

ANNUAL REPORT

ASSOCIATION OF VOLKSBANKS
2025

KEY FIGURES OF THE ASSOCIATION OF VOLKSBANKS

Euro million	31 Dec 2025	31 Dec 2024	31 Dec 2023
Balance sheet			
Total assets	32,897	32,065	30,482
Loans and receivables to customers	23,564	23,224	22,800
Liabilities to customers	23,601	23,256	22,180
Liabilities evidenced by certificates	4,231	3,490	3,281
Subordinated liabilities	1,244	1,273	450
Own funds			
Common equity Tier 1 capital (CET1)	2,520	2,408	2,332
Additional Tier 1 capital (AT1)	0	0	220
Tier 1 capital (T1)	2,520	2,408	2,552
Tier 2 capital (T2)	1,092	1,162	319
Own funds	3,612	3,570	2,872
Risk weighted exposure amount credit risk	14,672	14,102	13,762
Total risk exposure amount market risk	24	20	28
Total risk exposure amount operational risk	1,486	1,447	1,420
Total risk for credit valuation adjustment	10	9	9
Total risk exposure amount	16,192	15,577	15,218
Common equity Tier 1 capital ratio	15.6%	15.5%	15.3%
Tier 1 capital ratio	15.6%	15.5%	16.8%
Equity ratio	22.3%	22.9%	18.9%
Income statement			
	1-12/2025	1-12/2024	1-12/2023
Net interest income	586.6	646.2	705.1
Risk provision	-137.2	-220.5	-65.0
Net fee and commission income	293.5	279.6	262.4
Net trading income	4.5	7.1	5.3
Result from financial instruments and investment properties	19.7	-7.4	-1.1
Other operating result	-13.4	-0.1	-8.9
General administrative expenses	-613.6	-588.6	-535.7
Result from companies measured at equity	0.9	40.7	2.7
Annual result before taxes	141.0	156.9	364.8
Income taxes	9.0	-25.5	-38.5
Annual result after taxes	150.0	131.5	326.3
Result attributable to non-controlling interests	0.0	0.0	0.0
Result of the Group	150.0	131.5	326.3
Operating result	277.3	336.8	427.1
Key ratios			
	1-12/2025	1-12/2024	1-12/2023
Cost-income-ratio	69.2%	62.8%	55.5%
ROE before taxes	5.3%	5.9%	14.0%
ROE after taxes	5.6%	4.9%	12.6%
Net interest margin	1.8%	2.0%	2.3%
NPL ratio	5.5%	5.1%	2.5%
Leverage ratio	7.5%	7.3%	8.1%
Liquidity coverage ratio	215.1%	198.2%	192.6%
Net stable funding ratio	136.4%	138.4%	135.0%
Loan deposit ratio	103.1%	103.0%	105.3%
Coverage ratio I	30.6%	28.7%	32.9%
Coverage ratio III	106.5%	104.7%	109.6%
Resources			
	1-12/2025	1-12/2024	1-12/2023
Staff average	3,153	3,135	3,053
Thereof domestic	3,153	3,135	3,053
Staff at end of period	3,168	3,158	3,108
Thereof domestic	3,168	3,158	3,108
Number of branches	231	231	232
Thereof domestic	231	231	232
Number of customers	955,727	960,344	966,082

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.

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Association Management Report

Association Management Report

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MANAGEMENT REPORT OF THE ASSOCIATION OF VOLKSBANKS

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 %

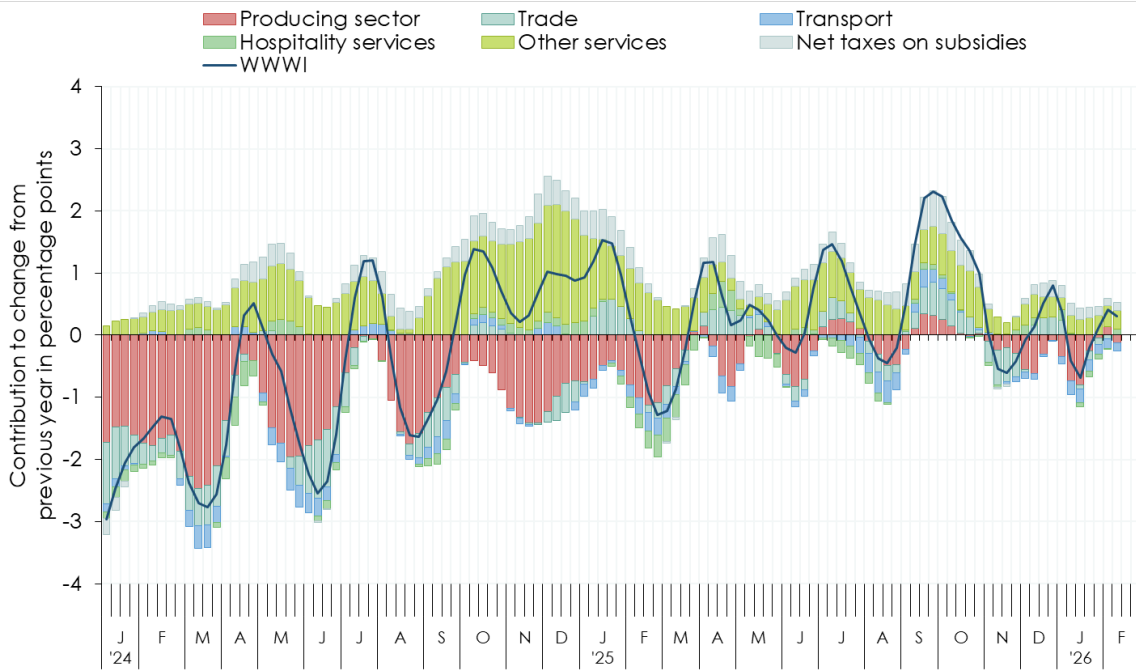
Source: WIFO, Statistics Austria and AMS, as at 30 January 2026

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.

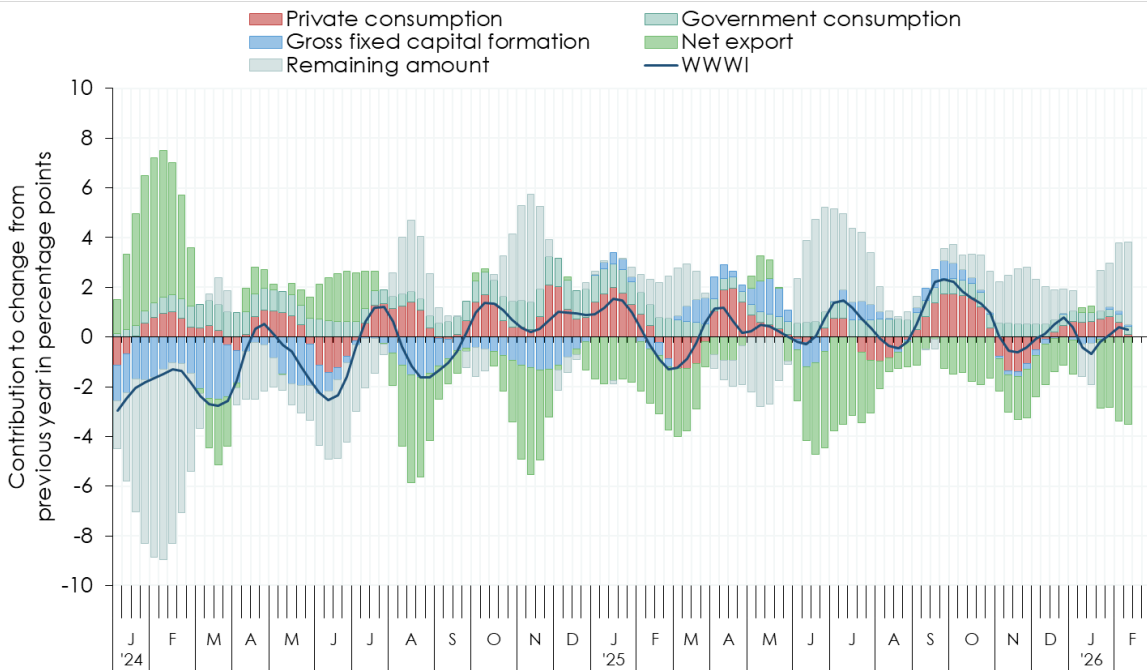
Weekly economic activity according to the WWI (for data and charts, see Weekly WIFO Economic Index – WIFO).

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 Association for the 2025 financial year

Financial performance

The Association of Volksbanks' pre-tax profit for the 2025 financial year amounted to euro 141.0 million (2024: euro 156.9 million), the association's profit after tax to euro 150.0 million (2024: euro 131.5 million) and the operating profit¹ to euro 277.3 million (2024: euro 336.8 million).

Net interest income decreased in the 2025 financial year from euro 646.2 million in the previous year to euro 586.6 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 1,179.9 million to euro 1,000.7 million, while on the expense side, interest and similar expenses fell from euro -533.8 million to euro -414.1 million. Interest income from loans to and receivables from customers decreased by euro -135.5 million, while interest expenses to customers fell by euro 121.4 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 93.9 million (2024: euro 65.5 million). Interest expenses for debts evidenced by certificates increased by euro -13.1 million to euro -95.1 million (2024: euro -82.0 million) and for subordinated liabilities by euro -16.9 million to euro -67.6 million (2024: euro -50.7 million).

Risk provisions amounted to euro -137.2 million, which is euro 83.3 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 -87.6 million (2024: euro -166.8 million) and portfolio value adjustments of euro -45.4 million (2024: euro -49.3 million). Net additions of euro -4.1 million (2024: euro -4.5 million) were made for off-balance sheet business.

Net commission income of euro 293.5 million increased further in the reporting year compared with the previous year (2024: euro 279.6 million). The increase is attributable to securities business (euro 14.3 million), custody business (euro 3.0 million) and current account and payment transactions (euro 2.2 million). This was offset by declines in other service business (euro -3.3 million) and lending business (euro -2.4 million).

Net trading income amounted to euro 4.5 million in the 2025 financial year, down euro -2.5 million on the previous year. This was mainly due to the valuation of currency derivatives, foreign exchange, foreign currencies and precious metals.

Income from financial instruments and investment properties rose by euro +27.1 million to euro +19.7 million in the reporting year compared with the previous year (2024: euro -7.4 million). The increase in income is mainly due to higher dividends received of euro +22.3 million, in particular from Volksbanken Holding eGen in the amount of euro +10.9 million, a euro +7.1 million improvement in the valuation result of receivables recognised at fair value, and a euro +2.4 million increase in the result from issues measured 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 guaranteed savings products of euro -2.2 million and from derivatives and fair value hedges of euro -6.6 million.

Other operating income amounted to euro -13.4 million in the 2025 financial year (2024: euro -0.1 million). The decline is mainly attributable to significantly higher regulatory expenses and provisions for deposit protection, which totalled euro -21.7 million (2024: euro -3.7 million). In addition, provisions for claims for loss events were euro +9.1 million lower than in the previous year.

Administrative expenses rose by euro -25.0 million compared with the same period of the previous year to euro -613.6 million (2024: euro -588.6 million). Personnel expenses rose by euro -9.3 million to euro -345.2 million due to a higher average number of employees and adjustments to collective agreements. Material and other non-personnel expenses also rose by euro -15.7 million. The main reasons for this were increased expenditure on IT projects of euro -7.3 million, higher expenditure on training of euro -2.4 million and other general material expenses of euro -4.1 million.

Income taxes for the 2025 financial year amount to euro +9.0 million (2024: euro -25.5 million) and include deferred tax income of euro +29.2 million (2024: deferred tax expenses of euro -8.6 million). Based on tax planning for the next five years, deferred tax assets of euro 46.7 million (2024: four planning years euro 9.7 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 -20.2 million in 2025 (2024: euro -16.9 million).

¹The 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 32.9 billion, which is euro 0.8 billion higher than the figure for the end of 2024 (euro 32.1 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 balances with the OeNB.

Liquid funds (cash and central bank deposits) of euro 3.7 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 remained virtually unchanged at euro 0.2 billion compared with the end of 2024.

Loans to and receivables from customers amounted to euro 23.6 billion as at 31 December 2025, which is above the previous year's figure as at 31 December 2024 (euro 23.2 billion). The moderate increase is attributable to growth in customer volume. Risk provisions increased only slightly from euro -0.5 billion to euro -0.6 billion.

The growth in financial investments by euro 0.9 billion to euro 4.4 billion (2024: euro 3.5 billion) is attributable to purchases of fixed-income securities.

Liabilities to banks amounted to euro 0.3 billion, down euro -0.2 billion compared with 31 December 2024 (euro 0.5 billion) due to lower refinancing with banks.

Liabilities to customers increased by euro 0.3 billion to euro 23.6 billion as at 31 December 2025 (2024: euro 23.3 billion). On the one hand, higher time deposits led to an increase of euro 0.7 billion, while declines in current accounts and unrestricted savings deposits of euro 0.4 billion had the opposite effect.

The volume of debts evidenced by certificates amounted to euro 4.2 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 0.2 billion is attributable to a slight decrease in the market values of derivatives.

Equity has increased by euro 151.3 million to euro 2.7 billion since the beginning of the year. This change is mainly due to the consolidated total result for the 2025 financial year (euro 151.5 million), which comprises the 2025 net profit of euro 150.0 million and other comprehensive income of euro 1.5 million.

Financial performance indicators

The regulatory capital of the Association of credit institutions, including profit allocation, amounts to euro 3.6 billion as at 31 December 2025 (31 December 2024: euro 3.6 billion). The total risk amount as at 31 December 2025 is euro 16.2 billion (31 December 2024: euro 15.6 billion). The CET1 ratio relative to total risk is 15.6% (31 December 2024: 15.5%), while the capital ratio relative to total risk is 22.3% (31 December 2024: 22.9%).

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	5.3%	5.9%	14.0%
Return on Equity after tax	5.6%	4.9%	12.6%
Cost-income ratio	69.2%	62.8%	55.5%

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 Association of Volksbanks 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 Association Report, Note 45).

Report on the future development and risks of the association

Future development of the association

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. Dezember 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 Association 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 Association.

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 Association 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 the ICAAP and OpRisk group.

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.

Non-Financial Statement for the Association of Volksbanks 2025

OVERVIEW



47.35 HOURS

AVERAGE HOURS OF TRAINING
PER EMPLOYEE AT THE
ASSOCIATION OF VOLKSBANKS



100 %

GREEN ELECTRICITY
AT THE ASSOCIATION
OF VOLKSBANKS



118

ELECTRIC VEHICLES IN
OUR COMPANY FLEET¹⁾

**FROM + 18
TO + 19**

INCREASE IN EMPLOYEE
NET PROMOTER SCORE
IN 2025



1,428²⁾

PART-TIME EMPLOYEES

3,800²⁾

EMPLOYEES WORK FOR THE
ASSOCIATION OF VOLKSBANKS



96.31%

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) As at 31.12.2025

2) In the Association of Volksbanks

3) Maximum 5 % of customer receivables in neighbouring countries

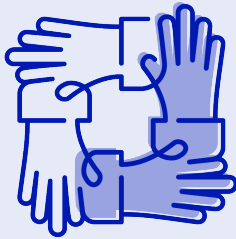
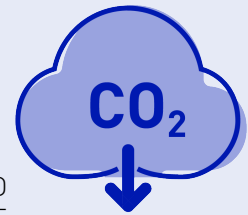


32

CUSTOMER SATISFACTION SCORE (NPS)

95.4 %⁴⁾

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



INTEGRATION

ESG IN RISK AND CREDIT PROCESSES

22 %

SHARE OF SUSTAINABLE FINANCING IN NEW CUSTOMER BUSINESS

1.75%

GREEN ASSET RATIO BASED ON REVENUE KPI



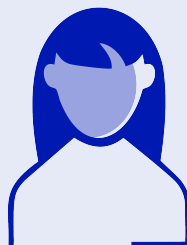
23.3 %

SHARE OF SUSTAINABLE FUNDS IN TOTAL 2025 FUND PORTFOLIO



0.00%

OF MEMBERS OF THE VBW MANAGING BOARD ARE FEMALE



44 %

OF MEMBERS OF THE VBW SUPERVISORY BOARD ARE FEMALE

29.1 %

FEMALE MANAGERS IN THE ASSOCIATION OF VOLKSBANKS

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

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Foreword to the Non-Financial Statement by the Speaker of the Association of Volksbanks

Foreword to the Non-Financial Statement by the Speaker of the Association of Volksbanks



DI Gerald Fleischmann
Speaker of the Association of Volksbanks
and Chief Executive Officer of VOLKSBANK
WIEN AG

The Association of Volksbanks 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. The report is presented in accordance with European Sustainability Reporting Standards (ESRS) and uses EU taxonomy.

As a cooperative banking group, the Association of Volksbanks has strong regional roots. At least 95.0% of our financing takes place within 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 lies with VOLKSBANK WIEN AG'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. 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 100% by green electricity. Compared to 2024, there was a -12.4% decrease in gross Scope 1 GHG emissions. In Scope 2, location-related emissions rose by 12.0%. The CO₂ emission intensity of the loan portfolio (excluding Sector L) is 95.4% (2024 baseline = 100%).

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 21.9% of new customer business, while sustainable funds made up 23.3% of the portfolio. The Association of Volksbanks actively supports its customers through transformation processes, particularly 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 our long-term success. The Association of Volksbanks has 3,800 employees, of which 37.6% are part-time, and the average training time amounted to 47.4 hours per employee. Employee satisfaction is surveyed systematically, and in the reporting year, we achieved an Employee Net Promoter Score of 19 points.

Diversity and equal opportunities are central elements of our human resources strategy. The share of female managers within the Association stands at 29.1%, while women make up 44.0 % of VBW's Supervisory Board. 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 32 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

The Sustainability Strategy of the Association of Volksbanks 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

The Association of Volksbanks regards sustainability as an ongoing process of development. 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 the Association of Volksbanks to actively contribute to sustainable development in its home region in Austria and to the transformation of the real economy.



DI Gerald Fleischmann
Speaker of the Association of Volksbanks and Chief Executive Officer of VOLKSBANK WIEN AG

General basis for the preparation of the Non- Financial Statement for the Association of Volksbanks

General basis for the preparation of the Non-Financial Statement for the Association of Volksbanks

VOLKSBANK WIEN AG (VBW) includes a Non-Financial Statement for the Association of Volksbanks in its Management Report, in accordance with the provisions of Section 267a of the Austrian Commercial Code (UGB) in its version prior to the Sustainability Reporting Act (Nachhaltigkeitsberichtsgesetz – NaBeG), Federal Law Gazette I 6/2026.

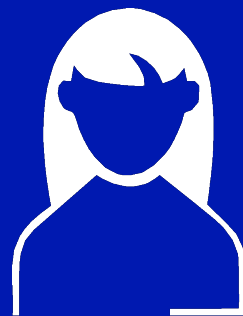
In preparing the Non-Financial Statement for the Association of Volksbanks, VBW applies the European Sustainability Reporting Standards (ESRS) as an EU-based framework within the meaning of Section 267a(5) of the Austrian Commercial Code (UGB) (in the version prior to the NaBeG). Accordingly, the Non-Financial Statement for the Association of Volksbanks includes a Sustainability Statement within the meaning of the ESRS.

Non-financial disclosures in accordance with Section 243b(2) and Section 267a(2) of the Austrian Business Code (UGB) as amended by the Sustainability Reporting Act (NaBeG) regarding environmental, social and employee matters, respect for human rights and the fight against corruption and bribery, which are not included in the Sustainability Statement due to the materiality principles of the ESRS, can be found in the sections of this Non-Financial Statement for the Association of Volksbanks following the sustainability statement.

2025 Sustainability Statement for the Association of Volksbanks

ESRS 2 – General Information

44 %
OF MEMBERS OF THE
VBW SUPERVISORY
BOARD ARE FEMALE



ESRS 2 – GENERAL INFORMATION

Basis for Preparation

BP-1 – General Basis for the Preparation of the Sustainability Statement

BP-1-5 a The Sustainability Report for the Association of Volksbanks was prepared voluntarily on a consolidated basis in accordance with the European Sustainability Reporting Standards (ESRS), including the disclosures required under Article 8 of Regulation (EU) 2020/852 (EU Taxonomy), with the exception described below regarding the scope of consolidation.

BP-1-5 b i [Scope of consolidation](#)

The scope of consolidation corresponds to the Consolidated Financial Statements of the Association as at 31 December 2025, which are described in detail in Notes 1, 2 and 51–54 of the Consolidated Financial Statements. This scope of consolidation does not correspond to the scope of consolidation under company law as defined in ESRS 1.62. Instead, it covers the regulatory scope of consolidation of the banking group as defined in Section 30a of the Austrian Banking Act (BWG), the central organisation of which is VOLKSBANK WIEN AG.

This scope of consolidation for the Association of Volksbanks is the scope to be applied in accordance with Appendix V, point 1.1.1 of the Taxonomy Disclosure Regulation (DeLVO) (EU) 2021/2178 for the purposes of disclosure under Article 8 of the EU Taxonomy Regulation.

BP-1-5 c [Coverage of the upstream and downstream value chain](#)

As part of the materiality analysis, the impacts, risks and opportunities associated with the Association through its direct and indirect business relationships in the upstream and/or downstream value chain, as described in IRO-1, were taken into account; the relevant information is included in this report.

BP-1-5 d We refrained from using the option to omit certain information relating to intellectual property, know-how or the results of innovation.

BP-2 – Information relating to specific circumstances

BP-2-10 b [Estimates regarding the value chain](#)

The calculation of Scope 3 emissions is based on indirect sources, including industry averages and estimates.

[Data sources and assumptions](#)

The calculation of Scope 3.15 emissions is based on the following assumptions and data sources:

BP-2-11 a The calculation methodology for 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 exposures are weighted using the carbon emissions intensities for each sector (see Sectors: E1 – Financed Emissions (Note 6)). The Scope 1 emissions data used are sourced from the Statistical Office of the European Commission (EUROSTAT). To determine the associated Scope 2 and Scope 3 emissions, we used markups in accordance with the Carbon Disclosure Project. For property loans where actual data were not available emissions were calculated based on the type of building, its year of construction and size, using average CO₂ parameters for each.

BP-2-10 c [Measurement uncertainties and extrapolations](#)

The calculations are based on accepted methods and established data sources. Still, there are certain measurement uncertainties, including those arising from the use of industry averages, that are described in BP-2-10b Data sources and assumptions.

Application of provisions regarding phased-in disclosure requirements in accordance with ESRS 1, Appendix C:

The application of transitional provisions is governed by Table IRO-2. The Association of Volksbanks is exercising the 'phase-in' option set out in Appendix C to ESRS 1, as amended by Delegated Regulation (EU) 2025/1416, and is omitting the detailed information required under ESRS E4. Similarly, during the current reporting period, the Association of Volksbanks has chosen not to provide quantitative information on the expected financial impact of the identified material sustainability risks and opportunities on its financial position, results of operations and cash flows in accordance with ESRS 2 SBM-3, and has applied the transitional provision set out in ESRS 1.136 Presentation of comparative information. The Quick Fix is also applied to S1-7 characteristics relating to non-salaried employees within the bank's own workforce. The workforce of the Association of Volksbanks consists of salaried employees. Throughout the Non-Financial Statement, they will be referred to as employees. Temporary workers are not included in the workforce presented in these reports.

BP-2-17 a-d

The most important information on this topic is set out below.

E4 Biological diversity and ecosystems

The following paragraphs outline the concepts, measures and goals relating to biodiversity and ecosystems.

Results of the Double Materiality Analysis (DMA):

IRO number	Sustainability aspect	Type of IRO	Description of IRO	Value chain/business model context
10	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 the Association's largest financing sector and is thus dealt with separately.	Downstream value-creation: This impact is directly linked to our business model and strategy, as financing is the Association'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 the Association'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 the Association'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, the Association 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, the Association of Volksbanks 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 the entire Association of Volksbanks.

ESRS 2 – GENERAL INFORMATION

To date, the Association 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.

Application of transitional provisions for the value chain:

[Company-specific disclosure in accordance with ESRS 1.11 in conjunction with 1.117 regarding energy consumption and the energy mix in the downstream value chain](#)

The transitional provision ESRS 1.132 was applied. In line with E1-5, company-specific disclosures were prepared in accordance with ESRS 1.11 regarding energy consumption and the energy mix in the downstream value chain. Due to the fragmented nature of the Association of Volksbanks’ loan portfolio and the lack of mandatory transparency and disclosure requirements, the Association does not have any specific data that can be disclosed (the Association’s customers are small and medium-sized enterprises in Austria). An assessment will be carried out in 2026 to determine what measures can be taken to collect information from the downstream value chain.

ESRS 1.136 [Comparative information relating to the previous reporting period](#)

VBW will issue its first sustainability statement for the Association of Volksbanks as at 31 December 2025, based on the ESRS, and will only provide comparative information for the previous financial year in specific cases.

Governance

GOV-1 – The role of management and supervisory bodies

GOV-2 – Informationen und Nachhaltigkeitsaspekte, mit denen sich die Leitungs- und Aufsichtsorgane des Unternehmens befassen

The Association of Volksbanks 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.

GOV-1-22 b
AR 3

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 the long-term economic success of the Volksbank Wien as the central organisation of the Association of Volksbanks, while taking climate and environmental risks into consideration.

GOV-1-22 b
AR 3

The Supervisory Board monitors the management, representation and realisation of the organisation'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 of the entire Association of Volksbanks. The implementation and monitoring of this strategy is the responsibility of VBW. The strategy defines the fundamental direction of the Association of Volksbanks, while the operational implementation is carried out by the member banks. The strategy shall remain valid for all member banks of the Association of Volksbanks 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.

GOV-1-22 b
AR 3

ESRS 2 – GENERAL INFORMATION

GOV-1-22 a The responsibilities of the Board members in relation to the IROs are defined as follows:

Key topic	IRO number	Identified impacts, risks, and opportunities (IRO)	Type of IRO	Board member responsible
E1 Climate change	1	Transformation of the economy	Positive impact	CEO/CRO
	2	Sustainable products	Opportunity	CEO
	3	GHG (holdings and own operations)	Negative impact	CFO
	4	GHG related to downstream value chain	Negative impact	CEO/CRO
	5	River flooding risk	Risk (physical)	CRO
	6	Risk from regulations regarding GHG emissions and intensity	Risk (transitory)	CRO
	7	Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection	Risk (transitory)	CRO
	8	Risk arising from energy consumption and intensity	Risk (transitory)	CRO
	9	Energy consumption of downstream value chain (financing)	Negative impact	Entire Board
E4 Biodiversity	10	Soil sealing (holdings in real estate)	Negative impact	CEO
S1 Own employees	11	Impact on quality of life	Negative impact	CEO
	12	Risk to employee health	Negative impact	CEO
	13	Equal treatment with regard to gender	Negative impact	CEO
S4 Consumers and end-users	14	Discrimination and harassment in the workplace	Negative impact	CEO
	15	Inadequate data protection with regard to customer data	Negative impact	Entire Board

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

GOV-1-22 b 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.

GOV-2-26 a 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.

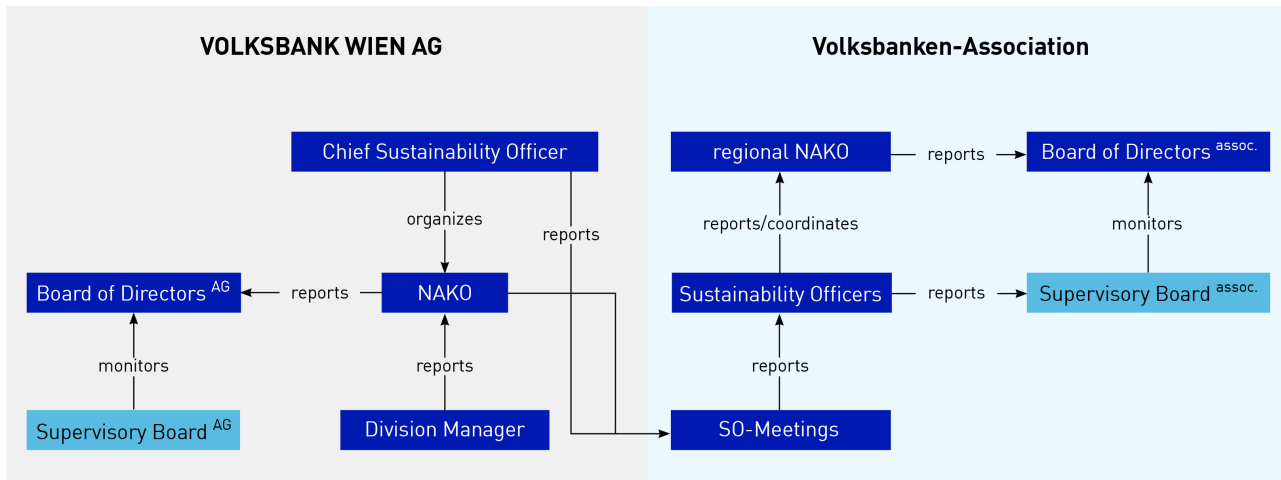
GOV-1-22 c i The Chief Executive Officer is responsible for sustainability and serves as the chair of NAKO. The Sustainability Officer and the Sustainability Team report to the Chief Executive Officer. The Chief Risk Officer is responsible for sustainability risks while the Chief Financial Officer is 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.

GOV-1-22 c ii 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.

GOV-2-24 At the Association level, the sustainability strategy is implemented by the Sustainability Officers (Nachhaltigkeitsverantwortliche/r = NHV) appointed there. They act as multipliers, implement measures and report to the Supervisory Boards of the member banks. A job description was posted for the position of NHV/Sustainability Officer. The NHVs act as the point of contact for sustainability matters within the Association's member banks and for the VBW's Sustainability Officer. The NHVs coordinate sustainability targets and the regional NAKO. The NHVs are not members of the VBW's NAKO. They will be briefed on these topics at the next NHV meeting. A database is used to organise reports and minutes for regional Supervisory Boards to ensure transparency and traceability. These reports ensure that progress towards sustainability targets is monitored on a continuous basis and that all those responsible are held to account accordingly.

Sustainability governance within the Association of Volksbanks:

GOV-1-22 c
AR 4



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.

GOV-2-26 b

The Association of Volksbanks 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 Association’s ten sustainability goals, consisting of four environmental goals as well as 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.

GOV-1-22 d

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), the Association of Volksbanks 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 its 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 the bank). The BES examines how climate and environmental factors influence the Association of Volksbanks through current and future economic and regulatory developments, and it identifies opportunities and risks that are incorporated into the business and growth strategies. 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 the Association’s key topics, which are used to control sustainability management.

GOV-1-22 c iii
GOV-2-26 b

ESRS 2 – GENERAL INFORMATION

Significant ESG impacts, opportunities and risks addressed by the Managing Board/Supervisory Board	Details
GOV-1-22 b AR 3 GOV-2-26 c	GOV-1-22 b AR 3 GOV-2-26 c
Impacts	
Transformation of the economy	Managing Board discussion of positive effects, such as sustainable bonds or transformation support for SMEs, in the bi-monthly NAKO meeting Supervisory Board discussion of the positive effects of ESG KPIs (e.g. sustainable financing or securities) at each Supervisory Board meeting
GHG (holdings and own operations)	Managing Board discussion of negative effects, e.g. decarbonisation strategy in own operations in the bi-monthly NAKO meeting Supervisory Board discussion of the negative effects of operations via ESG KPIs at every Supervisory Board meeting
GHG of the downstream value chain (financing)	Managing Board discussion of negative effects, e.g. decarbonisation strategy of financed emissions in the bi-monthly NAKO meeting or RiCo meeting Supervisory Board discussion of the negative effects in own operations via ESG KPIs at every Supervisory Board meeting
Energy consumption of the downstream value chain (financing)	Managing Board discussion of negative effects, e.g. decarbonisation strategy in the bi-monthly NAKO or RiCo meeting Supervisory Board discussion of negative impacts, e.g. decarbonisation strategy via ESG KPIs at every Supervisory Board meeting
Impact on quality of life	See S1
Risk to employee health	See S1
Equal treatment with regard to gender	See S1
Discrimination and harassment in the workplace	See S1
Inadequate data protection with regard to customer data	See S4
Opportunities	
Sustainable products	Managing Board discussion of opportunities, e.g. sustainable financing or securities via bi-monthly NAKO meeting Supervisory Board discussion of opportunities, e.g. sustainable financing or securities via ESG KPIs at each Supervisory Board meeting
Risks	
River flooding risk	Managing Board discussion of the risk in RiCo Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings
Risk arising from regulations regarding greenhouse gas emissions and intensity	Managing Board discussion of the risk in RiCo Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings
Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection	Managing Board discussion of the risk in RiCo Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings
Energy consumption and intensity (energy efficiency)	Managing Board discussion of the risk in RiCo Supervisory Board discussion of risk, e.g. risk strategy in Supervisory Board meetings

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.

GOV-1-23 b
GOV-1-21 c

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
GOV-1-21 a, d		GOV-1-21 a, d
Total number of Managing Board members		3
Male (in %)		100
Female (in %)		0
Diversity of the Supervisory Board		2025¹
GOV-1-21 a, d, e		GOV-1-21 a, d, e
Total number of Supervisory Board members (number of persons)		18
Male (in %)		56
Female (in %)		44
Share of independent committee members (in %) ²		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 in NAKO or the Supervisory Board every two months.

GOV-1-21 c
AR 5

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 the Austria-wide Association of Volksbanks. This experience is additionally complemented by other current and previous management and executive positions across Austria.

The essential experience of Supervisory Board members with regard to economic sectors, products and the customer region was defined in the requirements profile and reviewed both during the initial appointment and reappointments. In

¹ As part of the initial evaluation 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 body responsible for this is the Nomination Committee.

² Excluding Works Council members

ESRS 2 – GENERAL INFORMATION

particular, this involves ensuring diversity, banking experience, legal experience, familiarity with the Association of Volksbanks, knowledge of the regional market as well as cooperative banks, experience in the real estate sector and 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.

GOV-1-23 a, b 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 the bank. 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.

GOV-1-21 b 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.

GOV-3 – Inclusion of sustainability-related performance in incentive systems

GOV-3-29
E1-GOV-3 At the Association of Volksbanks, 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 the Association'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 the Association's Business Strategy and Sustainability Strategy. They are managed by the Sustainability Committee (NAKO). 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 of the respective Association member bank, 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 the performance management of the Association of Volksbanks is crucial to ensure that sustainability is implemented as a central component of our Business Strategy and that the Association's strategic orientation results in sustainable development.

GOV-4 – Statement on due diligence

Reference table:

Core elements of due diligence	Sections/paragraphs in the Sustainability Statement
GOV-4-32	GOV-4-32
a) Integrating due diligence into governance, strategy and the business model	ESRS 2 GOV-2 para. 26 a-c ESRS 2 GOV-3 para. 29 ESRS 2 SBM-3 para. 48 a, c iii, g; para. 48 a-d, f (reported in ESRS E1, S1, S4)
b) Involvement of relevant stakeholders in all key stages of due diligence process	ESRS 2 GOV-2 para. 26 a-c ESRS 2 SBM-2 para. 45 a-d ESRS 2 IRO-1 para. 53 b iii; E2 IRO-1 para. 11 b; E3 IRO-1 para. 8 b; E5 IRO-1 para. 11 b ESRS 2 MDR-P para. 65 e-f (reported in ESRS E1, S1, S4) ESRS S1 SBM-2 para. 12; S4 SBM-2 para. 8
c) Identification, investigation and assessment of adverse effects	ESRS 2 IRO-1 para. 53 a-h; E1 IRO-1 paragraphs 20 a-c, 21, AR 9, AR 11, AR 12, AR 13, AR 15; E2 IRO-1 para. 11 a-b, AR 9; E3 IRO-1 para. 8 a-b; E5 IRO-1 para. 11 a-b; ESRS 2 SBM-3 para. 48 a, c iii, g; para. 48 a-d, f (reported in ESRS E1, S1, S4)
d) Measures against these negative impacts	ESRS 2 MDR-A para. 68 a-e, (reported in ESRS E1, S1, S4) ESRS BP-2 17, E1, S1, S4: other information regarding measures/transition plans
e) Monitoring effectiveness of efforts and communication	ESRS 2 MDR-M paragraphs 75, 77 a-b (reported in ESRS E1, S1, S4) ESRS 2 MDR-T para. 80 a-j (reported in ESRS E1, S1, S4) ESRS E1, S1, S4: other information about key figures

GOV-5 – Risk management and internal controls for Sustainability Reporting

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

GOV-5-36 a

- » 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 Officer.
- » 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, e.g. Sub-project lead S1: Personnel Management, Sub-project lead S4: Data Protection Officer.
- » 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, consolidate supporting documentation for the auditor, 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 the Internal Control System (ICS) of both VBW and the Association of Volksbanks through both operational and management controls to 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.

GOV-5-36 b-d

ESRS 2 – GENERAL INFORMATION

GOV-5-36 e Reporting is carried out by the ESRS Reporting Project during 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 ESRS Reporting Project and aspects of reporting, such as the 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 the bank, 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.

The following approach was adopted in line with the Association's general risk review processes:

Risks in Sustainability Reporting	Area in which risks arise	Mitigation measures	Control measures	Prioritisation
GOV-5-36 c	GOV-5-36 c	GOV-5-36 c	GOV-5-36 c	
Personnel risks	Personnel management: Risks that may arise from the use of employees and the need for expertise.	Project planning and control	Dual-control principle for management control	Medium risk
IT/infrastructure risks	In all affected areas: risks arising from dependence on, and thus the vulnerability or failure of, IT systems, software and applications.	Workflow tool	Dual-control principle for management control	Medium risk
Process risks	In all affected areas: risks arising from the complexity, time-critical nature, completeness and integrity of data, and the potential consequences of process issues. Also, risks relating to accuracy of estimates and availability of data relating to upstream and/or downstream value chain.	Project planning and management, supported by consulting and workflow tool	Dual-control principle for management control	High risk

Risks in Sustainability Reporting	Area in which risks arise	Mitigation measures	Control measures	Prioritisation
GOV-5-36 c	GOV-5-36 c	GOV-5-36 c	GOV-5-36 c	
Legal risks	Sustainability: risks arising from a possible misinterpretation of legal requirements.	Management control Process management tool	Dual-control principle Management control Project support	High risk
Compliance risks	Finance: risks to which the bank may be exposed as a result of compliance breaches.	Process management tool	Dual-control principle Management control	Medium risk
Reputational risks	Sustainability: risks that public or media coverage may undermine confidence in the bank among the public, employees, customers, rating agencies, investors or business partners.	Management control Support from consultants Project support	Dual-control principle Management control	High risk

Strategy

SBM-1 – Strategy, business model and value chain

Business model

As a universal bank, the Association of Volksbanks offers the following products: credit and loans, savings, current account and deposits, payment transactions, as well as insurance and securities services. SBM-1-40 a i

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 are high, the deposit business becomes 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. SBM-1-40 a ii

The Austrian Bank for Doctors and Pharmacists (Österreichische Ärzte- und Apothekerbank) is the professional bank for doctors and pharmacists and is committed to supporting the economic and financial interests of its customers. It is mindful of its responsibility towards its stakeholders, which is why it has embedded sustainable economic, environmental and social objectives within its business strategy.

Overview of the share of major product groups in turnover:

Significant product groups	Share of the bank's turnover	Key sustainability aspects addressed	Related sustainability goals ¹	Assessment regarding stated sustainability goals
SBM-1-40 a-i	SBM-1-40 a-i	SBM-1-40 a-i	SBM-1-40 e	SBM-1-40 f
Real estate financing (residential construction financing/commercial real estate)	47.0%	Adaptation to climate change, climate protection, energy, climate change, 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 a higher share of the total financing volume. Dependent on: Customers' willingness to invest, funding opportunities
Financing for SMEs	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 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	11.0%	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

The Association of Volksbanks is focused on customers within Austria. The products mentioned are mainly sold in Austria. In regions close to the border, the Association offers its services to selected foreign customers where it may be 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 See Association of Volksbanks Sustainability Goals

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The Association of Volksbanks has not set any sustainability targets for individual markets, as the very nature of a universal bank is that its products ought to be easily accessible to all people and regions in Austria. Work is currently also underway to expand the electronic channel. There has been no change in the market structure in recent years. Additional information on products can be found under E1 “Sustainable Products”.

Nationwide branch network

SBM-1-40 a iii

The heart of the Association is its branch network spanning its entire business range. The Association’s member banks act as 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, short distances allow for easy contact and, by concentrating on a largely Austrian customer portfolio – excluding industrial customers – the risk of negative impacts on the environment and human rights is reduced.

Sustainability-related elements of the business model

SBM-1-40 g

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 Association’s focus on sustainability and the financing of sustainable transformation. These elements are described in more detail below.

a) The cooperative system

The Association of Volksbanks 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 the Volksbank credit unions is the mandate to promote the region and the unique feature that customers are also owners of the bank. In the Association of Volksbanks, this particular investment opportunity is provided indirectly via the participation cooperatives. The cooperatives execute their promotional mandate together with the Association of Volksbanks; 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. The Association achieves this through products and services as well as information and cooperation (Klimaaktiv, respACT, SME brochure, events, newsletters, etc.).

One of the Association’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 Association’s cooperatives’ owners’ club through co-ownership, thus serving as 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.

Here’s an example of a successful initiative by a club of owners: in June 2024, Volksbank Steiermark, together with its four member cooperatives in Styria, launched the “Regionale Projektideen verwirklichen” (“Bringing Regional Project Ideas to Life”) initiative to provide direct, unbureaucratic support for sustainable projects in the regions. Out of a total of 61 projects submitted, 42 met the specified eligibility criteria; in the end, the co-owners selected 38 projects as winners, which were awarded a total of around euro 234,000 in funding in 2025. The projects supported cover a wide range, from solar panels for sustainable circular economy businesses to laptop computers for schools, and the funding initiative has made a direct contribution to the region’s economy and society.

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) Austrian investment and share of foreign financing

Overall lending business increased in the reporting year, with regional financing accounting for 96.3% of all financing in Austria in 2025. At 3.69%, 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.

Austrian investment and share of foreign financing

12/31/2025	Regional [euro thousand]	Abroad [euro thousand]	Total [euro thousand]	Share: Regional	Share: Abroad
Financing for all customers	23,282,739	893,212	24,175,951	96.31%	3.69%
of which private customers	8,711,918	317,908	9,029,826	96.48%	3.52%
of which SME	11,158,815	324,125	11,482,940	97.18%	2.82%
of which business customers	1,307,937	73,009	1,380,947	94.71%	5.29%
of which miscellaneous	2,104,068	178,170	2,282,238	92.19%	7.81%
Savings deposits and other deposits	23,601,244				
Share of regional financing in savings deposits and other deposits	98.65%				

The high share of regional financing (at least 95% within Austria) demonstrates just how deeply rooted the Association of Volksbanks is in Austria. The "From the region, for the region" ("Aus der Region für die Region") motto is clearly reflected in the figures showing the share of foreign financing.

c) Exclusion criteria

The Association of Volksbanks 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. The Association 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 the Association of Volksbanks to meet regulatory and social requirements, minimise reputational and sustainability risks, actively support climate protection and promote the transformation 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 the Sustainability Strategy of the Association of Volksbanks. The framework conditions for issuing green, social, or sustainable bonds are summarised in VBW's Sustainability Bond Framework, 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 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 or by member banks of the Association of Volksbanks. Progress made in the use of the proceeds and the positive effects achieved as a result are presented in the Allocation and Impact Report. This report includes, among other things, a breakdown of the allocated loan portfolio by sustainability category, as well as the KPIs defined for measuring sustainability impacts; it is presented in NAKO every two months.

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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, and they contribute to achieving measurable positive effects to benefit the environment and society and to securing the Association's future viability.

e) Investment strategy

The steady and continuous development of an ESG portfolio within the Association's own investment portfolio 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. In 2025, approximately EUR 200 million was invested in ESG bonds, representing around 20% of new investments in 2025. The current year-on-year performance is reported regularly in the ALCO. This objective must be compared and seen in relation to the share of ESG investments available on the primary and secondary markets on a continuous basis.

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 aims 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.

The investment strategy of the Association of Volksbanks thus addresses the challenges of sustainable investing by systematically integrating sustainability into the investment process, minimising risks and actively supporting the transition to a sustainable economy. It ensures transparency, protects the quality of the portfolio and strengthens the confidence of investors and the public.

f) Asset management

Due to demand – particularly at Volksbank Vorarlberg – the asset management department for customers of the Association 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 the entire Association.

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)
 - 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.

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Strategy

The Association of Volksbanks 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, the Association of Volksbanks is committed to responsible corporate governance and anchors sustainability as an integral part of its corporate culture.

Strategy in relation to key customer groups

SBM-1-42
SBM-1-40 e

The objectives of the Association'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 25% of new customer business, and on the other hand, the Scope 1 and 2 emissions intensity of the total loan portfolio of the Association of Volksbanks should be reduced to a maximum of 77.0%.

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 30.0%. This target depends on customer willingness to purchase sustainable securities, but the Association of Volksbanks 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.

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

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

Sustainability goals of the Association of Volksbanks

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.

Overview of targets, ESG KPIs and measures:

	10 Sustainability targets	ESG KPIs	Target value 2025 ESG KPI	Actual value 2025 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	See VBW homepage
	Consideration of ESG criteria in the loan process	Share of 2024 portfolio intensity	≤ 97.2 %	95.4%	See E1-4
	Increase share of ESG products	Share of sustainable financing in new customer business	≥ 17.0 %	21.9%	See E1-4
		Share of sustainable securities in total customer securities sales	≥ 24.0 %	23.3%	See E1-4
	Decarbonisation of operations	CO ₂ emissions from operations	1,472 tCO ₂ e	1,469 tCO ₂ e	See E1-4
	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	32	See Non-Financial Statement
		Employee Net Promoter Score	≥ 14	19	See S1 See S4
	Significantly increase diversity within the Association of Volksbanks	Share of female managers	29.5%	29.1%	See S1
	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	See VBW homepage
	ESG integration in "three lines of defence"	Number of confirmed cases of corruption and bribery	0	0	See Non-Financial Statement
		Share of trained "three lines of defence" managers	Start of measurement in FY 2026		

These ESG KPIs drive a significant part of the sustainable transformation of the Association of Volksbanks. Target values are set for each ESG KPI 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

ESRS 2 – GENERAL INFORMATION

- » The 2030 target is necessarily determined by internal or external guidelines. 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

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.

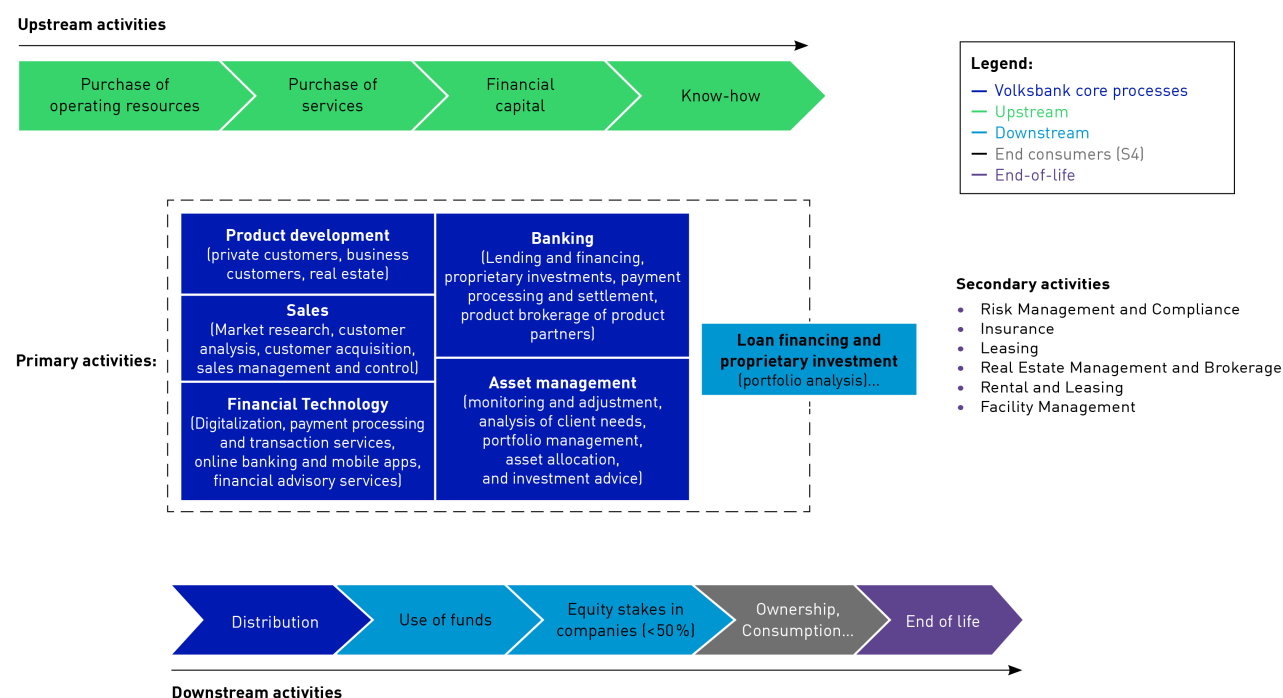
In the 2025 reporting year, the Association of Volksbanks failed to achieve two ESG KPIs (the share of sustainable securities in total customer securities sales, and the share of female managers). Measures in accordance with the escalation process are being defined and implemented.

