinary general meeting dated 25 April 2024 in connection with the clarifying resolution taken at the general meeting dated 19 June 2024. We were appointed by the Supervisory Board on 25 June 2024. Besides that, we were elected as auditor for the following financial year by the ordinary general meeting on 24 April 2025 and appointed by the Supervisory Board on 30 April 2025. We have audited the Company for an uninterrupted period since the financial year 2025.

We confirm that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement is Mr. Werner Stockreiter, Austrian Certified Public Accountant.

Vienna
5 March 2026

PwC Wirtschaftsprüfung GmbH

Werner Stockreiter
Austrian Certified Public Accountant
signed

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the consolidated financial statements together with our auditor's report is only allowed if the consolidated financial statements and the group management report are identical with the German audited version. This auditor's report is only applicable to the German and complete consolidated financial statements with the group management report. For deviating versions, the provisions of section 281 para. 2 UGB apply.

STATEMENT OF ALL LEGAL REPRESENTATIVES

VOLKSBANK WIEN AG Statement of all Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Vienna, 5 March 2026



Gerald Fleischmann
Chairman of the Managing Board



Rainer Borns
Deputy Chairman of the Managing Board



Thomas Uher
Deputy Chairman of the Managing Board



Christine Grabmair, MSc
Member of the Managing Board

Officers and Adresses

Officers and Adresses

VOLKSBANK WIEN AG	280
TERMINOLOGY	281
IMPRINT	282

VOLKSBANK WIEN AG

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TERMINOLOGY

Association of credit institutions under section 30a of the Austrian Banking Act (BWG)

The association of credit institutions comprises the affiliated credit institutions and VOLKSBANK WIEN AG as the central organisation.

Affiliated credit institutions

The affiliated credit institutions include seven regional Volksbanks¹⁾ as well as Österreichische Ärzte- und Apothekerbank.

VOLKSBANK WIEN AG¹⁾

is one of the regional Volksbanks and also acts as the central organisation of the Association of Volksbanks.

Austrian Cooperative Association

The Austrian Cooperative Association (*Österreichische Genossenschaftsverband* or ÖGV) is the audit association for the primary banks within the Volksbank Group. It also represents the interests of its members and, in accordance with the Austrian Banking Act (BWG), is responsible for statutory early detection. It has been carrying out this task in conjunction with *Einlagensicherung Austria* since early 2019.

1) VOLKSBANK WIEN AG is a regional Volksbank, but due to its function as central organisation of the Association it does not count among the affiliated credit institutions.

IMPRINT

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While every care has been taken to ensure that the data and information provided is correct, no liability is accepted for the completeness or accuracy of the data and information.

The Association of Volksbanks is committed to diversity and the equality of all genders. For reasons of readability, male, female and diverse word forms are not used simultaneously. All words designating persons refer to all genders in equal measure.