Value chain

SBM-1-42 The core value created by the Association of Volksbanks 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.

SBM-1-42 c The illustration shows the key elements of value creation and the most important influencing factors in simplified form.

Value chain of the Association of Volksbanks:



The input to the Association’s value chain is as follows:

The upstream value chain of the Association 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 the Association’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, the Association of Volksbanks 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. SBM-1-42 b

The Association's downstream value chain is as follows: the bank'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. SBM-1-42 c

SBM-2 – Stakeholders' interests and viewpoints

As part of the materiality analysis, various stakeholders were identified and classified according to whether they were affected by the Sustainability Statement or were users of it. 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. SBM-2-45 a v

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. SBM-2-45 b

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. SBM-2-45 b, a v

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). SBM-2-45 c i-iii
SBM-2-45 a iii

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 the position of the Association of Volksbanks 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.

ESRS 2 – GENERAL INFORMATION

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.

SBM-2-45 d Overview of identified key stakeholders and other stakeholders:

Key Stakeholders	Stakeholder category	Purpose of integration	Type of integration
	SBM-2-45 a i	SBM-2-45 a iv	SBM-2-45 a iii
	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

S1-SBM-2 – Stakeholders' interests and viewpoints

S1-SBM-2-12 The Association of Volksbanks makes it possible for employees to incorporate their interests, viewpoints and rights into the business model and strategy. Beyond the process of the materiality analysis, extensive measures were put in place based on findings from the responses. 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 S1-1). The workforce can also express their interests and views through elected employee representatives.

S1-SBM-2 – Stakeholders' interests and viewpoints

The interests, viewpoints and rights of consumers and/or end users (including respect for human rights) are incorporated into the Association's strategy and business model:

S4-SBM-2-8

The Association of Volksbanks 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.

Consumers and end-users are included through the use of materiality analyses and customer surveys. Affected stakeholders can report negative impacts via a structured complaints and whistleblowing system. Reports are reviewed and documented by the Compliance department and remedial measures are taken if violations confirmed. Whistleblowers' protection is guaranteed.

The bank'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. The strategy of the Association of Volksbanks 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 S4-1 Data Protection Management).

SBM-3 – Material impacts, risks and opportunities, and their interaction with the strategy and business model

The table below lists all significant IROs, categorised by the relevant sustainability aspect, the type of IRO, the position within the value chain, and the relevant time horizon for which its materiality has been determined. Supplementary information on the individual IROs and their relationship to the strategy and business model of the Association of Volksbanks can be found in the relevant sections.

The following key changes (in comparison with 2024) occurred:

The two categories "Sustainable Loans" and "Sustainable Securities" in E1 (Adaptation to Climate Change) were merged into "Sustainable Products". The "Adaptation to the physical effects of climate change" impact has been merged with the "Economic transformation" impact. In the Climate Protection area (E1), the "ESG transformation consulting" opportunity has been removed, since it is not so much a standalone opportunity, but instead is intended to support consulting on "sustainable securities" and related services. The "GHG emissions and energy consumption in the upstream value chain (procurement)" impact is classified as immaterial, as the assessment cannot be equated with the emissions covered by the funding. In E4 (Climate Change), the "Climate-related temperature rise (financing)" impact is no longer material, as the effect of climate change on biodiversity is already covered by the climate impact in E1.

SBM-3-48 g

In the S1 Working Conditions section, the "Secure employment" and "Branch security" impacts were no longer classified as material. "Working hours" and "Work-life balance" were combined under the heading "Impact on quality of life". In the area of equal treatment and equal opportunities for all, "Development opportunities and training" were rated as low due to lower scores regarding scope, scale and permanence, and are thus no longer considered material. As part of measures to tackle violence and harassment in the workplace, however, the "Discrimination and harassment in the workplace" impact was identified as new and materially significant. Data protection for the bank's own employees was no longer considered essential.

With regard to corporate culture (G1), the "Visibility of sustainability ambitions" opportunity is no longer material in the current reporting year, as it is reported as a measure under the material "Sustainable products" opportunity. The "Value-driven behaviour/lack of business ethics in financing decisions" impact was assessed as having a lower probability due to questionable evidence regarding its impact on customer governance. For these reasons, it is no longer considered to be material. The "Promoting the common good through advocacy" impact (political engagement) was no longer considered material due to a lack of political engagement. In the area of corruption and bribery, the assessment of the likelihood of a potential impact has been downgraded, which is why this impact is no longer considered material. Still, G1 is reported on a voluntary basis. This decision is in line with the strategic objective of embedding ethical conduct and integrity as core values within the business model.

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Detailed description of the key ESG impacts, ESG risks and ESG opportunities:

Sustainability aspect	ESG impact, risk, opportunity (IRO)	Type of IRO	Description of IRO	Value chain	Time horizon
Climate change adaptation	E1 – Transformation of the economy	Positive impact (actual)	The ongoing climate change process requires an extremely large amount of capital to finance the transformation of the economy and society. By channelling capital into decarbonised sectors or sectors working towards decarbonisation, as well as into climate change adaptation projects, banks are contributing to climate protection and adaptation.	Downstream value-creation	All time horizons
	E1 – Sustainable products	Opportunity	Issuing sustainable loans and securities to finance private housing construction or commercial loans for sustainable purposes.	Downstream value-creation	All time horizons
Climate protection	E1 – GHG (own operations)	Negative impact (actual)	Property management, leasing, technology services and general operations contribute to greenhouse gas emissions (GHG). Construction processes (raw material extraction and processing) and the operation of vehicle fleets (combustion engines and their manufacture) generate high levels of CO ₂ emissions.	Own business activity	All time horizons
	E1 – GHG related to downstream value chain	Negative impact (actual)	The Volksbank provides financing to various sectors, including mining and the oil and gas industry (including petrol stations), aviation and transport, which produce GHG and consume large amounts of energy. GHG emissions are also generated in the day-to-day operational business. It can thus be concluded that the Volksbank has an impact, both in its lending and investment portfolios, on reducing or increasing carbon emissions and energy consumption within the value chain. (EU Regulation 2019/2089)	Downstream value chain	All time horizons
	E1 – River flooding risk	Risk (physical)	Flooding causes considerable damage to property. This results in high repair costs and a potential reduction in the value of the properties concerned.	Downstream value chain	All time horizons
	E1 – Risk arising from regulations regarding greenhouse gas emissions and intensity	Risk (transitory)	The growing regulatory pressure on high-emission products could lead to a decline in demand for these products. Businesses and consumers might increasingly opt for more environmentally friendly alternatives, which would reduce economic activity in emission-intensive sectors.	Downstream value chain	All time horizons

ESRS 2 – GENERAL INFORMATION

Sustainability aspect	ESG impact, risk, opportunity (IRO)	Type of IRO	Description of IRO	Value chain	Time horizon
	E1 – Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection	Risk (transitory)	Changes in investor behaviour or consumer preferences regarding climate protection could lead to a decline in demand for products that are harmful to the climate. Businesses and consumers might increasingly opt for more environmentally friendly alternatives, which would reduce economic activity in emission-intensive sectors.	Downstream value chain	All time horizons
Energy	E1 – Energy consumption of downstream value chain (financing)	Negative impact (actual)	The Volksbank provides financing to various sectors, including mining and the oil and gas industry, aviation and transport, which consume large amounts of energy. It can thus be concluded that the Volksbank has an impact, both in its lending and financing portfolios, on reducing or increasing carbon emissions and energy consumption within the value chain. The operation of real estate properties – including heating, air conditioning and lighting – also accounts for energy consumption. High energy consumption has a significant impact regardless of greenhouse gas emissions, as the production of renewable energy may also have an environmental impact.	Downstream value chain	All time horizons
	E1 – Energy consumption and intensity (energy efficiency)	Risk (transitory)	If regulatory changes, technological advances or shifts in consumer behaviour (e.g. increased use of renewable energy) mean that certain energy infrastructures or fossil fuel sources can no longer be used, this may result in stranded assets.	Downstream value chain	All time horizons
Land degradation, desertification, soil sealing	E4 – Soil sealing	Negative impact (actual)	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 the Association's largest financing sector and is thus dealt with separately.	Downstream value chain	All time horizons
Working conditions	S1 – Impact on quality of life	Negative impact (potential)	Work-life balance can be quite a challenge, particularly for parents, people with other care responsibilities, and students/trainees/interns.	Own business activity	All time horizons
	S1 – Risk to employee health	Negative impact (potential)	Employee health and safety issues encompass both physical (ergonomic) and mental aspects. Failure to comply with ergonomic standards can result in long-term health problems, and prolonged stress can lead to mental health issues.	Own business activity	All time horizons

ESRS 2 – GENERAL INFORMATION

Sustainability aspect	ESG impact, risk, opportunity (IRO)	Type of IRO	Description of IRO	Value chain	Time horizon
Equal treatment and equal opportunities for all	S1 – Equal treatment with regard to gender	Negative impact (potential)	Systematic discrimination as well as unequal pay and career opportunities for employees has a negative impact on people of different genders.	Own business activity	All time horizons
	S1 – Discrimination and harassment in the workplace	Negative impact (potential)	Discrimination and harassment in the workplace by employers, colleagues or business partners have a negative impact on quality of life and career progression.	Own business activity	All time horizons
Information-related implications for consumers and/or end-users	S4 – Inadequate data protection with regard to customer data	Negative impact (potential)	The financial sector has access to sensitive customer data. If personal data are not protected and cybersecurity is not ensured, this could potentially infringe on customers' rights.	Downstream value chain	All time horizons

Management of impacts, risks and opportunities

IRO-1 – Description of process to identify and assess material impacts, risks and opportunities

IRO-1-53 a The identification and assessment of impacts, risks and opportunities for the 2025 financial year were executed using the concept of the dual materiality approach. The work was carried out according to the methodological guidelines of ESRS 1 as set out in the final ESRS standards (31 July 2023), with the assistance of external experts. At the beginning of the process, an overview of internal and external processes along the value chain was created as a presentation. Qualitative and quantitative information was researched and gathered on a case-by-case basis to provide a better understanding of the value creation. On this basis, the following ESRS topics were applied in order for the Association of Volksbanks to identify impacts, risks and opportunities (IROs):

a) Environmental:

- i. Climate and energy
- ii. Environmental pollution
- iii. Water
- iv. Biodiversity and ecosystems
- v. Use of resources and circular economy

b) Social:

- i. Own employees
- ii. Working conditions along the value chain
- iii. Affected communities
- iv. Consumers and end-users

c) Governance:

- i. Corporate governance

Based on an analysis of academic sources, standards and peer reviews, sustainability considerations were identified for each of these ten topics. Based on these findings, either specific IROs were identified or key topic areas were investigated. Key IROs from the 2024 Sustainability Report have been included in the analysis to reassess materiality.

IRO-1-53 g Next, to assess the identified ESG impacts, risks and opportunities, both internal departments represented by “in-house experts” and external data sources (e.g. ENCORE, SASB) were utilised, based on an objective methodology for assessment. Internal data sources include, for example, lists of branch offices, number of employees, analyses of the financing portfolio, business reports, and information on the properties leased by the Associations of Volksbanks.

Assessment of impacts on people and the environment

IRO-1-53 b In addition to the internal and external parties mentioned above that assess ESG impacts, risks and opportunities, the analysis also took into account bank-specific due diligence requirements, including processes in the lending business like the “Know Your Customer” principle.

IRO-1-53 b i This analysis takes into account activities and business relationships subject to an increased risk of adverse impacts while taking into account the specific characteristics of the banking sector. The focus is on three core areas:

1) **Own operation**: this includes impacts arising from the physical operation of bank buildings and branches, as well as from the employees. The data sources for this may include lists of locations or the number of employees.

2) **Suppliers (upstream activities)**: on the one hand, this includes the purchase of supplies and services.

3) **Financing (downstream activities)**: This includes effects arising from financing in retail banking and in the Association's own investment activities, which are thus regarded as part of the Association's value chain. The data on which this is based is taken from the financing portfolio, which was also used to calculate the emissions data (as at 31 December 2024).

By taking into account the areas of the Association's own operations, suppliers and financing, the analysis incorporated both internal banking processes and the impact of the core business across the entire value chain. IRO-1-53 b ii

The assessment of potential and actual negative impacts was carried out based on three key parameters, in collaboration with internal specialist departments and an external consultant. On a scale from 1 to 5, the extent, scope and irreversibility of the impact are assessed and prioritised according to their materiality, with 5 representing the highest level, and with all potential impacts being assessed on the basis of likelihood of occurrence (0-100%). All impacts relating to human rights are assessed as having a 100% probability of occurrence. In cases where potential or actual positive impacts were identified, their scale and scope were assessed and followed by an evaluation of their likelihood of occurrence. With respect to environmental impacts, the extent can also be taken to mean as the area affected by environmental damage or as a specific geographical area. In the event of an impact on actual people, the scope can also be understood to mean the number of people affected. IRO-1-53 b iv

In addition, a generic, qualitative description was provided in the context of an evaluation carried out by external experts in order to help interpret the scale values. This assessment determines the severity of a particular impact, and it is calculated as the average of the three assessment parameters (severity, scope, irreversibility) and takes into account whether the impact is potential or actual.

The identified impacts have also been allocated to certain time horizons:

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

This classification is generally used internally in order to categorise these time horizons.

There may be cases where individual effects can also be attributed to multiple time horizons. In such cases, the impacts were assessed on the basis of the time horizon with the greatest impact. A threshold of >4 was selected to determine the materiality of the case.

The process for identifying, assessing and managing impacts is not currently incorporated into the Association's general risk management process. IRO-1-53 f

Assessment of financial impacts

As we conducted the dual materiality analysis, risks and opportunities were considered as a separate concern. IRO-1-53 c

Risks

The risk management team identifies and assesses ESG risks using an ESG materiality assessment along short-, medium- and long-term time horizons (see IRO-1-53-b iv). The materiality assessment is a central identification tool within the Internal Capital Adequacy Assessment Process (ICAAP) to systematically evaluate the potential impact of ESG risks on the risk-bearing capacity of the Association of Volksbanks. It forms part of the annual risk assessment and identifies ESG-related factors that could have a material impact on the risk categories of the Association of Volksbanks (specifically with regard to credit, market, liquidity and operational risks). In this process, ESG-related risk drivers are analysed for their potential impact on the Association's financial position, earnings and liquidity, and potential transmission channels are identified that could have a direct impact on the economy and the Association of Volksbanks itself.

ESRS 2 – GENERAL INFORMATION

One such risk driver is a clearly defined ESG-related factor that can have a financial impact on the Association's risk categories via specific mechanisms (transmission channels). The Association uses a defined long list of risk drivers to determine relevance and assess financial materiality in the materiality assessment (approx. 80 drivers, e.g. river flooding, energy efficiency, water stress, regulation, ecosystems, etc.).

A transmission channel describes the chain of cause and effect by which a risk driver affects economic actors and subsequent risk categories. Transmission channels thus explain how climate and environmental risks in turn give rise to financial impacts, which is why microeconomic and macroeconomic transmission channels were examined within our Association.

The comprehensive list of risk drivers is derived from regulatory requirements and the business model of the Association of Volksbanks, which involves taking a gross view of the risk (before any mitigation measures may be applied). The analysis was coordinated in close alignment with the BES. While the BES identifies ESG-related developments in the marketplace as well as the business environment at a strategic level, the materiality assessment quantifies the financial impact of these issues based on clearly defined quantitative relevance and materiality criteria. This ensures that external ESG developments are consistently integrated into internal risk management, taking into account regulatory requirements, technologies and market sentiments. The financial materiality thresholds correspond to the thresholds identified in the risk inventory and are derived from CET1 based on the probability of occurrence of the event for each risk driver and risk type; they are set at either 1.0%, 0.8% or 0.5% of CET1. The results of the materiality assessment and the findings from the BES form the basis for the outside-in perspective within the financial materiality analysis of the dual materiality analysis.

Dependencies on natural resources were assessed using tools such as Encore, the WWF Risk Filter and others. Human and social resources were taken into account in the OpRisk (operational risk) analysis, such as social capital and staff turnover, as well as dependencies on regulatory developments.

Opportunities

IRO-1-53 ci-iii

The identification and assessment of opportunities took place in several stages. First, relevant background information was gathered from various sources, including the growth strategy, which identifies opportunities within the business environment, and the VB reports from previous years. These reports contained additional opportunities derived from previous analyses.

The identified opportunities were then mapped against the ESRS sustainability aspects. The review examined whether all relevant aspects had been covered and whether the contents were in agreement with the standards, which made it possible to identify potential gaps and ensure that the data were complete and consistent. In the next step, the most significant opportunities were identified based on these sources and subjected to a further assessment. This selection focuses on opportunities that are of particular importance to the strategic direction and Sustainability Reporting.

The result of this process is a consolidated list of opportunities, in which all significant opportunities are collated and assessed according to their financial impact and likelihood of occurrence, provided they have exceeded a defined financial materiality threshold. The materiality threshold was derived from the growth strategy/Business Environment Scan and the associated sustainability goals. A suitable financial key indicator of the scale of these opportunities is the average annual revenue in euros, derived from the growth strategy or sustainability targets. Opportunities are considered far more likely to occur than risks, which is why a minimum threshold of 20% by 2030 has been set for opportunities. Higher probabilities of occurrence are associated with correspondingly lower thresholds; this is why thresholds for the financial materiality of opportunities have been defined that differ from those used in the risk assessment, based on a reference value for the 2030 medium-term plan of approximately 442 million euros in planned EBT (earnings before taxes). This list forms a central basis for the preparation of the 2025 Sustainability Report and ensures that opportunities are systematically taken into account.

Details of the stakeholder dialogue

IRO-1-53 b iii

As part of the materiality analysis, various stakeholders were identified and classified according to whether they were affected by the Sustainability Statement or were users of it. This process focused on key stakeholders, and suitable channels were found to incorporate their views and interests (see table below).

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 stakeholders' 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).

Additional details on the stakeholder dialogue aimed at incorporating their interests into the corporate strategy can also be found under SBM-2.

Management review process

A management review process has been established as a control procedure for assessing the materiality of impacts, risks and opportunities; this enables the VBW Managing Board to supplement the definition and assessment of material impacts, risks and opportunities with its own expertise. The assessment of materiality was discussed and the definition was adjusted accordingly. The impacts, risks and opportunities were re-evaluated using the relevant assessment methods. The results were presented to the Management Committee by employees working on the project and approved. Issues that were close to the materiality threshold were discussed in particular detail.

IRO-1-53 d

E1-IRO-1 – Description of procedures to identify and assess material climate-related impacts, risks and opportunities

Assets and business activities were implicitly taken into account through the analysis of the portfolio and the Association's operations. Scope 1 and 2 emissions and, regarding our financing activities, the PCAF-relevant portfolio were analysed to identify and assess climate-related impacts in relation to our own operations. The Association of Volksbanks contributes directly to significant impacts both through its own activities and through its business relationships with customers, resulting in both positive and negative impacts. Emissions across the Association's entire value chain are calculated regularly using the methodology described in E1-6, with the results of the assessment of the impacts and risks relating to climate change being taken into account. Procedures to identify and assess climate-related ESG impacts, ESG risks and ESG opportunities, in particular greenhouse gas emissions, as well as methods and standards used: see E1-6. An explanation of the time horizons can be found under ESRS 2 IRO-1.

E1-IRO-1
AR 9
E1-IRO-1-20 a

Climate-related physical risks "Operations":

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 48 branches within the Association of Volksbanks are affected by climate risks to varying degrees. The analysis focused on risks identified by the tool (climcycle) with a risk factor > 0.666. These risks include river flooding (7 locations), heavy rainfall (7 locations), snowfall (27 locations), landslides (5 locations) and heatwaves (more than 5 consecutive days with temperatures above 5 degrees – 2 locations). Weather conditions, such as snowfall, can vary depending on the region and are typical for the area. Areas with heavy snowfall are subject to specific building regulations (e.g. snow loads on rooftops).

E1-IRO-1
AR 11 b
E1-IRO-1-20 b

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.

The data used to assess physical climate risks stem from external sources. In credit risk management, address-specific assessments from the ESG tool Climcycle are used for climate-related physical risks. Physical risks are assessed for all loan collateral using a location-specific scenario analysis that takes into account various climate scenarios (RCP¹ scenarios: RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5 from IPCC²). Up to 18 physical climate risks to be assessed can be classified and evaluated as 14 acute and four chronic climate risks. The necessary climate risk data are sourced from climate risk models, with the majority of the data coming from Copernicus and ISIMIP³. The results of these site-specific assessments are analysed and refined in the BES and materiality assessment; they are also monitored in quarterly risk reports. For reasons of prudence, the impact values associated with physical risks over the long-term time horizon are included in the materiality assessment, as the highest impact values arise over this long-term horizon. For the materiality assessment, a weighted average of the results of the address-specific risk assessment was used for each relevant risk driver across the four climate scenarios used.

¹ Representative Concentration Pathway

² Intergovernmental Panel on Climate Change

³ The Inter-Sectoral Impact Model Intercomparison Project

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Materiality assessment

The materiality assessment (see ESRS 2 IRO-1-53c) describes the following physical climate risk drivers and evaluates them for all relevant risk types within the Association of Volksbanks across all time horizons (see ESRS 2 IRO-1-53b iv):

- » River flooding
- » Heavy rainfall
- » Worse snow conditions
- » Hail
- » Wind/Storm
- » Landslide
- » Forest fire
- » Heat stress
- » Heat wave
- » Drought
- » Soil erosion

The risk drivers “coastal flooding, tropical cyclones, sea-level rise, days of cold weather, days of frost and days of ice” were initially classified by the BES as not relevant to the Association of Volksbanks’ business model and were therefore not considered further in the materiality assessment.

In credit risk management, the exposure associated with physical risks is determined for each risk driver on the basis of location-specific data. Physical climate risk data reflect the potential exposure of the Association’s loan portfolio to various natural hazards. The data show where risks may arise, but do not indicate the extent to which economic activity or collateral would actually be affected. A sector-specific vulnerability assessment complements this database and distinguishes between “sensitive” and “non-sensitive” sectors in relation to physical hazards.

Relevance is determined for each risk driver across the various transmission channels; the affected exposure is assessed taking into account the risk score and sector vulnerability.

Risk drivers identified as relevant are quantified under various probability of occurrence and time horizons in order to determine their financial materiality. Using PD¹ and LGD² shifts, the individual risk drivers are assessed for financial materiality, and the results (change in EL³ due to the shift) are compared against a materiality threshold. The threshold value is derived from a probability of occurrence and determines financial materiality.

For each risk driver, a “shock or fundamental change scenario” is defined, which is used to determine the impact over time of the shifts incorporated into the portfolio. In the “shock” scenario, the consequences take effect immediately in case the risk scenario should materialise. In the “fundamental change” scenario, the effects of the risk driver would take effect over a period of 25 years. Concentrations across risk drivers are then taken into account through an analysis of risk driver correlations within clusters (e.g. severe storm/flood).

This approach was applied similarly to the other risk categories, where relevant combinations of risk drivers and transmission channels were also assessed for financial materiality. In addition to the analysis of the risk categories, cross-risk correlations were also taken into account.

If the materiality threshold is exceeded, the risk driver is classified as being material. For the 2025 financial year, the “river flooding” risk factor was identified as a financially significant risk factor in the short, medium and long terms. Consequently, this risk driver is examined, among other things, in detailed sensitivity analyses as part of the internal stress testing programme (see resilience analysis in accordance with SBM-3 18). A corresponding indicator was also introduced in the Risk Appetite Statement, thus limiting the risk of flooding and ensuring that developments are reviewed regularly as part of the risk reporting process. See ESRS E1-2 IRO number 5 for more details.

Aside from the physical climate risks listed above, the materiality assessment also took physical environmental risks into account. These did not give rise to any material financial impact.

¹ Probability of Default

² Loss Given Default

³ Expected Loss

Risk reporting

The climate risk results from Climcycle are also analysed in full and reported to the Risk Committee on a quarterly basis. Particular attention is paid to the relevant risks involving a significant share of sensitive exposure. Specifically, these are the following risks:

- » River flooding
- » Heavy rainfall
- » Heavy snowfall
- » Landslide
- » Heat wave
- » Soil erosion

Flood risk, which is considered a significant concentration risk, is mitigated on the basis of the ten postal code areas with the highest exposure to loans affected by river flooding. The limit is set in relation to Common Equity Tier 1 (CET1) capital and thus reflects risk-bearing capacity. This type of restriction was chosen because, in the event of flooding, it is usually entire regions (defined here by postal codes) that are affected, rather than individual addresses. Currently, the proportion of risk-weighted loan exposure in the top 10 postal codes relative to CET1 stands at 9.9%. See ESRS E1-2 and E1-3 IRO number 5 for more details.

Transition risks in the downstream value chain

Materiality assessment

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. The following transition events were taken into account:

E1-IRO-1-20 c

- » Regulations regarding greenhouse gas emissions and intensity
- » Energy consumption and intensity (energy efficiency)
- » Climate protection-related technology developments
- » Changes in investor behaviour or consumer preferences with regard to climate protection (market sentiment)

The ESG Risk Scoring module from Climcycle was used to assess the relevance of the “Regulatory framework for greenhouse gas emissions and intensity” and “Energy consumption and intensity” risk drivers. The data are presented in the form of impact figures at the sector level. The “technological developments relating to climate protection” and “changes in investment behaviour or consumer preferences” risk drivers had already been identified in advance by the BES as relevant to the Association of Volksbanks. The financial impact at the risk driver level is determined in the same way as for physical risks, using a PD and LGD shift, and takes into account different financial impacts across various time horizons via a “fundamental change” scenario. The threshold value is derived from a probability of occurrence and determines financial materiality.

For the 2025 financial year, the “greenhouse gas emissions” (regulatory framework and market sentiment) and “energy efficiency” risk drivers were identified as financially material risk drivers in the short, medium and long term. These risk drivers are assessed, among other things, as part of the internal stress testing programme (see the resilience analysis in accordance with E1-SBM-3, para. 18 et seq.). Suitable detailed indicators were also introduced in the Risk Appetite Statement, thus limiting these risks and ensuring that developments are reviewed regularly as part of the risk reporting process.

In addition to the climate-related transition risks listed above, the materiality assessment also took environmental transition risks into account. This did not give rise to any material financial impact.

Transition risks in the upstream value chain were analysed and deemed to be immaterial.

For decarbonisation of the overall portfolio, see E1-4 IRO (4).

E1-IRO-1-20
E1-IRO-1 AR 12
E1-IRO-1
AR 13 b-d

ESRS 2 – GENERAL INFORMATION

Opportunities in the downstream value chain

E1-IRO-1-20 c As climate change progresses, the Association of Volksbanks has an opportunity to position itself early on by offering sustainable loans and securities to both retail and commercial customers, thus securing a significant market share in the growing sector of sustainable finance.

E1-IRO-1 AR 12 c No climate-related scenario analyses or climate scenarios are currently being used to identify opportunities.

E1-IRO-1 20 c ii The impact on assets and business operations was taken into account when defining potential events and when assessing their impacts, probabilities and time horizons. The potential increase in market share that may result from changes in consumer preferences has a corresponding impact on assets and business operations.

E1-IRO-1 AR 12 a As part of the assessment of risks relating to climate change, a long-term timeframe (more than five years) was selected and a long-term event was identified that could have an impact on VBW's business operations and assets.

E2-IRO-1 – Description of procedures to identify and assess material impacts, risks and opportunities in connection with environmental pollution

E2-IRO-1-11 a Assets and business activities were implicitly taken into account through the analysis of the portfolio and the operations. With regard to financing, the relevant sector was assessed using the "Air Quality" and "Environmental Impact" SASB risk filters to determine whether negative impacts can be expected in that sector. This portfolio exposure to certain impacts serves as an indication of the scale of the impact. If further information becomes available, a justified deviation from the initial indication will be made.

Impacts

In order to its actual and potential impacts in relation to environmental pollution arising from its own activities and within the upstream and downstream value chain, the Association of Volksbanks has defined its impacts in the areas of suppliers and financing. The impacts in the area of financing were identified through allocation to the relevant SASB risk sectors, but were not assessed as material. More information on the procedure to identify and assess impacts can be found in ESRS 2-IRO-1-53b.

Risks

To assess physical environmental risk drivers relating to environmental pollution (soil and air pollution, excluding GHG emissions), the ENCORE database was used as part of the materiality assessment, drawing on sector-level data. The soil contamination risk event was classified as relevant and subsequently assessed via various transmission channels using PD and LGD shifts, analogous to physical climate risks (see E1-IRO-1); however, this is not financially material for the Association of Volksbanks.

Opportunities

During the dual materiality analysis, no opportunity was identified relating to the topic of environmental pollution.

E2-IRO-1-11 b With regard to consultations with affected communities, an interview was conducted with WWF, as the representative for E2 issues, regarding the results of the dual materiality analysis in relation to environmental issues.

E2-IRO-1-AR 9 More information on the procedure for assessing impacts, risks and opportunities can be found in ESRS 2-IRO-1-53b and c.

E3-IRO-1 – Description of procedures to identify and assess material impacts, risks and opportunities in connection with water and marine resources

E3-IRO-1-8 a Assets and business activities were implicitly taken into account through the analysis of the portfolio and the company's operations. With regard to financing, the relevant sector was assessed using the "Water and wastewater management" SASB risk filter to determine whether negative impacts can be expected in that sector. This portfolio exposure to certain impacts serves as an indication of the scale of the impact. If further information becomes available, a justified deviation from the initial indication will be made.

Impacts

In order to identify actual and potential impacts relating to water and marine resources within the context of the Association of Volksbanks' own operations and across its upstream and downstream value chain, the Association has defined its impacts in the sub-themes of water extraction, consumption and use in relation to its own operations and financing activities. These impacts were deemed to be immaterial. No links were identified between the topic of marine resources and funding activities focusing on Austria. More information on the procedure to identify and assess impacts can be found in ESRS 2-IRO-1-53b.

Risks

As part of the materiality assessment, risk events relating to water and marine resources were assessed in the areas of resource consumption, water pollution and water scarcity (water stress from physical risks in Climcycle, water quality from the WWF Biodiversity Risk Filter, water and wastewater management from Climcycle ESG Risk Scoring, and water surface area use from ENCORE). The WWF Biodiversity Filter combines country- and sector-specific risk ratings, using data specific to the Austrian federal states and combining this with indicators of dependence on ecosystem services. Water quality and water and wastewater management were identified as key risk drivers. These were subsequently assessed via various transmission channels, but are not financially material to the Association of Volksbanks.

Opportunities

As part of the dual materiality analysis, two opportunities relating to water and wastewater management were identified under the topic of water, but these were not assessed as material. More information on the procedure for determining and assessing impacts, risks and opportunities can be found in ESRS 2-IRO-1-53c.

E4-IRO-1 – Description of procedures to identify and assess material impacts, risks and opportunities in connection with biodiversity and ecosystems

To identify material impacts on biodiversity and ecosystems, the investment portfolio was aligned with the sectors of the WWF Biodiversity Risk Filter (BRF) on a simplified basis. The BRF provides information on the impacts and interdependencies of the sectors across various sustainability areas. As part of the evaluation, proxies were selected from the various BRF indicators for the respective sub-sub-topics.

E4-IRO-1-17 a

An analysis of biodiversity risk drivers at the portfolio level shows that, across all risk categories, these risk drivers are not currently considered to be financially material for the Association of Volksbanks. The underlying ESG heatmaps used for materiality assessment are reviewed regularly and updated in line with the latest scientific findings – in particular, taking into account biodiversity data from ENCORE and the WWF Biodiversity Filter.

With regard to its own office sites, the geographical location of VBW's head office and the regional directorates' offices was analysed. Due to a lack of data from local stakeholders, no location analyses are carried out in the upstream and downstream value chains.

As part of the development of the 2025 Biodiversity Strategy, an analysis was carried out in accordance with the phases of the LEAP approach.

Dependencies relating to biodiversity, ecosystems and their services were not taken into account during the process.

E4-IRO-1-17 b

During the dual materiality analysis, no opportunity was identified relating to the topic of biodiversity and ecosystems. More information on the procedure for determining and assessing impacts, risks and opportunities can be found in ESRS 2-IRO-1-53c.

E4-IRO-1-17 c

Systemic risks were not taken into account during this procedure.

E4-IRO-1-17 d

No consultations were held with affected communities. It is being considered to involve affected communities and/or their representatives in the assessment of impacts and the development of measures in future.

E4-IRO-1-17 e

The VBW headquarters and the headquarters of the regional branch offices are located in town centres and are neither situated in nor near areas containing biodiversity in need of protection, rare or endangered species, or unique ecosystems. This means that VBW contributes neither directly to the degradation of natural habitats nor to impacts on species.

E4-IRO-1-19 a

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E4-IRO-1-19 b As a result, VBW has concluded that it should embed this issue within its Business Strategy through a biodiversity strategy and corresponding measures.

E5-IRO-1 – Description of procedures to identify and assess material impacts, risks and opportunities in connection with use of resources and a circular economy

E5-IRO-1-11 a Assets and business activities were implicitly taken into account through the analysis of the portfolio and the company's operations. With regard to financing, the relevant sector was assessed using the "Waste and hazardous materials management" SASB risk filter to determine whether negative impacts can be expected in that sector. This portfolio exposure to certain impacts serves as an indication of the scale of the impact. If further information becomes available, a justified deviation from the initial indication will be made.

Impacts

In order to identify actual and potential impacts relating to resource use and the circular economy within the scope of the Association of Volksbanks' own activities and across the upstream and downstream value chain, the Association has identified impacts in the sub-topics of resource inputs, outputs and waste arising from its own operations and financing activities, which have been assessed as immaterial. More information on the procedure to identify and assess impacts can be found in ESRS 2-IRO-1-53b.

Risks

As part of the materiality assessment, risk events relating to resource use and the circular economy (waste and hazardous substance management from the Climcycle ESG Risk Scoring, and recycling and resource consumption based on the preliminary classification in the BES) were assessed. Recycling and resource consumption were identified as key risk drivers. This risk driver was subsequently assessed via various transmission channels, but it is not financially material to the Association of Volksbanks.

Opportunities

As part of the dual materiality analysis, eight opportunities relating to resource use and the circular economy were identified under the topic of water, but these were not assessed as material.

An analysis based on the phases of the LEAP approach is planned for the future. More information on the procedure for determining and assessing impacts, risks and opportunities can be found in ESRS 2-IRO-1-53c.

IRO-2 – Disclosure requirements included in the ESRS and covered by the company's Sustainability Statement

In order to determine which ESRS data points the Association of Volksbanks is required to report, the key ESG impacts, ESG risks and ESG opportunities (IRO) are first mapped to the disclosure requirements (DR) of the ESRS topic standards. Disclosure requirements to which none of the identified material impacts, risks and opportunities can be attributed are deemed to be immaterial, which means that the Association is not required to disclose any information with respect to these disclosure requirements. Material impacts, risks and opportunities are assigned to the relevant disclosure requirements and classified as relevant.

IRO-2-59

Company-specific key figures are disclosed on a voluntary basis.

Overview of disclosure requirements covered in the Sustainability Statement:

ESRS Code	Disclosure requirement	Paragraph
IRO-2-56	IRO-2-56	IRO-2-56
ESRS 2 - General Information		
BP-1	General Basis for the Preparation of the Sustainability Statement	5a-5d
BP-2	Information connected to specific circumstances	10a-d; 11a-bii; 13 a-c; 15-16; 17
GOV-1	The role of management and supervisory bodies	21a-e; 22a-d; 23a-b
GOV-2	Information and sustainability issues addressed by the Association's management and supervisory bodies	26a-c
GOV-3	Inclusion of sustainability-related performance in incentive systems	29
GOV-4	Statement on due diligence	32
GOV-5	Risk management and internal controls for Sustainability Reporting	36a-e
SBM-1	Strategy, business model and value chain	40a-g; 42a-c
SBM-2	Stakeholders' interests and viewpoints	45a-d
SBM-3	Material impacts, risks and opportunities, and their interaction with the strategy and business model	48a-d, f-h
IRO-1	Description of process to identify and assess material impacts, risks and opportunities	53a-g
IRO-2	Disclosure requirements included in the ESRS and covered by the company's Sustainability Statement	56; 59
E1 – Climate Change		
E1-GOV-3	Inclusion of sustainability-related performance in incentive systems	13
E1-1	Transition plan for climate protection	16a-j; 17
E1-SBM-3	Material impacts, risks and opportunities, and their interaction with the strategy and business model	18; 19a-6; AR7b; 19c; AR8b; 48a-d, f-g;
E1-IRO-1	Description of process to identify and assess material impacts, risks and opportunities	20a-cii; 21; AR11a-d; AR12a-d; AR15
E1-2	Concepts relating to climate protection and adaptation to climate change	25a-e; MDR-P-65a-f
E1-3	Measures and resources relating to climate concepts	29a-c; AR21; MDR-A-68a-e; MDR-A-69a-b;
E1-4	Goals relating to climate protection and adaptation to climate change	30; 33; 34a-f; AR25; AR30c; MDR-T-80a-j
E1-6	Gross GHG emissions for Scope 1, 2 and 3 categories and total GHG emissions	48, 49, 51, 55; AR42c; AR43c; AR45e; AR46i-j; AR55
E2 – Environmental Pollution		
E2-IRO-1	Description of procedures to identify and assess material impacts, risks and opportunities in connection with environmental pollution	11a-b; AR9
E3 - Wasser- und Meeresressourcen		
E3-IRO-1	Description of procedures to identify and assess material impacts, risks and opportunities in connection with water and marine resources	8a-b

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ESRS Code	Disclosure requirement	Paragraph
IRO-2-56	IRO-2-56	IRO-2-56
E5 - Ressourcennutzung und Kreislaufwirtschaft		
E5-IRO1	Description of procedures to identify and assess material impacts, risks and opportunities in connection with use of resources and a circular economy	11 - AR 7 f
S1- Eigene Belegschaft		
S1-SBM-2	Stakeholders' interests and viewpoints	12
S1-5	Goals relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of material risks and opportunities	44a-c; 47b-c; AR49c; MDR- T-80a-i
S1-6	Characteristics of employees	50d-f
S1-9	Key diversity figures	66a-b; AR71
S1-13	Key figures for continuing professional development and skills development	83a/b
S1-14	Key figures for health and safety	88b
S1-16	Key remuneration figures (pay gaps and total remuneration)	97a-c
S1-17	Incidents, complaints and serious impacts connected to human rights	103a-c; 104a-b
S4 – Consumers and End-Users		
S4-SBM-2	Stakeholders' interests and viewpoints	8
S4-SBM-3	Material impacts, risks and opportunities, and their interaction with the strategy and business model	10a-d; 11
S4-1	Concepts connected to consumers and end-users	15; 16a-c; 17, MDR-P65a-f
S4-2	Procedure for involving consumers and end-users in relation to impacts	20a-d; 21
S4-3	Procedures to address adverse effects and channels through which consumers and end-users can raise concerns	25a-d; 26
S4-4	Measures taken in relation to material impacts on consumers and end-users, approaches to managing material risks and capitalising on material opportunities in relation to consumers and end-users, and the effectiveness of such measures	30; 31a-d; 32a-c; 33a-b; 34; 35;36; 37; AR25c; AR33b; MDR-A-68a-e
S4-5	Goals relating to the management of significant adverse impacts, the promotion of positive impacts, and the management of material risks and opportunities	38; 41a-c; AR42c; MDR-T-80a-j

ESRS 2 – GENERAL INFORMATION

The table below contains all data points derived from the EU legislation listed in Appendix B of the ESRS. Each data point includes the location where it can be found within the Sustainability Statement:

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
ESRS 2 – General Information							
GOV-1	Gender diversity in management and supervisory bodies	Para. 21 letter d	Indicator no. 13 in Appendix 1 Table 1		Commission Delegated Regulation (EU) 2020/1816, Appendix II		
GOV-1	Percentage of senior executives who are independent	Para. 21 letter e			Commission Delegated Regulation (EU) 2020/1816, Appendix II		
GOV-4	Statement on due diligence	Para. 30	Indicator no. 10 in Appendix 1 Table 3				
SBM-1	Involvement in activities connected to fossil fuels	Para. 40 letter d item i	Indicator no. 4 Table 1 in Appendix 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risks, and Table 2: Qualitative information on social risks	Commission Delegated Regulation (EU) 2020/1816, Appendix II		
SBM-1	Involvement in activities connected to the manufacture of chemicals	Para. 40 letter d item ii	Indicator no. 9 in Appendix 1 Table 2		Commission Delegated Regulation (EU) 2020/1816, Appendix II		
SBM-1	Involvement in activities connected to controversial weapons	Para. 40 letter d item ii	Indicator no. 14 in Appendix 1 Table 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Appendix II		
SBM-1	Involvement in activities connected to the cultivation and production of tobacco	Para. 40 letter d item iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Appendix II		
E1 – Climate Change							
E1-1	Transition plan to achieve net-zero by 2050	Para. 14				Regulation (EU) 2021/1119, Article 2(1)	

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
E1-1	Companies exempt from reference values agreed in Paris	Para. 16 letter g		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 1: Asset Register – Transition risk related to climate change: Credit quality of risk positions by sector, emissions and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2)		Material
E1-4	GHG emission reduction targets	Para. 34	Indicator no. 4 in Appendix 1 Table 2	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 3: Asset Register - Transition risk related to climate change: Key alignment figures	Delegated Regulation (EU) 2020/1818, Article 6		Material
E1-5	Energy consumption from fossil fuels, broken down by source (climate-intensive sectors only)	Para. 38	Indicator no. 5 in Appendix 1, Table 1, and Indicator no. 5 in Appendix 1, Table 2				Not material
E1-5	Energy consumption and energy mix	Para. 37	Indicator no. 5 in Appendix 1 Table 1				Not material
E1-5	Energy intensity in relation to activities in climate-intensive sectors	Paragraphs 40 to 43	Indicator no. 6 in Appendix 1 Table 1				Material
E1-6	Gross GHG emissions from Scope 1, 2 and 3 categories, as well as total GHG emissions	Para. 44	Indicators no. 1 and in Appendix 1, Table 1	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 1: Asset Register - Transition risk related to climate change: Credit quality of risk positions by sector, emissions and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)		Material

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
E1-6	Intensity of gross GHG emissions	Paragraphs 53 to 55	Indicator no. 3 Table 1 in Appendix 1	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 3: Asset Register - Transition risk related to climate change: key figures for alignment	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material
E1-7	Withdrawal of GHG and CO ₂ certificates	Para. 56				Regulation (EU) 2021/1119, Article 2(1)	Not applicable
E1-9	Risk exposure of reference value portfolio to climate-related physical risks	Para. 66			Delegated Regulation (EU) 2020/1818, Appendix II Delegated Regulation (EU) 2020/1816, Appendix II		Implementation of phasing-in process
E1-9	Breakdown of amounts by acute and chronic physical risk	Para. 66, letter a		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 3: Asset Book – Physical risk related to climate change: Risk positions with physical risk			Implementation of phasing-in process
E1-9	Location where significant assets are held that are subject to material physical risk	Para. 66, letter c		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 5: Asset Book – Physical risk related to climate change: Risk positions with physical risk			Implementation of phasing-in process

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
E1-9	Breakdown of book value of properties by energy efficiency class	Para. 67, letter c		Article 449a of Regulation [EU] no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting Template 3: Asset Register – Transition risk related to climate change: Loans secured by property – energy efficiency of the collateral			Implementation of phasing-in process
E1-9	Degree of portfolio's exposure to climate-related opportunities	Para. 69			Commission Delegated Regulation (EU) 2020/1818, Appendix II		Implementation of phasing-in process
E2 – Environmental Pollution							
E2-4	Quantity of each pollutant listed in Appendix II to the EPRTTR Regulation (European Pollutant Release and Transfer Register) that is emitted into the air, water and soil	Para. 28	Indicator No. 8 in Appendix 1, Table 1 Indicator No. 2 in Appendix 1, Table 2 Indicator No. 1 in Appendix 1, Table 2 Indicator No. 3 in Appendix 1, Table 2				Not material
E3 – Water and Marine Resources							
E3-1	Water and marine resources	Para. 9	Indicator no. 7 in Appendix 1 Table 2				Not material
E3-1	Special concept	Para. 13	Indicator no. 8 in Appendix 1 Table 2				Not material
E3-1	Sustainable seas and oceans	Para. 14	Indicator no. 12 in Appendix 1 Table 2				Not material
E3-4	Total volume of water recovered and reused	Para. 28, letter c	Indicator no. 6,2 in Appendix 1 Table 2				Not material
E3-4	Total water consumption in m ³ per net revenue from own operations	Para. 29	Indicator no. 6,1 in Appendix 1 Table 2				Not material

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
E4 – Biodiversity							
2-SBM-3-E4		Para. 16 letter a item i	Indicator no. 7 in Appendix 1 Table 1				Implementation of phasing-in
2-SBM-3-E4		Para. 16, letter b	Indicator no. 10 in Appendix 1 Table 2				Implementation of phasing-in process
2-SBM-3-E4		Para. 16, letter c	Indicator no. 14 in Appendix 1 Table 2				Implementation of phasing-in process
E4-2	Sustainable practices and approaches in the field of land use and agriculture	Para. 24, letter b	Indicator no. 11 in Appendix 1 Table 2				Implementation of phasing-in process
E4-2	Sustainable practices or approaches in the field of seas and oceans	Para. 24, letter c	Indicator no. 12 in Appendix 1 Table 2				Implementation of phasing-in process
E4-2	Concepts to combat deforestation	Para. 24 letter d	Indicator no. 15 in Appendix 1 Table 2				Implementation of phasing-in process
E5 - Resource Use and Circular Economy							
E5-5	Non-recycled waste	Para. 37 letter d	Indicator no. 13 in Appendix 1 Table 2				Not material
E5-5	Hazardous and radioactive waste	Para. 39	Indicator no. 9 in Appendix 1 Table 1				Not material
S1 – Own Workforce							
2SBM3-S1	Risk of forced labour	Para. 14, letter f	Indicator no. 13 in Appendix I Table 3				Material
2SBM3-S1	Risk of child labour	Para. 14 letter g	Indicator no. 12 in Appendix I Table 3				Material
S1-1	Commitments in the field of human rights policy	Para. 20	Indicator no. 9 in Appendix I, Table 3, and Indicator no. 11 in Appendix I, Table 1				Material
S1-1	Regulations on due diligence in relation to matters covered by the International Labour Organisation's core conventions 1 to 8	Para. 21			Commission Delegated Regulation (EU) 2020/1816, Appendix II		Material

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
S1-1	Procedures and measures to combat human trafficking	Para. 22	Indicator no. 11 in Appendix I Table 3				Material
S1-1	Concept or management system for the prevention of workplace	Para. 23	Indicator no. 1 in Appendix I Table 3				Material
S1-3	Handling of complaints	Para. 32, letter c	Indicator no. 5 in Appendix I Table 3				Material
S1-14	Number of fatalities and number and rate of workplace accidents	Para. 88, letters b and c	Indicator no. 2 in Appendix I Table 3		Commission Delegated Regulation (EU) 2020/1816, Appendix II		Material
S1-14	Number of days lost due to injuries, accidents, deaths or illness	Para. 88 letter e	Indicator no. 3 in Appendix I Table 3				Material
S1-16	Unresolved gender pay gap	Para. 97, letter a	Indicator no. 12 in Appendix I Table 1		Commission Delegated Regulation (EU) 2020/1816, Appendix II		Material
S1-16	Excessive remuneration of members of governing bodies	Para. 97, letter b	Indicator no. 8 in Appendix I Table 3				Material
S1-17	Cases of discrimination	Para. 103, letter a	Indicator no. 7 in Appendix I Table 3				Material
S1-17	Failure to comply with UN Guiding Principles on Business and Human Rights and OECD Guidelines	Para. 104, letter a	Indicator no. 10 in Appendix I, Table 1, and Indicator no. 14 in Appendix I, Table 3		Delegated Regulation (EU) 2020/1816, Appendix II, Delegated Regulation (EU) 2020/1818 Article 12(1)		Material
S2 – Employees in the Value Chain							
2SBM3 – S2	Significant risk of child labour or forced labour in the supply chain	Para. 11, letter b	Indicators nos. 12 and 13 in Appendix I, Table 3				Not material
S2-1	Commitments in the field of human rights policy	Para. 17	Indicator no. 9 in Appendix 1, Table 3, and Indicator no. 11 in Appendix 1, Table 1				Not material
S2-1	Concepts relating to employees in the value chain	Para. 18	Indicators no. 11 and 4 in Appendix 1, Table 3				Not material

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
S2-1	Failure to comply with UN Guiding Principles on Business and Human Rights and OECD Guidelines	Para. 19	Indicator no. 10 in Appendix 1 Table 1		Delegated Regulation (EU) 2020/1816, Appendix II, Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material
S2-1	Regulations on due diligence in relation to matters covered by the International Labour Organisation's Conventions 1 to 8	Para. 19			Commission Delegated Regulation (EU) 2020/1816, Appendix II		Not material
S2-4	Human rights issues and incidents in upstream and downstream value chain	Para. 36	Indicator no. 14 in Appendix 1 Table 3				Not material
S3 – Affected Communities							
S3-1	Commitments in the field of human rights	Para. 16	Indicator no. 9 in Appendix 1, Table 3, and Indicator no. 11 in Appendix 1, Table 1				Not material
S3-1	Non-adherence to UN Guiding Principles on Business and Human Rights, ILO principles or OECD Guidelines	Para. 17	Indicator no. 10 in Appendix 1 Table 1		Delegated Regulation (EU) 2020/1816, Appendix II Delegated Regulation (EU) 12(1)		Not material
S3-4	Human rights issues and incidents	Para. 36	Indicator no. 14 in Appendix 1 Table 3				Not material

ESRS 2 – GENERAL INFORMATION

Disclosure require	Data point	Paragraph	SFDR reference	Column 3 reference	Benchmark regulation reference	EU Climate Act reference	Materiality
IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56	IRO-2-56
S4 – Consumers and End Users							
S4-1	Concepts relating to consumers and end-users	Para. 16	Indicator no. 9 in Appendix 1, Table 3, and Indicator no. 11 in Appendix 1, Table 1				Material
S4-1	Failure to comply with UN Guiding Principles on Business and Human Rights and OECD Guidelines	Para. 17	Indicator no. 10 in Appendix 1 Table 1		Delegated Regulation (EU) 2020/1816, Appendix II, Delegated Regulation (EU) 2020/1818 Article 12[1]		Material
S4-4	Human rights problems and incidents	Para. 35	Indicator no. 14 in Appendix 1 Table 3				Material
G1 – Corporate Governance							
G1-1	UN Convention against Corruption	Para. 10, letter b	Indicator no. 15 in Appendix 1 Table 3				Not material
G1-1	Protection of whistleblowers	Para. 10 letter d	Indicator no. 6 in Appendix 1 Table 3				Not material
G1-4	Fines for breaches of anti-corruption and anti-bribery regulations	Para. 24, letter a	Indicator no. 17 in Appendix 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Appendix II		Not material
G1-4	Standards to combat corruption and bribery	Para. 24, letter b	Indicator no. 16 in Appendix 1 Table 3				Not material

Taxonomy Information

Environmental Information

TAXONOMY INFORMATION

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

Reporting in accordance with Article 8 of the EU Taxonomy Regulation is carried out in accordance with Article 4 of the Disclosure Regulation Delegated Regulation (EU) 2026/73, applying the version of the Taxonomy Disclosure Regulation 2021/2178 in force until 31 December 2025 (EU) for the regulatory consolidation scope of the Association of Volksbanks.

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.

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

At the Association level 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.

Effective 2025, GAR will be disclosed at the level of the Association for the first time. 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).

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-

TAXONOMY INFORMATION

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.

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..

TAXONOMIC INFORMATION

CapEx (T-1)

Million EUR	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																																				
	Total (gross) carrying amount	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 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 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 HTF eligible for GAR calculation	8,198.94	7,051.96	265.42	245.64	0.38	4.48	0.53	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,052.48	265.59	245.64	0.38	4.48
2	Financial undertakings	793.47	186.47	14.93	0.00	0.38	0.95	0.50	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186.97	15.10	0.00	0.38	0.95
3	Credit institutions	793.47	186.47	14.93	0.00	0.38	0.95	0.50	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	186.97	15.10	0.00	0.38	0.95	
4	Loans and advances	33.64	7.22	0.30	0.00	0.01	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	7.23	0.30	0.00	0.01	0.05		
5	Debt securities, including UoP	759.82	179.25	14.63	0.00	0.37	0.90	0.49	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	179.74	14.80	0.00	0.37	0.90		
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	0.00	0.00	0.00	0.00	0.00	
7	Other financial corporations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	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	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	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	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	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	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	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	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	0.00	0.00	0.00	0.00	0.00	
16	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
17	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	0.00	0.00	0.00	0.00	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	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	0.00	0.00	0.00	0.00	0.00	
20	Non-financial undertakings	39.65	11.41	4.84	0.00	0.00	3.53	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	11.44	4.84	0.00	0.00	3.53		
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	0.00	0.00	0.00	0.00	0.00	
22	Debt securities, including UoP	39.65	11.41	4.84	0.00	0.00	3.53	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	11.44	4.84	0.00	0.00	3.53		
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	0.00	0.00	0.00	0.00	0.00	
24	Households	6,848.53	6,848.53	245.64	245.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,848.53	245.64	245.64	0.00	0.00		
25	of which loans collateralised by residential immovable property	6,037.70	6,037.70	245.64	245.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,037.70	245.64	245.64	0.00	0.00			
26	of which building renovation loans	777.53	777.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	777.53	0.00	0.00	0.00	0.00	0.00		
27	of which motor vehicle loans	33.29	33.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.29	0.00	0.00	0.00	0.00	0.00		
28	Local governments financing	516.65	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00		
29	Housing financing	5.55	5.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.55	0.00	0.00	0.00	0.00	0.00		
30	Other local government financing	511.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	Collateral obtained by taking possession: residential and commercial immovable	0.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	Assets excluded from the numerator for GAR calculation (covered in the denominator)	19,484.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
33	Financial and Non-financial undertakings	13,120.31																																			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	12,719.80																																			
35	Loans and advances	11,310.44		</																																	

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	0.63	0.57		0.63	0.57			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00	1.27	1.14	
2 H 49.1	6.51	4.15		0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			0.00	0.00			6.51	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		Non-Financial corporates (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		[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			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					

TAXONOMIC INFORMATION

Turnover (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 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 transitional					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	85.89%	3.22%	3.00%	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%	0.00%	0.02%	25.16%													
2	Financial undertakings	22.70%	1.71%	0.00%	0.04%	0.08%	0.04%	0.01%	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%	0.04%	0.09%	2.43%													
3	Credit institutions	22.70%	1.71%	0.00%	0.04%	0.08%	0.04%	0.01%	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%	0.04%	0.09%	2.43%														
4	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%	0.10%														
5	Debt securities, including UoP	23.71%	1.79%	0.00%	0.04%	0.08%	0.04%	0.01%	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%	0.04%	0.09%	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%														
7	Other financial corporations	0.00%	0.72%	0.00%	0.05%	0.43%	0.00%	0.01%	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%	0.05%	0.44%	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%														
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%														
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%														
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%														
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%														
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%														
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%														
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%														
16	of which insurance undertakings	0.00%	0.72%	0.00%	0.05%	0.43%	0.00%	0.01%	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%	0.05%	0.44%	0.00%														
17	Loans and advances	0.00%	0.72%	0.00%	0.05%	0.43%	0.00%	0.01%	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%	0.05%	0.44%	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%														
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%														
20	Non-financial undertakings	19.33%	12.15%	0.00%	2.49%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.49%	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%															
22	Debt securities, including UoP	19.33%	12.15%	0.00%	2.49%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.49%	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%															
24	Households	100.00%	3.59%	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%	3.59%	0.00%	21.01%															
25	of which loans collateralised by residential immovable property	100.00%	4.07%	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%	4.07%	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%															
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%															
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%															
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%															
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%															
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%															
32	Total GAR assets	25.44%	0.95%	0.89%	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%	0.00%	0.00%	0.01%	84.95%															

TAXONOMIC INFORMATION

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	z	aa	ab	ac	ad	ae	af				
	Disclosure reference date T																																		
	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)				
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets covered						
	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 enabling	Of which Use of Proceeds			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	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional
GAR - Covered assets in both numerator and denominator																																			
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	83.99%	5.81%	5.13%	0.01%	0.11%	0.82%	0.24%	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%	84.80%	4.05%	5.13%	0.01%	0.13%	24.07%			
2 Financial undertakings	25.89%	6.34%	0.00%	0.10%	0.73%	8.07%	2.27%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	33.97%	8.61%	0.00%	0.10%	0.78%	2.60%			
3 Credit institutions	25.89%	6.34%	0.00%	0.10%	0.73%	8.07%	2.27%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	33.97%	8.61%	0.00%	0.10%	0.78%	2.60%			
4 Loans and advances	26.01%	1.06%	0.00%	0.02%	0.21%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.09%	1.06%	0.00%	0.02%	0.21%	0.04%			
5 Debt securities, including UoP	25.89%	6.42%	0.00%	0.10%	0.74%	8.19%	2.30%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.08%	8.72%	0.00%	0.10%	0.79%	2.56%			
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%			
7 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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 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%	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%	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%	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%			
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%	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%	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%	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%			
16 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%	0.00%	0.00%	0.00%	0.00%			
17 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%	0.00%	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%	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%			
20 Non-financial undertakings	27.54%	11.20%	0.00%	0.03%	8.50%	2.29%	2.19%	0.00%	1.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.84%	13.39%	0.00%	0.03%	9.81%	0.13%			
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%	0.00%	0.00%			
22 Debt securities, including UoP	27.54%	11.20%	0.00%	0.03%	8.50%	2.29%	2.19%	0.00%	1.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.84%	13.39%	0.00%	0.03%	9.81%	0.13%			
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%			
24 Households	100.00%	6.31%	6.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	6.31%	6.31%	0.00%	0.00%	21.17%			
25 of which loans collateralised by residential immovable property	100.00%	7.19%	7.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	7.19%	7.19%	0.00%	0.00%	18.59%			
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%	100.00%	0.00%	0.00%	0.00%	0.00%	2.48%			
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%	100.00%	0.00%	0.00%	0.00%	0.00%	0.10%			
28 Local governments financing	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.71%	0.00%	0.00%	0.00%	0.00%	2.17%				
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%	100.00%	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%	0.00%	0.00%	2.15%			
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%	0.00%	0.00%			
32 Total GAR assets	25.44%	1.76%	1.55%	0.00%	0.03%	0.25%	0.07%	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%	25.71%	1.83%	1.55%	0.00%	0.04%	84.00%				

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)						
% (compared to total covered assets in the denominator)	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 assets covered		
	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 transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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 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%	0.01%	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%	0.02%	0.55%	0.00%	
17 Loans and advances	0.00%	1.05%	0.00%	0.02%	0.54%	0.00%	0.01%	0.00%	0.01%	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%	0.02%	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%	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%	0.00%	21.01%	
25 of which loans collateralised by residential immovable property	100.00%	4.07%	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%	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%	0.94%	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%		

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					
		F&C KPI - Disclosure reference date T																												
		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 environmentally sustainable (%) [Taxonomy-aligned]		Of which transitional		Of which enabling		Of which environmentally sustainable (%) [Taxonomy-aligned]		Of which transitional		Of which enabling		Of which environmentally sustainable (%) [Taxonomy-aligned]		Of which transitional		Of which enabling		Of which environmentally sustainable (%) [Taxonomy-aligned]		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%	0.00%	0.00%				
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%	0.00%	0.00%				
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%				
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%				
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%				
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%				
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%				
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%				

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					
		F&C KPI - Disclosure reference date T																												
		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 environmentally sustainable (%) [Taxonomy-aligned]		Of which transitional		Of which enabling		Of which environmentally sustainable (%) [Taxonomy-aligned]		Of which transitional		Of which enabling		Of which environmentally sustainable (%) [Taxonomy-aligned]		Of which transitional		Of which enabling		Of which environmentally sustainable (%) [Taxonomy-aligned]		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%	0.00%					
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%	0.00%					
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%					
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%					
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%					
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%					
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%					
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%					

ESRS E1 – Climate Change

Environmental Information

42.1 g CO₂/EUR¹⁾
CO₂ EMISSION INTENSITY
OF THE LOAN PORTFOLIO
(EXCL. SECTOR L)



1) excl. Scope 3

ESRS E1 – CLIMATE CHANGE

Strategy

E1-SBM-3 – Key ESG impacts, ESG risks and ESG opportunities (IRO) and their interaction with the strategy and business model

Summary table of material ESG impacts, ESG risks and ESG opportunities:

Sustainability aspect	IRO number	Impact, risk, opportunity (IRO)	Type of IRO	Description of IRO	Value chain	Time horizon
SBM-3-48a		SBM-3-48a	SBM-3-48a SBM-3-18	SBM-3-48a	SBM-3-48a	SBM-3-48c iii
Climate Change Adaptation	1	E1 – Transformation of the economy	Positive impact (actual)	The ongoing climate change requires an extremely large amount of capital to finance the transformation of the economy and society. By channeling capital into decarbonised sectors or sectors working towards decarbonisation, as well as into climate change adaptation projects, banks are contributing to climate protection and adaptation.	Own business activity, upstream and downstream value chain	Long-term
	2	E1 – Sustainable products	Opportunity	Issuing sustainable loans to finance private housing construction or commercial loans for sustainable purposes and sale (brokerage) of securities	Own business activity, upstream and downstream value chain	Long-term
Climate protection	3	E1 – GHG (own operations)	Negative impact (actual)	Day-to-day operations contribute to GHG emissions. Construction processes (raw material extraction and processing) and the operation of vehicle fleets (combustion engines and their manufacture) generate high levels of CO ₂ emissions. The company's own emissions are relevant to stakeholders, even if its own Scope 1 and 2 emissions account for only a small share of total emissions.	Own business activity, upstream and downstream value chain	Long-term
Climate protection	4	E1 – GHG related to downstream value chain	Negative impact (actual)	The Association of Volksbanks finances various sectors that produce GHG and consume large amounts of energy. GHG emissions are also generated in the day-to-day investing business. It can thus be concluded that the Association has an impact, both in its lending and investment portfolios, on reducing or increasing carbon emissions and energy consumption within the value chain (EU Regulation 2019/2089).	Downstream value chain	Long-term
Climate protection	5	E1 – River flooding risk	Risk (physical)	Flooding can cause significant damage to real estate collateral and infrastructure. Customers with mortgages may be affected by high repair costs and a potential drop in the value of their properties. Business customers may suffer loss of revenue due to operational disruptions, while private customers may face a decline in household income and assets. This may increase a bank's risk exposure (e.g. higher provisions for risks).	Downstream value chain	Short-/medium-/long-term

ESRS E1 – CLIMATE CHANGE

Sustainability aspect	IRO number	Impact, risk, opportunity (IRO)	Type of IRO	Description of IRO	Value chain	Time horizon
SBM-3-48a		SBM-3-48a	SBM-3-48a SBM-3-18	SBM-3-48a	SBM-3-48a	SBM-3-48c iii
Climate protection	6	E1 – Risk arising from regulations regarding greenhouse gas emissions and intensity	Risk (transitory)	The growing regulatory pressure on high-emission products could lead to a decline in demand for these products. Due to regulatory requirements regarding energy efficiency and associated investment needs, property values may drop. High GHG emissions can lead to higher costs associated with meeting environmental standards, as well as reputational damage and exposure to legal risks. Customers being affected may increase a bank's risk exposure (e.g. higher provisions for risks).	Downstream value chain	Short-/medium-/long-term
Climate protection	7	E1 – Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection	Risk (transitory)	Changes in investor behaviour or consumer preferences regarding climate protection could lead to a decline in demand for products that are harmful to the climate and/or higher expenses to maintain environmental standards. Companies that fail to adapt their business model may face a loss of confidence among customers and investors, which in turn could undermine the company's financial performance and market position. Customers being affected may increase a bank's risk exposure (e.g. higher provisions for risks).	Downstream value chain	Short-/medium-/long-term
Climate protection	8	E1 – Energy consumption and intensity (energy efficiency)	Risk (transitory)	Property values may drop in regions where the energy supply is unreliable or expensive. Rising energy costs can affect private household incomes and the economic feasibility of businesses. Added to this are rising costs for maintenance, raw materials, new technologies and energy efficiency measures. Customers being affected may increase a bank's risk exposure (e.g. higher provisions for risks).	Downstream value chain	Short-/medium-/long-term
Climate protection	9	E1 – Energy consumption of downstream value chain (financing)	Negative impact	The Association of Volksbanks finances various sectors that consume large amounts of energy. This makes it possible to conclude that the bank has an impact in its lending and financing portfolios on the reduction or increase in carbon emissions and energy consumption within the value chain. The operation of real estate properties – including heating, air conditioning and lighting – also accounts for energy consumption. High energy consumption has a significant impact regardless of greenhouse gas emissions, as the production of renewable energy may also have an environmental impact.	Downstream value chain	Long-term

ESRS E1 – CLIMATE CHANGE

- SBM-3-48 b The material ESG impacts, ESG opportunities and ESG 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 ESRS 2 SBM 1). 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 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.
- SBM-3-48 d 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 ((1) Transformation of the economy) that create additional financing and consulting needs. As a regional financial institution, the Association of Volksbanks can actively take advantage of these ESG opportunities by positioning sustainable financing and securities.
- SBM-3-48 c iv Sustainable financial instruments ((2) 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 the Association's competitiveness.
- SBM-3-48 c i 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.

(1) Transformation of the economy

- SBM-3-48 c i
SBM-3-48 c ii
SBM-3-48 c iv 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), the Association of Volksbanks 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. The Association is funding the transformation both through its own investments (investment strategy) and through loans that enable its customers to implement transformation measures.

(2) Sustainable products

- SBM-3-48 c ii
SBM-3-48 c iv Using sustainable products, the Association of Volksbanks 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 the Association'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. The bank 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.

- SBM-3-48 c i By selling its products, the Association has an opportunity to positively influence customers towards climate protection. The Association's customers are small and medium-sized enterprises that form the backbone of the Austrian economy and that 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.

(3) GHG (own operations)

- SBM-3-48 c i The Association of Volksbanks generates GHG 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.

ESRS E1 – CLIMATE CHANGE

The negative effects of these emissions are not directly linked to the bank'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.

SBM-3-48 c ii

The Association of Volksbanks contributes to this material impact directly through its own operations and the mobility of its own staff.

SBM-3-48 c iv

(4) GHG related to downstream value chain

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, and are thus one of the key risk drivers. Indirect emissions resulting from the financing of high-emission economic sectors contribute to global GHG emissions and climate impacts.

SBM-3-48 c i

These ESG impacts are directly linked to the core business of the Association of Volksbanks: lending and capital allocation.

SBM-3-48 c ii

Through its role as a lender, the Association plays a significant part in the ESG impacts resulting from the generation or avoidance of GHG emissions by its borrowers.

SBM-3-48 c iv

(5) River flooding risk

As part of the materiality assessment, the river flooding risk was identified as financially material, particularly in relation to credit risk, across all time horizons. The potential impacts of river flooding on customers of the Association, as described in the introductory table for ESRS E1-SBM-3, may, for example, be reflected in resulting increases in PD and LGD within the Association's credit risk.

SBM-3-48 c i,
ii, iv

Resilience

See E1-2 Concept 5-8

Concentration in the business model and the value chain

See E1-SBM-3 Table

Impact on the business model, value chain, strategy and decision-making, and the response to these

See ESRS E1-2 Concept 5.

(6) Risk arising from regulations regarding greenhouse gas emissions and intensity

As part of the materiality assessment, the regulatory risk relating to GHG emissions and intensity was identified as financially material, particularly in relation to credit risk, across all time horizons. The potential impacts of regulations on customers of the Association, as described in the introductory table for ESRS E1-SBM-3, may, for example, be reflected in resulting increases in PD and LGD within the Association's credit risk.

SBM-3-48 c i,
ii, iv

Concentration in the business model and the value chain

See E1-SBM-3 Table

Impact on the business model, value chain, strategy and decision-making, and the response to these

See ESRS E1-2 Concept 6

(7) Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection

As part of the materiality assessment, the risk arising from changes in investor behaviour or consumer preferences regarding climate protection was identified as financially material, particularly in relation to credit risk, across all time horizons. The potential impacts on customers of the Association, as described in the introductory table for ESRS E1-SBM-3, may, for example, be reflected in resulting increases in PD and LGD within the Association's credit risk.

SBM-3-48 c i,
ii, iv

Concentration in the business model and the value chain

See E1-SBM-3 Table

ESRS E1 – CLIMATE CHANGE

Impact on the business model, value chain, strategy and decision-making, and the response to these
See ESRS E1-2 Concept 7

(8) Energy consumption and intensity (energy efficiency)

SBM-3-48 c i, ii, iv As part of the materiality assessment, the risk relating to energy consumption and intensity was identified as financially material, particularly in relation to credit risk, across all time horizons. The potential impacts on customers of the Association, as described in the introductory table for ESRS E1-SBM-3, may, for example, be reflected in resulting increases in PD and LGD within the Association's credit risk.

Concentration in the business model and the value chain
See E1-SBM-3 Table

Impact on the business model, value chain, strategy and decision-making, and the response to these
See ESRS E1-2 Concept 8.

(9) Energy consumption of downstream value chain (financing)

SBM-3-48 c i Due to the negative impact on climate protection, both people and the environment are adversely affected by the downstream value chain (financing) of the Association of Volksbanks. An analysis of the loan portfolio using SASB revealed the negative impact of energy consumption.

SBM-3-48 c ii By allocating funds to energy-intensive sectors and selling investment products to customers, energy consumption is indirectly financed or funded through the downstream value chain. This factor is taken into account within the framework of the Business and Sustainability Strategy, as well as its sub-strategies for decarbonising the loan portfolio and the customer strategy, in relation to achieving targets for sustainable products and supporting the transformation.

SBM-3-48 c iv The Association of Volksbanks has an indirect stake in the energy consumption of the downstream value chain through the flow of funds. Sustainable products and services indirectly finance energy consumption in the sectors in which the Association operates (see ESRS 2 SBM-1).

Resilience of the Association of Volksbanks regarding climate change

The dual materiality analysis and the materiality assessment identified a range of short-, medium- and long-term climate-related financial risks for the Association of Volksbanks. VBW assesses the resilience of the Association to these risks through stress tests, sensitivity analyses and scenario analyses. .

Resilience through business environment scan (BES) and materiality assessment

The resilience of the Association in relation to climate change is analysed both as part of the business environment scan (BES) (see ESRS GOV-2), in the materiality assessment (see ESRS 2 IRO-1-53 c), and explicitly as part of the internal stress testing programme. These analyses relate to the portfolio's resilience to climate risks (downstream value chain – see ESRS E1 AR 6).

In concrete terms, the stress test programme covers the following areas connected to climate risks:

- » General macroeconomic scenarios
- » Specific climate stress scenario
- » Climate-related sensitivity analyses
- » Longer-term climate scenario

In addition to the stress testing programme, a separate analysis of physical risks is carried out with regard to the sensitivity of the Association's portfolio (see ESRS 2 IRO-1-20 b).

a) General macroeconomic scenarios

E1-SBM-3-19 b In principle, the scenarios considered in the stress test programme are designed to reflect the portfolio composition of the Association of Volksbanks. The results focus on the impact of the scenarios on the Profit and Loss (P&L) Statement and the capital position of the Association. In stress testing, P&L positions are generally simulated using stressed parameters (GDP growth, yield curve, spread assumptions, etc.) for material risk categories. This scenario analysis takes into account changes in macroeconomic conditions, which may also include climate- and environment-related factors.

As part of the internal stress testing programme, in addition to a baseline and an adverse scenario, a bank-specific stress scenario incorporating stressed macroeconomic factors is developed and analysed over a three-year period. This individual scenario is broadly based on the severity level of the EBA¹/ECB stress scenario, but also takes into account institution-specific aspects. The corresponding scenario development and the defined parameters are also influenced by climate and environmental risks. These aspects include, among other things, both the effects of climate change on the Alpine region – which may have a particular impact on the tourism sector – and the macroeconomic implications of climate policy measures. In addition, some sectors may be affected by extreme weather events.

The individual stress scenario is calculated annually as at 30 September, in addition to the annual medium-term planning, based on a dynamic balance sheet structure. In addition, all macroeconomic scenarios are calculated as at 31 December each year based on a static balance sheet structure. The stress effects of this year-end stress test are used quarterly to calculate the RAS² ratio “CET1³ ratio under internal stress”. The adequacy of the scenario is also reviewed quarterly.

The hurdle rate set for the scenario analyses of the internal stress test as at 31 December 2024 (= limit of the RAS ratio “CET1 ratio under internal stress”) and the defined trigger (= hurdle rate plus management buffer in the internal stress test) are maintained for the three-year stress test period. It should be noted that, in addition to the climate-related aspects described, other (negative) effects are also taken into account, reflecting non-climate-induced market changes such as interest rate or RWA⁴ effects.

E1-SBM-3-19 b

b) Specific climate stress scenario

To address the impact of climate and environmental risks in the short and medium term, the internal stress testing programme was expanded to include a specific climate stress scenario as at 31 December 2024. This scenario places a particular focus on transition risks that were classified as financially material in the materiality assessment for the Association of Volksbanks. The impact of these risk drivers was broken down and parameterised accordingly for relevant sectors within the Association, based on the “Fragmented World” and “Disorderly Transition” NGFS⁵ scenarios. Specifically, this involves a scenario involving a massive CO₂ price shock. In addition, a drop in real estate prices for buildings with low energy efficiency was simulated. The assessment spans a three-year horizon, in line with the other scenario analyses in the stress test programme, and follows a static balance sheet approach. The results of the climate stress test can provide an indication of how risk-weighted assets (RWAs) and additional risk provisions (broken down by sector) are likely to develop as a result of the stress effects.

E1-SBM-3-19 b

This scenario is calculated annually as at December 31. The results as at 31 December 2024 show that the defined limits and triggers have been met.

E1-SBM-3-19 c

c) Climate-related sensitivity analyses

In order to analyse in greater detail the risk drivers in the portfolio that were identified as financially material in the materiality assessment, additional sensitivity analyses were implemented from the reporting date of 31 December 2024, designed to measure the financial impact of these risk drivers on the Association of Volksbanks’ risk provisioning portfolio..

E1-SBM-3-19 b

The transitional risks identified as financially significant materialise, among other things, in the form of real estate depreciations. Consequently, the sensitivity analyses examined the effects of collateral depreciations and their impact on the LGD. The amount of the depreciation is based on an assessment of the property’s heating requirements, taking into account its EPC⁶ rating.

To assess the physical risk of river flooding, which has been identified as financially material, the impact values for the property collateral from Climcycle were used, and the property value was adjusted downwards depending on the severity of the impact. This made it possible to identify and visualise risk concentrations in individual municipalities or federal states across the entire portfolio.

These sensitivity analyses are carried out annually as at December 31. Among other things, the results lead to additional portfolio analyses and any necessary follow-up actions.

E1-SBM-3-19 c

¹ European Banking Authority (EBA)

² Risk Appetite Statement

³ Common Equity Tier 1

⁴ Risk Weighted Assets

⁵ Network for Greening the Financial System

⁶ Energy Performance Certificate

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d) Longer-term climate scenario

E1-SBM-3-19 b In addition to the scenario analyses described above, a longer-term climate scenario with a ten-year horizon as at 31 December 2024 was considered. To this end, a scenario development specific to Austria and the Volksbanks was established, with particular emphasis on risk drivers identified as material during the materiality assessment, which were taken into account to exacerbate the scenarios. The impacts of this scenario were also described in the sector groups relevant to the Association of Volksbanks and their channels of impact. The scenario narrative was subsequently translated into macroeconomic parameters. The parameter estimates used are based, among other things, on the macroeconomic trends of the "Fragmented World" NGFS scenario. The key metric of the longer-term climate scenario is the development in the one-year expected loss (EL¹) within the loan portfolio, which was also analysed across different segments. Given the long-term nature of the climate scenario, these indicators appear well-suited to describing its impacts.

The data is based on the Association's strategic medium-term plan, which covers a period of six years. In order to extend the timeframe of the longer-term climate scenario from six to ten years, general assumptions regarding portfolio development are made for the years following the end of the medium-term planning period. As part of the application of this longer-term climate scenario, credit risk-relevant parameters are subjected to stress testing. In particular, this assumes higher default rates and a depreciation of property collateral depending on the energy efficiency rating.

E1-SBM-3-19 c This long-term analysis shows that, should this scenario materialise without further action, risk provisions could rise by an average of 23% per year over a 10-year period compared with the planned risk provisions. Measured against the total amount of planned customer receivables, the effect averages around 4 basis points over the stress period and is thus relatively small.

e) Conclusion of resilience analysis

E1-SBM-3-19 c The results of the expanded internal stress testing programme have confirmed the measures put in place in relation to climate and environmental risks.

By integrating sustainability risks into its risk management framework, analysing opportunities, impacts and risks – such as BES, materiality assessment and materiality analysis – and by steering through sustainability targets across multiple time horizons within the NAKO framework, the Association of Volksbanks is able to adapt its business model to climate change in the short, medium and long term. As part of the growth strategy, a number of measures are already being implemented to further enhance the organisation's ability to adapt. Support for the transformation process and loans to assist with the transformation of the economy are already being implemented, and further measures are planned.

E1-1 – Transition plan for climate protection

E1-1-16 a So far, there are elements of a transition plan for the Association of Volksbanks: a decarbonisation strategy for emissions covered by the Association's financing, as well as decarbonisation plans for operations (see a) and b) and E1-2), a growth strategy for sustainable products that also contributes to a transition plan for the entire business model (see E1-2).

a) Operation:

E1-1-16 a 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.

¹ Expected Loss

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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 E1-4).

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. The most significant measures comprise the following:

E1-1-16 b

- » 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, the Association of Volksbanks 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. The Association 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.

E1-1-16 d

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.

E1-1-16 g

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.

E1-1-16 h, i

As a result, phasing out combustion-engine vehicles will reduce the Association's Scope 1 emissions. Progress is measured annually using the CCF calculation. Total (market-based) emissions under Scope 1 and 2 were reduced from 3,534 t CO₂e to 1,572 t CO₂e (2024). The CCF calculation for 2025 shows a reduction in gross GHG emissions (market-based) of approximately 6.5% and supports the Association of Volksbanks' decarbonisation path, which is in line with the Paris Climate Agreement targets. The switch to green electricity has already been completed.

E1-1-16 j

b) Financed emissions:

The Association of Volksbanks' decarbonisation target for financed emissions is based on net-zero paths, which, depending on the PCAF asset class and economic sector, are derived from data provided by the IEA (International Energy Agency), the NGFS (Network for Greening the Financial System) and the SBTi (Science Based Targets Initiative). While the IEA paths for energy-intensive sectors (NACE codes B, C, D, E, F, H) are used for the "business loans and unlisted equity", "listed equity and corporate bonds" and "project finance" asset classes, the SBTi target pathway applies to the agriculture sector (A). The NGFS provides ideal paths for all other sectors. The IEA's net-zero targets are also being used to decarbonise real estate finance.

E1-1-16 a

The decarbonisation goal: Based on these paths, a percentage reduction target was defined as measured against the CO₂ intensity of the overall portfolio. The GHG goal is to achieve a GHG-neutral portfolio by 2050. For this to happen, Austria must meet its target of becoming climate-neutral by 2040. The intensity target for 2030 has been set at 77.0% compared with the base year 2024, in line with the decarbonisation paths; this has been retroactively adjusted to the 2025 calculation methodology to allow for comparability. As things stand, the Association is on track to meet its projected portfolio intensity target by 2030 under the current legal framework and the resulting projected passive decarbonisation, without the need for active measures. In the long term, achieving these goals heavily depends on additional national

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efforts and legislation. In case of the Association's decarbonisation performance falling short of that of the Republic of Austria, the trigger and limit system will be activated, and the measures described under E1-3 will ensure that the Association's CO₂ intensity returns to the targeted decarbonisation path. Achieving these targets contributes to a significant reduction in the portfolio's GHG intensity, but above all to a reduction in the GHG emissions of the respective borrowers and assets to a level compatible with the 1.5°C ambition target.

The Association's customer base consists mainly of private customers and SMEs in Austria. These customer groups currently have very little in the way of measured CO₂ data, which is why the majority of the financed emissions in the Association's portfolio are determined using statistical estimates. That is why a major focus of the decarbonisation strategy is on modelling financed emissions as accurately as possible in line with PCAF, as well as developing potential measures and establishing processes for collecting real-world data in order to improve the PCAF Data Quality Score. To this end, a new property database has been set up to feed real-world data into the PCAF model.

E1-1-16 b Since June 2024, financed emissions have been calculated and analysed on a quarterly basis to improve the ability to control these elements. The results for 2025 show that the emissions intensity of the Association of Volksbanks' customer portfolio has continued to fall and that the target set for the Association for 2025, in relation to financed Scope 1 and 2 emissions, has been achieved (see E1-4 (4) GHG emissions from the downstream value chain, (9) Energy consumption of the downstream value chain (financing)). In addition, the introduction of an ESG tool that has been in use since Q1 2025 has made it possible to improve monitoring.

For the financed emissions, the focus is on financing new business that is CO₂-efficient. Other key decarbonisation measures being taken by the Association of Volksbanks include:

- » Setting target values for the coverage of actual data in energy performance certificates to allow for more precise management
- » Setting sub-targets at the PCAF asset class level

The most significant passive effects within the Association that are not directly initiated by the Association's decarbonisation measures are:

- » Phasing out high-emission properties in the portfolio
- » Passive decarbonisation of the Austrian energy grid
- » Passive decarbonisation of industries

It should be noted that while the Association of Volksbanks has no direct influence on these passive factors, they can influence the achievement of goals in other ways. Developments in recent years, together with the government's targets, suggest that there will be a positive impact in the medium term.

The indicator system for monitoring progress towards decarbonisation is also supported by a non-exhaustive catalogue of measures which, where necessary, offers further options for action in the form of potential decarbonisation levers. Some examples are listed here:

- » Definition of qualitative exclusion criteria
- » Development of engagement strategies for particularly high-emission customers
- » Support for customers with renovation projects

The effectiveness of the measures is monitored through a quarterly root cause and variance analysis.

E1-1-16 i
E1-1-16 h
E1-1-17 The decarbonisation strategy for financed emissions has been approved by the Managing Board and the Supervisory Board and integrated into the Risk Strategy, thus also forming a key framework for the Business Strategy.

Investments to support the implementation of decarbonisation paths are presented in E1-3.

Management of ESG impacts, ESG risks and ESG opportunities

The following chapter outlines the concepts (or strategies), the measures, and the key performance indicators (KPIs) and targets relating to these concepts in the context of climate protection and adaptation to climate change.

E1-2 – Concepts relating to climate protection and adaptation to climate change

IRO number	Impact, risk or opportunity addressed	Concepts	Decarbonisation lever and measures	Goals
1	Transformation of the economy (positive impact)	» Significant capital requirements to fund the transformation and investments (part of the Business Strategy). Bank's contribution to climate protection through supply of capital	» Sustainable financing » SME transformation support » Sustainable securities » ESG score » Reduction of energy consumption in downstream value chain	» Increase in share of sustainable financing » Increase in share of sustainable securities
2	Sustainable products (opportunity)	» Driving transformation of economy by offering sustainable products (Business Strategy) » Bank's contribution to adapting to climate change	» Sustainable securities » Sustainable financing » SME transformation support » Reduction of energy consumption in downstream value chain	» Increase in share of sustainable securities » Increase in share of sustainable financing
3	GHG (own operation) (negative impact)	» Decarbonisation of operation (decarbonisation strategy for Scope 1 and 2)	» Conversion to LED » Taking sustainable building standards into account » Conversion of vehicle fleet to electric vehicles » Business travel policy and remote working agreements	» Reduction of operational emissions by 2050 (Scope 1 and 2) to a level of unavoidable residual emissions that are then to be offset
4	GHG of the downstream value chain (financing) (Negative impact)	» Reduction of emissions in investment portfolio (Risk Strategy)	» Decarbonisation strategy for financed emissions (Scope 3.15)	» Carbon-neutral by 2050 (entire portfolio)
5	River flooding risk (risk)	» Risk limitation in accordance with ESG limit framework » Bank's contribution to adapting to climate change	» Monitoring of limit frameworks » Implementation of RAS metrics with an escalation process	» Reducing default and valuation risk at the bank (Risk Strategy)
6	Risk arising from regulations regarding greenhouse gas emissions and intensity	» Risk limitation in accordance with ESG limit framework » The bank's contribution to climate protection	» Monitoring of limit frameworks » Implementation of RAS metrics with an escalation process	» Reducing default and valuation risk at the bank (Risk Strategy)
7	Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection (risk)	» Risk limitation in accordance with ESG limit framework » The bank's contribution to climate protection	» Monitoring of limit frameworks » Implementation of RAS metrics with an escalation process	» Reducing default and valuation risk at the bank (Risk Strategy)

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IRO number	Impact, risk or opportunity addressed	Concepts	Decarbonisation lever and measures	Goals
8	Risk from energy consumption and intensity (energy efficiency)	<ul style="list-style-type: none"> » Risk limitation in accordance with ESG limit framework » Bank's contribution to reducing energy consumption 	<ul style="list-style-type: none"> » Monitoring of limit frameworks » Implementation of RAS metrics with an escalation process 	<ul style="list-style-type: none"> » Improving management of decarbonisation strategy
9	Energy consumption of downstream value chain (financing)	<ul style="list-style-type: none"> » Significant capital requirements to finance improvements in energy efficiency (Business Strategy) through capital investment; contribution to a reduction in energy consumption (Risk Strategy) 	Measures regarding: <ul style="list-style-type: none"> » Transformation of the economy » Sustainable financing » Sustainable securities » SME transformation support » GHG related to downstream value chain » Risk from regulations regarding GHG emissions and intensity » Risk arising from changes in investor behaviour or consumer preferences » Risks from energy consumption and energy intensity 	Goals regarding: <ul style="list-style-type: none"> » Transformation of the economy » Sustainable financing » Sustainable securities » GHG related to downstream value chain » Risk from regulations regarding GHG emissions and intensity » Risk arising from changes in investor behaviour or consumer preferences » Risk from energy consumption

(1) Transformation of the economy

Significant capital requirements to finance the transformation and for investments (Business Strategy) through capital contributions to climate protection

As part of the Business Strategy, the Association of Volksbanks 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, the Association aims to promote the transition to a low-CO₂ economy and make a measurable contribution to achieving national and international climate targets. The concept and objectives are monitored via NAKO (ESG KPIs). MDR-P-65 a

This concept opens up significant opportunities for the Association of Volksbanks, for example by tapping into new business areas, strengthening customer loyalty and positioning itself as a responsible financial partner.

The concept applies to all of the Association of Volksbanks' lending and investment activities and covers financing for both corporate and private customers implementing sustainable projects. This includes all regions in which the Association of Volksbanks operates, as well as relevant upstream and downstream sectors in the value chain such as suppliers, project developers and cooperation partners. Stakeholders include, in particular, customers, employees, investors, regulatory authorities and local communities. MDR-P-65 b

The responsibility for implementing this concept 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. MDR-P-65 c

In designing and implementing its initiatives, the Association of Volksbanks 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. MDR-P-65 d

Interests of key stakeholders were fully taken into account during the development of the concept. 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. MDR-P-65 e

The concept and any associated measures are being communicated transparently. Information is available both on the Association of Volksbanks 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. MDR-P-65 f

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(2) Sustainable products

Driving the transformation of the economy by offering sustainable products (Business Strategy)

MDR-P-65 a 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 the Business Strategy of the Association of Volksbanks.

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

MDR-P-65 a The objectives of the Customer Strategy include the following guidelines for the responsible provision of loans and other banking products:

- » The Association of Volksbanks sees many opportunities and potential for growth, partly due to the far-reaching sustainability transformation of the economy and society and the whole, which in turn creates additional financing and consulting needs. The aim is to actively capitalise on these opportunities by positioning the Association 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.

MDR-P-65 a Sustainability targets are underpinned by specific ESG KPIs. The responsibilities described above have been defined for the development and implementation of the measures, as well as for monitoring progress towards targets (as already described in ESRS 2 SBM-1).

MDR-P-65 b Scope of application in relation to business activities:

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

MDR-P-65 b Scope of application regarding geographical areas: The geographical area comprises the business area of the Association of Volksbanks. Scope of application with regard to affected stakeholders: consumers and/or end-users are affected by the concept as stakeholder groups.

MDR-P-65 c As the organisation's highest body, the VBW Managing Board is responsible for the implementation.

MDR-P-65 e 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.

(3) GHG (own operations)

Strategy for decarbonising our operations (Scope 1 and 2)

MDR-P-65 a 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.

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

MDR-P-65 a

The Association of Volksbanks is committed to continuously reducing greenhouse gas emissions from its 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.

MDR-P-65 a

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.

MDR-P-65 b

The VBW Managing Board is responsible for implementing the plan.

MDR-P-65c

The key stakeholders were taken into account while the strategy was formulated (see SBM-2).

MDR-P-65e

(4) GHG of downstream value chain (financing)

Reduction of emissions in investment portfolio (Risk Strategy)

The strategy to reduce the financial risk associated with financed emissions is to decarbonise the Association of Volksbanks' overall portfolio. This covers all geographical areas in which the portfolio holds positions, the majority of which are located in Austria (up to 5.0% in neighbouring countries). Decarbonisation is to be achieved through the unwinding of the portfolio and an improvement in the carbon intensity of new business. Passive factors include the decarbonisation of the Austrian energy grid and the decarbonisation of industries. Financed Scope 3 emissions are currently excluded from the portfolio's decarbonisation strategy, and the targets relate only to financed Scope 1 and 2 emissions. Scope 1 and Scope 2 emissions are clearly defined and attributable to individual customers, meaning that there can be no double counting between the Scope 1 and Scope 2 emissions of different companies. Scope 3 emissions, on the other hand, always encompass Scope 1, 2 and 3 emissions from the upstream and downstream value chain (e.g. customers and suppliers), meaning that including them in a bank's financed emissions can result in a significant increase in emissions values. Since Scope 3 emissions are only controllable to a limited extent due to the potential for them to multiply, and as the IEA guidelines provide only very limited reduction paths for Scope 3 emissions, the Risk Strategy subsequently focuses on financed Scope 1 and 2 emissions for control purposes.

MDR-P-65 a
MDR-P-65 b

VBW's Managing Board is responsible for the implementation of the decarbonisation strategy. The monitoring process takes place quarterly in RiCo and NAKO; financed emissions are determined in accordance with the PCAF standard for this purpose. Other stakeholders were not involved in the development of the concept.

MDR-P-65 c

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[5] River flooding risk, [6] Risk from regulations regarding GHG emissions and intensity, [7] Risk arising from changes in investor behaviour, [8] Risk from own energy consumption

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

MDR-P-65 a, b The ESG limit framework caps the risks that were first defined during the relevance assessment as part of a comprehensive Materiality Assessment (see IRO-1) and subsequently identified during a Materiality Assessment based on the expected economic loss. This encompasses, on the one hand, risks that are considered relevant to both the business model and customers and, on the other hand, risks that are relevant based on the extent to which they are affected (based on their address). The scope of application covers the Association of Volksbanks' loan portfolio, which constitutes the core of the bank's activities and forms part of the downstream value chain.

MDR-P-65 c The identified risks are monitored at the Association level using specific RAS key figures and RAS monitoring indicators. This takes the form of quarterly analyses presented to the Risk Committee. VBW's Chief Risk Officer is responsible for implementing concepts including setting limits, monitoring and any recalibration that may be required, in close consultation with the Risk Control department.

The following ESG risks have been identified, though a distinction must be made between physical and transitory risks, which are monitored and limited within the ESG limit framework:

a) Physical climate risks

In general, physical climate risks encompass risks arising as a result of ongoing climate change. These may include acute risks in the form of extreme weather events and natural disasters, or chronic climate change. The exposure of the Association of Volksbanks' loan portfolio to such physical climate risks can be assessed using an external IT tool based on the geographical locations of the exposures.

No. 5: River flooding risk (environmental risk)

In conjunction with the steps outlined in the Materiality Assessment (relevance assessment and materiality evaluation), river flooding was identified as a significant economic risk for the Association of Volksbanks. That is why this is the only physical climate risk to be included in the RAS set of key figures.

This physical climate risk limit applies to the sum of the ten largest loan volumes, excluding off-balance-sheet lines, per postal code to the extent that the area is classified as being at risk of flooding. The limit is set in relation to Common Equity Tier 1 (CET1) capital, which reflects the bank's risk-bearing capacity.

This type of restriction was chosen because, in the event of flooding, it is usually entire regions (grouped by postal codes) that are affected, rather than individual addresses.

b) Transitory risks

Transitory risks refer to risks arising from a transition to a climate-neutral or low-carbon economy. As part of the Materiality Assessment, two relevant transitory risks were identified for the Association of Volksbanks in relation to commercial customers, changes in consumer preferences and the valuation of collateral. The restrictions on these are set out as follows.

No. 6: Risk arising from regulations regarding greenhouse gas emissions and intensity

This risk is managed through the risk drivers of energy consumption and energy efficiency of the real estate properties used as collateral. Real estate properties in energy efficiency classes E, F and G are considered critical, as they have historically commanded a market value discount of around 20.0%. Because of this, poorly secured exposures in high energy efficiency categories are subject to certain limits. The risk-bearing capacity in relation to CET1 serves as a reference value.

No. 7: Risk arising from changes in investor behaviour or consumer preferences with regard to climate protection

This risk relates to the counterparties of the Association of Volksbanks, With this in mind, lending to sectors characterised by high energy consumption, high energy intensity or a high degree of regulation regarding CO₂ emissions

is restricted, unless the customer has an above-average credit rating. The following sectors are affected by this high transitory risk:

- » Agriculture, forestry and fisheries
- » Mining and quarrying
- » Manufacturing sector
- » Energy supply
- » Water supply, wastewater and waste management, clean-up of environmental pollution
- » Construction
- » Retail; maintenance and repair of motor vehicles
- » Transport and warehousing
- » Hospitality
- » Land and housing

This risk driver takes scenarios into account in which commercial customers' business models are transforming at an insufficient pace – a risk that is identified for unsecured financing. The rating model is not fully able to capture this risk through the PD alone. To mitigate this risk, additional questions have been incorporated into the ESG score to assess customers' ability to adapt.

This limits the portfolio's exposure (commercial customers, unsecured loans) for customers with a PD worse than 2E who belong to an industry identified by the IT climate tool Climcycle as posing a high risk in the areas of "Energy Consumption and Intensity" or "Regulation on Greenhouse Gas Emissions and Intensity (Scope 1, 2, 3)". The risk-bearing capacity in relation to CET1 serves as a reference value.

No. 8: Coverage of actual data in energy performance certificates for the Association of Volksbanks' property portfolio

Starting in 2026, a new risk indicator will be introduced to monitor the availability of actual data in energy performance certificates. This measurement assesses the share of energy performance certificate data within the real-estate-property-backed on-balance sheet portfolio. Given ongoing mandatory requirements to provide energy performance certificates for new engagements, including as part of the lending process, coverage is set to improve steadily. The quality score awarded by PCAF for emissions calculations continues to improve, as the database is enriched through the use of real-world data. The target figure is calculated by dividing the expected share of the GCA based on available actual data by the expected total exposure as per the medium-term plan. The limit corresponds to the target figure for the previous year. The trigger is calculated as the average of the target price and the limit price.

(9) Energy consumption of downstream value chain (financing)

Significant capital requirements to finance improvements in energy efficiency (Business Strategy) through capital investment; contribution to a reduction in energy consumption

Sustainable energy sources are not just more environmentally friendly, but also increasingly efficient in terms of cost, availability and social impact.

The Business Strategy sets out a range of measures designed to support customers of the Association of Volksbanks on their path to becoming more energy-efficient. The Risk Strategy places a particular focus on energy-intensive sectors. A decarbonisation strategy for financed emissions has been set up. The decarbonisation strategy measures GHG emissions and thus fossil fuel efficiency. Given that a reduction target has been set for GHG emissions, this also indirectly affects energy consumption throughout the downstream value chain. The customer strategy sets out various measures, such as sustainable products and support for transformation of the economy. The sale of sustainable loans and sustainable securities steers investment towards energy-saving measures, for example through replacement investments in new technologies that are more energy-efficient. One of the categories in the Sustainable Bond Framework is "renewable energy", which forms the basis for labelling sustainable financing (see concepts, measures and targets in E1).

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A detailed description of how the concepts mentioned here have been implemented, including the monitoring process and timeframes, can be found below under the concepts for the following:

- » Transformation of the economy
- » Sustainable products
- » GHG related to downstream value chain
- » Risk from regulations regarding GHG emissions and intensity
- » Risk arising from changes in investor behaviour or consumer preferences
- » Risk from energy consumption

E1-3 – Measures and resources relating to climate concepts

Table of measures:

IRO number	Measures	Decarbonisation lever	Impact, risk or opportunity addressed	Start	(Planned) end	Scope of application in relation to business activities
1	ESG score	CO ₂ -efficient new customer business	Transformation of the economy	2022	Ongoing	Customer scoring on ESG aspects
1	SME transformation support	CO ₂ -efficient new customer business	Transformation of the economy	2025	Ongoing	Transformation support for SMEs
1,2,9	Sustainable financing	CO ₂ -efficient new customer business	Transformation of the economy, sustainable products, energy consumption of downstream value chain (financing)	2023	2030	Sale of sustainable financing
1,2,9	Sustainable securities	CO ₂ -efficient new customer business	Transformation of the economy, sustainable products, energy consumption of downstream value chain (financing)	2023	2030	Sale of sustainable securities
3	Conversion to LED	Energy efficiency	GHG (own operation)	2023	1 to 5 years	Building lighting
3	Taking sustainable building standards into account	Use of renewable energy – switching to alternative fuels (where possible)	GHG (holdings and own operations)	2023	More than 5 years	Building conversions and renovations
3	Conversion of vehicle fleet to electric vehicles	Electrification	GHG (own operations)	2023	1 to 5 years	Own vehicles
3	Business travel policy and remote working agreements	Climate protection	GHG (own operations)	2019	Ongoing	Business travel and remote work
4	Decarbonisation strategy for the entire portfolio	The decarbonisation levers addressed are the roll-off of the portfolio and the improvement of intensities in new business	GHG related to downstream value chain	2024	More than 5 years	Total portfolio of the Association of Volksbanks (the Association's overall portfolio includes the VBW portfolio)
(5-8)	Measure connected to the ESG limit framework	Monitoring of the limit framework and implementation of RAS metrics with an escalation process	River flooding risk, risk from regulations regarding GHG emissions and intensity, risk arising from changes in investor behaviour, risk from energy consumption	2025	Ongoing	Risk management
9	Reference to measures: » Transformation of the economy » Sustainable products » GHG related to downstream value chain » Risk from regulations regarding GHG emissions and intensity » Risk arising from changes in investor behaviour or consumer preferences » Risk from energy consumption	Climate protection	Energy consumption of downstream value chain	Reference to respective measure	Ongoing	Reference to respective measure

Some of the investments listed in the financial report represent significant “potentially sustainable” financial resources that can be allocated to the action plan. The majority of these are in the fields of photovoltaic systems and electric cars. 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. Electric vehicles are being purchased as part of the fleet renewal. Petrol and diesel cars are gradually being replaced by electric vehicles once their useful life has come to an end.

MDR-A-69 a

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E1-3-29 c
MDR-A-69 b The current capital expenditure (CapEx) at VBW amounts to euro 20,549,492.24. These figures are derived from the amounts in the annual financial statements and total euro 1,339,867.10, representing a share of 6.5%. No significant operating expenses could be attributed to these measures. The taxonomy-aligned portion amounts to euro 0, which is why no allocation is made to the performance indicators in accordance with Commission Delegated Regulation (EU) 2021/2178.

(1) Transformation of the economy

a) ESG score

MDR-A-68 d 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. This approach 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.

MDR-A-68 a
MDR-A-68 b
E1-3 29 b 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 in the markets served by the Association of Volksbanks, primarily in Austria. 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 euro 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 meeting climate targets and promoting 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.

MDR-A-68 c 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.

MDR-A-68 e 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.

(1) Transformation of the economy, (2) Sustainable products and (9) Energy consumption of the downstream value chain (financing)

All of the following measures relate to the customer strategy.

a) 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: MDR-A-68 a

- » 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.
- » Focus on the Austrian market: leveraging the Association of Volksbanks' long-standing experience and high level of trust, 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. MDR-A-68 a

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. MDR-A-68 a
E1-3 29 b

Scope of application regarding geographical areas: business area of the Association of Volksbanks MDR-A-68 b

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 the Association of Volksbanks' ESG-focused financing approach.

b) 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), the Association of Volksbanks 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.

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- MDR-A-68 a A key focus was on the development and targeted distribution of sustainable investment products, particularly in collaboration with the Association'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.
- MDR-A-68 b The measures cover the entire securities business of the Association of Volksbanks and are being implemented across all regions throughout Austria. 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.
- MDR-A-68 c
E1-3 29 b 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). It is not possible to provide a comprehensive overview at this time.
- MDR-A-68 e 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, the Association is making a measurable contribution to promoting sustainable financial markets and achieving its own sustainability goals.

c) SME transformation support

- MDR-A-68 a In addition to the risks posed by the climate crisis, the Association of Volksbanks 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 the Association's customers with the transition by engaging SME customers in selected decarbonisation measures (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.

- E1-3 29 b
MDR-A 68 a The aim is to raise awareness among businesses of the need for sustainable transformation and to finance this through the Association of Volksbanks. This is how the Association hopes to make a further, albeit modest, contribution to the transformation in Austria. Information on the achieved and expected reduction in GHG emissions can only be provided indirectly via the decarbonisation strategy for financed emissions.

- MDR-A-68 b The scope of application covers the business area of the Association of Volksbanks.

(3) GHG (own operations)

- E1-3 29 b 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

- MDR-A-68 b 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 226,977 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 Association of Volksbanks 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 Association of Volksbanks business operations.

(4) GHG related to downstream value chain

Decarbonisation strategy for financed emissions (Scope 3.15)

The measures described below address the decarbonisation strategy for financed emissions (Scope 3.15) across the entire portfolio. The geographical scope of application is determined by the geographical area covered by the portfolio, the majority of which is located in Austria.

MDR-A-68 a, b

An important step towards targeted management and the effective implementation of climate protection measures in connection to financed emissions is the incorporation of the decarbonisation strategy into the Risk Strategy, as well as the formalisation of decarbonisation targets in the Risk Appetite Statement in the form of strategic risk appetite scores (RAS) or monitoring indicators, in order to limit risk.

E1-3 29 b

The system of indicators to monitor progress on decarbonisation is underpinned by a non-exhaustive catalogue of measures that, should triggers or limits be exceeded, offers options for action in the form of decarbonisation levers to ensure that the set targets are met. These include:

- » Definition of qualitative exclusion criteria
- » Restrictions on businesses with high-intensities
- » Development of engagement strategies for particularly high-emission customers
- » Support for customers with financing of renovation projects

All these measures require a detailed analysis of deviations and root causes between the measured emission intensities and the specified triggers and limits, which enables targeted action to be taken. These analyses are carried out as part of the quarterly internal reporting process and include, among other things, detailed analyses of the financed emissions by asset class, sector, new business and business segment.

In addition, the introduction of an IT tool is intended to make it possible to calculate GHG emissions as part of the loan application process in future, thus facilitating better management. In addition, the ongoing collection of customer-specific climate-related information is intended to improve the PCAF quality score, as the integration and documentation of, for example, energy performance certificates for real estate properties will provide more detailed information.

(5) River flooding risk, (6) Risk from regulations regarding GHG emissions and intensity, (7) Risk arising from changes in investor behaviour, (8) Risk from energy consumption

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

A central measure in connection with the ESG limit framework is the incorporation of risks defined therein into the Risk Strategy and the Risk Appetite Statement in the form of strategic RAS and monitoring key figures, including the associated escalation processes. These key figures are calculated, analysed and reported on a quarterly basis. If a limit or trigger is breached, a predefined escalation process involving follow-up actions is triggered.

MDR-A-68 a

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MDR-A-68 b, d ESG-RAS indicators are monitored at the Association level. In the event of a trigger or limit being breached, the central organisation (CO) will carry out an analysis and define individual corrective measures based on this.

Regular backtesting of existing ESG models and limit frameworks, as well as ongoing refinement, is planned in order to confirm their validity and practical applicability and to make adjustments as needed.

Potential new risk factors and transmission channels for climate and environmental risks are also assessed on an ongoing basis. The aim is to incorporate emerging risks into the risk management process at an early stage.

With the introduction of an IT tool in 2025, including a specific module for the site-specific assessment of physical climate risks, the aim is also to continuously refine the monitoring process in quantitative terms.

To ensure the accuracy of calculations and projections, there is also a focus on improving the availability and quality of data. This is achieved through stricter lending processes. Customer engagement initiatives can also help to improve the availability of real-world data.

E1-3 29 b The measures are intended to help minimise the risks covered by the ESG limit framework as far as possible, and to monitor their development and impact on the bank's portfolio. In this context, information about the achieved and expected reduction in GHG emissions is not directly relevant.

Key figures and targets**E1-4 – Goals relating to climate protection and adaptation to climate change**

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 (GHG-neutral). 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 of the Association of Volksbanks is based on this approach and places the consistent reduction of greenhouse gas emissions within our operations at the heart of its objectives, as is provided for according to the requirements of ESRS E1-4 para. 30 regarding the disclosure of climate-related goals.

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 standard 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. For financed emissions, the goal is to decarbonise the portfolio, which is to be achieved in the long term by formulating various sub-targets. A key target value in this regard is the 2050 net-zero targets set by the IEA, SBTi and CREEM.

MDR-T-80

Stakeholders were not involved in setting the goals.

MDR-T-80 h, i

Operation

Climate-related physical impacts linked to acute and chronic risk drivers were identified during the reporting period.

Direct (physical) impacts – acute

These arise from short-term events caused by extreme weather; and they include the following in particular:

- » Hot days and tropical nights that place an immediate strain on the human body (e.g. heat stress, reduced performance, increased health risks)
- » Storms, hail, heavy rainfall and flooding, which damage buildings, facilities and infrastructure.

Such events have immediate operational and health implications (e.g. health and safety in the workplace, additional costs for emergency and repair measures).

Indirect (physical) effects – chronic/consequential

These relate to changes in environmental conditions over the medium to long term (chronic physical risks or indirect consequences of acute events). These include:

- » Changing conditions affecting the occurrence and spread of disease vectors, pathogens and allergenic species
- » Disruption to food production and drinking water supplies (e.g. risks relating to availability, quality and price throughout the supply chain)
- » Increasing exposure to air pollutants (e.g. ground-level ozone during heatwaves), which can affect health and the ability to work

These factors have a knock-on effect on, for example, employees and workplaces.

Financed emissions

Emissions reduction targets were set for the financed emissions and incorporated into the Risk Strategy (see E1-4 Concept 4). These targets have not been audited externally. It is currently not possible to quantify the respective contribution of the various decarbonisation levers separately for the financed emissions, due to the interplay between the individual decarbonisation effects. There are no plans to introduce new technologies.

E-1-4
AR 30 a-c

GHG neutrality by 2050 serves as a point of orientation for the decarbonisation targets and paths for the financed emissions. This scenario reflects limiting global warming to 1.5 °C, with no or only limited overshoot. The decarbonisation paths were developed in line with the IEA, SBTi or NGFS.

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These are the targets:

(1) Transformation of the economy, (2) Sustainable products, (9) Energy consumption of the downstream value chain (financing)

a) 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
MDR-T-80 a	MDR-T-80 a	MDR-T-80 b	MDR-T-80 b	MDR-T-80 d	MDR-T-80 d	MDR-T-80 e	
3.15: Climate change: Climate Change Adaptation	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, 21.9% of new business was accounted for by sustainable financing.

MDR-T-80 a 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, This takes place in the course of the Association of Volksbanks' 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.

MDR-T-80 a Since 2023, the Association of Volksbanks 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.

MDR-T-80 c It covers all business activities relating to financial products within the Association. All branches of the Association are also covered by these objectives.

MDR-T-80 e, f
E1-4-34 e Sustainable financing in new business is expected to account for 15.0% in 2024; by 2030, the share of sustainable financing in new business is to be increased to at least 25.0%. Methods and key assumptions used in setting targets: 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. The Association also takes into account key assumptions regarding future developments, in particular changes in business volume.

MDR-T-80 g Scientific basis: the 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.

MDR-T-80 j As at 31 December 2025, sustainable financing accounted for 21.9% of the Association's total financing. 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. Prerequisite: Austria will achieve its target of carbon neutrality by 2040; see E1-4.

MDR-T-80 j The results are analysed by the Controlling department every two months and reported in NAKO.

b) 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
MDR-T-80 a	MDR-T-80a	MDR-T-80 b	MDR-T-80 b	MDR-T-80 d	MDR-T-80 d	MDR-T-80 e	
3.15: Climate change: Climate Change Adaptation	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%.	2023	Share of sustainable securities 27.0%	2030	23.3%

Another key objective of the Sustainability Strategy is to increase the share of sustainable securities within the Association of Volksbanks' total securities portfolio. The share of sustainable securities (sustainable funds from product partners and own issues) is expected to rise from 27.0% in the base year to 30.0% in 2030. MDR-T-80 a

Together with its cooperation partners, the Association of Volksbanks has set itself the goal of gradually expanding its range of sustainable investment products in order to channel funds towards sustainability. The Association monitors the development and implementation of sustainable products based on a defined framework of objectives for regulatory sustainable investment offerings. MDR-T-80 a

The focus is on taking ESG factors into account when selecting securities in asset management and in the insurance business. MDR-T-80 c

Our objectives cover all business activities relating to investment products within the Association, as well as all branch locations. MDR-T-80 c

The share of sustainable securities in the total customer securities portfolio was expected to reach 24.0% in 2025, but only 23.3% 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%. MDR-T-80 e

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, the Association 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, the Association 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. MDR-T-80 f
E1-4-34 e

The bank'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. MDR-T-80 g

Target performance: as at 31 December 2025, sustainable securities accounted for 23.3% of the Association of Volksbanks' 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. It is not possible at this time to report on progress compared with previous years, as this is the Association's first Sustainability Statement.

Monitoring of targets: the results are analysed monthly by Union Investment Austria GmbH and reported in NAKO every two months. MDR-T-80 j

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 Target for sustainable financing). No targets are envisaged for the future, nor are there any plans to monitor effectiveness in this regard. MDR-T-81 a, b

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[3] GHG (own 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
MDR-T-80 a	MDR-T-80 a	MDR-T-80	MDR-T-80 b	E1-4-34 a	E1-4-34 b	E1-4-34 b
	GHG (own operations)	Absolute target	<p>2025: -7.0% reduction in gross emissions compared to base year 2024</p> <p>2030: -33.0% reduction in gross emissions compared to base year 2024</p> <p>2050: -90.0% reduction in gross emissions except for unavoidable emissions up to 2050 (Scope 1 and 2). These unavoidable emissions are to be offset.</p>	<p>2025: 1,473 t CO₂e – a reduction of 111 t CO₂e compared to 2024 (market-based)</p> <p>2030: 1,061 t CO₂e – a reduction of 523 t CO₂e compared to 2024 (market-based)</p> <p>2050: 158 t CO₂e – a reduction of 1,425 t CO₂e compared with 2024 (market-based)</p>	Scope 1 and 2	<p>2025: Scope 1: A 10.8 % reduction from the 2024 baseline, equivalent to a reduction of 140 t CO₂e Scope 2: An increase of 10.0% from the 2024 baseline, amounting to 29 t CO₂e (market-based)</p> <p>2030: Scope 1: A 39 % reduction from the 2024 baseline, equivalent to a reduction of 500 t CO₂e Scope 2: An 8 % reduction from the 2024 baseline, equivalent to a reduction of 23 t CO₂e (market-based)</p> <p>2050: Scope 1: A 90 % reduction from the 2024 baseline, equivalent to a reduction of 1,168 t CO₂e (market-based) Scope 2: A 90 % reduction from the 2024 baseline, equivalent to a reduction of 257 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
	E 1-4 34 b	MDR-T-80	MDR-T-80 d	MDR-T-80 e		
	Scope 1 and Scope 2 emissions of the Association of Volksbanks	2024	<p>1,584 t CO₂e</p> <p>Scope 1: 1,298 t CO₂e Scope 2: 286 t CO₂e</p>	<p>2025</p> <p>2030</p> <p>2050</p>	<p>Scope 1 and 2: 1,469 t CO₂e market based</p> <p>Scope 1: 1,138 t CO₂e market based Scope 2: 332 t CO₂e market based</p>	<p>The 2025 interim target was defined in 2024 in line with the 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 strategy.</p>

MDR-80 a Addressed concept (strategy): our operation's Scope 1 and 2 decarbonisation strategy

E1-4-34 e The Association of Volksbanks is committed to continuously reducing greenhouse gas emissions from its 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 was 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

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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 7.2% reduction was achieved in total gross Scope 1+2 market-based emissions; meaning the target of 7.0% was met. The reduction is in line with the calculated decarbonisation path.

By 2030, absolute emissions are expected to amount to just 67.0% of the 2024 CCF, or 1,061 t CO₂e. This goal supports decarbonisation in line with the strategy.

In the long term, the Association 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 the Association of Volksbanks 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.

E1-4-34 b

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

MDR-T-80 c

The geographical area refers to Austria.

MDR-T-80 c

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 (see E1-4 34e), 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.

E1-4-34 c, e
MDR-T-80 f

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 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, the company’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.

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E1-4-34 f The implementation of the defined measures for buildings and the vehicle fleet is expected to result in a reduction of 523 t greenhouse gas emissions by 2030.

MDR-T-80 j 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.

(4) GHG of downstream value chain, (9) Energy consumption of downstream value chain (financing)

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
MDR-T-80 a	MDR-T-80 a	MDR-T-80 b	MDR-T-80 b	E1-4-34 a, f	E1-4-34 b	E1-4-34 b
3.15: Climate change: Climate protection	GHG and energy consumption within the value chain	Relative target	2025: 97.2 % *	2025: 1,248,510 t CO ₂ e	Scope 3	Scope 3.15
			2030: 77.0 % *	2030: 1,206,596 t CO ₂ e		
			2050: 8.0 % *	2050: 162,259 t CO ₂ e		
			* CO ₂ intensity compared with base year 2024			
	Share of Scopes and total emissions included	Base year	Reference value	Target year	Interim results for 2025	
	E 1-4-34 b	MDR-T-80 d E 1-4-34 c	MDR-T-80 d	MDR-T-80 e		
	100% of the financed Scope 1 and 2 emissions of the Association of Volksbanks are taken into account. These financed emissions are Scope 3 emissions of the Association of Volksbanks.	2024	100 % 1,246,429 t CO ₂ e	2025 2030 2050	95.4 % * 1,207,073 t CO ₂ e	
					* CO ₂ intensity compared with base year 2024	

MDR-T-80 c
E1-IRO-1-20
E1-IRO-1 AR 12
E1-IRO-1
AR 13 b-d

The Association of Volksbanks' goal is to decarbonise its entire portfolio by 2050, based on a climate scenario that takes into account limiting global warming to 1.5 °C with no or only limited overshoot, which is to be achieved in the long term (see ESRS 2 IRO-1-53 b) through the formulation of sub-goals for individual asset classes and different time horizons. The portfolio to be decarbonised covers all seven Kyoto gases (CO₂, HFC, SF₆, PFC, CH₄, N₂O, NF₃) as well as all geographical areas where there is exposure, with 95.0% of this located in Austria.

E1-4-34 b
MDR-T-80 f, g

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 figure for 2024 is also representative due to the application of the PCAF calculation methodology. Depending on the PCAF asset class and economic sector, the decarbonisation goals and paths are oriented on the net-zero paths of the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS) or the Science Based Targets Initiative (SBTi), which together reflect the GHG-neutral target for the Association of Volksbanks' overall portfolio. The most significant drivers behind the net-zero paths that have been set out are the 2050 net-zero target, taking into account relevant macroeconomic trends and technological assumptions made by the respective institutions from which the paths are derived.

The following sets of scenarios are used for the “Business loans and unlisted equity”, “Listed equity and corporate bonds” and “Project finance” asset classes:

The IEA sets out ideal paths for the following particularly energy-intensive sectors:

- » Mining and quarrying (B)
- » Manufacturing (C)
- » Electricity, gas, steam, and air conditioning supply (D)
- » Water supply; sewerage, waste management (E)
- » Construction (F)
- » Transport (H)

For the Agriculture sector (A), the reference path is based on data from the SBTi.

For all other sectors (G, I–V), the NGFS’s country-specific Orderly Net-Zero 2050 scenario is used. This reference path is thus used for all sectors for which no sector-specific reference path is available.

For real estate financing, the IEA’s Net-Zero 2050 paths for residential and non-residential buildings are used.

The specific quantitative targets and interim targets are:

- » Target intensity for 2025: ≤ 97.2 % of CO₂ intensity compared with base year 2024 (1,248,510 tCO₂e)
- » Target intensity for 2030: ≤ 77.0 % of CO₂ intensity compared with base year 2024 (1,206,596 tCO₂e)
- » Target for 2050: 8.0% (1.5°C compatibility) (162,259 tCO₂e)

E1-4-34 a, d

Methods and key assumptions used in setting objectives:

For real estate financing, the target values are given in g CO₂/m², which also corresponds to the calculated intensity of the portfolio’s financed emissions for real estate financing. The target values for business loans are derived from the target paths for the individual economic sectors. The weighted sum of all sectoral target paths forms the aggregate target path for the Business Loans asset class, which is expressed in g CO₂/EUR. The relative reduction targets for each asset class are then weighted according to the exposure of the asset classes and aggregated into a single relative overall path. For all asset classes, medium-term planning data for the Association of Volksbanks’ portfolio growth and long-term GDP growth assumptions have also been included. These goals were generated with external support, but have not been independently verified.

E1-4-34 e
MDR-T-80 f

Since the decarbonisation paths are geared towards achieving GHG neutrality by 2050, the impacts of the transition to a climate-neutral economy are expected to last until 2050. The extent depends on the specific asset class and the sector of the companies being financed. However, no material business activities have been identified that are incompatible with a transition to a climate-neutral economy. As part of this analysis, sectors with particularly high emissions were identified in order to assess the implications for a transition to a climate-neutral economy and to enable the implementation of appropriate, targeted measures.

The key sectors within the Business Loans asset class are as follows:

- » Agriculture, forestry and fisheries
- » Manufacture of goods
- » Construction
- » Trade
- » Accommodation and gastronomy

As at 31 December 2025, the CO₂ intensity of the Association of Volksbanks’ financed emissions stood at 95.4% compared to the base year of 2024. This reduction is made up of the levers described in ESRS E1-1, as well as the macroeconomic decarbonisation of the Republic of Austria as a whole. The target value for the Association was thus achieved. In addition, the quarterly reporting of triggers and limits ensures regular monitoring, with a predefined escalation process being triggered in the event of non-compliance with the trigger and limit values.

E1-4-34 f
MDR-T-80 j

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(5) River flooding risk, (6) Risk from regulations regarding GHG emissions and intensity, (7) Risk arising from changes in investor behaviour, (8) Risk from energy consumption, (9) Energy consumption of downstream value chain (financing)

Reducing default and valuation risk at the bank (Risk Strategy)

Key topic	Impact, risk or opportunity addressed	Target type	Target value	Base year	Reference value	Target year	Interim results for 2025
MDR-T-80 a	MDR-T-80 a	MDR-T-80 b	MDR-T-80 b	MDR-T-80 d	MDR-T-80 d	MDR-T-80 e	MDR-T-80 j
Climate change: Climate protection	River flooding: reduction of significant financial risk posed by river flooding	Relative target	The aim is to remain below the 15.0% limit	2025	Share of CET1	2026	6.3%
Climate change: Climate protection	Reducing significant short-term risk associated with securing loans against real estate properties in poor energy efficiency categories	Absolute target	The aim is to remain below the 1 billion euro limit	2025	1 billion euros	2026	745 million euros
Climate change: Climate protection	Reduction of significant transitory risk associated with inadequate transformation of business models among commercial customers	Absolute target	The aim is to remain below the 1 billion euro limit	2025		2026	602 million euros
Climate change: Climate protection	Reduction of significant transitory risk associated with inadequate transformation of business models among commercial customers	Relative target	18.0%	2025	Share of actual energy performance certificate data in 2024	2026	13.9%

MDR-T-80 c, g With regard to environmental risks (mainly flood risks) and the transitory risks associated with counterparties, collateral and energy performance certificate data, the goal set for the customer receivables portfolio was to adhere to clearly defined limits and triggers, in order to minimise default and valuation risks. These figures are rigorously calculated, analysed and reported at regular intervals to ensure that risks are minimised on an ongoing basis. The levels of the limits and triggers are based on the results of the stress test and the risk appetite derived from it. Clear procedures and escalation processes are in place to deal with any instances where these specified limits are exceeded.

MDR-T-80 j There is quarterly reporting and monitoring of triggers and limits, with a predefined escalation process being triggered in the event of non-compliance with trigger and limit values. The Association of Volksbanks' objective of not exceeding the limits and triggers was achieved in the 2025 financial year.

MDR-T-80 f In terms of methodology, RCP scenarios were applied to the physical risks, and a sensitivity analysis was carried out. Additional details can be found in the concept description of the ESG limit framework (see E1-2: Concepts relating to climate protection and adaptation to climate change [5–8]). The limit framework was designed with reference to the internal ESG scoring, the energy efficiency ratings of the properties, and the results of the climate risk assessment.

E1-6 AR 46 i **E1-6 – Gross GHG emissions for Scope 1, 2 and 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 the Association of Volksbanks that are rented out is not significant.
Scope 3.14. Franchises:	The Association does not operate any franchises.

Explanation about the table below: the Association of Volksbank's operational target is to reduce operational emissions (Scope 1 and 2) to a level of unavoidable residual emissions by 2050. An interim target of a 7.0% reduction in gross emissions (heating and vehicle fleet) by 2025 has been set for the Association on a market basis (based on the 2024 CCF calculation). According to the decarbonisation path recalculated for 2025, a 33.0% reduction in gross emissions (Scope 1 and 2) is planned by 2030 (based on the 2024 CCF calculation).

MDR-T-80 a

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Breakdown of total GHG emissions:

Category	Unit	Retrospective			Milestones and target years			
		2024 (base year)	2025	Change compared to 2024	2025	2030	2050	Annual % of target / base year*
E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52	E1-6-48-49, 51-52
Scope-1								
Scope 1 gross GHG emissions	t CO ₂ e	1,298	1,138	-12.4%	1158	798	130	6.4%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Scope-2								
Location-specific Scope 2 gross GHG emissions	t CO ₂ e	1,847	2,068	12.0%	n/a	n/a	n/a	n/a
Market-based Scope 2 gross GHG emissions	t CO ₂ e	286	332	16.0%	315	263	29	1.3%
Significant Scope 3 GHG emissions								
Total indirect (Scope 3) gross GHG emissions	t CO ₂ e	4,910,832	4,735,461	-3.6%	n/a	n/a	n/a	n/a
Investments (3.15)**	t CO ₂ e	4,910,832	4,735,461	-3.6%	n/a	n/a	n/a	n/a
of which Scope 1 and 2 gross GHG emissions	t CO ₂ e	1,246,429	1,207,073	-3.2%	1,248,510	1,206,596	162,259	0.5%
of which Scope-3 gross GHG emissions **	t CO ₂ e	3,664,403	3,528,388	-3.7%	n/a	n/a	n/a	n/a
Total GHG emissions								
Total GHG emissions (location-specific)	t CO ₂ e	4,913,977	4,738,667	-3.6%	n/a	n/a	n/a	n/a
Total GHG emissions (market-specific)	t CO ₂ e	4,912,416	4,736,930	-3.6%	n/a	n/a	n/a	n/a

E1-6 AR 41 The allocation is based on actual figures as at 31 December 2025.

*2030 target year

**Excluding Scope 3 emissions of sector L (provision of financial and insurance services) amounting to 110,430,814 t CO₂ e in 2024 and 154,973,353 t CO₂ e in 2025.

Financed emissions (Appendix 6 Detailed information)

The tables below show the Association of Volksbanks' 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.

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Overview of financed emissions broken down by PCAF asset class, and intensity in euros (gross book value):

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 und 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	8,083	460,626	3,514,168	3,974,794	57.0	434.8	491.8
A Agriculture, forestry and fisheries	96	125,540	1,395,809	1,521,349	1,306.1	14,521.7	15,827.8
B Mining and quarrying	23	8,502	97,378	105,880	374.1	4,284.5	4,658.6
C Manufacture of goods	331	32,659	236,561	269,220	98.7	715.1	813.8
D Energy supply	70	1,983	1,909	3,893	28.5	27.4	55.9
E Water supply; wastewater and waste disposal	54	57,699	417,970	475,668	1,069.3	7,745.9	8,815.2
F Construction	196	24,635	182,948	207,584	125.7	933.3	1,059.0
G Retail; maintenance and repair of motor vehicles	677	31,499	228,572	260,071	46.5	337.6	384.2
H Transport and warehousing	151	25,461	12,427	37,889	169.2	82.6	251.7
I Hospitality/Accommodation,	298	9,658	128,177	137,836	32.4	430.3	462.8
J Publishing, broadcasting, and	13	94	682	776	7.4	53.3	60.7
K Telecommunications, software development, IT consultancy and	45	460	3,330	3,790	10.2	74.1	84.4
L Provision of financial and insurance services *	3,175	31,001		31,001	9.8		9.8
M Properties and housing	344	193	2,565	2,757	0.6	7.5	8.0
N Provision of scientific and technical services	219	4,538	32,876	37,414	20.7	149.9	170.6
O Provision of other business services	114	9,102	65,938	75,040	79.5	576.1	655.6
P Public administration, defence, social security	1,497	83,211	602,786	685,997	55.6	402.7	458.3
Q Education and teaching	24	351	2,546	2,897	14.8	107.0	121.8
R Health and social care	223	3,711	26,885	30,597	16.6	120.6	137.2
S Arts, sports and leisure	20	1,223	8,861	10,084	62.5	452.5	514.9
T Provision of other services	82	3,174	22,990	26,163	38.8	281.1	319.9
U – V Miscellaneous	433	5,930	42,958	48,889	13.7	99.2	112.9
Commercial Real Estate	11,370	528,048	0	528,048	46.4	0.0	46.4
Mortgages	9,054	214,150	0	214,150	23.7	0.0	23.7
Project Finance	124	141	1,753	1,894	1.1	14.1	15.3
Listed Equity	66	4,109	12,466	16,575	62.4	189.3	251.7
Total	28,697	1,207,073	3,528,388	4,735,461	42.1	123.0	165.0
L Provision of financial and insurance services **	3,175	31,001	154,973,353	155,004,354	9.8	48,809.4	48,819.1

*Financed Scope 1 and 2 emissions

**Financed Scope 1, 2 and 3 emissions

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Details regarding the calculation of GHG emissions:

E1-6 AR 39 b, c 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 (Umweltbundesamt Österreich) and ecoinvent 3.11.

In particular, Austrian factors and Scope1 emissions in the energy sector are usually reported by the Austrian Federal Environment Agency (Umweltbundesamt Österreich). 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 consumption 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. If there is no data available on refuelling or charging, estimates must be made based on the distance travelled, and consumption must be calculated in accordance with the vehicle registration certificate.

The calculation methodology for the Association of Volksbank's financed emissions is based on the PCAF standard and covers all balance sheet items in the portfolio that are of a financing nature. 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 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. Currently, actual energy efficiency data is available for 13.9% of the financed properties. When calculating the financed emissions, all GHG emissions (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) are taken into account.

GHG intensity per net sales revenue*	Unit	
Total GHG emissions (location-specific) per net sales revenue	tCO ₂ e/ EUR	3.50
Total GHG emissions (market-specific) per net sales revenue	tCO ₂ e/ EUR	3.50
Net sales revenue used to calculate GHG intensity	EUR Tsd.	1,355,328
Net sales revenue (other)	EUR Tsd.	0
Net sales revenue (closing balance)	EUR Tsd.	1,355,328

*Scope 3 emissions of sector L are not taken into account.

E1-6-AR 55 The net income used to calculate GHG intensity corresponds to the relevant items in the Association of Volksbanks' consolidated financial statements.

Net revenue for calculating GHG intensity	Unit	
Interest and similar income:	EUR Tsd.	1,000,659
Commission income:	EUR Tsd.	327,305
Trading result:	EUR Tsd.	4,536
Other operating income:	EUR Tsd.	22,828
Total revenue	EUR Tsd.	1,355,328

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The Association of Volksbanks reports biogenic CO₂ emissions resulting from the combustion or biodegradation of biomass separately from Scope 1 and Scope 2 GHG emissions. Biogenic CO₂ emissions for the downstream value chain (Scope 3.15) cannot be reported because these data are not available for the downstream value chain.

E1-6 AR 43 c
E1-6 AR 45 e
E1-6 AR 46 j

ESRS E1-6 CO2 biogenic emissions	Unit	
Scope-1 emissions biogenic E1-6_17	tCO ₂	173
Share of Scope 1 emissions from biogenic sources	%	7.7
Scope-2 emissions biogenic E1-6_24	tCO ₂	2,070
Share of Scope 2 emissions from biogenic sources	%	92.3
Total biogenic emissions	tCO ₂	2,243

ESRS S1 – 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.

ESRS S1 – OWN WORKFORCE

Impacts, risks and opportunities

The following sections present the policies (or strategies), the procedures for engaging with the workforce and workers' representatives regarding impacts, the processes for remedying negative impacts and channels through which the workforce can raise concerns and the actions, metrics and targets for the policies or strategies related to the workforce.

S1-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model

Overview of the impacts identified as material in connection with the workforce of the Association of Volksbanks:

Sustainability aspect	IRO number	Impact, opportunity, risk (IRO)	IRO type	IRO description	Value chain	Time horizon
SBM-3-48a		SBM-3-48a	SBM-3-48a	SBM-3-48a	SBM-3-48a	SBM-3-48c iii
Working conditions	11	S1 – Impact on quality of life	Negative impact	Work can pose challenges in achieving work-life balance, particularly for parents, people with other care responsibilities and people in education.	Own business activities	All time horizons
	12	S1 – Risk to employee health	Negative impact	The health and safety of employees are issues that relate both to physical (ergonomic) and mental aspects. Neglecting ergonomic standards can cause long-term damage to health. Continuous stress can cause psychological strain.	Own business activities	All time horizons
	13	S1 – Equal treatment in terms of gender	Negative impact	Unequal pay and unequal career opportunities for employees have a negative impact on different genders.	Own business activities	All time horizons
Equal treatment and equal opportunities for all	14	S1 – Discrimination and harassment in the workplace	Negative impact	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.	Own business activities	All time horizons

The work of employees of the Association of Volksbanks may give rise to challenges in achieving work-life balance, risks to employee health, unequal pay and potential negative impacts on quality of life and career development due to discrimination and harassment. The Association of Volksbanks is responding indirectly through its business model to create the framework for a better work-life balance, fair, safe and dignified working conditions, an appreciative and professional working environment, as well as a corporate culture and a performance-based, gender-neutral remuneration system. Strategies have been developed for this purpose (see S-1 Policies) The decision-making process and the way in which the company has responded or intends to respond to this influence are described in S1-1 Policies.

SBM-3-48 b
SBM-3-48 c i, ii
S1-SBM-3-13 a

The concepts and actions listed below help to strengthen the resilience of the business model and reduce risks (see S1-1).

SBM-3-48 f

No significant risks or opportunities were identified in relation to the workforce of the Association of Volksbanks as part of the dual materiality analysis.

In accordance with the requirements of ESRS 2 SBM-3, para. 48, all employees affected by the company's material impacts are included in ESRS 2 under the description of the value chain (SBM-1) and in the list of stakeholders (SBM-2).

S1-SBM-3-14

Temporary workers and self-employed people are not affected.

S1-SBM-3-14 a

Due to the business model, which is focused on the Austrian market, there is no risk of forced labour of child labour within the Association of Volksbanks.

S1-SBM-3-14 f

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S1-SBM-3-15 In the dual materiality analysis, the impact in connection with diversity factors (relating to inclusion and equal treatment) was identified, among other things. No explicit consideration was given to whether there are specific groups of employees who are exposed to particular risks, such as increased stress or a higher risk of harassment.

(11) Impact on quality of life

SBM-3-48 c i 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.

SBM-3-48 c iv The Association of Volksbanks has a direct influence on the material impact through the arrangement of working hours and places of work.

(12) Risks to employee health

SBM-3-48 c i 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.

SBM-3-48 c iv Participation through own activities or business relationships: The Association of Volksbanks has a direct influence on the material impact through the design of workplaces and the working environment, as well as through continuous expansion of health initiatives for employees.

(13) Equal treatment in terms of gender

SBM-3-48 c i Unequal pay and unequal career opportunities have a negative impact on gender equality. A gender pay gap has a negative impact on female employees.

SBM-3-48 c iv Participation through own activities or business relationships: The Association of Volksbanks directly influences the material impact by systematically ensuring gender equality.

(14) Discrimination and harassment in the workplace

SBM-3-48 c i 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.

SBM-3-48 c iv The association of Volksbanks 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 the Association of Volksbanks expressly respects human rights and rejects any and all forms of discrimination. The Association of Volksbanks 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, the Association of Volksbanks 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.

S1-1 – Policies in connection with the workforce of the company

Summary table of policies, actions and objectives in connection with the workforce:

IRO number	Impacts, risks and opportunities	Policies	Actions	Objectives
11	Impact on quality of life (negative impact)	» Creating a framework for a better work-life balance (HR strategy)	» Flexibility in working hours » Flexibility in the place of work (remote working) » "Beruf und Familie" recertification	» Employee satisfaction
12	Risk to employee health (negative impact)	» Fair, safe and dignified working conditions (HR strategy, Policy Statement on Human Rights)	» Evaluating psychological stress in the workplace » Training on operational safety » Flexibility in working hours » Flexibility in the place of work (remote working)	» Employee satisfaction
13	Equal treatment in terms of gender (negative impact)	» Equal rights and recognition as the basis for an appreciative corporate culture (HR strategy/diversity policy) » Performance-based and gender-neutral remuneration (HR strategy, Remuneration Policy)	» Women's advancement programme » Transparent application process » Structured process for equal pay, gender pay gap and pay transparency	» Increased proportion of women in management positions
14	Discrimination and harassment in the workplace (negative impact)	» Respectful, non-discriminatory and professional working environment (HR strategy, Policy Statement on Human Rights, Code of Conduct)	» Training for managers on diversity and equal opportunities » Onboarding training for all employees on the Code of Conduct and human rights (non-financial statement) » Structured process in the event of conflict	» Employee satisfaction

General details of policies

As explained above, the work of the employees of the Association of Volksbanks may give rise to challenges and potential negative impacts. The Association of Volksbanks has developed strategies (policies) to mitigate or prevent these impacts. The decision-making process and the way in which the company has responded or intends to respond to this influence are described in S1-1 Policies. The HR strategy of the Association of Volksbanks 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 group strategy and applies to all banks of the Association of Volksbanks. 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 the Association of Volksbanks, without excluding business activities. All of the bank's sites are taken into account. In addition, the implemented data protection management system applies to all organisational units of the Association of Volksbanks 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 can be found in the non-financial report.

MDR-P-65 b
S1-1-19

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.

MDR-P-65 c

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 Organisation (ILO), as Austria is a member state of the ILO. As part of its data protection strategy, the Association of Volksbanks undertakes to comply with the EU General Data Protection Regulation (EU GDPR).

MDR-P-65 d

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.

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MDR-P-65 e 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.

The remuneration policy of the Association of Volksbanks 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 employee representatives and control functions are incorporated into the Remuneration Committee's decision-making criteria. The workforce of the Association of Volksbanks consists of employed staff and is uniformly referred to throughout the non-financial statement as "employees". External workers are not part of the workforce shown.

MDR-P-65 f The Policy Statement on Human Rights is available on the Association of Volksbanks website and on the intranet. The HR strategy is available on the intranet.

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

Human rights:

S1-1-20 VBW has adopted a Policy Statement 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 its effectiveness.

S1-1-21 In 2018, VBW – acting in its capacity as the central organisation of the Association of Volksbanks – 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 across 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.

S1-1-22 The Code of Conduct also addresses key issues such as human trafficking, forced labour and child labour.

S1-1-20 a 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 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.

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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 courses, 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. S1-1-20 b

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 human rights policy. S1-1-20 c

(11) Impact on quality of life

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 fosters a sense of purpose at work, in the company and in life. This fosters work-life balance. S1-1 19

The Association of Volksbanks is convinced that work-life balance is decisive for the quality of life of its employees. The Association of Volksbanks 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 example council agreements at VBW on flexitime 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. MDR-P-65 a

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. MDR-P-65 e

The HR strategy is available on the intranet. MDR-P-65 f

(12) Risks to employee health

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 of the Association of Volksbanks as part of the business strategy. Specific measures include regular evaluation of psychological stress in the workplace, implementing measures 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. MDR-P-65 a

Work-life balance life 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. MDR-P-65 e

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(13) Equal treatment in terms of gender

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

MDR-P-65 a 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". The Association of Volksbanks 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.

MDR-P-65 e 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.

b) Performance-based and gender-neutral remuneration

MDR-P-65 a
S1-1-24 a, b 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 the Association of Volksbanks through the "General Instruction on Remuneration Policy" and the relevant working instruction of the Association, which governs its operational implementation. 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 the Association of Volksbanks.

Scope of application of the policy

MDR-P-65 b
S1-1-24 c The policy of performance-based and gender-neutral remuneration applies to all employees of the Association of Volksbanks. The scope of application covers all employee groups, all business areas and all geographical sites of the Association of Volksbanks. The policy also extends to all HR processes along the value chain; in particular, recruitment, salary determination, promotions, remuneration adjustments and training programmes.

Responsibility for implementation at the highest level

MDR-P-65 c 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 of the respective Volksbank.

S1-1-24 d 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, where necessary, corrective measures are implemented. In addition, the Remuneration Policy defines clear criteria for determining remuneration to ensure that remuneration is based exclusively on objective and non-discriminatory factors.

(14) Discrimination and harassment in the workplace

Respectful, non-discriminatory and professional working environment

MDR-P-65 a
S1-1-24 a, b In its Policy Statement on Human Rights, VBW, as the central organisation of the Association of Volksbanks, 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.

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The policy forms part of the HR strategy and covers all employees of the Association of Volksbanks. There are no specific policy commitments regarding inclusion or support measures in favour of people from particularly vulnerable groups. S1-1-24 c

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. S1-1-24 d
The Association of Volksbanks promotes equal treatment of persons with disabilities by providing barrier-free office buildings, branches and IT systems, thereby creating inclusive working conditions.

The Diversity Policy of the Association of Volksbanks 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 clarify and deal with conflicts. In this way, the Association of Volksbanks 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, for example, was concluded between the company and the works council, the representative body of the workforce. The workforce is thus directly involved. MDR-P-65 f

S1-2 – Procedures for engaging with own workforce and workers' representatives regarding impacts

The views of the employees are continuously incorporated into the decision-making process and into the activities of the Association of Volksbanks, in order specifically to manage the actual and potential impacts on the workforce. Employee engagement is already coordinated centrally at organisational level of the Association of Volksbanks. S1-2-27
S1-2 AR 24

The Head of HR 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. S1-2-27 c

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 councils (and thus indirectly the employees) are therefore involved in a structured manner. S1-2-27 a

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. S1-2-27 b

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:

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

- » Regular jour fixe 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)

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2) Employees – direct involvement:

S1-2 AR 24 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 measures 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.

S1-2-27 d 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.

S1-2-27 e 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 (see the definition in MDR-T-80a), 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.

S1-2-28 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, for example, 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.

S1-3 – Processes to remediate negative impacts and channels for personnel to raise concerns

S1-3-32 a The Association of Volksbanks 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. The Association of Volksbanks generally relies on trained and sensitised managers. However, there are also independent channels through which employees can express their concerns. The whistleblower 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.

S1-3-32 b
S1-3-33

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. The Association of Volksbanks 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.

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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.	S1-3-32 c
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.	S1-3-32 d
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.	S1-3-32 e
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.	S1-3-33

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S1-4 – Actions taken in relation to material impacts and approaches to managing significant risks and capitalising on significant opportunities in connection with the company’s workforce, as well as the effectiveness of these actions and approaches

Overview table of actions taken:

IRO number	Actions	Direction	Impact addressed	Start	(Planned) completion
	MDR-A-68 a; S1-4-38 a	MDR-A-68 a	MDR-A-68 a	MDR-A-68 a	MDR-A-68 c
11	Flexibility in working hours and the place of work (remote working) "Beruf und Familie" recertification	Minimising adverse impacts	Impact on quality of life	<ul style="list-style-type: none"> » For example, the works council agreement on flexitime was concluded at VBW in 2017, and the works council agreement on remote working in 2019. » The "Beruf und Familie" recertification has been achieved, for example, by VBW until 2026, by Volksbank Salzburg eG until 2027 and by Volksbank Oberösterreich AG until 2026. 	Ongoing
12	Evaluating psychological stress in the workplace Training on operational safety Flexibility in working hours and the place of work	Minimising adverse impacts	Risk to employee health	<ul style="list-style-type: none"> » For example, the employee survey using the COPSQQ questionnaire was launched at VBW in 2020, repeated in 2023, and actions were derived from the results. » From 2021 onwards, the regulations on operational safety, including crisis intervention and safety training, were consolidated into a single policy including processes and responsibilities. » For example, the works council agreement on flexitime was concluded at VBW in 2017, and the works council agreement on remote working in 2019. 	Ongoing
13	Structured processes for equal pay, gender pay gap and pay transparency Women’s advancement programme Transparent application process	Minimising adverse impacts	Equal treatment in terms of gender	<ul style="list-style-type: none"> » Gender pay gap since 2022 » The Women’s advancement programme was launched at VBW in 2018, and at Volksbank Salzburg eG in 2022. » The diversity training sessions began in 2020. » Transparency in the tendering process became mandatory at VBW with the 2020 working instruction. 	Ongoing
14	Training for managers on diversity and equal opportunities Onboarding training for all employees on the Code of Conduct and human rights (see non-financial report) Structured process in the event of conflict	Minimising adverse impacts	Discrimination and harassment in the workplace	<ul style="list-style-type: none"> » The structured processes began in 2019, and the training in 2020. 	Ongoing

S1-4-39
S1-4-43

As part of the strategy process, appropriate measures to respond to potential negative impacts on employees are selected. These are coordinated within the respective competent committees (e.g. the HR specialist committee, Managing Board jour fixe, works council jour fixe, NAKO). Decisions regarding the measures are taken, as required, by the members of the Managing Board of VBW in its meetings. Any costs incurred by the measures are taken into account in the annual budgeting process. Allocated funds cannot be disclosed.

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In order to derive appropriate measures, a distinction is made within the procedure as to

- » whether the company itself is causing the adverse effects on its own employees (e.g. poor ergonomic working conditions in the workplace) and which departments are responsible for this, or
- » whether negative impacts on the company's own employees arise externally through suppliers, customers or other business relationships (e.g. whether employees in the call centre are exposed to hostility and difficult situations).

All measures listed apply across the Association of Volksbanks, including its subsidiaries, irrespective of location.

MDR-A-68b

The implementation of measures relating to the material impacts in connection with the company's workforce does not result in significant operating expenses (OpEx) or capital expenditure (CapEx) for the Association of Volksbanks.

MDR-A-69

(11) Impact on quality of life

a) 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.

S1-4 37
MDR-A-68 a

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.

S1-4 AR 40 a

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

S1-4 AR 48

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 S1-MDR-T.

S1-4-38 d
S1-4-40 a

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

MDR-A-68 a, e
S1-4 AR 40 b

b) "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 regularly evaluated; 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.

S1-4-38 d
S1-4-40 a

ESRS S1 – OWN WORKFORCE

MDR-A-68 a 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 S1-MDR-T.

(12) Risks to employee health

a) Evaluating psychological stress in the workplace

MDR-A-68 a 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 measures 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.

S1-4 AR 40 a The workforce was involved in the development of the measures via workshops and direct feedback discussions.

S1-4-38 d The effectiveness of the measures taken based on the COPSQ survey will be reviewed in the next COPSQ survey.

b) Training on operational safety and employee health

MDR-A-68 a 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.

S1-4 AR 40 a The workforce is involved via the works council members on the Employee Safety Committee, where participation in training sessions is recommended as a measure.

S1-4 AR 48 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.

S1-4-38 d
S1-4 AR 42 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.

S1-4 AR 33 b
S1-4 AR 40 b 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.

MDR-A-68 a 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 goals.

(13) Equal treatment in terms of gender

a) Structured processes for addressing the gender pay gap

MDR-A-68 a 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 measures.

No measurable, results-based targets have been defined for this action. However, the effectiveness of the measures 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 measures implemented.

MDR-T 81 b

b) Women's advancement programme

The Association of Volksbanks supports female managers and talents in their professional and personal development and promotes networking and new perspectives. For example, VBW actively empowers women through a comprehensive advancement programme. Specific measures for this are:

S1-4-38 d
S1-4-40 a
MDR-A-68 a

- » 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 its women's advancement programme, in addition to WoMentoring, Volksbank Salzburg also offers part-time management roles in order to enable work-life balance.

The effectiveness of the measures is measured by the proportion of women in management positions.

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 S1-MDR-T.

The proportion of women in management positions has already increased.

The programme is enshrined in the Executive 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.

c) Transparent application process

To promote equal treatment, the Association of Volksbanks is introducing a transparent application process.

MDR-A-68 a

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.

(14) Discrimination and harassment in the workplace

Training for managers in 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.

MDR-A-68 a

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

- » Training courses for managers in 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 (see non-financial report), and
- » A mandatory structured conflict resolution process defined in a works council agreement on inappropriate behaviour.

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- S1-4 AR 40 a 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 parties concerned, accused parties, management, case reporting, proposed actions).
- S1-4 AR 48 The Managing Board, Compliance, HR management and the works council are involved in managing the impacts.
- S1-4-38 d
AR 40 a 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.
- S1-4-42
MDR-A-68 a 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 S1-MDR-T.

Metrics and targets

S1-5 – Targets related to mitigating material negative impacts, promoting positive impacts and managing significant risks and opportunities

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. MDR-T-80 h, i

(11) Impact on quality of life, (12) risks to employee health, (14) Discrimination in the workplace

Employee satisfaction

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 fosters a sense of purpose at work, in the company and in life also contributes significantly to promoting physical and mental health. Against this backdrop, the Association of Volksbanks pursues the strategic goal of improving work-life balance through flexible working time and workplace models. The five concepts described in S1-1 also contribute to this sustainability goal. S1-5 46

The target is a continuous increase in employee satisfaction, which serves as a central development driver for the Association of Volksbanks. For the third year running now the Association 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 and Association 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. MDR-T-80 a

The “employee satisfaction” target is measured at individual institution and Association level. It covers the business territory of the Association of Volksbanks. MDR-T-80 c

Material topic	Direction	Material impacts	Type of target	Target value	Base year	Reference value	Target year
MDR-T-80a	S1-5-44 a-c	MDR-T-80 a	MDR-T-80	MDR-T-80b	MDR-T-80	MDR-T-80 d	MDR-T-80
Own workforce: » Impact on quality of life » Risk to employee health » Discrimination and harassment in the workplace	Minimising adverse impacts	» Impact on quality of life (-) » Long-term health damage (-) » Reducing discrimination (+)	Absolute target	NPS score 20 points (Association of Volksbanks)	The NPS score was launched in 2022.	9	2030

In terms of employee satisfaction, the Association of Volksbanks has set itself the target of continuously improving the NPS score. The NPS score at the Association of Volksbanks was 18 points in 2024 and improved to 19 points in 2025. The targets cover all locations of the Association of Volksbanks. MDR-T-80 a, f, j
S1-5 AR 49 c

ESRS S1 – OWN WORKFORCE

(13) Equal treatment in terms of gender

Proportion of women in management positions

Material topic	Direction	Essential	Type of target	Target value	Base year	Reference value	Target year
MDR-T-80 a	S1-5 44 a-c	MDR-T-80 a	MDR-T-80 b	MDR-T-80 b	MDRT-80 d	MDR-T-80 d	MDR-T-80 e
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 50.0%	2023	26.8%	2030

MDR-T-80 a » The Association of Volksbanks has set itself the goal of achieving a 50.0% share of women in all management positions, including top management (in accordance with S1-9) by 2030. As of the 31 December 2025 reporting date, the proportion of women in management positions was 29.1 %. This target was defined by the Managing Board and was determined jointly with the Supervisory Board. The targets cover all locations of the Association of Volksbanks. Performance tracking and identification of improvements are carried out in the NAKO (see in ESRS 2 GOV-1 and GOV-2). The policies in S1-1 and the actions derived from them support the achievement of this sustainability target.

MDR-T-80 f
S1-5 AR 49 c
S1-5 47 a-c

S1-6 – Characteristics of the company’s employees

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.

MDR-M-77 b 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, as well as the Managing Boards of the affiliated credit institutions, but exclude the members of the Managing Board of VBW.

The Association of Volksbanks employs staff exclusively at its location in Austria.

S1-6-50 d, i
MDR-M-77 a 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.

S1-6-50 e The share of fixed-term employment contracts at the Association of Volksbanks is (2.29%). The majority of employment contracts are permanent (97.71%). 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.

S1-6-50 f The workforce of the Association of Volksbanks is predominantly female (59.50%).

55.55% of female employees and 37.58% of all employees work part-time. This results in a workforce of 3,168 equivalents as at 31 December 2025 (notes to the consolidated financial statements of the Association of Volksbanks, 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 10.79%.

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.

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Employee transfers between the banks of the Association are included in the staff turnover figure as departures; transfers within entities of a bank of the Association are not treated 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 7.29%.

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	2025
S1-6-50 a, c	S1-6-50 a, c	S1-6-50 a, c
Female	Number of persons	2,261
Male	Number of persons	1,539
Other	Number of persons	0
Not specified	Number of persons	0
Total number of employees	Number of persons	3,800

Number of employees by type of employment and gender	Unit	2025
S1-6-50 b	S1-6-50 b	S1-6-50 b
Number of employees		
Female	Number of persons	2,261
Male	Number of persons	1,539
Other	Number of persons	0
Not specified	Number of persons	0
Total number	Number of persons	3,800
Number of employees with permanent employment contracts		
Female	Number of persons	2,215
Male	Number of persons	1,498
Other	Number of persons	0
Not specified	Number of persons	0
Total number	Number of persons	3,713
Number of employees with fixed-term employment contracts		
Female	Number of persons	46
Male	Number of persons	41
Other	Number of persons	0
Not specified	Number of persons	0
Total number	Number of persons	87
Number of on-call employees		
Female	Number of persons	0
Male	Number of persons	0
Other	Number of persons	0
Not specified	Number of persons	0
Total number	Number of persons	0

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Number of employees by type of employment and gender S1-6-50 b	Unit S1-6-50 b	2025 S1-6-50 b
Number of full-time employees		
Female	Number of persons	1,005
Male	Number of persons	1,367
Other	Number of persons	0
Not specified	Number of persons	0
Total number	Number of persons	2,372
Number of part-time employees		
Female	Number of persons	1,256
Male	Number of persons	172
Other	Number of persons	0
Not specified	Number of persons	0
Total number	Number of persons	1,428

S1-9 – Diversity metrics

2025 S1-9-66 a	Unit S1-9-66 a	VBW Managing Board S1-9-66 a	ZK Managing Board S1-9-66 a	Top Management Level V-1 S1-9-66 a
Gender distribution by number at the top management level				
Female	Number of persons	0	0	0
Male	Number of persons	3	0	0
Other	Number of persons	0	0	0
Not specified	Number of persons	0	0	0
Total number	Number of persons	3	0	0
Share of employees at the top management level				
Female	%	0.0	0.0	0.0
Male	%	100.0	0.0	0.0
Other	%	0.0	0.0	0.0
Not specified	%	0.0	0.0	0.0

MDR-M-77 a 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.

MDR-M-77 b None of the metrics is validated by an additional external body..

S1-9 AR 71 In addition to the Managing Board of VBW, the top management of Association of Volksbanks comprises the managing boards of the affiliated credit institutions (ZK) as well as the highest management level (V-1), below the Managing Board of VBW and those of the affiliated credit institutions, respectively. This group makes important strategic decisions in the interests of the Association of Volksbanks.

S1-14 – Health and safety metrics

S1-14-88 b
MDR-M-77 a, b During the reporting period there were 0 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.

S1-16 – Compensation metrics (pay gap and total compensation)

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.

S1-16-97 a

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.

2025 results – Association of Volksbanks

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.

MDR-M-77 b

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 declining trend.

Gender pay gap	Unit	2024	2025
Calculation based on average			
Employees	%	24.1	21.6
Employees without management responsibility	%	17.0	14.7
Employees with management responsibility	%	16.9	15.7
Calculation based on median			
Employees	%	21.8	20.9
Employees without management responsibility	%	18.2	17.1
Employees with management responsibility	%	11.8	10.1

S1-16-97 a

Overall view of all employees

For all employees, the unadjusted gender pay gap decreased in terms of the average from an average view of 24.1 % (2024) to 21.6-% (2025). The median value also decreased from 21.8 % to 20.9 %. 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, the unadjusted gender pay gap decreased on average from 17 % to 14.7 %. The median figure decreased from 18.2 % to 17.1 %. The results indicate a convergence of remuneration levels in comparable operational roles.

Employees with management responsibility

For employees with management responsibility, the unadjusted gender pay gap decreased on average from 16.9 % to 15.7 %. The median value decreased from 11.8 % to 10.1 %.

Target under the EU Pay Transparency Directive

Irrespective of the unadjusted metrics presented, the Association of Volksbanks 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.

ESRS S1 – OWN WORKFORCE

Methods and significant assumptions:

S1-16-97 c
MDR-M-77 a 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.

MDR-M-77 b 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.

S1-16 AR 99 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 included in the calculation, as the metric is based exclusively on the relationship between actual remuneration paid and paid working hours (incl. paid absences).

Calculation formula per employee:

Relevant gross annual remuneration ÷ hours worked = gross hourly earnings

S1-16 AR 98 b **Calculation of the gender pay gap based on the average:**
[(Average gross hourly earnings of male employees – Average gross hourly earnings of female employees)/Average gross hourly earnings of male employees] *100.

S1-16 AR 98 a The number of employees taken into account complies with the requirements under Section 50(a) of the ESRS S1 standard.

S1-16 AR 102 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:

[(Median gross hourly earnings of male employees – Median gross hourly earnings of female employees)/Median gross hourly earnings of male employees] *100

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.

S1-16 AR 102

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 16.8 at Association of Volksbanks level.

S1-16-97 b

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

S1-16 AR 101 c

- » 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, in accordance with sec. 50 (a) of the ESRS-S1-Standard.

S1-17 – Incidents, complaints and severe human rights impacts

In chapters S1-SBM-3 and S1-1, the Association of Volksbanks reports on the potential negative impacts of discrimination and the associated policy of the Association of Volksbanks.

S1-17-103 a, b

In the 2025 reporting 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, the Association of Volksbanks 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.

S1-17-103 b

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 help raise employees' awareness of the essential importance of these topics.

The total amount of material fines, sanctions and compensation payments is euro 0.

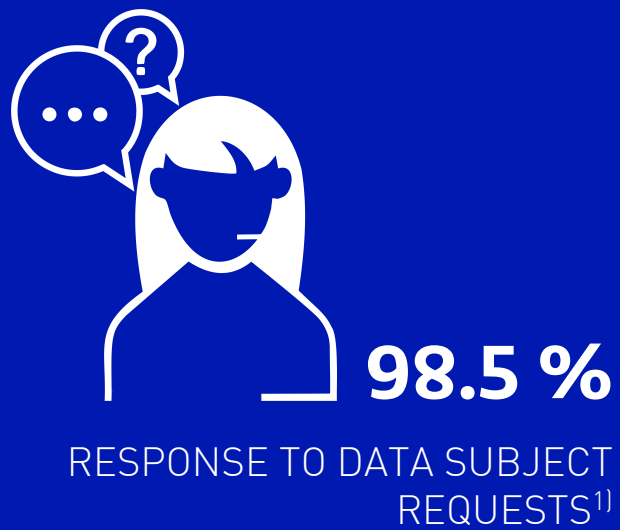
S1-17-103 c

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.

S1-17-104 a

ESRS S4 – Consumers and End-Users

Social information



1) 98.5% of incoming data subject requests received by the Association of Volksbanks were answered in full within the statutory period of one month.

ESRS S4 – CONSUMERS AND END-USERS

Management of the impacts, risks and opportunities

The following section presents 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.

ESRS S4 – CONSUMERS AND END-USERS

S4-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model

Sustainability aspect	IRO number	Sustainability aspect	IRO type	IRO description	Value chain	Time horizon
SBM-3-48 a		SBM-3-48 a	SBM-3-48 a	SBM-3-48 a	SBM-3-48 a	SBM-3-48 c iii
Data protection	15	S4 – Inadequate data protection with respect to customer data	Negative impact (potential)	The financial sector has sensitive customer data in its possession. If personal data is not protected, this can potentially jeopardise the rights of customers.	Own business activities	All time horizons

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. SBM-3-48 c i

The impacts are directly related to the business model and strategy, as the protection of customer data relates to the core business of the Association of Volksbanks. The negative impacts of the misuse of customer data arise in the course of the banking business for financing services. SBM-3-48 c ii

The Association of Volksbanks has a direct share in the significant impact through the handling of sensitive data and data breaches. SBM-3-48 c iv

Data subject groups

All customers (consumers and end-users) of the Association of Volksbanks who, through the provision of (personal) data, are likely to be affected by material impacts fall under the disclosures in accordance with ESRS 2. S4-SBM-3-10

Given the nature of a bank's business model, these are not products that are harmful to consumers or end-users and/or increase the risk of chronic illness. S4-SBM-3-10 a i

The Association of Volksbanks 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 customers of the Association of Volksbanks 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. S4-SBM-3-10 a (ii-iv)

The negative impact identified as material relates to individual incidents. S4-SBM-3-10 b

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. S4-SBM-3-11

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. SBM-3-48 b
S4-SBM-3-9 a

ESRS S4 – CONSUMERS AND END-USERS

S4-1 – Policy relating to consumers and end users

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

IRO number	Impact	Policy	Actions	Targets
15	Inadequate data protection with respect to customer data	Data protection management	The measures 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

(15) Inadequate data protection with respect to customer data

Data protection management

MDR-P-65 a, c The Managing Board of VBW, in its capacity as the central organisation of the Association of Volksbanks, has mandated the implementation of a data protection management system (DPMS) through the “Data Protection Management Commitment for the Association of Volksbanks”. 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 data protection management system.

The highest priority in the processing of personal data of natural persons is to ensure the lawfulness of the processing. The Association of Volksbanks 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 DSMS is monitored through ongoing reporting to the Managing Board and Supervisory Board.

MDR-P-65 b The scope of application comprises the business territory of the Association of Volksbanks and its service providers.

S4-1-15 The protection of personal data of natural persons by the Association of Volksbanks represents both the legal obligation and the basis for the trust of customers, partners and employees. The Association of Volksbanks has an obligation to ensure the security and protection of personal data.

Human rights

S4-1-16 a The Association of Volksbanks 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.

S4-1-16 b Consumers and/or end users are included in the materiality analysis and in customer surveys in matters of human rights. In addition, it is ensured that affected stakeholders can report negative impacts.

S4-1-16 c 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.

S4-1-17 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 the downstream value chain of the Association of Volksbanks.

ESRS S4 – CONSUMERS AND END-USERS

S4-2 – Procedures for engaging with consumers and end-users regarding impacts

The company has no procedures in place for engaging with consumers and end users in relation to data protection management, as no direct interactions with these stakeholder groups take place in this context.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

It is important to the Association of Volksbanks 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.

S4-3-25 a

The Association of Volksbanks itself provides various options for customers to address grievances: the whistleblower system, the complaints process within the Association of Volksbanks 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 the Association of Volksbanks. 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.

S4-3-25 b

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. The Association of Volksbanks expects all external parties interacting with the bank to respect and support the principles of the Code of Conduct.

S4-3-25 c

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 the Association of Volksbanks engages in dialogue with whistleblowers and complainants. The employees of the Association of Volksbanks are regularly trained on the requirements of entering customer complaints into the complaints database. Compliance monitors that any grievances identified are remedied.

S4-3-25 d

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.

S4-3-26

S4-4 – Actions taken in relation to material impacts on consumers and end-users and approaches to managing significant risks and capitalising on significant opportunities in connection with consumers and end-users, as well as the effectiveness of these actions and approaches

Overview table of actions taken:

Policy addressed	Direction	Impact addressed	Start	(Planned) completion
MDR-A-68a	S4-4, 31 a, c	MDR-A-68 a	MDR-A-68 a	MDR-A-68 c
Data protection management	Minimising adverse impacts	Data protection with respect to customer data	2018	More than 5 years

The Association of Volksbanks 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, the Association of Volksbanks has implemented a standardised procedure for processing customer requests. The Association of Volksbanks ensures that every request (such as a data access or erasure request) is processed carefully, comprehensively and promptly.

S4-4-31 a

ESRS S4 – CONSUMERS AND END-USERS

- MDR-A-68 d 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.
- S4-4-31 d 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.
- S4-4-31 c Employee awareness measures: Conducting regular data protection training sessions and publishing employee information. 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, the Association of Volksbanks proactively informs its employees via the intranet, where necessary, about current developments, such as new fraud tactics or changes in data protection regulations.
- S4-4-31 d Target monitoring: The results are reported quarterly to the entire Management Board and monitored by means of an ICS control.

(15) Inadequate data protection with respect to customer data

Data protection management

- MDR-A-68 a 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.
- S4-4-37 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. The Association of Volksbanks has provided all means and resources required for the performance of these tasks and has appointed a Data Protection Officer.
- S4-4-31 d
S4-4-33 a 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.
- S4-4 AR 25 c;
AR 33 b During the reporting year, 134 data protection-related requests were closed within the Association of Volksbanks.
- All business areas at all sites of the Association of Volksbanks are covered by the DPMS.
All customers, cooperation partners and employees are covered by the DPMS.
- MDR 68 b 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.

Process for determining appropriate and necessary actions:

- S4-4-32 a 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. The Association of Volksbanks actively instructs customers to take necessary security measures to minimise potential negative impacts, such as changing passwords or exercising increased vigilance against phishing attempts.

ESRS S4 – CONSUMERS AND END-USERS

As an integral part of its governance structure and risk management, the Association of Volksbanks ensures that the protection of personal data is also guaranteed by third parties. All service providers processing personal data on behalf of the Association of Volksbanks (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.

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. The Association of Volksbanks 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.

S4-4-34

S4-4-32 b

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

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

The Association of Volksbanks 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.

S4-4-32 c

Human rights:

No serious problems or incidents in connection with human rights were reported to the Association of Volksbanks, either via the whistleblowing application or via the ombudsman's office.

S4-4-35

Metrics and targets

S4-5 – Targets related to mitigating material negative impacts, promoting positive impacts and managing significant risks and opportunities

The target is for the Association of Volksbanks 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.

S4-5-41

MDR-T-80

(15) Inadequate data protection with respect to customer data

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
MDR-T-80 a	MDR-T-80 a, S4-5-38	MDR-T-80 a	MDR-T-80 b	MDR-T-80 b	MDR-T-80 d	MDR-T-80 d	MDR-T-80 e
Information-related impacts for consumers and/or end-users	Minimising potential adverse impacts	Data protection with respect to customer data	relative	100% of incoming data subject requests received by the Volksbanken Association answered in full within the statutory deadlines.	100% of incoming data subject requests received by the Volksbanken Association answered in full within the statutory deadlines.		2025

ESRS S4 – CONSUMERS AND END-USERS

- MDR-T-80 a 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 134 data subject requests. 98.5% of those requests were completed within the statutory period of one month. The compliance rate of 98.5% 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.
- MDR-T-80 c All business activities and all business areas at all sites of the Association of Volksbanks and its service providers are covered by the targets.
- MDR-T-80 f All data protection-related requests must be reported to Compliance, where they are centrally documented and processed.
- S4-5-41 a
MDR-T-80 h No stakeholders were involved in the target definition.
- MDR-T-80 i 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.

ESRS S4 – CONSUMERS AND END-USERS

Training and skills development

TRAINING AND SKILLS DEVELOPMENT

Training and skills development

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

The average number of training hours per employee at the Association of Volksbanks totalled 47.4 hours. The figure at the Association of Volksbanks was 43.2 for female employees, and 53.5 hours for male employees.

The data is evaluated using SAP SuccessFactors.

Training and skills development metrics	Unit	2025
S1-13-83 b	S1-13-83 b	S1-13-83 b
Absolute number of training hours		
Female	Number of hours	97,573
Male	Number of hours	82,364
Other	Number of hours	0
Not specified	Number of hours	0
Total number	Number of hours	179,937
Average number of training hours per employee		
Female	Number of hours	43.2
Male	Number of hours	53.5
Other	Number of hours	0.0
Not specified	Number of hours	0.0
Total number	Number of hours	47.4

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 S1-6.

TRAINING AND SKILLS DEVELOPMENT

Customer satisfaction

CUSTOMER SATISFACTION

Customer satisfaction

Customer net promoter score

The Association 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 in the form of the customer net promoter score (NPS). The customers of the Association of Volksbanks are surveyed annually using a standardised survey, both online and by telephone, to determine customer satisfaction. The survey is conducted independently of the respective strategy or product development phase. Operational responsibility lies with the Head of Marketing of the Association of Volksbanks. The members of the Managing Board and Supervisory Board of the Association of Volksbanks 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 Sustainability Statement ESRS SBM-2 Engagement 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 32 points, showing a positive development compared to the previous year. These results confirm our ongoing efforts to improve quality of service and customer focus. 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 the Association of Volksbanks. It was conducted via telephone interviews in August and September 2025 with a random and representative sample of customers.

CUSTOMER SATISFACTION

Corporate Governance and Corporate Culture

UNTERNEHMENSFÜHRUNG UND UNTERNEHMENSKULTUR

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.

Policies for corporate governance and corporate culture (in accordance with G1-1)

The corporate culture of the Association of Volksbanks 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 the Association of Volksbanks: Trust – Integrity – Respect – Confidentiality. Moreover, the Code of Conduct deals with selected compliance issues which also document the integrity of the Association of Volksbanks in its external relations. Updates to the Code of Conduct are approved by the Managing Board of VBW, in its capacity as CO of the Association of Volksbanks, 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 the Association of Volksbanks, 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 of each bank of the Association of Volksbanks 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.

The Association of Volksbanks pays close attention to the active fight against corruption and bribery. The Code of Conduct of the Association of Volksbanks 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.

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.

The Association of Volksbanks 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.

Whistleblowing

By means of the Business Keeper Monitoring System (BKMS®), which has been implemented at the Association of Volksbanks 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. The Association of Volksbanks 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 the Association of Volksbanks 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.

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. The Association of Volksbanks 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 the Association of Volksbanks orally or in writing via diverse communication channels.

CORPORATE GOVERNANCE AND CORPORATE CULTURE

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. 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 the Association of Volksbanks: ombudsstelle@volksbankwien.at

Prevention and detection of corruption and bribery (in accordance with G1-3)

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

The investigating body at the Association of Volksbanks 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.

The Association of Volksbanks 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 employees in high-risk units amounts to 2.01% of the total workforce. This information is not available for the Association of Volksbanks.

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

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

Coverage and scope of training measures by groups of persons:

Category ¹	At-risk functions ²	Managers ³	Executive bodies	Other own workforce
Training coverage				
Total ⁴	30	169	16	1,281
Total receiving training	29	77	12	693
Proportion of functions covered by training (in per cent)	96.66	45.56	75	54.1
Delivery methods and duration				
Classroom training (in min.)	438.0	1,144.5	0	12,054.0
Computer-based training (in min.)	270.0	2,974.0	1,080.0	20,448.0
Voluntary computer-based training	0	0	0	0
Frequency	1 x every 2 years			

The table above shows 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 at VBW. This information is not available for the Association of Volksbanks.

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 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.

Confirmed incidents of corruption or bribery (in accordance with G1-4)

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 the Association of Volksbanks. For this purpose, a KPI has been defined: the number of confirmed cases of corruption and bribery. There were no known incidents of corruption or bribery in the reporting year.

Vienna, March 5, 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
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Financial Statements

Financial Statements

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FINANCIAL STATEMENTS

Statement of comprehensive income

INCOME STATEMENT	Note	1-12/2025	1-12/2024	Changes	
		Euro thousand	Euro thousand	Euro thousand	%
Interest and similar income		1,000,659	1,179,916	-179,257	-15.19%
thereof using the effective interest method		966,880	1,121,525	-154,645	-13.79%
Interest and similar expenses		-414,085	-533,750	119,665	-22.42%
Net interest income	4	586,574	646,166	-59,592	-9.22%
Risk provision	5	-137,205	-220,546	83,341	-37.79%
Fee and commission income		327,305	306,805	20,499	6.68%
Fee and commission expenses		-33,810	-27,231	-6,580	24.16%
Net fee and commission income	6	293,494	279,575	13,920	4.98%
Net trading income	7	4,536	7,058	-2,521	-35.73%
Result from financial instruments and investment properties	8	19,704	-7,370	27,074	< -200.00 %
Other operating result	9	-13,431	-90	-13,341	> 200.00 %
General administrative expenses	10	-613,564	-588,571	-24,993	4.25%
Result from companies measured at equity	11	909	40,709	-39,800	-97.77%
Annual result before taxes		141,018	156,930	-15,912	-10.14%
Income taxes	12	9,010	-25,474	34,484	-135.37%
Annual result after taxes		150,028	131,456	18,572	14.13%
Result attributable to shareholders of the parent company		150,028	131,456	18,572	14.13%
Result attributable to non-controlling interests		0	0	0	0.00%
OTHER COMPREHENSIVE INCOME		1-12/2025	1-12/2024	Changes	
		Euro thousand	Euro thousand	Euro thousand	%
Annual result after taxes		150,028	131,456	18,572	14.13%
Items that will not be reclassified to profit or loss					
Revaluation of obligation of defined benefit plans (including deferred taxes)		9,159	4,443	4,716	106.16%
Revaluation reserve (including deferred taxes)		2,616	0	2,616	100.00%
Fair value reserve - equity instruments (including deferred taxes)		-6,741	17,500	-24,240	-138.52%
Revaluation of own credit risk (including deferred taxes)		-593	-57	-536	> 200.00 %
Change from companies measured at equity		-705	-191	-514	> 200.00 %
Total items that will not be reclassified to profit or loss		3,735	21,693	-17,958	-82.78%
Items that may be reclassified to profit or loss					
Fair value reserve - debt instruments (including deferred taxes)					
Change in fair value		1,034	947	87	9.21%
Net amount transferred to profit or loss		0	-1	1	-100.00%
Cash flow hedge reserve (including deferred taxes)					
Change in fair value (effective hedge)		-3,290	-642	-2,648	> 200.00 %
Net amount transferred to profit or loss		18	1,088	-1,070	-98.35%
Total items that may be reclassified to profit or loss		-2,238	1,392	-3,630	< -200.00 %
Other comprehensive income total		1,497	23,086	-21,588	-93.51%
Comprehensive income		151,525	154,542	-3,016	-1.95%
Comprehensive income attributable to shareholders of the parent company		151,525	154,542	-3,016	-1.95%
Comprehensive income attributable to non-controlling interests		0	0	0	0.00%

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	3,683,584	4,007,513	-323,929	-8.08%
Loans and receivables to credit institutions	14, 15	245,674	228,634	17,040	7.45%
Loans and receivables to customers	14, 15	23,563,669	23,223,813	339,856	1.46%
Fair value changes of hedged items in portfolio hedge of interest rate risk		-46,407	-25,417	-20,990	82.58%
Assets held for trading	16	14,701	19,419	-4,718	-24.30%
Financial investments	17	4,400,502	3,535,239	865,262	24.48%
Investment property	18	46,775	37,726	9,049	23.99%
Companies measured at equity	19	47,497	64,173	-16,676	-25.99%
Participations	20	105,385	115,896	-10,511	-9.07%
Intangible assets	21	2,073	677	1,396	> 200.00 %
Tangible assets	22	395,362	407,768	-12,406	-3.04%
Tax assets	23	136,630	130,335	6,295	4.83%
Current taxes		7,714	30,095	-22,381	-74.37%
Deferred taxes		128,916	100,240	28,676	28.61%
Other assets	24	301,073	319,367	-18,294	-5.73%
Assets held for sale	25	0	349	-349	-100.00%
TOTAL ASSETS		32,896,517	32,065,493	831,025	2.59%
LIABILITIES					
Liabilities to credit institutions	26	247,839	471,243	-223,404	-47.41%
Liabilities to customers	27	23,601,244	23,255,897	345,348	1.48%
Fair value changes of hedged items in portfolio hedge of interest rate risk		148	514	-366	-71.19%
Liabilities evidenced by certificates	28	4,231,257	3,489,918	741,339	21.24%
Lease liabilities	29	173,435	177,905	-4,470	-2.51%
Liabilities held for trading	30	15,103	19,499	-4,396	-22.54%
Provisions	31, 32	186,895	184,481	2,414	1.31%
Tax liabilities	23	15,386	6,546	8,840	135.03%
Current taxes		11,050	2,336	8,713	> 200.00 %
Deferred taxes		4,336	4,210	126	3.00%
Other liabilities	33	430,196	586,104	-155,907	-26.60%
Subordinated liabilities	34	1,243,942	1,273,288	-29,346	-2.30%
Total nominal value cooperative capital shares	35	5,080	5,411	-331	-6.11%
Subscribed capital	35	269,867	269,853	14	0.01%
Reserves	35	2,476,125	2,324,835	151,290	6.51%
TOTAL LIABILITIES		32,896,517	32,065,493	831,025	2.59%

Changes in equity and cooperative capital shares

	Subscribed capital ¹⁾	Additional tier 1 capital ²⁾	Capital reserves	Retained earnings and other reserves	Shareholders' equity	Non-controlling interest	Equity	Cooperative capital shares ³⁾	Equity and cooperative capital shares
Euro thousand									
As at 01 Jan 2024	282,198	217,722	511,156	1,740,325	2,751,401	0	2,751,401	5,818	2,757,219
Consolidated net income				131,456	131,456		131,456		131,456
Other comprehensive income	0	0	0	23,086	23,086	0	23,086	0	23,086
Comprehensive income	0	0	0	154,542	154,542	0	154,542	0	154,542
Redemption of AT1 emission		-217,722		-2,278	-220,000		-220,000		-220,000
Dividends paid				-13,039	-13,039		-13,039		-13,039
Coupon for the AT1 emission				-8,525	-8,525		-8,525		-8,525
Changes in base amount regulation	117			0	117		117	-117	0
Purchase Association of Volksbanks own shares	-12,283		-2,926	-53,512	-68,721		-68,721		-68,721
Change in cooperative capital and participation capital	-179			-907	-1,086		-1,086	-291	-1,377
Change due to reclassifications shown under non-controlling interest, capital increases and deconsolidation				0	0		0		0
As at 31 Dec 2024	269,853	0	508,229	1,816,606	2,594,688	0	2,594,688	5,411	2,600,099
Consolidated net income				150,028	150,028		150,028		150,028
Other comprehensive income	0	0	0	1,497	1,497	0	1,497	0	1,497
Comprehensive income	0	0	0	151,525	151,525	0	151,525	0	151,525
Redemption of AT1 emission		0		0	0		0		0
Dividends paid				-31	-31		-31		-31
Coupon for the AT1 emission				0	0		0		0
Changes in base amount regulation	110			0	110		110	-110	0
Purchase Association of Volksbanks own shares	0		0	0	0		0	0	0
Change in cooperative capital and participation capital	-96			-440	-536		-536	-221	-757
Change due to reclassifications shown under non-controlling interest, capital increases and deconsolidation				236	236		236	0	236
As at 31 Dec 2025	269,867	0	508,229	1,967,895	2,745,992	0	2,745,992	5,080	2,751,072

- 1) Subscribed capital incl. participation capital and cooperative capital shares, pursuant to IFRIC 2 eligible as equity.
- 2) AT1-capital is shown in Additional tier 1 capital.
- 3) Cooperative capital shares, pursuant to IFRIC 2 not eligible as equity.

Details are shown in note 35) Equity.

Cash flow statement

Euro thousand	Note	1-12/2025	1-12/2024
Annual result (before non-controlling interest)		150,028	131,456
Non-cash positions in annual result and other adjustments			
Net interest income	4	-586,574	-646,166
Income from participations	8	-25,308	-3,067
Depreciation, amortisation, impairment and reversal of impairment of financial	8, 10	28,052	-13,530
Allocation to and release of provisions, including risk provisions	5, 10	167,835	246,782
Result from the disposal of financial assets and liabilities, and tangible assets	8, 9	-1,457	-6,546
Income taxes	12	-9,010	25,474
Changes in assets and liabilities from operating activities			
Loans and advances to credit institutions	14	-12,482	3,112
Loans and advances to customers	14	-456,926	-679,148
Trading assets	16	655	2,681
Financial investments	17	64,251	-42,235
Other assets from operating activities	24	-13,050	-6,399
Liabilities to credit institutions	26	-219,556	-332,522
Liabilities to customers	27	372,069	1,055,770
Liabilities evidenced by certificates	28	730,321	200,823
Derivatives	16, 24, 30, 33	-68,762	-14,420
Other liabilities	33	-63,241	34,421
Interest received		985,564	1,138,128
Interest paid		-430,783	-453,618
Dividends received	8	25,308	3,067
Dividends from equity-accounted investees	11	6,658	75,332
Income taxes paid		-12,205	-66,108
Cash flow from operating activities		631,388	653,289
Proceeds from the sale or redemption of			
Financial investments at amortised cost	17	369,565	189,933
Participations	20	11,984	81,371
Intangible and tangible assets	21, 22	3,460	3,749
Payments for the acquisition of			
Financial investments at amortised cost	17	-1,297,365	-757,256
Participations	20	-5	-10,571
Intangible and tangible assets	21, 22	-20,415	-28,550
Investment property	18	-66	-269
Cash flow from investing activities		-932,842	-521,593
Change in cooperative capital and participation capital			
Change in cooperative capital and participation capital	35	-757	-1,377
Redemption of own equity interests	35	-3,000	-71,721
Repayment from the termination of the AT1 capital	35	0	-220,000
Dividends paid and coupon for the AT1 capital	35	-31	-21,564
Cash outflow of lease liabilities	29	-9,057	-8,217
Cash inflow of subordinated liabilities	34	0	993,240
Cash outflow of subordinated liabilities	34	-9,860	-229,102
Other changes		236	0
Cash flow from financing activities		-22,469	441,259
Cash and cash equivalents at the end of previous period	13	4,007,513	3,434,660
Cash flow from operating activities		631,388	653,289
Cash flow from investing activities		-932,842	-521,593
Cash flow from financing activities		-22,469	441,259
Effect of currency translation		-6	-100
Cash and cash equivalents at the end of period	13	3,683,585	4,007,513

Details of the calculation method of cash flow statement are shown in note 3) aj).

Details to the changes in subordinated liabilities are shown in note 34).

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Notes

1) General information

VOLKSBANK WIEN AG (VBW) with its registered office at Dietrichgasse 25, 1030 Vienna, Austria, is the central organisation (CO) of the Austrian Association of Volksbanks. VBW has concluded an association agreement with the primary banks (Volksbanks, VB) in accordance with Section 30a of the Austrian Banking Act. The purpose of this association agreement is, on the one hand, the formation of a cross-guarantee system between the institutions of the primary sector and, on the other hand, the supervision and fulfilment of the supervisory standards at Association level. Section 30a (10) of the Austrian Banking Act requires an association's central organisation to have the right to issue instructions to the affiliated banks.

The financial statements of the Association are basically prepared in accordance with all the latest valid versions of the IFRS/IAS as at the reporting date, as published by the International Accounting Standards Board (IASB), as well as with all interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretations Committee (SIC), if adopted by the European Union in its endorsement process, and with additional requirements pursuant to Section 245a of the Austrian Business Code and Section 59a of the Austrian Banking Act. Against the background of the specific legal and economic structure of the group of companies under unified control [Gleichordnungskonzern] and the uniform accounting and reporting principles applied across the Association, certain IFRS/IAS standards are not applied in all respects or are applied in modified form where this is necessary to present a true and fair view of the Association's net assets, financial position and results of operations. The deviations from individual IFRS/IAS requirements applied in the Association's consolidated financial statements are explained in detail on the following page.

The Association of Volksbanks is required to comply with the regulatory provisions of Parts Two to Eight of Regulation (EU) No 575/2013 and Section 39a of the Austrian Banking Act, on the basis of the consolidated financial position (Section 30a (7) Austrian Banking Act). By letter dated 29 June 2016, the European Central Bank (ECB) granted perpetual approval of the Association of Volksbanks without further requirements.

Section 30a (7) of the Austrian Banking Act obliges the CO to prepare consolidated financial statements in accordance with Sections 59 and 59a Austrian Banking Act for the Association of Volksbanks. The annual financial statements of the Association of Volksbanks are prepared in accordance with a set of rules based on the International Financial Reporting Standards (IFRS). For full consolidation purposes, section 30a (8) of the Austrian Banking Act specifies that the CO is to be regarded as a higher-level institution, while each associated institution and, under certain conditions, each transferring legal entity, is to be treated as a subordinated institution.

The accounts have been prepared using the going concern assumption. The Association of Volksbanks consolidated financial statements are reported in euros, as this is the Association's functional currency. All figures are indicated in thousands of euro unless specified otherwise. The following tables may contain rounding differences.

The present annual financial statements of the Association of Volksbanks were signed by the Managing Board of VBW on 5 March 2026 and subsequently released for distribution to the Supervisory Board.

a) Accounting principles for the Association

The following exceptions to the application of individual IFRS apply to the 2025 and 2024 annual financial statements of the Association of Volksbanks:

Exceptions affecting the overall scope of consolidation

IFRS 3 Business Combinations: Due to the CO's lack of control within the meaning of IFRS 10, the equity components of the CO and of the banks of the Association are combined. When aggregating the included companies' investments in Volksbanks and VBW, the aggregated carrying amounts of the investments are deducted from the aggregated equity components. Aggregation as a group of companies which are legally separate entities, but under unified control without a parent company means that the capital consolidation does not result in any minority interests. The general principles of IFRS/IAS are applied to the consolidation of companies subject to control by another company included in the financial statements.

IFRS 10 Consolidated Financial Statements: The principles of IFRS 10 are applied when assessing control. However, against the background of the specific legal structure of the group of companies under unified control and the relevant regulatory requirements, the Association's scope of consolidation is determined in accordance with Section 30a(8) BWG [Bankwesengesetz - Austrian Banking Act]. This approach ensures that the consolidated financial statements appropriately reflect the economic circumstances of the Association and take into account the relevant regulatory requirements.

IFRS 8 Operating Segments: IFRS 8 is not applied. The reporting structure for the Association is described in the Notes, in the chapter Segment reporting.

IAS 1 Presentation of Financial Statements – Comparative information: No comparative figures are provided for items in the Notes that were not included in the previous year.

IAS 1 Presentation of Financial Statements – disclosures regarding shares: As this information cannot reasonably be provided in a group of companies with legally separate entities, but under unified control without a parent company (Gleichordnungskonzern), it is not included in the presentation.

IAS 1 Presentation of Financial Statements – amount of the dividend or dividend amount per share: As this information cannot reasonably be provided in a group of companies with legally separate entities, but under unified control without a parent company, it is not included in the presentation.

IAS 24 Related Party Disclosure: As this standard is also based on the concept of control, the following shall apply here:

The key management personnel are:

1. Members of the VBW Supervisory Board
2. Members of the VBW Managing Board
3. The Managing Board members and managing directors of the included Volksbanks

Information on significant agreements, outstanding loans, liabilities assumed, compensation to board members and expenditure for severance payments and pensions in relation to these key management personnel is contained in the notes. If a member of the key management personnel occupies several board positions, he/she is recorded only once and at the highest applicable level of the hierarchy listed above.

Balances and transactions with companies controlled by one of the companies included in the financial statements, but not included in the statements themselves, are also reported.

IFRS 7 Financial Instruments Disclosure: Due to a lack of data, undiscounted maturity analyses in accordance with IFRS 7.39a and 7.39b are not provided.

2) Presentation of and changes to the scope of consolidation

In the 2025 financial year, Volksbank Salzburg Leasing Gesellschaft m.b.H. was merged with its sister company Volksbank Vorarlberg Leasing GmbH, which is also fully consolidated. This transaction had no effect on equity or on the results of operations of the Association of Volksbanks.

Number of consolidated companies

	31 Dec 2025			31 Dec 2024		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Fully consolidated companies						
Credit institutions				9	0	9
Financial institutions				3	0	3
Other companies				10	0	10
Total	21	0	21	22	0	22
Companies measured at equity						
Other companies	2	0	2	2	0	2
Total	2	0	2	2	0	2

Number of unconsolidated companies

	31 Dec 2025			31 Dec 2024		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Affiliates	11	1	12	14	1	15
Associated companies	2	0	2	4	0	4
Companies total	13	1	14	18	1	19

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 Association. 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 annual financial statements of the Association of Volksbanks 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 annual financial statements of the Association of Volksbanks for the 2025 financial year.

The list of fully consolidated companies included in the consolidated financial statements of the Association, of companies measured at equity, as well as of the unconsolidated companies including detailed information, is shown at the end of the Notes (see Note 51), 52), 53), 54).

3) Accounting principles

The following accounting principles have been applied consistently.

The consolidated financial statements of the Association 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 transactions 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 and IFRS values, those amounts are recognised resulting in a future tax burden or relief at the time of inversion
- Long-term employee 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	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 of the Association 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 explanations 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 were clarified.

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: Disclosure of 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 referring to contracts for Renewable Electricity (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 the Association of Volksbanks.

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 (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 situation, as well as the reputation of the issuer and/or the Association of Volksbanks. ESG risks arise because climate, environmental, social and governance concerns may affect counterparties, customers and other contractual partners of the issuer and/or the Association of Volksbanks. 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. By means of the assessment of soft facts by account managers, the risks associated with ESG factors as well as the risk-mitigating measures taken by the customers are evaluated in the context of an ESG score. The soft facts, which are tailored to the customer segments, cover 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, the Association of Volksbanks 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): 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

These consolidated financial statements of the Association are based on consolidated financial statements prepared in accordance with IFRS and single-institution financial statements of the included entities prepared in accordance with the regulations. 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 of the Association were significant.

The financial statements of the fully consolidated companies and the companies measured at equity were prepared based on the balance sheet date of 31 December 2025.

Due to the lack of an ultimate controlling parent company, the equity components reported in the financial statements, reconciled in accordance with the relevant principles of the affiliated credit institutions, were aggregated according to the list of companies in section 53). When aggregating the included companies' investments in Volksbanks and VBW, the aggregated carrying amounts of the investments are deducted from the aggregated equity components. Consolidation as a group of companies which are legally separate entities, but under unified control without a parent company means that the capital consolidation does not result in any minority interests. Cooperative shares of the affiliated credit institutions are reported under total nominal value of members' shares.

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 of the Association, are recognised directly in equity with no impact on profit or loss.

If entities that are directly or indirectly controlled by the Association of Volksbanks are material for the presentation of a true and fair view of the net assets, financial position and profit or loss of the Association, they are fully consolidated in the consolidated financial statements of the Association. 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 of the Association, as well as relevant accruals, have been offset within the scope of debt consolidation. Income and expenses between companies of the Association 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 Association's functional currency, euro. The functional currency is the currency of the primary economic environment in which the company operates. Each member of the

Association 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 if the Association of Volksbanks becomes a party to the contractual provisions 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 Association 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 Association conducts transactions in which financial assets are transferred, but the risks or rewards incident to the ownership of the asset remain with the Association. If the Association retains all or substantially all risks and rewards, the financial asset is not derecognised, but instead continues to be 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 trading activities of the Association.

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.

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 to and receivables to credit institutions and customers are recognised in the balance sheet as soon as the Association 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.

Lessors

Lease classification in accordance with IFRS 16 is based on whether substantially all the risks and rewards incidental to ownership of the underlying asset are transferred to the lessee.

In the case of finance leases, the underlying leased asset is not recognised in the balance sheet. Instead, a receivable from finance leases is recognised in the amount of the present value of the contractually agreed lease payments, including any residual values to which the lessor is entitled, and presented under 'Loans and receivables to customers'. Interest income from these receivables is recognised over the term of the lease using the effective interest method and reported in the income statement under net interest income within the line item 'Interest income from loans and receivables to customers'.

Leases not classified as finance leases are treated as operating leases. In such cases, the underlying asset remains recognised in the lessor's balance sheet and is accounted for in accordance with the applicable accounting and depreciation policies.

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) 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 Association 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 Association 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 Association of Volksbanks, 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 here:

- **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. 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. External appraisals are obtained essentially from IMMO-CONTRACT Maklerges.m.b.H. External appraisers are paid a fixed fee which does not depend on the appraised market value of the property.

Since parameters are used to measure investment property which are not based on market information, 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 owing 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 participations are companies that cover the areas of business of the Association, 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 results of operations of the Association.

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 50,000 and if the related equity share does not exceed the carrying amount by more than euro 100,000. 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 the Association of Volksbanks controls the company or exercises any management function, and budgets are available accordingly. If the company is not controlled, the fair value calculation is performed on the basis of 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 co-operatives, 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: 0,9 - 1,5). 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.

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 41 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 Association of Volksbanks, 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 Association of Volksbanks ceases business activities in a specific country, this only constitutes a discontinued operation if certain size criteria are exceeded. If the Association of Volksbanks 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 Association of Volksbanks 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 Association 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 such an 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 done on the basis of regulatory own funds. For further details see Note af) Own funds.

There is no ultimate parent company in the Association as the CO does not exercise control as defined by IFRS 10. The equity components of the non-controlled companies included are aggregated and the aggregated carrying amounts of the investments in these member companies are then subtracted. The remaining equity components are reported as equity under the relevant items. This type of consolidation does not result in any minority interests.

The Volksbanks' cooperative capital is reported separately under cooperative capital shares. According to IAS 32, cooperative capital is not eligible for inclusion as equity since it is "puttable" – the holder may request redemption at any time, subject to a notice period. If, however, the redemption of shares is fully or partially prohibited, IFRIC 2 permits these shares to be classified as equity. Therefore, shares subject to this prohibition are recognised in subscribed capital. Shares that are redeemable at any time are reported as a separate item alongside equity, because these are included as Tier 1 capital in eligible own funds, and capital management takes place on the basis of regulatory capital.

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.

Currency reserves for currency conversions relating to foreign subsidiaries, the fair value reserve, the hedging reserve, and the revaluation reserve are reported as valuation reserves. Any deferred taxes are deducted from the reserves.

af) Own funds

The company is subject to external capital requirements based on the European Union's CRD IV and CRR (Basel III). The rules on capital ratios specified there constitute the central management variable in the Association. These ratios reflect the relationship between regulatory own funds and credit, market and operational risk. Accordingly, the risk/return management of the Association is based on the capital allocated to one business or, ultimately, one organisational unit and the income to be generated from this, taking into account the corresponding risk considerations.

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 (standard 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 Association is also calculated using the standard approach. The capital requirements for operational risk are calculated by multiplying the revenues with the percentages applicable to the respective business areas.

Regulatory own funds can be broken down into three elements:

- Common equity Tier 1 (CET1)
- Additional Tier 1 (AT1)
- Supplementary capital or Tier 2 capital (T2)

The first two components 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 Association complied with these relevant supervisory limits throughout the entire reporting period and 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 demands (requirements) and recommendations (guidances) from the Supervisory Review and Evaluation Process (SREP) must be taken into account for the Association of Volksbanks. Further explanations regarding the above-mentioned capital and buffer requirements are contained in Note 50) Risk report.

Please refer to Note 36) for the presentation of regulatory own funds.

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 Association 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 risks or rewards are transferred, and they 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 Association 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 flows from investment activity or financing activity. The interest, dividend and tax payments stated separately in the cash flow statement solely originate from operating activities.

Cash flows from non-current assets, such as financial instruments, participations and intangible and tangible assets measured at cost are allocated to the cash flow from investing activities. The cash flow from financing activity includes all cash flows of the owners as well as the redemption share of lease liabilities, changes to subordinated liabilities, and non-controlling interests. Liquid funds have been defined as cash and cash equivalents and comprise balances with central

banks as well as cash in hand. These balances are composed of the minimum reserve to be held according to statutory provisions and current investments with various central banks.

4) Net interest income

Euro thousand	2025	2024
Interest and similar income from	1,000,659	1,179,916
Deposits with credit institutions (incl. central banks)	71,013	120,585
Credit and money market transactions with credit institutions	2,892	4,385
Credit and money market transactions with customers	813,524	948,998
Bonds and other fixed-income securities	93,958	65,525
Derivative instruments	19,272	40,423
Interest and similar expenses for	-414,085	-533,750
Liquid funds	0	-10,047
Liabilities to credit institutions	-4,976	-11,024
Liabilities to customers	-225,242	-346,607
Liabilities evidenced by certificates	-95,111	-82,009
Subordinated liabilities	-67,591	-50,715
Derivative instruments	-18,844	-31,425
Lease liabilities	-2,840	-2,800
Valuation result - modification	155	299
Valuation result - derecognition	363	578
Net interest income	586,574	646,166

Net interest income according to IFRS 9 categories

Euro thousand	2025	2024
Interest and similar income from	1,000,659	1,179,916
Financial assets measured at amortised cost	965,019	1,120,142
Financial assets measured at fair value through OCI	1,861	1,383
Financial assets measured at fair value through profit or loss - obligatory	14,507	17,968
Derivative instruments	19,272	40,423
Interest and similar expenses for	-414,085	-533,750
Financial liabilities measured at amortised cost	-392,710	-499,800
Financial liabilities measured at fair value through profit or loss - designated	-3,048	-3,402
Derivative instruments	-18,844	-31,425
Valuation result - modification	155	299
Valuation result - derecognition	363	578
Net interest income	586,574	646,166

5) Result from risk provision

Euro thousand	2025	2024
Changes in risk provisions	-131,423	-209,591
Changes in provisions for off-balance sheet risks	-4,076	-4,482
Direct write-offs of loans and receivables	-6,167	-10,260
Income from loans and receivables previously written off	4,520	3,854
Valuation result modification/derecognition	-58	-67
Risk provision	-137,205	-220,546

6) Net fee and commission income

Euro thousand	2025	2024
Fee and commission income	327,305	306,805
Lending business	22,965	20,724
Securities and custody business	127,773	110,118
Payment transactions	137,092	133,432
Foreign exchange, foreign notes and coins and precious metals transactions	1,582	1,268
Financial guarantees	5,187	5,350
Other services	32,706	35,913
Fee and commission expenses	-33,810	-27,231
Lending business	-9,535	-4,865
Securities and custody business	-8,134	-7,763
Payment transactions	-15,840	-14,416
Financial guarantees	-26	-33
Other services	-274	-154
Net fee and commission income	293,494	279,575

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 540 thousand (2024: euro 359 thousand).

7) Net trading income

Euro thousand	2025	2024
Equity related transactions	9	13
Exchange rate related transactions	2,160	5,375
Interest rate related transactions	2,367	1,669
Net trading income	4,536	7,058

8) Result from financial instruments and investment properties

Euro thousand	2025	2024
Result from financial instruments	17,158	-11,371
Result from financial investments and other financial assets and liabilities measured at fair value through profit or loss	-8,150	-7,659
Valuation measured at fair value through profit or loss - obligatory	-10,813	-7,930
Loans and receivables to credit institutions and customers	-2,864	-9,916
Securities	8	1,123
Result from other derivative instruments	-743	185
Exchange-rate-related transactions	2,341	-1,454
Interest-rate-related transactions	-3,080	-599
Others	-4	2,238
Result from fair value hedge	-6,993	361
Result (ineffectiveness) from cash flow hedge	-220	318
Interest-rate-related transactions	-220	318
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	38	5
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	25,308	3,068
Realised gains from disposal	0	1
Income from participations	25,308	3,067
Result from investment properties	2,546	4,001
Income from investment properties and operating leases	2,052	1,870
Valuation investment properties	493	2,131
Result from financial instruments and investment properties	19,704	-7,370

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	22,828	27,680
Other operating expenses	-14,533	-24,047
Regulatory expenses	-21,726	-3,723
Other operating result	-13,431	-90

Regulatory expenses include the stability tax in the amount of euro -12,970 thousand (2024: euro -3,723 thousand) as well as provisions for imminent losses from a guarantee commitment and contributions to the deposit guarantee scheme in the amount of euro -8,756 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	4,333	3,151
Realised gains from disposal of fixed assets and security properties	1,832	392
Rental and leasing income	4,926	5,477
Return flows from the Volksbanken-Gemeinschaftsfonds	3,000	10,500
Others	8,738	8,160
Other operating income	22,828	27,680
Allocation of costs	-1,033	-4,550
Realised losses from disposal of fixed assets and security properties	-491	-372
Release of provision for negative interest	0	220
Allocation/release of provision for legal risks	0	11
Expenses for buildings	-578	-772
Claims	-2,599	-11,692
Provisions for other obligations	-4,706	-2,409
Other taxes	-1,891	-1,309
Others	-3,237	-3,173
Other operating expenses	-14,533	-24,047

The item claims relates primarily to the allocation to a provision for possible claims arising from a malversation.

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.

10) General administrative expenses

Euro thousand	2025	2024
Staff expenses	-345,195	-335,908
Wages and salaries	-262,303	-256,296
Expenses for statutory social security	-65,635	-62,875
Fringe benefits	-4,974	-4,499
Expenses for retirement benefits	-8,157	-7,667
Allocation to provision for severance payments and pension funds	-4,127	-4,571
Administrative expenses	-238,914	-223,206
Office space expenses	-19,771	-19,947
Office supplies and communication expenses	-7,009	-4,986
Advertising, PR and promotional expenses	-25,185	-25,817
Legal, auditing and consultancy expenses	-32,032	-31,401
IT expenses	-133,096	-125,754
Other administrative expenses (including training expenses)	-21,822	-15,302
Depreciation and reversal of impairment	-29,455	-29,457
Depreciation	-19,625	-20,125
Impairments/reversals of impairments	-491	-372
Right of use - lease depreciation	-9,339	-8,960
General administrative expenses	-613,564	-588,571

Staff expenses include payments for defined contribution plans and employee provision funds in the amount of euro 8,481 thousand (2024: euro 7,981 thousand).

The administrative expenses (operating expenditure) include expenses for managing investment property assets in the amount of euro 40 thousand (2024: euro 24 thousand). Expenses for leases for low-value assets are also included in the amount of euro 1,248 thousand (2024: euro 986 thousand). There are no short-term leases.

Expenses for the auditor of the annual financial statements of the Association of Volksbanks, 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 and consolidated financial statements and annual financial statements of the Association of Volksbanks, as well as of financial statements of individual affiliates and joint ventures included in the annual financial statements of the Association of Volksbanks, and euro 332 thousand attributable to other assurance services. The auditor of the consolidated financial statements does not provide any tax advice.

Information on compensation to board members

Euro thousand	2025	2024
Total compensation	9,787	10,324
Supervisory board VBW	796	703
Managing board VBW	3,128	2,972
Members of the managing board / Managing directors Volksbanks	5,862	6,650
Expenses for severance payments and pensions	271	1,435
Supervisory board VBW	0	0
Managing board VBW	-340	622
Members of the managing board / Managing directors Volksbanks	611	812

The definition of key management personnel can be found in Note 1) a).

Number of staff employed during the business year

	Average number of staff		Number of staff at end of period	
	2025	2024	31 Dec 2025	31 Dec 2024
Employees	3,134	3,115	3,149	3,139
Workers	19	20	19	19
Total number of staff	3,153	3,135	3,168	3,158

All staff are employed in Austria. The figures are determined based on full-time equivalents.

11) Result from companies measured at equity

The result from companies measured at equity arises from the proportional results in the amount of euro 1,007 thousand (2024: euro 33,923 thousand) as well as the measurement of VBW eins Beteiligung eG at the proportional fair value of euro -98 thousand (2024: euro 6,787 thousand).

12) Income taxes

Euro thousand	2025	2024
Current income taxes	-20,378	-12,349
Deferred income taxes	29,232	-8,590
Income taxes for the current fiscal year	8,854	-20,940
Income taxes from previous periods continued operation	156	-4,534
Income taxes	9,010	-25,474

The reconciliation below shows the relationship between the imputed and reported tax expenditure:

Euro thousand	2025	2024
Result before taxes - continued operation	141,018	156,930
Result before taxes - total	141,018	156,930
Imputed income tax 23 %	32,434	36,094
Tax relief resulting from		
Tax-exempt investment income	-3,351	-20,024
Investment allowances	-46	-96
Other tax-exempt earnings	-1,105	-319
Other non tax-deductible expenses	4,603	2,079
Dividend distribution on AT1 capital	0	-1,961
Measurement of participations	-5,798	14,149
Non-recognition of deferred tax assets	0	93
Recognition of deferred tax assets on tax loss carryforwards	-38,055	-5,006
Other differences	2,464	-4,069
Income taxes for the current fiscal year	-8,854	20,940
Income taxes from previous periods	-156	4,534
Reported income taxes	-9,010	25,474
Effective tax rate - continued operation	-6.39%	16.23%

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		
	Other comprehensive income net	Income taxes	Other comprehensive income gross	Other comprehensive income net	Income taxes	Other comprehensive income gross
Valuation of obligations from defined benefit plans	11,894	-2,736	9,159	5,770	-1,327	4,443
Revaluation reserve	3,397	-781	2,616	0	0	0
Fair value reserve - equity instruments	-8,754	2,013	-6,741	22,727	-5,227	17,500
Valuation of own credit risk	-770	177	-593	-75	17	-57
Fair value reserve - debt instruments	1,343	-309	1,034	1,229	-283	946
Cash flow hedge reserve	-4,232	959	-3,272	579	-133	446
Change from companies measured at equity	-916	211	-705	-247	55	-191
Other comprehensive income total	1,963	-465	1,497	29,984	-6,898	23,086

Information on the balance sheet of the Association

13) Liquid funds

Euro thousand	31 Dec 2025	31 Dec 2024
Cash in hand		177,416
Balances with central banks		3,830,098
Liquid funds		4,007,513

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		228,639
Gross carrying amount		228,639
Risk provision		-5
Net carrying amount		228,634
Loans and receivables to customers		
Amortised cost	23,883,129	23,394,438
Fair value through profit or loss	292,822	351,866
Gross carrying amount	24,175,951	23,746,304
Risk provision	-612,282	-522,490
Net carrying amount	23,563,669	23,223,813
Loans and receivables to credit institutions and customers	23,809,343	23,452,447

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
On demand	36,955	124,476
Up to 3 months	178,688	49,990
Up to 1 year	1,003	44,732
Up to 5 years	17,552	1,561
More than 5 years	11,481	7,879
Loans and receivables to credit institutions (gross)	245,679	228,639
On demand	829,921	746,540
Up to 3 months	826,301	800,274
Up to 1 year	1,323,741	1,663,379
Up to 5 years	5,083,742	5,116,894
More than 5 years	16,112,246	15,419,217
Loans and receivables to customers (gross)	24,175,951	23,746,304

Finance lease disclosures

Euro thousand	Until 1 year	Until 5 years	More than 5 years	Total
2025				
Total gross investment	24,881	114,584	15,571	155,037
Less paid non-interest-bearing deposits	-2,616	-9,368	-288	-12,273
Less unearned financial income	-1,580	-7,412	-1,419	-10,411
Present value of minimum lease payments	20,685	97,803	13,865	132,354
Total unguaranteed residual value				0
2024				
Total gross investment	28,068	132,163	16,169	176,399
Less paid non-interest-bearing deposits	-2,301	-8,778	-274	-11,353
Less unearned financial income	-1,940	-7,640	-1,594	-11,175
Present value of minimum lease payments	23,827	115,744	14,300	153,872
Total unguaranteed residual value				4,717

The net present value of minimum lease payments is measured at amortised cost and reported in loans and receivables to credit institutions and customers.

The net present value of minimum lease payments corresponds to the fair value of financial lease transactions, as such contracts are based on variable interest rates.

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 292,822 thousand (2024: euro 351,866 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

31 Dec 2025	Positive change in fair value	Negative change in fair value
Change in risk markup +/- 10 bp	770	-765
Change in risk markup +/- 100 bp	7,949	-7,413
Change in rating 1 stage down / up	668	-919
Change in rating 2 stages down / up	1,044	-2,310
31 Dec 2024		
Change in risk markup +/- 10 bp	883	-877
Change in risk markup +/- 100 bp	9,107	-8,511
Change in rating 1 stage down / up	1,008	-962
Change in rating 2 stages down / up	1,580	-2,488

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	16	0	0	16
Increases due to origination and acquisition	0	0	0	0
Decreases due to derecognition	-5	0	0	-6
Changes due to change in credit risk	-6	0	0	-6
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	5	0	0	5
Increases due to origination and acquisition	0	0	0	0
Decreases due to derecognition	-4	0	0	-4
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	5	0	0	5

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	46,958	71,122	211,702	329,781
Increases due to origination and acquisition	3,326	5,326	4,945	13,598
Decreases due to derecognition	-772	-2,765	-7,272	-10,809
Changes due to change in credit risk	-21,616	29,659	206,193	214,235
Thereof transfer to Stage 1	6,750	-6,746	-3	0
Thereof transfer to Stage 2	-23,214	24,010	-797	0
Thereof transfer to Stage 3	-382	-32,971	33,353	0
Changes due to modifications without derecognition	0	0	-5,800	-5,800
Post-Model Adjustment	9,153	-5,528	0	3,625
Decrease in allowance account due to write-offs	0	0	-22,039	-22,039
Other adjustments	-6	-29	-66	-101
As at 31 Dec 2024	37,042	97,785	387,663	522,490
Increases due to origination and acquisition	2,507	6,672	6,696	15,875
Decreases due to derecognition	-485	-4,166	-11,052	-15,703
Changes due to change in credit risk	-10,935	40,060	122,212	151,337
Thereof transfer to Stage 1	6,382	-6,375	-7	0
Thereof transfer to Stage 2	-17,910	18,723	-813	0
Thereof transfer to Stage 3	-99	-22,226	22,325	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	-9,046	-741	-1,555	-11,343
Decrease in allowance account due to write-offs	0	0	-50,373	-50,373
Other adjustments	-67	-796	861	-2
As at 31 Dec 2025	19,017	138,814	454,451	612,282

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	694	0	0	694
Increases due to origination and acquisition	127	0	0	127
Decreases due to derecognition	-9	0	0	-9
Changes due to change in credit risk	-268	0	0	-268
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	545	0	0	545
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	595	0	0	595

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	9	0	0	9
Increases due to origination and acquisition	1	0	0	1
Decreases due to derecognition	-1	0	0	-1
Changes due to change in credit risk	-3	0	0	-3
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	5	0	0	5
Increases due to origination and acquisition	-1	0	0	-1
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	4	0	0	4

16) Assets held for trading

Euro thousand	31 Dec 2025	31 Dec 2024
Bonds and other fixed-income securities	680	1,335
Positive fair values of derivative instruments	14,021	18,085
Interest rate related transactions	14,021	18,085
Assets held for trading	14,701	19,419

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	0	1,010
More than 5 years	0	248
Bonds and other fixed-income securities	680	1,335

VBW as the CO maintains 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	4,286,362	3,434,006
Fair value through OCI	109,867	95,381
Fair value through profit or loss	4,868	6,397
Risk provision	-595	-545
Carrying amount	4,400,502	3,535,239

Financial investments measured at fair value through profit or loss include equity instruments in the amount of euro 3,816 thousand (2024: euro 3,315 thousand).

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 3 months	135,624	71,269
Up to 1 year	339,895	164,882
Up to 5 years	1,585,753	1,567,188
More than 5 years	2,336,009	1,729,130
Bonds and other fixed-income securities	4,397,281	3,532,469

Breakdown of securities in accordance with the Austrian Banking Act

Euro thousand	31 Dec 2025	31 Dec 2024
Listed securities	4,356,399	3,506,203
Bonds and other fixed-income securities	4,356,399	3,506,203
Securities allocated to fixed assets	4,401,097	3,535,784
Securities eligible for rediscounting	4,309,539	3,513,045

All securities that the Association 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	31,541
Reclassification	-2,071
Additions	269
Acquisition costs as at 31 Dec 2024	29,739
Reclassification	8,484
Additions	66
Acquisition costs as at 31 Dec 2025	38,289

Euro thousand	
Cumulative valuation as at 01 Jan 2024	5,236
Reclassification	620
Impairments	-246
Valuation gains	2,377
Cumulative valuation as at 31 Dec 2024	7,987
Reclassification	5
Impairments	-708
Valuation gains	1,202
Cumulative valuation as at 31 Dec 2025	8,486

Euro thousand	
Carrying amount as at 01 Jan 2024	36,777
Carrying amount as at 31 Dec 2024	37,726
Carrying amount as at 31 Dec 2025	46,775

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 493 thousand (2024: euro 2,131 thousand) at the balance sheet date.

Investment properties contain 34 completed properties (2024: 27) with a carrying amount of euro 34,625 thousand (2024: euro 25,997 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	48	4,880	1,018	55	4,930	963
Rentable space in sqm	38	3,951	1,137	38	2,741	1,024
Occupancy rate	0.00%	100.00%	95.06%	0.00%	100.00%	92.75%
Discount rate	1.75%	8.00%	4.85%	0.10%	8.00%	4.87%

Sensitivity analysis

Euro thousand

Changes in the carrying amount

31 Dec 2025	Increase of assumption	Decrease of assumption
Discount rate (0.25 % change)	-1,697	1,881
Discount rate (0.50 % change)	-3,235	3,978

31.12.2024	Increase of assumption	Decrease of assumption
Discount rate (0.25 % change)	-1,268	1,405
Discount rate (0.50 % change)	-2,419	2,971

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

Changes in the carrying amount

31 Dec 2025	Increase of assumption	Decrease of assumption
Land value (10 % change)	1,215	-1,215
Land value (5 % change)	608	-608

31.12.2024	Increase of assumption	Decrease of assumption
Land value (10 % change)	1,173	-1,173
Land value (5 % change)	586	-586

The Association 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	98,987
Disposals	0
Comprehensive income proportional	33,731
Received dividend	-75,332
Impairment	0
Reversal of impairment	6,787
Carrying amount as at 31 Dec 2024	64,173
Disposals	-10,222
Comprehensive income proportional	302
Received dividend	-6,658
Impairment	-98
Reversal of impairment	0
Carrying amount as at 31 Dec 2025	47,497

Associated companies

The Association holds 79.2% (2024: 79.2%) of the shares in VB Verbund Beteiligungs eG (VB Verb). The company is domiciled in Vienna and holds participations in companies in the financial sector.

In addition, the Association holds 78.6% (2024: 78.6%) of shares in VBW eins Beteiligung eG in liqu. (VBW eins). VBW eins is domiciled in Vienna and holds participations in companies in the financial sector.

None of these companies is listed on the stock exchange.

Below, the financial information for VB Verbund-Beteiligung eG and VBW eins Beteiligung eG in Liqu. is presented together, as none of the companies is considered material based on the proportionate financial information attributable to the Association.

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 or lower than the recoverable amount. In the 2025 financial year, VBW eins recorded a measurement of euro -98 thousand (2024: euro 6,787 thousand).

Additional information regarding associates

Euro thousand	2025	2024
Assets		
Loans and receivables to credit institutions	13,690	32,466
Other assets	60,971	66,591
Total assets	74,660	99,056
of which current assets	74,660	99,056
Liabilities and Equity		
Other liabilities	12,357	15,728
Equity	62,303	83,328
Total liabilities and equity	74,660	99,056
of which current liabilities	12,357	15,728
Statement of comprehensive income		
Interest and similar income	483	1,563
Net interest income	483	1,563
Result before taxes	2,443	49,307
Income taxes	-1,170	-6,051
Result after taxes	1,273	43,256
Other comprehensive income	2,010	13,214
Comprehensive income	3,283	56,470

Reconciliation

Euro thousand	2025	2024
Equity	62,303	83,328
Equity interest	n.a.	n.a.
Equity proportional	49,322	65,900
Cumulative impairment and reversals	-1,329	-1,231
Valuation previous years	-496	-496
Carrying amount as at 31 Dec	47,497	64,173

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	11,732	11,633
Investments in companies with participating interests	3,548	8,934
Investments in other participations	90,104	95,329
Participations	105,385	115,896

A list of unconsolidated affiliates is shown in Note 54).

In the financial year, participations with a carrying amount of euro 305 thousand (2024: euro 79,032 thousand) were sold. As a result of the disposals, the cumulative measurement amounting to euro -296 thousand (2024: euro 604,048 thousand) was reclassified from the fair value reserve to retained earnings.

The most significant participations in the item Other participations are Volksbanken Holding eGen with a carrying amount of euro 60,501 thousand (2024: euro 68,540 thousand), PSA Payment Services Austria GmbH with a carrying amount of euro 6,659 thousand (2024: euro 5,305 thousand) and Oesterreichische Kontrollbank Aktiengesellschaft with a carrying amount of euro 5,055 thousand (2024: EUR 4,324 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 25,235 thousand from participations measured at fair value through OCI (2024: euro 3,101 thousand). 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 10,520 thousand (2024: euro 9,641 thousand) as any change in the interest rate would have no impact on the measurement.

Participations measured using the DCF method

Euro thousand		Proportional fair value		
		Interest rate		
31 Dec 2025		-0.50%	Actual	0.50%
Income component	-10.0%	17,255	16,711	16,220
	Actual	18,942	17,994	17,299
	10.0%	20,837	19,794	18,851
31 Dec 2024				
Income component	-10.0%	14,727	14,244	13,820
	Actual	16,363	15,587	14,881
	10.0%	18,000	17,146	16,369

Participations measured on the basis of net assets

Euro thousand		Proportional fair value		
		Decrease of assumption	Actual	Increase of assumption
31 Dec 2025				
Net assets (10 % change)		10,469	11,653	12,833
31 Dec 2024				
Net assets (10 % change)		16,613	18,392	20,305

Participations measured on the basis of external appraisals

Euro thousand		Proportional fair value		
		Lower band	Actual	Upper band
31 Dec 2025				
Proportional fair value		58,436	64,929	71,421
31 Dec 2024				
Proportional fair value		64,758	71,953	79,148

21) Intangible assets

Euro thousand	Software	Others	Total
Acquisition costs as at 01 Jan 2024	29,618	546	30,164
Reclassification	0	0	0
Additions	26	0	26
Disposals	-648	0	-648
Acquisition costs as at 31 Dec 2024	28,996	546	29,542
Reclassification	-39	0	-39
Additions	1,649	0	1,649
Disposals	-1,047	0	-1,047
Acquisition costs as at 31 Dec 2025	29,559	546	30,104
Cumulative amortisation as at 01 Jan 2024	-29,001	-294	-29,295
Reclassification	0	0	0
Disposals	630	0	630
Depreciation	-185	-15	-200
Cumulative amortisation as at 31 Dec 2024	-28,556	-309	-28,865
Reclassification	39	0	39
Disposals	1,092	0	1,092
Depreciation	-283	-15	-298
Cumulative amortisation as at 31 Dec 2025	-27,707	-324	-28,031
Carrying amount as at 01 Jan 2024	617	252	869
Carrying amount as at 31 Dec 2024	440	237	677
Thereof with limited useful life	440	237	677
Carrying amount as at 31 Dec 2025	1,851	222	2,073
Thereof with limited useful life	1,851	222	2,073

22) Tangible assets

Euro thousand	Land and buildings	IT-equipment	Office furniture and equipment	Others	Total
Acquisition costs as at 01 Jan 2024	393,895	5,706	171,591	6,811	578,003
Change in the scope of consolidation	8,541	0	1	0	8,542
Reclassification	408	0	1,663	0	2,071
Additions	15,949	107	11,169	1,299	28,524
Disposals	-8,263	-440	-13,886	-1,531	-24,120
Assets held for sale	-1,120	0	0	0	-1,120
Acquisition costs as at 31 Dec 2024	409,411	5,372	170,538	6,580	591,901
Change in the scope of consolidation	321	0	0	0	321
Reclassification	-9,192	-1,603	2,381	17	-8,397
Additions	9,331	131	8,426	806	18,694
Disposals	-13,771	-464	-26,872	-787	-41,894
Assets held for sale	0	0	0	0	0
Acquisition costs as at 31 Dec 2025	396,100	3,436	154,474	6,617	560,626
Cumulative amortisation as at 01 Jan 2024	-199,936	-5,019	-139,268	-3,820	-348,043
Change in the scope of consolidation	-47	0	-1	0	-47
Reclassification	-620	0	-1	0	-620
Disposals	4,942	440	13,699	1,312	20,394
Assets held for sale	771	0	0	0	771
Depreciation	-9,281	-345	-9,149	-1,150	-19,925
Impairments	-369	0	-3	0	-372
Cumulative amortisation as at 31 Dec 2024	-204,540	-4,923	-134,723	-3,658	-347,843
Change in the scope of consolidation	0	0	0	0	0
Reclassification	3,564	1,589	-1,622	-17	3,515
Disposals	12,164	465	26,575	716	39,921
Assets held for sale	0	0	0	0	0
Depreciation	-9,239	-235	-8,684	-1,170	-19,327
Impairments	-491	0	0	0	-491
Cumulative amortisation as at 31 Dec 2025	-198,541	-3,103	-118,454	-4,128	-324,226
Carrying amount as at 01 Jan 2024	193,959	687	32,323	2,992	229,960
Carrying amount as at 31 Dec 2024	204,871	449	35,816	2,922	244,057
Carrying amount as at 31 Dec 2025	197,558	333	36,020	2,488	236,399

Rights of use

Euro thousand	Vehicles	Branches	Administration buildings	Others	Total
31 Dec 2024					
Acquisition costs	1,007	185,065	34,625	953	221,650
Additions	364	13,372	0	471	14,207
Depreciation	-149	-6,750	-1,983	-78	-8,960
Carrying amount	505	137,138	25,447	622	163,711
31 Dec 2025					
Acquisition costs	1,164	189,410	34,625	1,167	226,365
Additions	156	2,008	0	214	2,378
Depreciation	-214	-6,905	-1,983	-237	-9,339
Carrying amount	447	134,453	23,464	599	158,963

In the Association no buildings were sold in the 2025 financial year and the branches located within this were subsequently leased back (2024: one building).

23) Tax assets and liabilities

Euro thousand	31 Dec 2025		31 Dec 2024	
	Tax assets	Tax liabilities	Tax assets	Tax liabilities
Current tax	7,714	11,050	30,095	2,336
Deferred tax	128,916	4,336	100,240	4,210
Tax total	136,630	15,386	130,335	6,546

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)	0	539	12	698	147	147	0
Loans and receivables to customers (net)	40,199	26,631	40,320	27,144	392	392	0
Assets held for trading	1,349	0	2,431	0	-1,082	-1,082	0
Financial investments	5,237	8	675	12,834	17,389	17,698	-309
Investment property	1	5,976	0	4,315	-1,660	-1,660	0
Participations	26	6,628	0	13,141	6,539	4,526	2,013
Intangible and tangible assets	27,297	37,610	31,069	39,109	-2,273	-1,492	-781
Liabilities to credit institutions	0	3	0	0	-3	-3	0
Liabilities to customers	244	0	687	0	-442	-442	0
Liabilities evidenced by certificates and subordinated liabilities	2,104	5,209	3,349	4,040	-2,414	-2,591	177
Lease liabilities	39,890	0	40,918	0	-1,028	-1,028	0
Liabilities held for trading	0	1,542	0	2,589	1,048	1,048	0
Provisions for pensions, severance payments and other provisions	13,951	2,294	16,455	1,813	-2,985	-250	-2,736
Other assets and liabilities	27,330	44,310	56,868	53,069	-20,772	-21,731	959
Other balance sheet items	0	201	0	201			0
Tax loss carryforwards	97,901	0	62,200	0	35,701	35,701	0
Deferred taxes before netting	255,529	130,950	254,983	158,953	28,556	29,232	-676
Offset between deferred tax assets and deferred tax liabilities	-126,613	-126,613	-154,743	-154,743	0	0	0
Reported deferred taxes	128,916	4,336	100,240	4,210	28,556	29,232	-676

Deferred tax assets and deferred tax liabilities are only netted 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 206,682 thousand) no deferred taxes were recognised. Of these non-recognised tax loss carryforwards, euro 44,892 thousand (2024: euro 206,682 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 37,260 thousand (2024: euro 43,708 thousand) and deferred tax assets in the amount of euro 4,219 thousand (2024: euro 4,368 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	8,959	6,448
Other receivables and assets	83,091	71,505
Derivative instruments	209,023	241,414
Other assets	301,073	319,367

Other assets essentially consist of open outgoing invoices and accruals in the amount of euro 41,264 thousand (2024: euro 29,520 thousand), auxiliary accounts of the banking business in the amount of euro 26,764 thousand (2024: euro 23,264 thousand), receivables to employees in the amount of euro 5,689 thousand (2024: euro 5,602 thousand), receivables from property sales in the amount of euro 2,500 thousand (2024: euro 50 thousand), as well as taxes and fiscal payments in the amount of euro 521 thousand (2024: euro 1,023 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 9,142 thousand (2024: euro 12,587 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	197,267	2,614	224,751	4,076
Positive fair values of derivative instruments	197,267	2,614	224,751	4,076

25) Assets held for sale

This position includes all assets held for sale in accordance with IFRS 5. The amount consists of the following:

Euro thousand	31 Dec 2025	31 Dec 2024
Tangible assets	0	349
Assets held for sale	0	349

26) Liabilities to credit institutions

Euro thousand	31 Dec 2025	31 Dec 2024
Other credit institutions	247,839	471,243
Liabilities to credit institutions	247,839	471,243

Liabilities to credit institutions are measured at amortised cost.

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
On demand	121,952	46,099
Up to 3 months	115,504	357,798
Up to 1 year	2,634	393
Up to 5 years	305	7,337
More than 5 years	7,444	59,615
Liabilities to credit institutions	247,839	471,243

27) Liabilities to customers

Euro thousand	31 Dec 2025	31 Dec 2024
Savings deposits	3,033,410	3,404,561
Other deposits	20,567,834	19,851,335
Liabilities to customers	23,601,244	23,255,897

Liabilities to customers are measured at amortised cost.

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
On demand	19,326,857	18,263,866
Up to 3 months	1,319,573	1,656,185
Up to 1 year	2,386,292	2,905,429
Up to 5 years	512,012	399,517
More than 5 years	56,510	30,899
Liabilities to customers	23,601,244	23,255,897

28) Liabilities evidenced by certificates

Euro thousand	31 Dec 2025	31 Dec 2024
Bonds	4,231,257	3,489,918
Amortised cost	4,172,959	3,418,849
Fair value through profit or loss - designated	58,298	71,069
Liabilities evidenced by certificates	4,231,257	3,489,918

The item bonds - measured at fair value through profit or loss consists of the repayment amount at maturity of euro 38,000 thousand (2024: 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 2025 financial year, the fair value change in own credit risk was recognised in the amount of euro -593 thousand (2024: euro -57 thousand) in other comprehensive income. The cumulative amount of the fair value change of own credit risk totalled euro 1,248 thousand (2024: 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 2025 financial year, 10 issues (2024: 13 issues) were launched by the Association of Volksbanks with a total face value of euro 898,000 thousand (2024: euro 600,500 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	1,694
Up to 1 year	269,723	141,437
Up to 5 years	2,306,560	3,147,818
More than 5 years	653,408	198,969
Liabilities evidenced by certificates	4,231,257	3,489,918

29) Lease liabilities

Presentation of the inflow and outflow of lease liabilities

Euro thousand	Lease liabilities
As at 01 Jan 2024	170,410
Cash inflow	0
Cash outflow	-8,217
Non-cash changes	
Others	15,712
Total non-cash changes	15,712
As at 31 Dec 2024	177,905
Cash inflow	0
Cash outflow	-9,057
Non-cash changes	
Others	4,587
Total non-cash changes	4,587
As at 31 Dec 2025	173,435

Breakdown by residual term

Euro thousand	31 Dec 2025	31 Dec 2024
Up to 3 months	2,231	2,105
Up to 1 year	6,630	6,276
Up to 5 years	40,992	39,788
More than 5 years	123,582	129,735
Lease liabilities	173,435	177,905

30) Liabilities held for trading

Euro thousand	31 Dec 2025	31 Dec 2024
Negative fair values of derivative instruments		
Interest rate related transactions	15,103	19,499
Liabilities held for trading	15,103	19,499

31) 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	4,493	8,646	11,963	25,102
Increases due to origination and acquisition	2,292	1,791	4,745	8,828
Decreases due to derecognition	-272	-1,136	-1,052	-2,459
Changes due to change in credit risk	-2,652	2,732	-4,155	-4,076
Thereof transfer to Stage 1	342	-342	0	0
Thereof transfer to Stage 2	-897	926	-29	0
Thereof transfer to Stage 3	-3	-144	147	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	1,727	-3	0	1,724
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	-179	-1,362	1,542	1
As at 31 Dec 2024	5,408	10,667	13,043	29,119
Increases due to origination and acquisition	2,041	1,180	1,224	4,445
Decreases due to derecognition	-158	-647	-974	-1,778
Changes due to change in credit risk	-2,172	3,466	651	1,946
Thereof transfer to Stage 1	398	-398	-1	0
Thereof transfer to Stage 2	-835	846	-10	0
Thereof transfer to Stage 3	-3	-156	159	0
Changes due to modifications without derecognition	0	0	0	0
Post-Model Adjustment	-1,123	0	0	-1,123
Decrease in allowance account due to write-offs	0	0	0	0
Other adjustments	-96	-543	637	-1
As at 31 Dec 2025	3,901	14,124	14,582	32,607

Further details regarding off-balance sheet credit risks are contained in Note 50) Risk report.

Other provisions

Euro thousand	Restructuring	Interest claims in connection with loans with floors	Pending litigations	Others	Total
As at 01 Jan 2024	1,018	220	4,194	6,891	12,323
Reclassification	0	0	0	0	0
Utilisation	-156	0	-1,343	-679	-2,178
Release	-461	-220	-807	-964	-2,452
Addition	433	0	12,214	2,494	15,141
As at 31 Dec 2024	834	0	14,258	7,742	22,834
Reclassification	0	0	-11,837	11,837	0
Utilisation	-458	0	-224	-3,782	-4,464
Release	-199	0	-686	-874	-1,760
Addition	106	0	2,649	14,393	17,148
As at 31 Dec 2025	282	0	4,160	29,316	33,758

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 15.6 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.

32) 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	33,034	90,174	16,575	139,784
Current service costs	36	3,724	962	4,722
Interest expenses	1,144	3,199	597	4,940
Payments	-3,155	-4,739	-1,226	-9,119
Actuarial gains or losses arising from changes in financial assumptions	1,067	-6,836	-840	-6,610
Net present value as at 31 Dec 2024	32,126	85,522	16,068	133,716
Current service costs	17	3,470	924	4,411
Interest expenses	996	2,747	527	4,270
Payments	-3,132	-3,318	-1,254	-7,703
Actuarial gains or losses arising from changes in financial assumptions	-1,637	-10,451	-944	-13,032
Net present value as at 31 Dec 2025	28,370	77,970	15,321	121,662

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 28 thousand (2024: euro 18 thousand).

Euro thousand	Provision for pensions	Provision for severance payments	Provision for anniversary bonuses	Total Employee benefits
31 Dec 2024				
Long-term employee provision	32,126	85,522	16,068	133,716
Net present value of plan assets	-1,188	0	0	-1,188
Net liability recognised in balance sheet	30,939	85,522	16,068	132,528
31 Dec 2025				
Long-term employee provision	28,370	77,970	15,321	121,662
Net present value of plan assets	-1,132	0	0	-1,132
Net liability recognised in balance sheet	27,239	77,970	15,321	120,530

Historical information

Euro thousand	2025	2024	2023	2022	2021
Net present value of obligations	121,662	133,716	139,784	134,004	166,861
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 administrations	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 column Plan assets - quoted shows all plan assets with a market price quoted on 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.

Euro thousand	Change in the present value	
	Increase of assumption	Decrease of assumption
31 Dec 2024		
Discount rate (0.75 % change)	-8,360	9,216
Future wage and salary increases (0.50 % change)	4,713	-4,548
Future pension increases (0.25 % change)	727	-697
Future mortality (1 year change)	1,742	-1,684
31 Dec 2025		
Discount rate (0.75 % change)	-6,796	8,094
Future wage and salary increases (0.50 % change)	4,338	-3,593
Future pension increases (0.25 % change)	770	-424
Future mortality (1 year change)	1,674	-1,301

As at 31 December 2025 the weighted average term of defined-benefit obligations for pensions was 7.9 years (2024: 8.3 years) and for severance payments 9.5 years (2024: 10.2 years).

Although analysis does not take into account the full distribution of expected cash flows based on the plan, it does provide an approximate value for the sensitivity of the assumptions presented.

33) Other liabilities

Euro thousand	31 Dec 2025	31 Dec 2024
Deferred items	2,976	2,866
Other liabilities	275,299	334,746
Derivative instruments	151,921	248,492
Other liabilities	430,196	586,104

Other liabilities essentially composed of auxiliary accounts of the banking business in the amount of euro 182,624 thousand (2024: euro 189,826 thousand), taxes and fiscal liabilities in the amount of euro 43,226 thousand (2024: euro 76,382 thousand), deferrals and trade payables in the amount of euro 27,733 thousand (2024: euro 35,501 thousand) and commitments to staff in the amount of euro 13,894 thousand (2024: euro 17,901 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 1,039 thousand (2024: euro 2,917 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	148,715	2,168	244,995	580
Negative fair values of derivative instruments	148,715	2,168	244,995	580

34) Subordinated liabilities

Euro thousand	31 Dec 2025	31 Dec 2024
Subordinated capital	1,243,942	1,271,733
Supplementary capital	0	1,555
Subordinated liabilities	1,243,942	1,273,288

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 3 months	2,767	7,515
Up to 1 year	7,890	2,355
Up to 5 years	209,236	218,484
More than 5 years	1,024,048	1,044,935
Subordinated liabilities	1,243,942	1,273,288

Cash inflow and cash outflow of subordinated liabilities

	Subordinated liabilities
As at 01 Jan 2024	450,386
Cash inflow	993,240
Cash outflow	-229,102
Non-cash changes	
Others	58,764
Total non-cash changes	58,764
As at 31 Dec 2024	1,273,288
Cash inflow	0
Cash outflow	-9,860
Non-cash changes	
Others	-19,487
Total non-cash changes	-19,487
As at 31 Dec 2025	1,243,942

35) Equity

Due to the requirements imposed by CRR, in the 2013 business year the Volksbanks began to amend the cooperatives' articles of association and to introduce a base amount for cooperative capital. This prevents redemption of a cooperative share if such redemption would cause the total nominal value of members' shares to fall below a certain percentage of the maximum total nominal value reported on a balance sheet date (base amount). This percentage has been set at 95 % for the Volksbanks. Under IFRIC 2 – Members' Shares in Cooperative Entities and Similar Instruments – cooperative capital may only be reported as equity if there is an unconditional prohibition on redemption of members' shares. An unconditional prohibition may also be partial. Beginning in the 2013 business year, members' shares within the base amount in cooperatives that have already legally implemented the base amount rule were therefore reclassified as subscribed capital. Shares held in the Association reduce the members' shares within the base amount. The reclassification is shown on a separate line in the statement of changes in equity. All shares have been fully paid up.

Repurchase of own shares

As part of the implementation of the structural simplification concept for crisis situations within the Association of Volksbanks, VBW 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, which was exercised with the approval of the ECB, and the bond was repaid at 100 % of the face value.

Return on capital employed

The return on capital employed for the 2025 financial year is 0.5% (2024: 0.4%) and is calculated as the ratio between result after taxes and total assets at the balance sheet 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 upon derecognition of the assets.

The following table shows the breakdown and development of the retained earnings and other reserves:

Euro thousand	Other reserves							Retained earnings and 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	
As at 01 Jan 2024	2,619,463	-16,174	2,545	-864,332	-4,947	1,871	1,899	1,740,325
Consolidated net income	131,456							131,456
Other comprehensive income	0	4,443	0	17,308	946	446	-57	23,086
Redemption of AT1 emission	-2,278							-2,278
Dividends paid	-13,039							-13,039
Coupon for the AT1 emission	-8,525							-8,525
Purchase Association of Volksbanks own shares	-53,512	0	0	0	0	0	0	-53,512
Change in cooperative capital and participation capital	-907							-907
Reclassification fair value reserve (including deferred tax)	-613,861			613,861				0
Change due to reclassifications shown under non-controlling interest, capital increases and deconsolidation	0							0
As at 31 Dec 2024	2,058,797	-11,731	2,545	-233,162	-4,001	2,317	1,842	1,816,606
Consolidated net income	150,028							150,028
Other comprehensive income	0	9,159	2,616	-7,446	1,034	-3,272	-593	1,497
Redemption of AT1 emission	0							0
Dividends paid	-31							-31
Coupon for the AT1 emission	0							0
Purchase Association of Volksbanks own shares	0	0	0	0	0	0	0	0
Change in cooperative capital and participation capital	-440							-440
Reclassification fair value reserve (including deferred tax)	-3,194			3,194				0
Change due to reclassifications shown under non-controlling interest, capital increases and deconsolidation	236							236
As at 31 Dec 2025	2,205,395	-2,573	5,160	-237,414	-2,966	-956	1,248	1,967,895

The reclassifications from the fair value reserve to retained earnings mainly relate to the cumulative valuations of investments 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 Association of Volksbanks, calculated pursuant to the Capital Requirement Regulations (CRR) breaks down as follows:

Euro thousand	31 Dec 2025	31 Dec 2024
Common Tier 1 capital: Instruments and reserves		
Capital instruments including share premium accounts	766,726	766,616
Retained earnings	1,560,116	1,398,385
Accumulated other comprehensive income (and other reserves)	404,481	429,390
Common Tier 1 capital before regulatory adjustments	2,731,322	2,594,390
Common Tier 1 capital: regulatory adjustments		
Intangible assets (net of related tax liability)	-2,073	-677
Cash flow hedge reserve	956	-2,317
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	2	3
Value adjustments due to the requirement for prudent valuation	-963	-1,209
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-97,901	-62,200
Insufficient coverage for non-performing exposures	-10,915	-13,156
Other foreseeable tax charges	-201	-201
Regulatory adjustments - transitional provisions	0	14,107
Additional CET1 deductions pursuant to article 3 CRR	-99,044	-118,702
Total regulatory adjustments	-211,388	-186,195
Common Equity Tier 1 capital - CET1	2,519,934	2,408,196
Tier 1 capital (CET1 + AT1)	2,519,934	2,408,196
Tier 2 capital - instruments and provisions		
Capital instruments including share premium accounts	1,091,821	1,162,135
Tier 2 capital before regulatory adjustments	1,091,821	1,162,135
Ergänzungskapital: Regulatorische Anpassung		
Total regulatory adjustments	0	0
Tier 2 capital - T2	1,091,821	1,162,135
Own funds total - TC (T1 + T2)	3,611,755	3,570,331
Common Equity Tier I capital ratio	15.56%	15.46%
Tier I capital ratio	15.56%	15.46%
Equity ratio	22.31%	22.92%
each in relation to total risk exposure		

The risk-weighted amounts as defined in CRR breaks down as follows:

Euro thousand	31 Dec 2025	31 Dec 2024
Risk weighted exposure amounts - credit risk	14,671,583	14,101,551
Total risk exposure amount for position, foreign exchange and commodities risks	24,071	20,354
Total risk exposure amount for operational risk (OpR)	1,486,471	1,446,516
Total risk exposure amount for credit valuation adjustment (cva)	9,555	8,855
Total risk exposure amount	16,191,680	15,577,276

VBW has concluded a banking association agreement with the Volksbanks in accordance with section 30a of the Austrian Banking Act. The purpose of this banking association agreement is to create a joint liability scheme between the primary sector institutions and to monitor and ensure compliance with the standards of the Austrian Banking Act at association level. According to article 10 CRR in conjunction with article 11 (4) CRR the CO must comply with the CRR's own funds requirements based on the consolidated overall position of the CO and its affiliated institutions. The own funds of the Association of Volksbanks are calculated by aggregating VBW's own funds and those of the member institutions. When aggregating the included companies' participations in Volksbanks and VBW, the aggregated carrying amounts of the

investments are deducted from the aggregated equity components. Superior financial holding companies and holding companies, provided they fulfil the requirements of section 30a of the Austrian Banking Act, are also added and participations in these deducted. The aggregation as a group of companies which are legally separate entities, but under unified control without a parent company, means that the capital consolidation does not result in any minority interests. Subordinated companies are included in accordance with the method described below.

According to the CRR, companies in the financial sector that are under the control of the parent or where the Group holds a majority of shares either direct or indirect, are fully consolidated. Institutions, financial institutions and providers of ancillary services 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 provided that they exceed the threshold value.

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 other participations are included in the assessment basis at their carrying amounts.

All credit 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 financial 2025 fiscal 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	3,683,584	0	0	3,683,584	3,683,584
Loans and receivables to credit institutions	245,674	0	0	245,674	244,617
Loans and receivables to customers	23,270,847	0	292,822	23,563,669	23,202,145
Assets held for trading	0	0	14,701	14,701	14,701
Financial investments	4,285,767	109,867	4,868	4,400,502	4,373,473
Participations	0	105,385	0	105,385	105,385
Derivative instruments	0	0	209,023	209,023	209,023
Financial assets total	31,485,872	215,252	521,414	32,222,537	31,832,928
Liabilities to credit institutions	247,839	0	0	247,839	246,930
Liabilities to customers	23,601,244	0	0	23,601,244	23,603,103
Liabilities evidenced by certificates	4,172,959	0	58,298	4,231,257	4,251,144
Lease liabilities	173,435	0	0	173,435	173,435
Liabilities held for trading	0	0	15,103	15,103	15,103
Derivative instruments	0	0	151,921	151,921	151,921
Subordinated liabilities	1,243,942	0	0	1,243,942	1,280,746
Financial liabilities total	29,439,419	0	225,322	29,664,741	29,722,382
31 Dec 2024					
Liquid funds	4,007,513	0	0	4,007,513	4,007,513
Loans and receivables to credit institutions	228,634	0	0	228,634	229,285
Loans and receivables to customers	22,871,947	0	351,866	23,223,813	22,821,959
Assets held for trading	0	0	19,419	19,419	19,419
Financial investments	3,433,461	95,381	6,397	3,535,239	3,448,867
Participations	0	115,896	0	115,896	115,896
Derivative instruments	0	0	241,414	241,414	241,414
Financial assets total	30,541,556	211,277	619,096	31,371,929	30,884,354
Liabilities to credit institutions	471,243	0	0	471,243	467,723
Liabilities to customers	23,255,897	0	0	23,255,897	23,284,039
Liabilities evidenced by certificates	3,418,849	0	71,069	3,489,918	3,497,251
Lease liabilities	177,905	0	0	177,905	177,905
Liabilities held for trading	0	0	19,499	19,499	19,499
Derivative instruments	0	0	248,492	248,492	248,492
Subordinated liabilities	1,273,288	0	0	1,273,288	1,271,004
Financial liabilities total	28,597,181	0	339,060	28,936,241	28,965,913

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	292,822	292,822
Assets held for trading	680	14,021	0	14,701
Financial investments	110,899	635	3,201	114,735
Fair value through profit or loss	1,032	635	3,201	4,868
Fair value through OCI	109,867	0	0	109,867
Participations	0	0	105,096	105,096
Fair value through OCI - designated	0	0	105,096	105,096
Derivative instruments	0	209,023	0	209,023
Financial assets total	111,579	223,679	401,120	736,377
Liabilities evidenced by certificates	0	58,298	0	58,298
Liabilities held for trading	0	15,103	0	15,103
Derivative instruments	0	151,921	0	151,921
Financial liabilities total	0	225,322	0	225,322
31 Dec 2024				
Loans and receivables to customers	0	0	351,866	351,866
Assets held for trading	1,335	18,085	0	19,419
Financial investments	97,835	1,227	2,716	101,778
Fair value through profit or loss	3,083	599	2,716	6,397
Fair value through OCI	94,753	628	0	95,381
Participations	0	0	115,572	115,572
Fair value through OCI - designated	0	0	115,572	115,572
Derivative instruments	0	241,414	0	241,414
Financial assets total	99,170	260,726	470,154	830,050
Liabilities evidenced by certificates	0	71,069	0	71,069
Liabilities held for trading	0	19,499	0	19,499
Derivative instruments	0	248,492	0	248,492
Financial liabilities total	0	339,060	0	339,060

Please refer to Note 3) t) for a description of the valuation procedures used for participations. Participations with a carrying amount of euro 289 thousand (2024: euro 324 thousand) were measured at amortised cost due to their immateriality.

When determining fair values for Level 2 financial investments, the Association 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 and equity 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 1 and 2.

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	390,007	0	163,530	553,536	70,126	70,126
Reallocation	0	0	0	0	-70,126	-70,126
Additions	19,320	1,711	10,549	31,580	0	0
Disposals	-47,545	0	-81,233	-128,778	0	0
Valuations						
Through profit or loss	-9,916	1,005	0	-8,911	0	0
Through OCI	0	0	22,727	22,727	0	0
As at 31 Dec 2024	351,866	2,716	115,572	470,154	0	0
Reallocation	0	0	34	34	0	0
Additions	8,181	509	5	8,696	0	0
Disposals	-64,361	0	-1,761	-66,122	0	0
Valuations						
Through profit or loss	-2,864	-24	0	-2,888	0	0
Through OCI	0	0	-8,754	-8,754	0	0
As at 31 Dec 2025	292,822	3,201	105,096	401,120	0	0

The valuations shown in the table above are included in the item income from financial instruments and investment properties (income statement) or the fair value reserve (other comprehensive income). Of the measurements recognised in the income statement, an amount of euro -2,648 thousand (2024: euro -8,776 thousand.) relates to the holdings of financial assets and liabilities as 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.

The development of the sensitivity analyses for the fair values of loans and receivables to credit institutions and customers is described in Note 14).

The development of the sensitivity analyses for the fair values of investment property (IAS 40) is described in Note 18).

The development of the sensitivity analyses for the fair values of participations is described 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 Group's balance sheet and the Group's 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	3,683,584	0	3,683,584	3,683,584
Loans and receivables to credit institutions	0	0	244,617	244,617	245,674
Loans and receivables to customers	0	0	22,909,323	22,909,323	23,270,847
Financial investments	4,258,738	0	0	4,258,738	4,285,767
Financial assets total	4,258,738	3,683,584	23,153,941	31,096,263	31,485,872
Liabilities to credit institutions	0	0	246,930	246,930	247,839
Liabilities to customers	0	0	23,603,103	23,603,103	23,601,244
Liabilities evidenced by certificates	3,017,734	1,175,112	0	4,192,846	4,172,959
Lease liabilities	0	0	173,435	173,435	173,435
Subordinated liabilities	1,255,859	17,887	7,000	1,280,746	1,243,942
Financial liabilities total	4,273,593	1,192,999	24,030,467	29,497,060	29,439,419
31 Dec 2024					
Liquid funds	0	4,007,513	0	4,007,513	4,007,513
Loans and receivables to credit institutions	0	0	229,285	229,285	228,634
Loans and receivables to customers	0	0	22,470,094	22,470,094	22,871,947
Financial investments	3,347,089	0	0	3,347,089	3,433,461
Financial assets total	3,347,089	4,007,513	22,699,379	30,053,981	30,541,556
Liabilities to credit institutions	0	0	467,723	467,723	471,243
Liabilities to customers	0	0	23,284,039	23,284,039	23,255,897
Liabilities evidenced by certificates	2,479,408	946,774	0	3,426,182	3,418,849
Lease liabilities	0	0	177,905	177,905	177,905
Subordinated liabilities	1,236,915	32,795	1,293	1,271,004	1,273,288
Financial liabilities total	3,716,324	979,569	23,930,960	28,626,853	28,597,181

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) Derivatives

Derivative financial instruments

Euro thousand	Face value					
2025	Up to 3 months	Up to 1 year	Up to 5 years	More than 5 years	Total	Fair value
Interest-rate-related transactions	100,512	1,139,249	6,906,130	6,674,115	14,820,006	54,243
Caps & Floors	688	3,222	80,172	63,831	147,912	-277
Interest rate swaps	99,824	1,136,027	6,825,958	6,610,284	14,672,093	54,520
Exchange-rate-related transactions	238,682	17,021	107,855	0	363,559	2,278
Cross currency interest rate swaps	108,190	0	107,855	0	216,045	2,136
FX swaps	130,492	17,021	0	0	147,514	142
Other transactions	20,433	743	905	23,135	45,215	-502
Options	20,433	743	905	23,135	45,215	-502
Total	359,627	1,157,013	7,014,891	6,697,250	15,228,780	56,019
2024						
Interest-rate-related transactions	41,677	203,593	5,905,023	4,035,663	10,185,956	-8,986
Caps & Floors	521	2,200	71,112	56,850	130,683	-369
Interest rate swaps	41,157	201,393	5,833,911	3,978,813	10,055,273	-8,617
Exchange-rate-related transactions	133,720	72,597	213,733	0	420,050	1,077
Cross currency interest rate swaps	0	0	213,733	0	213,733	1,617
FX swaps	133,720	72,597	0	0	206,317	-540
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	182,863	277,353	6,120,822	4,073,325	10,654,363	-8,493

All derivative financial instruments are OTC products.

The following table shows fair values divided into balance sheet items:

Euro thousand 2025	Assets	Liabilities	Total
Interest-rate-related transactions	14,021	15,103	-1,082
Trading portfolio	14,021	15,103	-1,082
Interest-rate-related transactions	206,253	150,928	55,326
Exchange-rate-related transactions	2,520	242	2,278
Other transactions	250	752	-502
Other assets / liabilities	209,023	151,921	57,102
Total	223,044	167,024	56,019
Sum Interest-rate-related transactions	220,274	166,031	54,243
Sum exchange-rate-related transactions	2,520	242	2,278
Sum other transactions	250	752	-502
2024			
Interest-rate-related transactions	18,085	19,499	-1,415
Trading portfolio	18,085	19,499	-1,415
Interest-rate-related transactions	238,107	245,679	-7,572
Exchange-rate-related transactions	2,986	1,909	1,077
Other transactions	321	905	-583
Other assets / liabilities	241,414	248,492	-7,078
Total	259,499	267,991	-8,493
Sum Interest-rate-related transactions	256,192	265,178	-8,986
Sum exchange-rate-related transactions	2,986	1,909	1,077
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 2025 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 Association of Volksbanks amounted to euro -6,993 thousand in the 2025 financial year (2024: euro 361 thousand), whereas the face value of the hedged underlying transactions as of December 31, 2025 totalled euro 10,774,992 thousand (2024: euro 8,774,586 thousand). Ineffectiveness therefore corresponds to just 0.06% (2024: 0.00%) of the hedge portfolio. The hedging strategy at the Association of Volksbanks 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 total liabilities and equity. The ineffectiveness of fair value hedges and cash flow hedges is presented separately in Note 8). The amounts reclassified from the cash flow hedge reserve are reported in net interest income.

Only micro hedges are used for the balance sheet items financial investments, liabilities evidenced by certificates and subordinated liabilities. By contrast, the balance sheet items loans and receivables to customers and liabilities owed to customers are hedged almost exclusively using 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:

Interest rate swaps					
Euro thousand					
31 Dec 2025	Up to 3 months	Up to 1 year	Up to 5 years	More than 5	Total
Loans and receivables to customers	1,800	23,337	84,611	2,444,834	2,554,581
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	3,462,350	100,000	4,820,350
31 Dec 2024					
Loans and receivables to customers	4,400	26,750	133,946	1,543,647	1,708,743
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	3,794,850	620,500	4,512,350

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:

Interest rate swaps					
Euro thousand					
31 Dec 2025	Up to 3 months	Up to 1 year	Up to 5 years	More than 5 years	Total
Loans and receivables to customers	0	528,438	779,000	87,617	1,395,055
31 Dec 2024					
Loans and receivables to customers	0	0	0	174,190	174,190

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		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
31 Dec 2025	Face value				
Loans and receivables to customers measured at amortised cost	2,554,581	62,325	18,064	22,003	153
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	4,820,350	82,602	52,619	-5,646	1,699
Interest rate swaps total	10,969,231	197,267	148,715	82,356	-6,993
31 Dec 2024					
Loans and receivables to customers measured at amortised cost	1,708,743	58,260	35,687	-36,041	749
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	4,512,350	113,121	82,086	67,987	-1,709
Interest rate swaps total	8,863,193	224,751	244,995	-8,546	361

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	2,554,942	0	-45,433	-21,850	-1,205
thereof loans and receivables to customers hedged with portfolio hedges	2,549,786	0	-45,202	-21,951	-1,205
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	4,809,656	-15,107	7,345	6,648
Hedged items of interest rate swaps total	6,121,955	4,829,656	-77,275	-89,349	5,442
31 Dec 2024					
Loans and receivables to customers measured at amortised cost	1,708,736	0	-23,670	36,791	-2,080
thereof loans and receivables to customers hedged with portfolio hedges	1,702,840	0	-23,337	36,603	-2,080
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	4,499,658	-1,642	-69,696	1,019
Hedged items of interest rate swaps total	4,325,468	4,519,658	33,529	8,907	-1,061

The following table shows interest rate swaps designated as hedging instruments in cash flow hedges broken down by the type of the related hedge 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 to customers measured at amortised cost	1,395,055	2,614	2,168	-4,470	-220	-4,250	18
Interest rate swaps total	1,395,055	2,614	2,168	-4,470	-220	-4,250	18
31 Dec 2024							
Loans and receivables to customers measured at amortised cost	174,190	4,076	580	1,851	318	446	1,088
Interest rate swaps total	174,190	4,076	580	1,851	318	446	1,088

The following table shows a breakdown of the corresponding hedged items:

Euro thousand		Changes in value used for calculating hedge ineffectiveness for the current year
31 Dec 2025	Face value	
Loans and receivables to customers measured at amortised cost	1,395,055	4,296
Hedged items of interest rate swaps total	1,395,055	4,296
31 Dec 2024		
Loans and receivables to customers measured at amortised cost	174,190	-1,064
Hedged items of interest rate swaps total	174,190	-1,064

40) Assets and liabilities denominated in foreign currencies

At the balance sheet date, assets denominated in foreign currencies totalled euro 424,514 thousand (2024: euro 502,945 thousand), whereas liabilities denominated in foreign currencies amounted euro 181,201 thousand (2024: euro 342,976 thousand).

41) Trust transactions

Euro thousand	31 Dec 2025	31 Dec 2024
Trust assets		
Loans and receivables to customers	47,521	65,816
Other assets	2,009	1,422
Trust liabilities		
Liabilities to customers	47,521	65,816
Other liabilities	2,009	1,422

42) Assets pledged as collateral 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) are 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 to customers if the Group performs in accordance with the contract.

Within the scope of gilt-edged savings deposits, financial investments in the amount of euro 7,391 thousand (2024: euro 7,911 thousand) are held as collaterals.

43) Contingent liabilities and commitments

Euro thousand	31 Dec 2025	31 Dec 2024
Contingent liabilities		
Liabilities arising from guarantees	594,026	629,477
Others (amounts guaranteed)	16,551	14,410
Commitments		
Unutilised loan commitments	3,009,131	2,972,439

Based on the management's estimation of cash outflow for financial guarantees, a Stage 3 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 14,582 thousand (2024: euro 13,043 thousand.).

The Association of Volksbanks 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 significant impact on the financial situation and profitability of the Association of Volksbanks.

Additionally, 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 the Association of Volksbanks) that have existed or were completed within the last twelve months and have a significant impact on the financial situation or profitability of the Association of Volksbanks or have recently had such an impact.

44) Repurchase transactions and other transferred assets

As at 31 December 2025, the Association as pledgor had buy-back commitments under genuine repurchase agreements in the amount of 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 customers	7	0	0
Liabilities to customers	8,289	6,795	11,178
Provisions	0	0	0
Contingent liabilities arising from guarantees	0	0	0
Business transactions	5,772	12,542	8,850
Administrative expenses	-98	0	0
Other operating income	262	34	197
Other operating expenses	0	0	0
31 Dec 2024			
Loans and receivables to customers	21	0	0
Liabilities to customers	5,209	8,441	13,861
Provisions	4	0	0
Contingent liabilities arising from guarantees	1,500	0	0
Business transactions	9,160	14,197	32,106
Administrative expenses	-84	780	0
Other operating income	463	0	246

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 Association and its related parties are geared to usual market conditions. As in the previous year, the Association 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	2,897	3,204
Redemptions	296	347
Interest payments	23	71

The definition of key management personnel can be found in Note 1) a).

46) Disclosures on mortgage banking in accordance with the Austrian Mortgage Bank Act, including covered bonds

Euro thousand	Covering loans	Coverage Requirements liabilities 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 surplus cover of 2 % calculated based on the face value of all outstanding mortgage bonds and all outstanding covered bonds.

47) Branches

	31 Dec 2025	31 Dec 2024
Total number of domestic branches	231	231

48) Subsequent events

There were no significant operational risk events after the end of the reporting period.

49) Segment reporting

The Association has ten segments corresponding to its strategic business areas. The segments correspond to the eight regional banks and the specialist institution. In addition, the CO function of VBW is reported separately. These divisions reflect the different regions and services of the Association and are controlled in varying ways in accordance with the internal management and reporting structure. Control is based on the individual merger groups/regional banks and their subordinate entities. In the case of VBW, reporting is based on allocation to the CO or Retail profit centres, which means that all results of VBW and its subordinate entities are allocated to these two profit centres.

The measurement and accounting principles used in the annual financial statements of the Association are also applied to segment reporting. Net interest income of profit centres is calculated according to the market interest method. Transfer prices for investments and refinancing between corporate entities are in line with standard market conditions.

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.

Regional banks

The eight regional bank segments comprise standard banking services for private customers, SMEs and corporate customers in the areas of investment and financing, advisory and investment services for securities, payment services, brokerage of insurance products, and foreign exchange and foreign currency business in the individual regions.

Services are typically performed through the branches as well as through internet and direct sales. The subordinate companies of the individual regional banks are also recognised in the respective segments.

ÖÄAB

The segment ÖÄAB comprises Österreichische Ärzte- und Apothekerbank AG which provides services of the Association of Volksbanks to their specific customer groups.

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 business division.

1-12/2025

Euro thousand	CO	Vienna	Lower Austria	Styria	Carinthia
Net interest income	-43,086	170,058	83,317	67,986	40,119
Risk provision	491	-28,819	-63,069	-8,717	-2,495
Net fee and commission income	8,287	70,455	39,375	27,815	16,440
Net trading income	3,639	346	-83	211	157
Result from financial instruments and investment properties	3,015	7,213	331	114	807
Other operating result	240,070	-2,519	1,044	-1,513	-2,191
General administrative expenses	-199,019	-167,704	-90,291	-63,952	-43,137
Result from companies measured at equity	39	322	-21	84	75
Annual result before taxes	13,437	49,352	-29,397	22,027	9,775
Income taxes	4,835	16,418	10,788	-5,209	-2,186
Annual result after taxes	18,272	65,769	-18,608	16,818	7,589

31 Dec 2025

Total assets	9,930,419	7,490,282	3,745,338	2,900,626	1,656,112
Loans and receivables to customers	401	6,300,482	3,008,233	2,459,424	1,191,679
Companies measured at equity	1,255	14,058	209	3,633	4,900
Liabilities to customers	596,316	6,100,640	3,369,406	2,213,609	1,460,605
Liabilities evidenced by certificates, including subordinated liabilities	5,024,098	296,710	1,745	510	6,873

1-12/2024

Net interest income	-23,994	175,740	93,701	75,420	44,795
Risk provision	672	-77,496	-49,341	-16,563	-3,924
Net fee and commission income	7,141	68,185	38,503	26,739	16,297
Net trading income	5,006	241	493	160	133
Result from financial instruments and investment properties	3,831	6,466	-4,088	-3,085	44
Other operating result	222,109	7,279	2,995	121	-9,361
General administrative expenses	-182,969	-160,440	-88,309	-61,931	-40,448
Result from companies measured at equity	267	2,205	21,810	577	514
Annual result before taxes	32,063	22,180	15,764	21,437	8,051
Income taxes	-3,054	840	-2,963	-3,803	-2,065
Annual result after taxes	29,009	23,020	12,801	17,634	5,986

31 Dec 2024

Total assets	9,894,326	7,799,902	3,898,165	2,844,166	1,616,299
Loans and receivables to customers	14,448	6,055,841	3,096,464	2,406,829	1,199,736
Companies measured at equity	1,523	16,273	6,670	4,212	5,417
Liabilities to customers	769,623	5,915,912	3,420,631	2,142,880	1,425,225
Liabilities evidenced by certificates, including subordinated liabilities	4,335,906	350,957	115,824	38,336	6,873

Upper Austria	Salzburg	Tyrol	Vorarlberg	ÖÄB	Consolidation	Total
50,594	85,648	73,260	32,380	26,769	-470	586,574
-3,519	-15,593	-7,673	-4,680	-3,130	0	-137,205
30,493	34,759	37,250	18,363	10,014	244	293,494
216	-9	201	-96	35	-80	4,536
959	1,790	4,427	892	429	-272	19,704
-721	-2,263	-754	-1,254	-420	-242,909	-13,431
-63,801	-73,595	-81,439	-48,142	-25,429	242,945	-613,564
163	183	1	0	63	0	909
14,383	30,919	25,272	-2,538	8,330	-542	141,018
-2,487	-7,000	-5,590	750	-1,370	60	9,010
11,896	23,919	19,683	-1,788	6,960	-481	150,028
2,697,757	3,198,540	3,565,167	2,164,119	1,195,226	-5,647,068	32,896,517
2,106,416	2,621,382	3,011,086	1,867,987	1,001,334	-4,757	23,563,669
12,682	7,985	35	15	2,726	0	47,497
2,280,864	2,723,612	2,496,382	1,392,711	988,729	-21,628	23,601,244
49,200	6,759	137,466	18,033	0	-66,196	5,475,198
53,233	87,659	76,145	35,064	28,579	-178	646,166
-19,738	-28,726	-16,644	-6,351	-2,434	0	-220,546
29,362	33,091	35,521	17,528	8,963	-1,757	279,575
226	-6	182	606	31	-14	7,058
1,778	1,907	-451	776	263	-14,812	-7,370
315	1,147	934	-1,633	-431	-223,566	-90
-62,489	-70,000	-78,701	-44,762	-24,004	225,481	-588,571
7,917	2,336	5	3	5,075	0	40,709
10,605	27,409	16,992	1,232	16,043	-14,845	156,930
-1,537	-6,338	-3,632	98	-3,031	11	-25,474
9,068	21,071	13,360	1,330	13,011	-14,834	131,456
2,771,713	3,149,623	3,480,315	2,059,739	1,212,877	-6,661,632	32,065,493
2,165,276	2,590,241	2,940,086	1,779,288	982,837	-7,233	23,223,813
15,828	9,566	40	18	4,625	0	64,173
2,364,672	2,583,818	2,398,436	1,253,578	993,100	-11,978	23,255,897
78,046	6,789	75,669	27,843	32,022	-305,060	4,763,206

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 VOLKSBANK WIEN AG (VBW) and the affiliated banks of the Association of Volksbanks, 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 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 (CCoB), 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 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).

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 (CCoB)	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 total 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 guidances 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

The Association of Volksbanks has taken all required organisational measures to meet the requirements of modern risk management. There is a clear separation between front 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 for solid risk management, the Risk Appetite Framework (RAF) for the Association of Volksbanks is continuously being developed, in order to define risk appetite or the level of risk tolerance that the Association of Volksbanks 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 regulations regarding regulatory requirements at Association of Volksbanks are implemented as follows:

Pillar 1: Minimum capital requirements

Within the scope of Pillar 1, the fulfilment of the minimum regulatory requirements is ensured. For credit risk, market risk and operational risk, the respective regulatory standard approaches for determining the minimum own funds requirements are applied.

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 of the Association of Volksbanks 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 on the Bank's own website under Volksbanken-Verbund / Verbund-Offenlegung (Association of Volksbanks/Disclosure).

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 CRM) and the downstream manuals of the Association govern the risk management activities 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 banking risks. The findings from the risk inventory process are collected, analysed for the Association of Volksbanks 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. 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 management of risks and ensures risk-bearing capacity within the Association of Volksbanks 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.

The Association of Volksbanks 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 materiality assessment and the internal stress test.

The local or individual risk strategies of the affiliated banks of the Association of Volksbanks essentially build on the risk strategy of the Association, defining regional specifications and local specifics. The preparation of the local risk strategies of the affiliated banks is supported and checked for conformity with the risk strategy of the Association by the CO, who also provides quality assurance in this respect. The Association's risk strategy manual, which is valid throughout the Association of Volksbanks and includes the local risk strategy, is adopted by each affiliated bank.

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 additional indicators helps the Managing Board of the CO to implement central strategic goals of the Association of Volksbanks, specifying the same in operational terms. Moreover, a comprehensive set of additional RAS indicators is considered regularly.

The risk appetite, meaning the indicators of the RAS, is/are 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 the Association of Volksbanks 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, TC ratio, utilization 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, asset encumbrance ratio, 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, leverage ratio, compliance risk, IT system availability)

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 provided for under the law and constitutes a minimum requirement. The composition of the regulatory aggregate risk position of the Association of Volksbanks corresponds to that of any regionally active retail bank.

The economic perspective contributes to ensuring the continued existence of the Association of Volksbanks by foregrounding the economic value within the assessment of capital adequacy. The risk-bearing capacity under the economic perspective derives from a comparison of economic risks with internal capital (risk cover). 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 risk cover. The prerequisite for capital adequacy under an economic perspective is that the internal capital is sufficient to cover the risks and to support the strategy on an ongoing basis.

The normative perspective ensures that the Association of Volksbanks is able, throughout a period of several years, to meet its own funds requirements 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 income statement and own funds items 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 tests, recommended actions are defined and transposed into measures if necessary.

Specific climate and environmental scenarios are 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 the Association of Volksbanks 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 the Association of Volksbanks, the responsibilities associated with credit risk are taken care of by the Credit Risk Management division and certain subdivisions of Risk Control. The Credit Risk Management Restructuring & Workout division is responsible for operational credit risk management. The Risk Control function 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 (HIKrG), which apply independently of each other.
- 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, until their expiry on 30 June 2025, they have been separately monitored.
- 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.
- Syndicated credits will basically be concluded together with the CO.

Decision-making process

In all units of the Association of Volksbanks that generate credit risk, there is a strict separation of sales and risk management units. All decisions in individual instances are taken strictly observing the dual-control principle, with clear processes having been established for the cooperation between the risk management units in the CO and the members of the Association of Volksbanks. For transactions involving large volumes, processes have been set up that ensure the involvement of the operational credit risk management function of the CO and of the CO Managing Board in the risk analysis and/or loan decision. 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 foreign 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 at monthly intervals by Risk Control.

In addition, materiality limits are defined for industry sectors at the level of the Association and of the affiliated banks, including VBW, and further control measures are applied if these limits are exceeded. Relatively speaking, higher risk concentrations in affiliated banks are not only permitted but also desired in the sense of leveraging industry expertise (e.g. in the case of Ärzte- und Apothekerbank in the health care sector) and regional focuses (e.g. tourism in VB Tirol).

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, 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, the Association of Volksbanks 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 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 pursuant to the CRR of more than 90 days, 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 (assessment) 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 saw very 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. In 2025, the NPL ratio of the association reached a peak at a high level (NPL ratio at year-end for the association in 2025: 5.5% / NPL ratio for the association in 2024: 5.1 %). Major defaults, particularly in the real estate segment, could no longer be offset by reductions in the portfolio. 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

Due to the rise in NPLs in 2024, the 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. A decline is evident in 2025.

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 debt enforcement (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, address-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, respectively, 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 effected 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 across the Association 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 market value, fair 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 banks of the Association. 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 are regularly validated according to qualitative and quantitative criteria by an independent unit within Risk Control, including backtesting for actual rating migrations and defaults.

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	K1	1A	0.01%	AAA ; AA+	Aaa,Aa1
Best creditworthiness		1B	0.02%	AA	Aa2
Best creditworthiness		1C	0.03%	AA-	Aa3
Best creditworthiness		1D	0.04%		
Best creditworthiness		1E	0.05%	A+	A1
Excellent creditworthiness	K2	2A	0.07%	A	A2
Excellent creditworthiness		2B	0.11%	A-	A3
Very good creditworthiness		2C	0.16%	BBB+	Baa1
Very good creditworthiness		2D	0.24%	BBB	Baa2
Very good creditworthiness		2E	0.35%	BBB-	Baa3
Good creditworthiness	K3	3A	0.53%		
Good creditworthiness		3B	0.80%		
Good to Medium creditworthiness		3C	1.20%	BB+	Ba1
Medium creditworthiness		3D	1.79%	BB	Ba2
Acceptable creditworthiness		3E	2.69%	BB-	Ba3
Poor creditworthiness	K4	4A	4.04%	B+	B1
Poor creditworthiness		4B	6.05%		
Watch List		4C	9.08%	B	B2
Watch List		4D	13.62%	B-	B3
Watch List		4E	20.44%	CCC/C	Caa-C
Default of Payment	Write-off	5A	D		
Specific Provision / UTP		5B	D		
Restructuring / Call-in		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 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 segments Banks and Countries, the bank uses long-term default studies of the external rating agencies to determine the lifetime PD by rating class. 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 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) valuation 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.

Loans and receivables to borrowers the redemption of which is considered unlikely will be allocated to Stage 3 for impairment 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 mapping 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 level 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 12 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 the 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 2025

BASELINE 2025	2026	0.9%	35	-10	1.0%	5.0%
BASELINE 2025	2027	1.1%	35	-20	1.3%	5.0%
BASELINE 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%

Balance sheet date 31 Dec 2024

BASELINE 2024	2025	1.2%	50	0	1.4%	5.0%
BASELINE 2024	2026	1.5%	50	0	1.5%	5.0%
BASELINE 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%

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 being 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 sectors, as well as the construction sector. 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 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	
		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. In the previous year, corresponding adjustments were taken into account for 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 risk driver, including delimitation exclusively to impact channels with an influence on the expected credit risk losses 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. No PMA was recorded for energy-intensive companies in the 2025 financial statements. In the previous year, a PMA of approximately EUR 3.6 million was recorded for these customers within the Association of Volksbanks.

Inflation and risks of increasing interest rates

The macroeconomic scenarios assume that inflation will return to normal levels and that interest rates will fall. 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 difference in 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' and '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 in this regard.

Summary of PMAs

Overall, an increase in model-based risk provisions of euro 30.1 million was recognised for the Association of Volksbanks, of which approximately euro 11.1 million was recognised directly in the bank's risk-bearing system (in-model adjustment) and euro 19 million as a post-model adjustment (PMA). In the previous year, the PMA stood at euro 30.4 million.

31.12.2025:

Customer type	Determination	Total exposure in EUR million	Actual Risk provision as at 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.	3,722.9	16.1	6.9	10.25	11.7	5.4	26.3
Income Producing Real Estate (IPRE) customers	Rating recalibration, if necessary tightening of the stage 2 criteria.	433.6	4.6	1.9	5.39	5.8	1.5	10.0
Other customers in the sectors Real Estate and Housing, Construction, Hospitality and Transport	Tightening of the stage 2 criteria	237.1	3.1	1.9	0.21	0.1	2.0	3.3
Customers with account behaviour rating	Rating recalibration, if necessary tightening of the stage 2 criteria.	95.4	2.0	0.4	3.19	3.2	0.4	5.2
Total		4,489.1	25.8	11.1	19.0	20.8	9.3	44.8

31.12.2024:

Customer type	Determination	Total exposure in EUR million	Actual Risk provision as at 31/12/2024	Of which, in-model adjustments	Post-model adjustments	In- and post-model adj. rating-recalibration	In- and post-model adj. new types of risk	Risk provision inventory incl. PMA
Customers with a high gas or energy dependency	Downgrade 2 rating levels, if necessary rating recalibration	467.9	2.4	—	4.76	1.2	3.6	7.2
Customers in the real estate and construction sectors	Stage 2 criteria, if necessary rating recalibration	678.9	2.1	—	11.3	0.9	10.4	13.4
Other companies (reporting)	Rating recalibration	3,847.5	11.2	—	14.3	14.3	-	25.5
Total		4,994.4	15.7	—	30.4	16.4	14.0	46.1

In summary, the risk provisions (including provisions for off-balance-sheet receivables) for the performing portfolio (Stage 1 and 2, excluding financial investments and receivables from affiliated credit institutions and companies) are as follows:

2025:

Association of Volksbanks - Risk provisions performing	in EUR million	In %
Risk provisions (Stage 1+2 portfolio including provisions), standard model	145.7	100.0%
+ In-model adjustment based on the scenario weights	11.1	7.6%
+ Post-model adjustment	19.0	13.1%
Risk provisions (Stage 1+2), final	175.8	120.7%

2024:

Association of Volksbanks - Risk provisions performing	in EUR million	In %
Risk provisions (Stage 1+2 portfolio including provisions), standard model	120.8	100.0%
+ In-model adjustment based on the scenario weights	—	—%
+ Post-model adjustment	30.4	25.1%
Risk provisions (Stage 1+2), final	151.1	125.1%

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, as well as risk provisions for financial investments and for receivables from affiliated credit institutions and companies, are excluded from the sensitivity calculations.

Staging is always made at the individual customer or individual account level and presupposes that the bank can adequately perform an individual customer credit assessment. In order to illustrate the effects of estimation uncertainties in the underlying assumptions, the effects of a hypothetical allocation of the total portfolio of loans and receivables to customers to Stage 2 or Stage 1 is analysed.

Stage 2 or Stage 1 allocation of the overall portfolio (year 2025):

	in EUR million	in % of risk provisions
Risk provisions (Stage 1 & 2 portfolio, incl. off-balance sheet provisions without PMA)	156.8	100,0%
All receivables transferred to Stage 2	108.1	69,0%
All receivables transferred to Stage 1	-113.4	-72,3%

Stage 2 or Stage 1 allocation of the overall portfolio (year 2024):

	in EUR million	in % of risk provisions
Risk provisions (Stage 1 & 2 portfolio, incl. off-balance sheet provisions without PMA)	120.8	100.0%
All receivables transferred to Stage 2	120.6	99.8%
All receivables transferred to Stage 1	-82.5	-68.3%

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 EUR million	in basis points Coverage Ratio I
Risk provisions NPL (Stage 3 portfolio)	468.2	34.4%
Depreciation by 15 %	212.8	15.6%
Depreciation by 25 %	287.5	21.1%

Sensitivities of the NPL portfolio (year 2024):

	in EUR million	in basis points Coverage Ratio I
Risk provisions NPL (Stage 3 portfolio)	394,4	29,0 %
Depreciation by 15 %	172,5	12,7 %
Depreciation by 25 %	235,4	17,3 %

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 EUR million	LGD in %
Risk provisions (Stage 1 & 2 portfolio, incl. off-balance sheet provisions without PMA)	156.5	16.4%
Depreciation by 15 %	25.3	2.7%
Depreciation by 25 %	35.5	3.7%

Sensitivities of the performing-portfolio (year 2024):

	in EUR million	LGD in %
Risk provisions (Stage 1 & 2 portfolio, incl. off-balance sheet provisions without PMA)	120.6	16.0%
Depreciation by 15 %	21.2	2.9%
Depreciation by 25 %	29.4	3.9%

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 being 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 devaluation.

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 the Association, the major units and the key areas of business. The information is also included in the credit risk portions 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 are part of the report:

- Portfolio distribution
- Development of new business
- Distribution of credit ratings
- Non-performing loans (NPL) including 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 2025

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-relevant portfolio

Euro thousand	31 Dec 2025	31 Dec 2024
Liquid funds	3,507,395	3,830,098
Loans and receivables to credit institutions	245,679	228,639
At amortised cost	245,679	228,639
Loans and receivables to customers	24,175,951	23,746,304
At amortised cost	23,883,129	23,394,438
At fair value	292,822	351,866
Assets held for trading - fixed-income securities	680	1,335
At fair value	680	1,335
Financial investments - fixed-income securities	4,397,281	3,532,469
At amortised cost	4,286,362	3,434,006
At fair value	110,919	98,464
Contingent liabilities	594,026	629,477
Credit risks	3,009,131	2,972,439
Total	35,930,143	34,940,761

As at 31 December 2025, the total credit risk-related portfolio amounted to euro 35,930,143 thousand (2024: 34,940,761 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. As at 31 December 2025, loans and receivables to customers include receivables from finance leases in the amount of euro 132,354 thousand (2024: euro 153,872 thousand). Due to the low share of 0.5 % (2024: 0.6 %) of total loans and receivables to customers, the leasing portfolio is not presented separately.

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 from price developments. 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. At euro 13,449,370 thousand as at 31 December 2025 (2024: euro 13,817,760 thousand), the largest customer segment of the credit risk-relevant items is the SME segment (which is broken down internally into SME Retail, SME and SME Corporates) followed by the Private Customer segment.

Portfolio divided 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 institutions	245,679	0	0	0	0	0	245,679
At amortised cost	245,679	0	0	0	0	0	245,679
Loans and receivables to customers	0	9,029,826	11,482,940	1,380,947	502,823	1,779,416	24,175,951
At amortised cost	0	8,944,852	11,391,371	1,377,658	501,146	1,668,100	23,883,129
At fair value	0	84,973	91,569	3,288	1,676	111,315	292,822
Assets held for trading - fixed-income securities	0	0	0	680	0	0	680
At fair value	0	0	0	680	0	0	680
Financial investments - fixed-income securities	2,939,241	0	0	69,767	1,388,273	0	4,397,281
At amortised cost	2,873,866	0	0	69,747	1,342,749	0	4,286,362
At fair value	65,375	0	0	20	45,524	0	110,919
Contingent liabilities	227	95,720	441,621	50,957	922	4,578	594,026
Credit risks	2,110	978,539	1,524,809	262,228	135,321	106,125	3,009,131
Total	3,187,257	10,104,085	13,449,370	1,764,579	5,534,733	1,890,119	35,930,143
31 Dec 2024							
Liquid funds	0	0	0	0	3,830,098	0	3,830,098
Loans and receivables to credit institutions	228,639	0	0	0	0	0	228,639
At amortised cost	228,639	0	0	0	0	0	228,639
Loans and receivables to customers	0	8,534,311	11,703,843	1,162,588	396,013	1,949,549	23,746,304
At amortised cost	0	8,430,667	11,602,647	1,158,475	393,850	1,808,798	23,394,438
At fair value	0	103,644	101,197	4,112	2,162	140,750	351,866
Assets held for trading - fixed-income securities	0	0	0	1,335	0	0	1,335
At fair value	0	0	0	1,335	0	0	1,335
Financial investments - fixed-income securities	2,302,354	0	0	70,908	1,159,207	0	3,532,469
At amortised cost	2,229,657	0	0	70,280	1,134,069	0	3,434,006
At fair value	72,698	0	0	628	25,138	0	98,464
Contingent liabilities	232	85,248	468,192	70,554	289	4,962	629,477
Credit risks	1,477	854,366	1,645,725	213,576	107,690	149,606	2,972,439
Total	2,532,702	9,473,925	13,817,760	1,518,960	5,493,297	2,104,117	34,940,761

† 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	238,456	446	6,776	245,679
At amortised cost	238,456	446	6,776	245,679
Loans and receivables to customers	23,846,716	325,947	3,288	24,175,951
At amortised cost	23,553,894	325,947	3,288	23,883,129
Thereof Retail private	8,686,124	257,521	1,207	8,944,852
Thereof SME	11,320,932	68,358	2,081	11,391,371
Thereof Corporates	1,377,604	54	0	1,377,658
Thereof other	2,169,234	13	0	2,169,247
At fair value	292,822	0	0	292,822
Thereof Retail private	84,973	0	0	84,973
Thereof SME	91,569	0	0	91,569
Thereof Corporates	3,288	0	0	3,288
Thereof other	112,992	0	0	112,992
Assets held for trading - fixed-income securities	680	0	0	680
At amortised cost	0	0	0	0
Financial investments - fixed-income securities	4,397,281	0	0	4,397,281
At amortised cost	4,286,362	0	0	4,286,362
Thereof Banks	2,873,866	0	0	2,873,866
Thereof Corporates	69,747	0	0	69,747
Thereof Public sector	1,342,749	0	0	1,342,749
Thereof other	0	0	0	0
At fair value	110,919	0	0	110,919
Thereof Banks	65,375	0	0	65,375
Thereof Corporates	20	0	0	20
Thereof Public sector	45,524	0	0	45,524
Thereof other	0	0	0	0
Contingent liabilities	592,211	1,814	0	594,026
Thereof Banks	227	0	0	227
Thereof Retail private	94,107	1,613	0	95,720
Thereof SME	441,425	196	0	441,621
Thereof Corporates	50,952	5	0	50,957
Thereof other	5,501	0	0	5,501
Credit risks	2,998,837	3,051	7,243	3,009,131
Thereof Banks	2,110	0	0	2,110
Thereof Retail private	975,578	2,955	6	978,539
Thereof SME	1,521,853	96	2,859	1,524,809
Thereof Corporates	257,850	0	4,378	262,228
Thereof other	241,446	0	0	241,446
Total	35,581,577	331,259	17,307	35,930,143

31 Dec 2024	EUR	CHF	Others	Total
Liquid funds	3,830,098	0	0	3,830,098
Loans and receivables to credit institutions	224,294	54	4,291	228,639
At amortised cost	224,294	54	4,291	228,639
Loans and receivables to customers	23,360,633	381,389	4,282	23,746,304
At amortised cost	23,008,767	381,389	4,282	23,394,438
Thereof Retail private	8,137,603	290,949	2,114	8,430,667
Thereof SME	11,510,902	89,582	2,163	11,602,647
Thereof Corporates	1,158,408	63	5	1,158,475
Thereof other	2,201,853	795	0	2,202,649
At fair value	351,866	0	0	351,866
Thereof Retail private	103,644	0	0	103,644
Thereof SME	101,197	0	0	101,197
Thereof Corporates	4,112	0	0	4,112
Thereof other	142,913	0	0	142,913
Assets held for trading - fixed-income securities	1,335	0	0	1,335
At fair value	1,335	0	0	1,335
Financial investments - fixed-income securities	3,532,469	0	0	3,532,469
At amortised cost	3,434,006	0	0	3,434,006
Thereof Banks	2,229,657	0	0	2,229,657
Thereof Corporates	70,280	0	0	70,280
Thereof Public sector	1,134,069	0	0	1,134,069
Thereof other	0	0	0	0
At fair value	98,464	0	0	98,464
Thereof Banks	72,698	0	0	72,698
Thereof Corporates	628	0	0	628
Thereof Public sector	25,138	0	0	25,138
Thereof other	0	0	0	0
Contingent liabilities	625,725	2,110	1,643	629,477
Thereof Banks	232	0	0	232
Thereof Retail private	83,563	1,685	0	85,248
Thereof SME	466,172	377	1,643	468,192
Thereof Corporates	70,506	48	0	70,554
Thereof other	5,252	0	0	5,252
Credit risks	2,961,224	4,601	6,614	2,972,439
Thereof Banks	1,477	0	0	1,477
Thereof Retail private	851,505	2,854	7	854,366
Thereof SME	1,641,389	1,748	2,588	1,645,725
Thereof Corporates	209,557	0	4,019	213,576
Thereof other	257,296	0	0	257,296
Total	34,535,777	388,155	16,829	34,940,761

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 461,876 thousand (2024: euro 546,133 thousand).

Development by countries

The main business activity of the Association of Volksbanks focuses on the Austrian market. This is also evident from the following tables: As at 31 December 2025, Austrian exposures accounted for 88.2 % of the credit risk-related portfolio (2024: 89.9 %).

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	120,827	70,460	54,391	245,679
At amortised cost	120,827	70,460	54,391	245,679
Loans and receivables to customers	23,282,739	725,116	168,096	24,175,951
At amortised cost	22,995,997	721,154	165,978	23,883,129
Thereof Retail private	8,630,130	212,772	101,950	8,944,852
Thereof SME	11,070,141	268,354	52,876	11,391,371
Thereof Corporates	1,304,649	61,858	11,152	1,377,658
Thereof other	1,991,077	178,170	0	2,169,247
At fair value	286,742	3,962	2,118	292,822
Thereof Retail private	81,788	1,138	2,048	84,973
Thereof SME	88,674	2,824	70	91,569
Thereof Corporates	3,288	0	0	3,288
Thereof other	112,992	0	0	112,992
Assets held for trading - fixed-income securities	680	0	0	680
At fair value	680	0	0	680
Financial investments - fixed-income securities	1,233,266	745,902	2,418,113	4,397,281
At amortised cost	1,176,870	725,394	2,384,099	4,286,362
Thereof Banks	663,290	458,432	1,752,145	2,873,866
Thereof Corporates	1,024	15,836	52,887	69,747
Thereof Public sector	512,556	251,126	579,067	1,342,749
Thereof other	0	0	0	0
At fair value	56,396	20,509	34,015	110,919
Thereof Banks	10,852	20,509	34,015	65,375
Thereof Corporates	20	0	0	20
Thereof Public sector	45,524	0	0	45,524
Thereof other	0	0	0	0
Contingent liabilities	582,123	9,881	2,022	594,026
Thereof Banks	208	18	0	227
Thereof Retail private	89,884	4,223	1,613	95,720
Thereof SME	435,714	5,546	361	441,621
Thereof Corporates	50,855	54	48	50,957
Thereof other	5,461	40	0	5,501
Credit risks	2,946,246	55,689	7,196	3,009,131
Thereof Banks	2,110	0	0	2,110
Thereof Retail private	960,891	12,350	5,298	978,539
Thereof SME	1,501,764	21,147	1,898	1,524,809
Thereof Corporates	256,506	5,722	0	262,228
Thereof other	224,976	16,470	0	241,446
Total	31,673,276	1,607,048	2,649,818	35,930,143

31 Dec 2024	Austria	Germany	Others	Total
Liquid funds	3,830,098	0	0	3,830,098
Loans and receivables to credit institutions	113,568	52,494	62,577	228,639
At amortised cost	113,568	52,494	62,577	228,639
Loans and receivables to customers	22,788,899	779,759	177,645	23,746,304
At amortised cost	22,447,155	772,430	174,852	23,394,438
Thereof Retail private	8,130,921	201,057	98,689	8,430,667
Thereof SME	11,236,673	308,406	57,568	11,602,647
Thereof Corporates	1,070,941	71,767	15,766	1,158,475
Thereof other	2,008,620	191,200	2,828	2,202,649
At fair value	341,744	7,329	2,793	351,866
Thereof Retail private	99,616	1,312	2,716	103,644
Thereof SME	97,283	3,837	77	101,197
Thereof Corporates	4,112	0	0	4,112
Thereof other	140,732	2,180	0	142,913
Assets held for trading - fixed-income securities	1,335	0	0	1,335
At fair value	1,335	0	0	1,335
Financial investments - fixed-income securities	1,143,924	526,451	1,862,095	3,532,469
At amortised cost	1,105,517	506,220	1,822,269	3,434,006
Thereof Banks	612,492	349,769	1,267,396	2,229,657
Thereof Corporates	1,044	16,025	53,211	70,280
Thereof Public sector	491,981	140,426	501,662	1,134,069
Thereof other	0	0	0	0
At fair value	38,407	20,231	39,826	98,464
Thereof Banks	12,641	20,231	39,826	72,698
Thereof Corporates	628	0	0	628
Thereof Public sector	25,138	0	0	25,138
Thereof other	0	0	0	0
Contingent liabilities	622,063	5,458	1,956	629,477
Thereof Banks	213	18	0	232
Thereof Retail private	82,074	1,613	1,561	85,248
Thereof SME	464,083	3,762	347	468,192
Thereof Corporates	70,441	65	48	70,554
Thereof other	5,252	0	0	5,252
Credit risks	2,901,295	61,976	9,168	2,972,439
Thereof Banks	1,477	0	0	1,477
Thereof Retail private	838,570	9,825	5,970	854,366
Thereof SME	1,615,917	26,610	3,198	1,645,725
Thereof Corporates	206,432	7,143	0	213,576
Thereof other	238,898	18,397	0	257,296
Total	31,401,182	1,426,138	2,113,441	34,940,761

Development by sectors²

The most important sector within loans and receivables to customers of the Association of Volksbanks are private households with 37.4 % as at 31 December 2025 (2024: 35.9 %). As at 31 December 2025, the largest commercial sector in loans and receivables to customers within the Association of Volksbanks is the real estate sector (properties and housing). It accounts for a share of 29.2 % (2024: 30.6 %).

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 39.46 % (2024: 41.4 %)
- the accommodation/catering sector with a share of 15.22% (sector tourism/leisure 2024: 13.8 %).

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 56.1 % (2024: 43.1 %).

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 272,175 thousand has been reallocated from the "Other" sector to the accommodation/catering sector, and
- a volume of approximately euro 226,242 thousand has been 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 387,299 thousand has been reallocated from the pharmacies sector to the retail sector, and
- a volume of approximately euro 91,495 thousand has been reallocated from the repair sector to the "Other" sector.

In the healthcare sector

- as already mentioned above, a volume of approximately euro 387,299 thousand has been reallocated from the 'Pharmacies' sector to the "Retail" sector, and
- a volume of approximately euro 49,449 thousand has been reallocated from the "Health resorts" sector to the "Other" sector, and

In the agriculture and forestry sector

- a volume of approximately euro 163,280 thousand has been reallocated from the food production sector to the "Other" sector.

In the construction sector

- a volume of approx. euro 146,153 thousand has been reallocated from the mining sector and civil engineering/engineering firms 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	245,679	0	0	0
At amortised cost	0	245,679	0	0	0
Loans and receivables to customers	9,036,345	237,144	502,823	7,059,899	479,687
At amortised cost	8,951,372	237,020	501,146	6,876,670	478,858
At fair value	84,973	124	1,676	183,230	829
Assets held for trading - fixed-income securities	0	0	0	0	0
At fair value	0	0	0	0	0
Financial investments - fixed-income securities	0	2,892,730	1,388,273	20	0
At amortised cost	0	2,827,355	1,342,749	0	0
At fair value	0	65,375	45,524	20	0
Contingent liabilities	95,758	24,033	922	40,708	94,749
Credit risks	978,996	29,933	135,321	439,633	221,853
Total	10,111,100	3,429,519	5,534,733	7,540,260	796,289

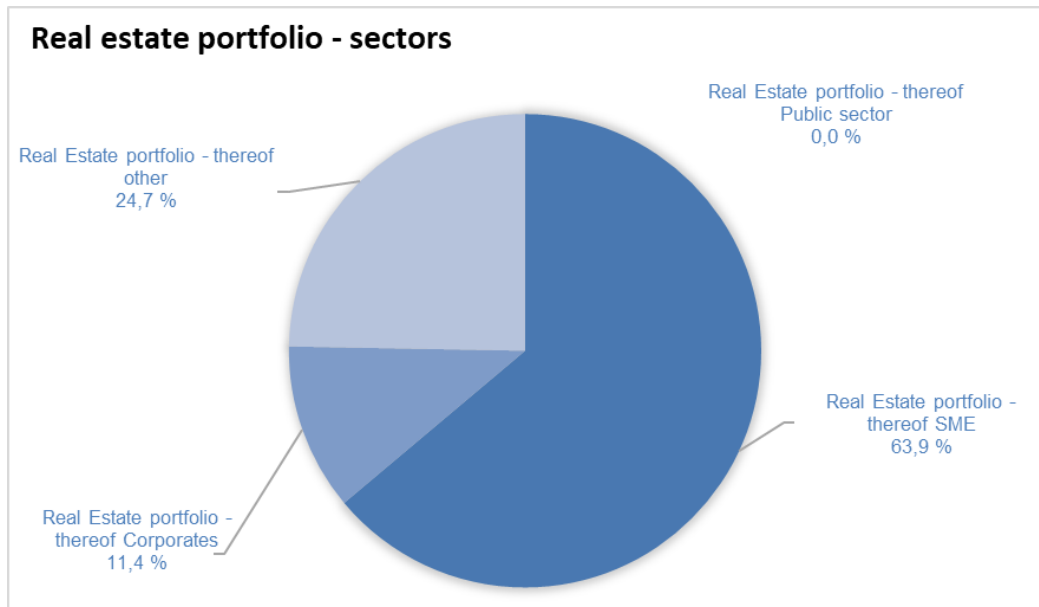
31 Dec 2025	Accommodation/ catering	Trade	Physicians/ healthcare	Agriculture and forestry	Others	Total
Liquid funds	0	0	0	0	0	3,507,395
Loans and receivables to credit	0	0	0	0	0	245,679
At amortised cost	0	0	0	0	0	245,679
Loans and receivables to customers	1,757,308	1,210,320	570,449	540,726	2,781,249	24,175,951
At amortised cost	1,754,758	1,207,092	570,297	536,958	2,768,958	23,883,129
At fair value	2,550	3,228	153	3,768	12,292	292,822
Assets held for trading - fixed-income	0	0	0	0	680	680
At fair value	0	0	0	0	680	680
Financial investments - fixed-income	1,577	0	0	0	114,682	4,397,281
At amortised cost	1,577	0	0	0	114,682	4,286,362
At fair value	0	0	0	0	0	110,919
Contingent liabilities	124,915	51,886	7,471	2,563	151,020	594,026
Credit risks	146,673	291,574	112,955	59,856	592,337	3,009,131
Total	2,030,474	1,553,780	690,875	603,145	3,639,968	35,930,143

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	228,639	0	0	0
At amortised cost	0	228,639	0	0	0
Loans and receivables to customers	8,534,309	232,732	396,013	7,276,503	640,392
At amortised cost	8,430,665	232,515	393,850	7,056,603	637,206
At fair value	103,644	216	2,162	219,900	3,186
Assets held for trading - fixed-income securities	0	0	0	0	0
At fair value	0	0	0	0	0
Financial investments - fixed-income securities	0	2,297,147	1,159,207	0	0
At amortised cost	0	2,224,449	1,134,069	0	0
At fair value	0	72,698	25,138	0	0
Other assets	0	0	0	0	0
Contingent liabilities	85,248	41,928	289	39,280	101,619
Credit risks	854,366	34,598	107,690	504,308	238,406
Total	9,473,922	2,835,044	5,493,297	7,820,091	980,417

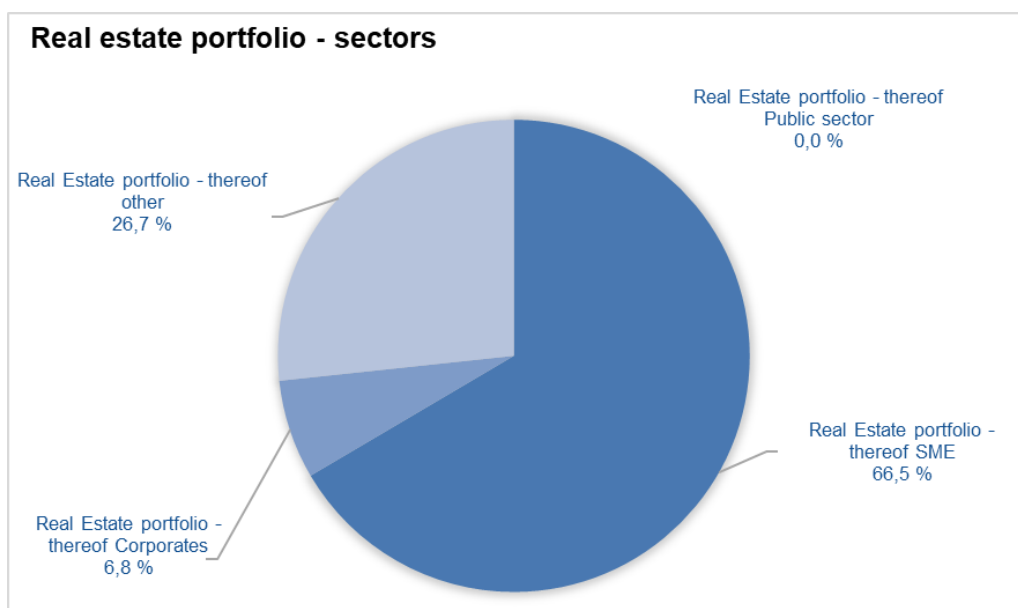
31 Dec 2024	Accommodation/ catering	Trade	Physicians/ healthcare	Agriculture and forestry	Others	Total
Liquid funds	0	0	0	0	0	3,830,098
Loans and receivables to credit institutions	0	0	0	0	0	228,639
At amortised cost	0	0	0	0	0	228,639
Loans and receivables to customers	1,680,121	1,011,427	893,108	706,267	2,375,433	23,746,304
At amortised cost	1,676,838	1,007,224	890,495	700,684	2,368,358	23,394,438
At fair value	3,284	4,203	2,612	5,583	7,074	351,866
Assets held for trading - fixed-income securities	0	0	0	0	1,335	1,335
At fair value	0	0	0	0	1,335	1,335
Financial investments - fixed-income securities	0	0	0	0	76,116	3,532,469
At amortised cost	0	0	0	0	75,487	3,434,006
At fair value	0	0	0	0	628	98,464
Contingent liabilities	127,670	53,781	9,604	11,523	158,535	629,477
Credit risks	151,900	282,731	126,212	112,827	559,402	2,972,439
Total	1,959,692	1,347,939	1,028,924	830,616	3,170,819	34,940,761

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 63.9 % (2024: 66.5 %), the NPL ratio as at 31 December 2025 in the real estate portfolio at 11.3 % (2024: 9.8 %) is above the NPL ratio of internal risk control for the Association of Volksbanks at 5.5 % (2024: 5.1 %).

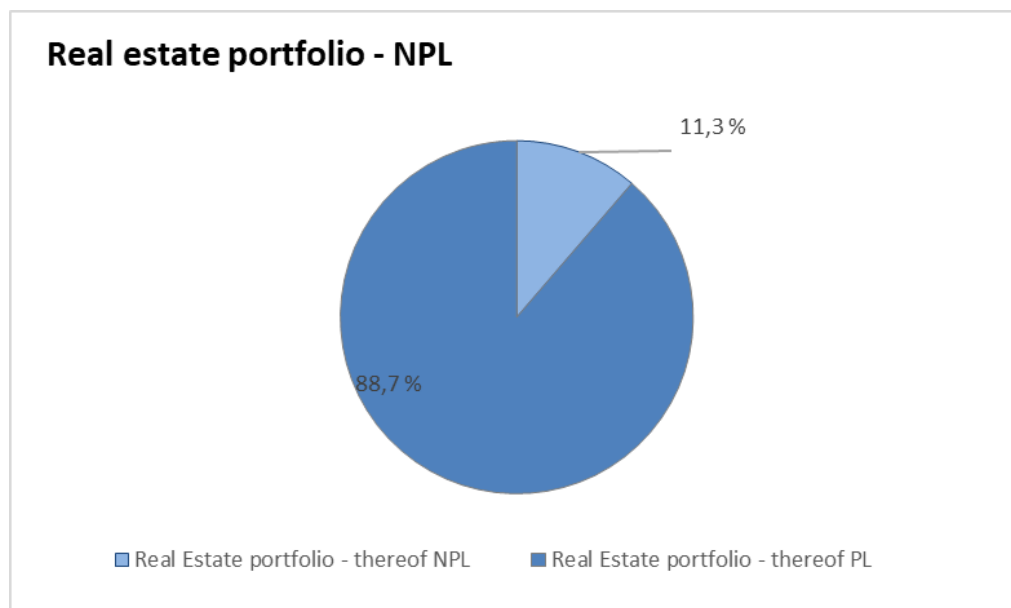
Real estate portfolio by segment as at 31 December 2025:



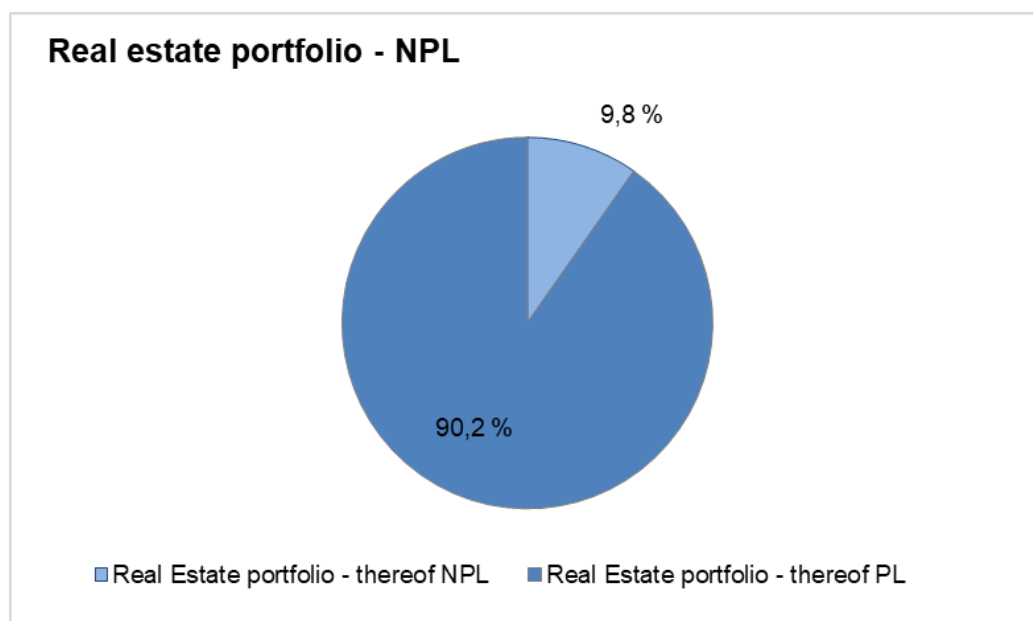
Real estate portfolio by segment as at 31 December 2024:



Real estate portfolio – NPL ratio as at 31 December 2025:



Real estate portfolio – NPL ratio as at 31 December 2024:

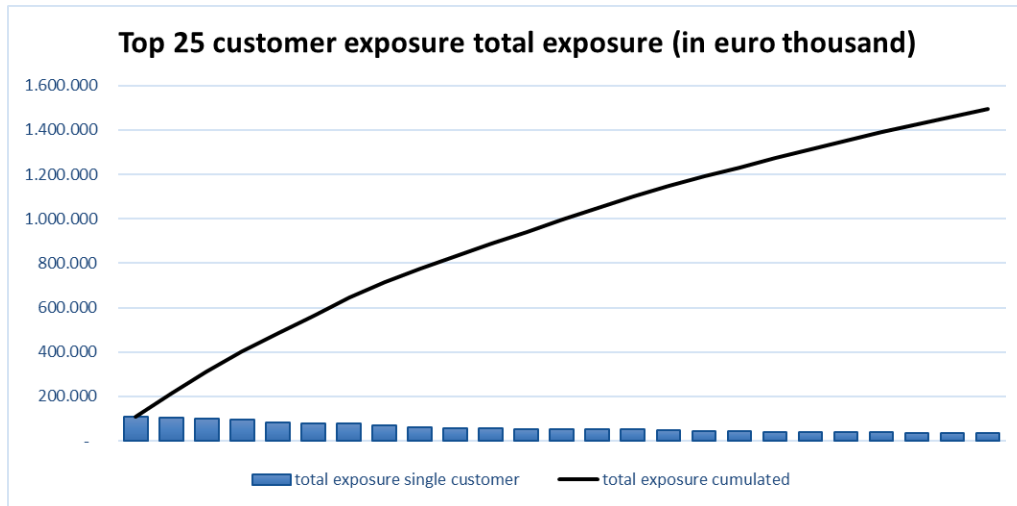


Presentation of the Top 25 exposures

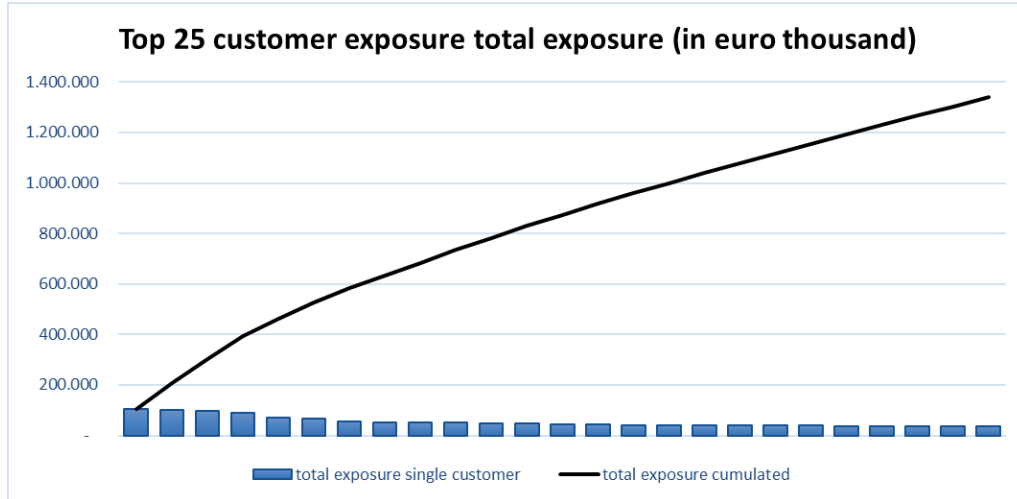
The following chart shows the Top 25 loans and receivables to customers of the Association of Volksbanks as at 31 December 2025 with the total exposure per individual customer as well as the cumulative total exposure of euro 1,496,751 thousand (2024: euro 1,339,286 thousand), and reflects the business model of the Association with a focus on small-volume private and SME customers. The Top 25 loans and receivables to customers correspond to some 5.4 % (2024: 4.9 %) of total loans and receivables to customers within the Association (Top no. 1 customer: 0.4 % of total loans and receivables to customers).

The values are shown in line with the internal risk perspective, i.e. loans and receivables to customers as well as credit risks and contingent liabilities to customers excluding internal transactions within the Association.

Top 25 loans and receivables to customers / total exposure as at 31 December 2025:



Top 25 loans and receivables to customers / total exposure as at 31 December 2025:



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 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 institutions	56,077	189,536	65	0	0	0	245,679
At amortised cost	56,077	189,536	65	0	0	0	245,679
Thereof Stage 1	56,077	189,497	17	0	0	0	245,592
Thereof Stage 2	0	39	48	0	0	0	87
Thereof Stage 3	0	0	0	0	0	0	0
Loans and receivables to customers	1,207,914	10,777,864	8,932,771	1,755,155	1,498,460	3,787	24,175,951
At amortised cost	1,194,174	10,703,718	8,813,918	1,696,842	1,470,757	3,718	23,883,129
Thereof Stage 1	1,185,796	10,382,733	5,753,280	50,205	0	1,329	17,373,343
Thereof Stage 2	8,378	320,985	3,060,638	1,646,638	0	2,389	5,039,028
Thereof Stage 3	0	0	0	0	1,470,757	0	1,470,757
At fair value	13,739	74,145	118,853	58,313	27,703	69	292,822
Assets held for trading - fixed-income securities	0	680	0	0	0	0	680
Thereof Stage 1	0	0	0	0	0	0	0
Thereof Stage 2	0	0	0	0	0	0	0
Thereof Stage 3	0	0	0	0	0	0	0
At fair value	0	680	0	0	0	0	680
Financial investments - fixed-income securities	3,099,208	1,298,053	20	0	0	0	4,397,281
At amortised cost	2,998,130	1,288,233	0	0	0	0	4,286,362
Thereof Stage 1	2,998,130	1,288,233	0	0	0	0	4,286,362
Thereof Stage 2	0	0	0	0	0	0	0
Thereof Stage 3	0	0	0	0	0	0	0
At fair value	101,079	9,820	20	0	0	0	110,919
Contingent liabilities	41,624	276,332	221,931	37,963	15,587	588	594,026
Thereof Stage 1	36,829	224,114	116,176	3,837	0	513	381,469
Thereof Stage 2	4,795	52,218	105,755	34,127	0	75	196,969
Thereof Stage 3	0	0	0	0	15,587	0	15,587
Credit risks	523,712	1,344,762	1,004,309	109,572	20,718	6,058	3,009,131
Thereof Stage 1	500,976	1,250,978	749,853	10,960	0	1,915	2,514,683
Thereof Stage 2	22,735	93,784	254,456	98,613	0	4,143	473,731
Thereof Stage 3	0	0	0	0	20,718	0	20,718
Total	8,435,930	13,887,227	10,159,096	1,902,691	1,534,766	10,433	35,930,143

Euro thousand	Risk category						
31 Dec 2024	1 (1A - 1E)	2 (2A - 2E)	3 (3A - 3E)	4 (4A - 4E)	5 (5A - 5E)	6 (NR)	Total
Liquid funds	3,830,098	0	0	0	0	0	3,830,098
Loans and receivables to credit institutions	81,821	146,743	75	0	0	0	228,639
At amortised cost	81,821	146,743	75	0	0	0	228,639
Thereof Stage 1	81,821	146,685	36	0	0	0	228,543
Thereof Stage 2	0	57	38	0	0	0	96
Thereof Stage 3	0	0	0	0	0	0	0
Loans and receivables to	1,101,883	10,413,239	9,419,909	1,470,596	1,336,010	4,666	23,746,304
At amortised cost	1,086,704	10,319,387	9,256,342	1,420,443	1,306,906	4,656	23,394,438
Thereof Stage 1	1,081,082	10,099,260	6,581,649	85,284	0	1,628	17,848,902
Thereof Stage 2	5,623	220,127	2,674,693	1,335,159	0	3,028	4,238,630
Thereof Stage 3	0	0	0	0	1,306,906	0	1,306,906
At fair value	15,178	93,852	163,567	50,153	29,105	11	351,866
Assets held for trading - fixed-income securities	0	254	1,080	0	0	0	1,335
Thereof Stage 1	0	0	0	0	0	0	0
Thereof Stage 2	0	0	0	0	0	0	0
Thereof Stage 3	0	0	0	0	0	0	0
At fair value	0	254	1,080	0	0	0	1,335
Financial investments - fixed-income securities	2,380,310	1,152,159	0	0	0	0	3,532,469
At amortised cost	2,300,170	1,133,835	0	0	0	0	3,434,006
Thereof Stage 1	2,300,170	1,133,835	0	0	0	0	3,434,006
Thereof Stage 2	0	0	0	0	0	0	0
Thereof Stage 3	0	0	0	0	0	0	0
At fair value	80,140	18,324	0	0	0	0	98,464
Contingent liabilities	41,281	319,225	226,833	26,307	14,953	877	629,477
Thereof Stage 1	36,840	282,374	152,203	2,461	0	694	474,572
Thereof Stage 2	4,441	36,851	74,631	23,846	0	183	139,952
Thereof Stage 3	0	0	0	0	14,953	0	14,953
Credit risks	468,546	1,300,547	1,053,210	100,315	43,209	6,612	2,972,439
Thereof Stage 1	449,256	1,227,289	789,024	16,612	0	2,189	2,484,369
Thereof Stage 2	19,291	73,259	264,186	83,703	0	4,423	444,861
Thereof Stage 3	0	0	0	0	43,209	0	43,209
Total	7,903,939	13,332,169	10,701,107	1,597,218	1,394,173	12,156	34,940,761

Effects from contract amendments

Within the Association of Volksbanks, only customer receivables are affected by contract amendments.

In 2025, a carrying amount prior to the amendment of euro 664,922.3 thousand (2024: euro 731,319.3 thousand) was affected by the effects of contract amendments to financial instruments.

For 2025, the profit and loss effect from contract amendments to financial instruments is euro +460 thousand (2024: euro -4.914 thousand).

In 2025, with a carrying amount of euro 6,188.8 thousand (2024: euro 4,209.2 thousand), due to a transition from Stage 2 to Stage 1, the impairment losses during the period were adjusted 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 5.5 % for the Association (2024: 5.1 %). The NPL coverage ratio through risk provisions or Coverage Ratio I for internal reporting amounts to 30.6 % for the Association as at 31 December 2025 (2024: 28.7 %).

The NPL coverage ratio through risk provisions and collaterals or Coverage Ratio III for internal reporting amounts to 106.5 % for the Association as at 31 December 2025 (2024: 104.7 %). These ratios under the internal risk perspective exclusively refer to loans and receivables to customers as well as credit risks and contingent liabilities to customers. The values shown in the following table reflect the balance sheet perspective and differ slightly from the key figures according to the internal risk view.

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	245,679	0	0.00%	0
At amortised cost	245,679	0	0.00%	0
Loans and receivables to customers	24,175,951	1,498,460	6.20%	454,451
At amortised cost	23,883,129	1,470,757	6.16%	454,451
Thereof Retail private	8,944,852	127,459	1.42%	31,136
Thereof SME	11,391,371	903,426	7.93%	270,342
Thereof Corporates	1,377,658	30,278	2.20%	14,609
Thereof other	2,169,247	409,594	18.88%	138,364
At fair value	292,822	27,703	9.46%	0
Thereof Retail private	84,973	2,658	3.13%	0
Thereof SME	91,569	8,386	9.16%	0
Thereof Corporates	3,288	14	0.44%	0
Thereof other	112,992	16,644	14.73%	0
Assets held for trading - fixed-income securities	680	0	0.00%	0
At fair value	680	0	0.00%	0
Financial investments - fixed-income securities	4,397,281	0	0.00%	0
At amortised cost	4,286,362	0	0.00%	0
At fair value	110,919	0	0.00%	0
Contingent liabilities	594,026	15,587	2.62%	6,575
Credit risks	3,009,131	20,718	0.69%	8,034
Total	35,930,143	1,534,766	4.27%	469,060
Loans and receivables to customers, contingent liabilities, credit risks	27,779,108	1,534,766	5.52%	469,060
Liquid funds, loans and receivables to credit institutions and customers	27,929,024	1,498,460	5.37%	454,451

	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	30.33%	1,155,618	107.45%
At amortised cost	30.90%	1,128,425	107.62%
Thereof Retail private	24.43%	105,933	107.54%
Thereof SME	29.92%	730,316	110.76%
Thereof Corporates	48.25%	15,456	99.30%
Thereof other	33.78%	276,720	101.34%
At fair value	0.00%	27,194	98.16%
Thereof Retail private	0.00%	2,640	99.30%
Thereof SME	0.00%	8,101	96.60%
Thereof Corporates	0.00%	0	0.00%
Thereof other	0.00%	16,453	98.85%
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	42.18%	10,462	109.30%
Credit risks	38.78%	0	38.78%
Total	30.56%	1,166,081	106.54%
Loans and receivables to customers, contingent liabilities, credit risks	30.56%	1,166,081	106.54%
Liquid funds, loans and receivables to credit institutions and customers	30.33%	1,155,618	107.45%

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	228,639	0	0.00%	0
At amortised cost	228,639	0	0.00%	0
Loans and receivables to customers	23,746,304	1,336,010	5.63%	387,663
At amortised cost	23,394,438	1,306,906	5.59%	387,663
Thereof Retail private	8,430,667	106,613	1.26%	26,573
Thereof SME	11,602,647	733,986	6.33%	234,520
Thereof Corporates	1,158,475	74,045	6.39%	24,960
Thereof other	2,202,649	392,261	17.81%	101,609
At fair value	351,866	29,105	8.27%	0
Thereof Retail private	103,644	2,735	2.64%	0
Thereof SME	101,197	4,535	4.48%	0
Thereof Corporates	4,112	760	18.48%	0
Thereof other	142,913	21,074	14.75%	0
Assets held for trading - fixed-income securities	1,335	0	0.00%	0
At fair value	1,335	0	0.00%	0
Financial investments - fixed-income securities	3,532,469	0	0.00%	0
At amortised cost	3,434,006	0	0.00%	0
At fair value	98,464	0	0.00%	0
Contingent liabilities	629,477	14,953	2.38%	5,783
Credit risks	2,972,439	43,209	1.45%	7,287
Total	34,940,761	1,394,173	3.99%	400,733
Loans and receivables to customers, contingent liabilities, credit risks	27,348,220	1,394,173	5.10%	400,733
Liquid funds, loans and receivables to credit institutions and customers	27,805,040	1,336,010	4.80%	387,663

	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	29.02%	1,047,945	107.45%
At amortised cost	29.66%	1,019,014	107.63%
Thereof Retail private	24.93%	87,944	107.41%
Thereof SME	31.95%	588,731	112.16%
Thereof Corporates	33.71%	45,948	95.76%
Thereof other	25.90%	296,391	101.46%
At fair value	0.00%	28,932	99.41%
Thereof Retail private	0.00%	2,651	96.90%
Thereof SME	0.00%	4,165	91.85%
Thereof Corporates	0.00%	1,148	151.05%
Thereof other	0.00%	20,968	99.49%
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	38.68%	10,841	111.17%
Credit risks	16.86%	0	16.86%
Total	28.74%	1,058,786	104.69%
Loans and receivables to customers, contingent liabilities, credit risks	28.74%	1,058,786	104.69%
Liquid funds, loans and receivables to credit institutions and customers	29.02%	1,047,945	107.45%

The following table shows the development of NPL holdings in the business year:

Euro thousand	Total
NPL as at 01 Jan 2024	679,374
Classified as impaired during the year	920,314
Transferred to not-impaired during the year	-25,170
Account coverage and write-offs NPL	-118,673
Net repayments and other movements	-61,673
NPL as at 31 Dec 2024	1,394,173
Classified as impaired during the year	540,332
Transferred to not-impaired during the year	-48,661
Account coverage and write-offs NPL	-257,086
Net repayments and other movements	-93,992
NPL as at 31 Dec 2025	1,534,766

Development forbearance portfolio

Forbearance refers to contractual concessions made by the bank to the debtor in the context of financial difficulties or imminent financial difficulties of the debtor, which the lender would not grant otherwise. Borrowers whose transactions are classified as forbore are subject to special monitoring regulations within the Association of Volksbanks.

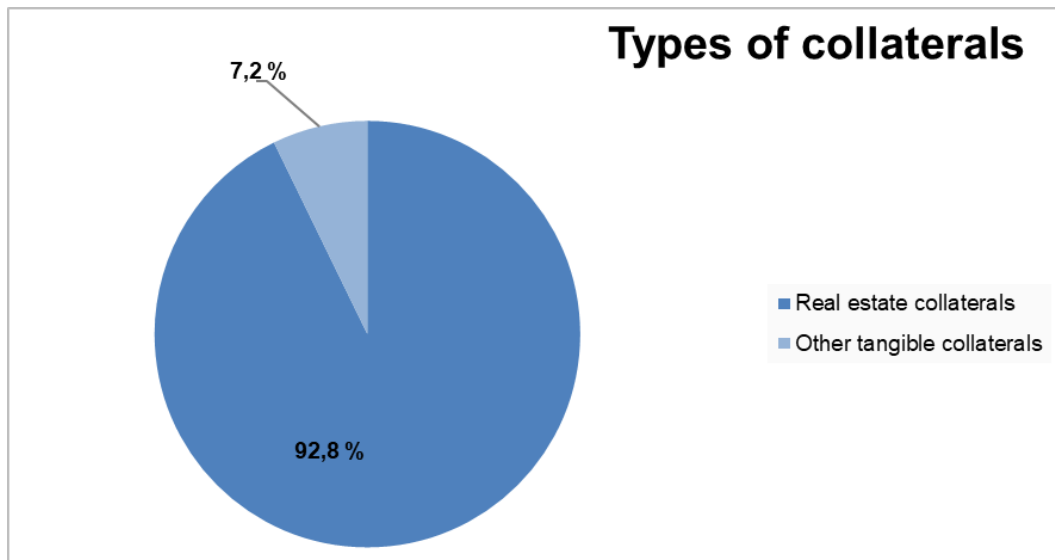
With respect to customer loans, forbearance was agreed for a total carrying amount of euro 1,382,802 thousand (2024: euro 1,128,975 thousand) for financial reasons. This amount relates to performing forbore loan exposure in the amount of euro 659,352 thousand (2024: euro 499,108 thousand) and non-performing forbore loan exposure in the amount of euro 723,450 thousand (2024: euro 629,867 thousand).

Development of the collaterals portfolio

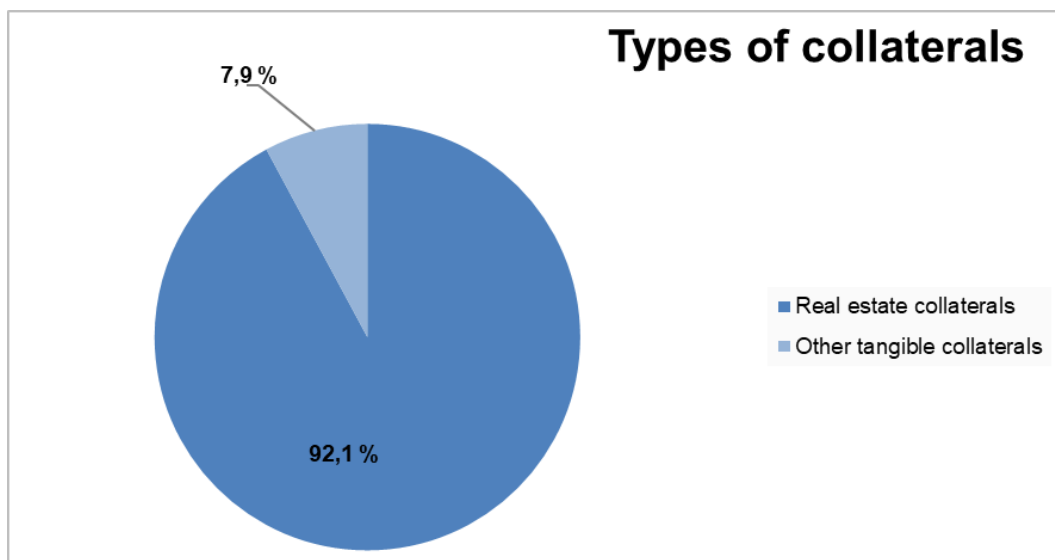
The following diagram and table show the development of the portfolio of collaterals, with real estate collaterals accounting for the major part within the Association. The values reported represent the eligible value of the collaterals (after measurement and cap based on the amount of the receivable 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	245,679	51,896	0	51,896	5	0	193,778
At amortised cost	245,679	51,896	0	51,896	5	0	193,778
Loans and receivables to customers	24,175,951	21,191,441	19,754,554	1,436,887	612,282	0	2,372,228
At amortised cost	23,883,129	20,938,486	19,502,858	1,435,628	612,282	0	2,332,360
Thereof Retail private	8,944,852	8,700,629	8,460,481	240,148	52,076	0	192,147
Thereof SME	11,391,371	9,818,253	8,713,285	1,104,968	386,052	0	1,187,066
Thereof Corporates	1,377,658	942,625	881,889	60,736	17,393	0	417,641
Thereof other	2,169,247	1,476,979	1,447,203	29,776	156,762	0	535,506
At fair value	292,822	252,955	251,696	1,259	0	0	39,868
Thereof Retail private	84,973	78,676	78,473	203	0	0	6,297
Thereof SME	91,569	73,829	73,151	677	0	0	17,740
Thereof Corporates	3,288	2,871	2,601	270	0	0	417
Thereof other	112,992	97,579	97,470	108	0	0	15,413
Assets held for trading - fixed-income securities	680	0	0	0	0	0	680
At fair value	680	0	0	0	0	0	680
Financial investments - fixed-income securities	4,397,281	0	0	0	595	0	4,396,686
At amortised cost	4,286,362	0	0	0	595	0	4,285,767
At fair value	110,919	0	0	0	0	0	110,919
Contingent liabilities	594,026	279,835	212,237	67,598	0	16,488	297,703
Credit risks	3,009,131	0	0	0	0	16,119	2,993,012
Total	35,930,143	21,523,172	19,966,791	1,556,381	612,882	32,607	13,761,482

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	228,639	79,758	0	79,758	5	0	148,876
At amortised cost	228,639	79,758	0	79,758	5	0	148,876
Loans and receivables to customers	23,746,304	20,734,592	19,231,604	1,502,988	522,490	0	2,489,221
At amortised cost	23,394,438	20,421,612	18,919,642	1,501,970	522,490	0	2,450,335
Thereof Retail private	8,430,667	8,029,934	7,764,753	265,181	47,852	0	352,881
Thereof SME	11,602,647	9,973,083	8,890,469	1,082,613	334,860	0	1,294,704
Thereof Corporates	1,158,475	731,685	632,194	99,491	26,731	0	400,059
Thereof other	2,202,649	1,686,911	1,632,226	54,685	113,048	0	402,690
At fair value	351,866	312,980	311,962	1,018	0	0	38,886
Thereof Retail private	103,644	95,767	95,460	306	0	0	7,877
Thereof SME	101,197	81,967	81,408	559	0	0	19,229
Thereof Corporates	4,112	4,100	4,028	73	0	0	12
Thereof other	142,913	131,145	131,066	79	0	0	11,767
Assets held for trading - fixed-income securities	1,335	0	0	0	0	0	1,335
At fair value	1,335	0	0	0	0	0	1,335
Financial investments - fixed-income securities	3,532,469	0	0	0	545	0	3,531,925
At amortised cost	3,434,006	0	0	0	545	0	3,433,461
At fair value	98,464	0	0	0	0	0	98,464
Contingent liabilities	629,477	292,166	213,421	78,745	0	15,142	322,169
Credit risks	2,972,439	0	0	0	0	13,977	2,958,463
Total	34,940,761	21,106,516	19,445,025	1,661,490	523,040	29,119	13,282,086

Acquisition of security properties

Within the Association, real estate collaterals are only acquired in individual instances. Existing assets are disposed of in full.

Development of the netting positions

The following tables show the netting positions in the portfolio of the Association:

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 any loss caused by unfavourable developments of market risk factors, e.g. interest, credit spreads, 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)
- Other valuation risks (IFRS fair value change)

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. The Association of Volksbanks 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.

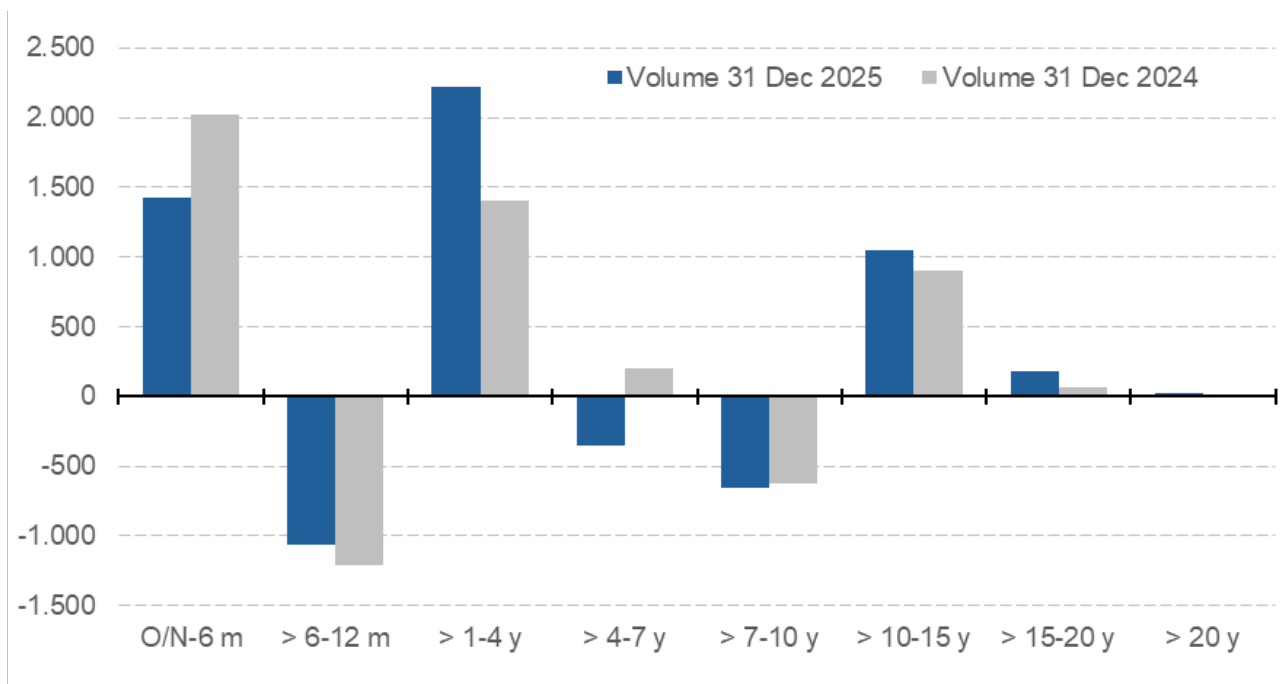
The interest rate risk in the banking book comprises all interest-bearing on-balance-sheet and off-balance-sheet positions (except for transactions in the trading book), as well as interest-sensitive assets and liabilities (participations and provisions). The interest rate risk position associated with the retail business of the Association of Volksbanks 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, the Association has a positive maturity transformation, measured using the regulatory EVE coefficient and PVBP. In case of positive maturity 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.

Interest rate gap of the Association of Volksbanks 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 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) of the CO 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 loans and receivables to 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.

The following risk indicators are derived for the Association:

Euro thousand 31 Dec 2025	100 basis points-shift			Total
	At amortised cost	Fair value through OCI	Fair value through profit or loss	
Section 30a of the Austrian	-201,841	-3,986	-7,478	-213,306
31 Dec 2024				
Section 30a of the Austrian	-166,262	-3,636	-8,590	-178,489

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 2025, 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)	4,068,040	3,276,382
Risk category 2 (2A - 2E)	351,729	315,317
Risk category 3 (3A - 3E)	113,835	128,609
Risk category 4 (4A - 4E)	25,333	28,138
Risk category 5 (5A - 5E)	0	0
Risk category 6 (NR)	0	0
Total	4,558,938	3,748,446

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	2,417,002	63,370	0	2,480,372
Sovereigns Austria	478,989	44,996	0	523,985
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 < EUR 38	246,904	0	225,925	472,829
Total	4,224,646	108,367	225,925	4,558,938
31 Dec 2024				
Covered EUR AAA	1,995,688	68,910	0	2,064,598
Sovereigns Austria	458,198	25,092	0	483,290
Sovereigns Germany	151,180	0	0	151,180
Sovereigns France	142,535	0	0	142,535
Financials EUR AA	105,856	0	0	105,856
Other sovereigns EUR AAA	105,742	0	0	105,742
Sovereigns Slovakia	63,530	0	0	63,530
Sovereigns Belgium	46,843	0	0	46,843
Sovereigns Spain	42,373	0	0	42,373
Sovereigns Portugal	41,465	0	0	41,465
Carrying amount < EUR 40	236,362	616	264,056	501,034
Total	3,389,771	94,618	264,056	3,748,446

Portfolio structure by IFRS 9 categories

Euro thousand				
31 Dec 2025		Bond	Loan & SSD	Fund & Equity
				Total
Amortised cost	4,224,646	0	0	4,224,646
Fair value through OCI	108,367	0	0	108,367
Fair value through profit or loss	1,005	224,921	0	225,925
Total	4,334,017	224,921	0	4,558,938
31 Dec 2024				
Amortised cost	3,389,771	0	0	3,389,771
Fair value through OCI	94,618	0	0	94,618
Fair value through profit or loss	3,021	261,035	0	264,056
Total	3,487,411	261,035	0	3,748,446

Market risk in the trading book

The market risk in the trading book of the Association of Volksbanks 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 and monthly within the ALCO.

The trading book risk within the Association of Volksbanks 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		
Currency	31 Dec 2025	31 Dec 2024
CHF	64	-148
USD	60	-28
GBP	47	27
CZK	35	32
JPY	4	10
Others	2,350	1,703
Total	2,560	1,595

d) Liquidity risk

The most important source of funding of the Association of Volksbanks 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 2024:

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 215% (2024: 198%), 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 broadly stable in 2025 at a high level of between 130% and 140%, demonstrating the solid liquidity structure of the Association over the longer term.

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 companies¹⁾

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
BBG Beratungs- und Beteiligungsgesellschaft m.b.H.; Salzburg	HD	100.00%	100.00%	40
Domus IC Leasinggesellschaft m.b.H.; Salzburg	HD	100.00%	100.00%	18
VB Aktivmanagement GmbH; Klagenfurt	HO	100.00%	100.00%	35
VB Buchführung GmbH; Klagenfurt	HD	100.00%	100.00%	36
VB Infrastruktur und Immobilien GmbH; Vienna	HD	100.00%	100.00%	35
VB Kärnten Leasing GmbH; Klagenfurt	FI	100.00%	100.00%	634
VB Services für Banken Ges.m.b.H.; Vienna	HD	100.00%	100.00%	327
VB-Immobilienverwaltungs- und -vermittlungs GmbH; Klagenfurt	HD	100.00%	100.00%	73
VOBA Vermietungs- und Verpachtungsges.m.b.H.; Baden	HD	100.00%	100.00%	36
Volksbank Vorarlberg Leasing GmbH; Rankweil	FI	100.00%	100.00%	37
Volksbank Vorarlberg Marketing- und Beteiligungs GmbH; Rankweil	HD	100.00%	100.00%	36

¹⁾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	79.19%	79.19%	51,742
VBW eins Beteiligung eG; Vienna	HO	78.63%	78.63%	1,310

53) Companies included

Company names and headquarters	Type*	Nominal capital in euro thousand
Österreichische Ärzte- und Apothekerbank AG; Vienna	KI	20,723
Volksbank Kärnten eG; Klagenfurt	KI	32,691
Volksbank Niederösterreich AG; St. Pölten	KI	27,203
Volksbank Oberösterreich AG; Wels	KI	21,596
Volksbank Salzburg eG; Salzburg	KI	12,567
Volksbank Steiermark AG; Graz	KI	69,504
Volksbank Tirol AG; Innsbruck	KI	20,430
VOLKSBANK VORARLBERG e. Gen.; Rankweil	KI	2,084
VOLKSBANK WIEN AG; Vienna	KI	137,547

54) 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	99.64%	99.64%	256
Meinhardgarage Gesellschaft m.b.H.; Innsbruck	SO	100.00%	100.00%	50
Meinhardgarage Gesellschaft m.b.H. & Co. KG; Innsbruck	SO	100.00%	100.00%	210
UVB-Holding GmbH; Vienna	SO	100.00%	100.00%	35
VB - REAL Volksbank NÖ GmbH; Krems an der Donau	HD	100.00%	100.00%	325
VB Realitäten Gesellschaft m.b.H.; Klagenfurt am Wörthersee	SO	100.00%	100.00%	36
VBKA-Holding GmbH; Vienna	SO	100.00%	100.00%	35
VBKS Leasing d.o.o.; Kranj	HD	100.00%	100.00%	542
Volksbank Salzburg Immobilien GmbH; Salzburg	SO	100.00%	100.00%	35
Volksbank Tirol Versicherungsservice GmbH; Innsbruck	SO	100.00%	100.00%	50
Volksbank Vorarlberg Immobilien GmbH & Co OG; Dornbirn	SO	100.00%	100.00%	109
WB Liegenschaftsvermietungsgesellschaft mbH & Co KG; Rankweil	HD	100.00%	100.00%	10

*Abbreviations type

KI	credit institution
FI	financial institution
HD	ancillary banking service
SO, HO	other enterprise

Vienna, March 5, 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

We draw attention to the fact that the English translation of this auditor's report according to section 30a 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 Financial Statements

Audit Opinion

We have audited the accompanying financial statements of the Association of Volksbanks (financial statements) of VOLKSBANK WIEN AG, Vienna and its associated Volksbanks (the Association), 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 equity and cooperative capital shares for the financial year then ended, and the notes.

In our opinion, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Association of Volksbanks as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended in accordance with the accounting and valuation methods as described in the guidelines for the financial statements 2025 ("Accounting Principles for the Association").

Basis for Opinion

We conducted our audit in accordance with 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 Financial Statements" section of our report. The provisions of the Regulation (EU) No. 537/2014 regarding special requirements for the audit of financial statements of public interest entities are not applicable to the audit of the financial statements of the Association of Volksbanks. We are independent of the Association 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 – Accounting principle

We refer to note 1 a) "Accounting principles for the Association" in the financial statements which describes the accounting principle. The financial statements were prepared to support VOLKSBANK WIEN AG, Vienna, in meeting its regulatory obligations. Thus, the financial statements may not be suitable for any other purpose.

Our audit opinion is not modified in respect of this matter.

Other matter

The financial statements of VOLKSBANK WIEN AG, Vienna, for the financial year ended 31 Dezember 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.

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 financial statements, the association 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 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 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 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 Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the accounting and valuation methods as described in the guidelines for the financial statements 2025, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association of Volksbanks' 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 Association or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Association of Volksbanks' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements.

As part of an audit in accordance 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 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 Association'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 Association'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 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 Association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Association as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit of the financial statements. 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.

Report on Other Legal and Regulatory Requirements

Comments on the Association Management Report

The association management report is to be audited as to whether it is consistent with the financial statements and as to whether the association management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the association 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 association management report.

Opinion

In our opinion, the association 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 financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the obtained understanding concerning the Association of Volksbanks and its circumstances no material misstatements in the association management report came to our attention.

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 financial statements together with our auditor's report is only allowed if the financial statements and the association management report are identical with the German audited version. This auditor's report is only applicable to the German and complete financial statements with the association management report. For deviating versions, the provisions of section 281 para. 2 UGB apply.

We draw attention to the fact that the English translation of this independent auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

We have conducted a limited assurance engagement on the Sustainability Statement for the Association of Volksbanks included in the management report of the Association, which is prepared by VOLKSBANK WIEN AG, Vienna, as the central body, for the financial year ended on 31 December 2025.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement for the Association of the Volksbanks is not prepared, in all material respects, in accordance with the requirements of the European Sustainability Reporting Standards (hereinafter ESRS) including:

- the process carried out to identify the information to be reported pursuant to ESRS and its presentation in the note "IRO-1 – Description of procedures to identify and assess material impacts, risks and opportunities" pursuant to ESRS 2, and
- compliance with the reporting requirements pursuant to Article 8 of the Taxonomy Regulation (EU) 2020/852 (hereinafter the EU Taxonomy Regulation).

Basis for Conclusion

We performed our limited assurance engagement in accordance with the legal requirements and the professional standards applicable in Austria with regard to other assurance engagements and supplementary guidance. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Limited Assurance Engagement of the Sustainability Statement" section of our report.

We are independent of the Association in accordance with Austrian professional requirements, and we have complied with our other ethical responsibilities in accordance with these requirements.

Our assurance practice is subject to the regulations of KSW-PRL 2022, which essentially corresponds to the requirements pursuant to ISQM 1, and operates an comprehensive quality management system comprising documented guidelines and processes for adhering to ethical requirements, professional standards as well as applicable legal and regulatory requirements.

We believe that the evidence we have obtained until the date of the independent assurance report is sufficient and appropriate to provide a basis for our conclusion by this date.

Emphasis of Matter

We refer to the note "BP-1 – General Basis for the Preparation of the Sustainability Statement". The Sustainability Statement for the Association of Volksbanks is not for the statutory scope of consolidation of VOLKSBANK WIEN AG, Vienna, that also forms the basis of its consolidated financial statements ("Group"). Instead, it covers the prudential scope of consolidation of the association of credit institutions pursuant to Sect. 30a of the Austrian Banking Act whose central body is VOLKSBANK WIEN AG, Vienna.

Our conclusion is not modified in respect of this matter.

Other Matter – Comparative information

Comparative information was not subject to a comparable assurance engagement.

Other Information

Management is responsible for the other information. The other information comprises all information included in the financial statements and the management report for the Association of Volksbanks and the annual report 2025, except the "Sustainability Statement for the Association of Volksbanks" and our independent assurance report.

Our conclusion on the sustainability statement included in the management report for the Association does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our limited assurance engagement of the Sustainability Statement for the Association of Volksbanks included in the management report for the Association, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Statement for the Association of Volksbanks included in the management report for the Association or our knowledge obtained in the limited assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management

Management is responsible for the preparation of the Sustainability Statement for the Association including to develop and perform the materiality assessment in accordance with the applicable requirements and standards. This responsibility includes

- identifying actual and potential impacts as well as risks and opportunities related to sustainability matters and assessing the materiality of these impacts, risks and opportunities
- preparing the sustainability reporting including compliance with the ESRS,
- including disclosures in the sustainability statement in accordance with the EU Taxonomy Regulation as well as
- designing, implementing and maintaining such internal controls as management determines is relevant to enable the preparation of sustainability reporting included in the management report for the Association in the section Sustainability Statement that is free from material misstatements, whether due to fraud or error, and
- performing the materiality assessment pursuant to the requirements of the ESRS.

Furthermore, this responsibility includes the selection and application of appropriate sustainability reporting methods as well as making assumptions and estimates in respect of specific sustainability matters appropriate under the given circumstances.

Inherent Limitations for the Preparation of the Sustainability Reporting

Reporting on sustainability matters in accordance with ESRS requires using information from the group's value chain that may be subject to availability constraints. As described in note "BP-2 – Information relating to specific circumstances", management therefore, in its materiality assessment and to determine metrics to be reported, has to revert to data and information from third parties as well as to make assumptions and estimates. Thus, such metrics are subject to material uncertainties.

Setting climate-related targets and defining the corresponding actions and strategies requires forward-looking parameters with a long-term horizon. The underlying expectations, projections and estimates are subject to uncertainties, and actual developments are likely to differ from current expectations.

Determining the methodology for implementing Delegated Regulation (EU) 2021/2178 requires interpreting indeterminate legal terms. Indeterminate legal terms can be interpreted in different ways, and the legal compliance of such interpretation is therefore subject to uncertainty.

Practioner's Responsibilities for the Limited Assurance Engagement of the Sustainability Statement

Our responsibility is to plan and perform a limited assurance engagement to obtain limited assurance about whether the sustainability statement included in the management report for the Association of Volksbanks, including the description of the process of materiality assessment described therein and the reporting pursuant to the EU Taxonomy Regulation, is free from material misstatement, whether due to fraud or error, and to issue an independent assurance report that includes our conclusion. 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 the sustainability statement.

We exercise professional judgment and maintain professional skepticism throughout the limited assurance engagement.

Our responsibilities include:

- performing risk-based procedures comprising to obtain an understanding of internal controls relevant to this engagement in order to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Association's internal controls, and
- developing and performing procedures regarding disclosures in the sustainability reporting where material misstatements are likely to arise.

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.

Summary of Performed Work

A limited assurance engagement requires performing procedures to obtain evidence on the sustainability statement included in the management report for the Association. The nature, timing and scope of the selected procedures depend on professional judgement, including identifying disclosures in the sustainability statement where material misstatements are likely to arise, whether due to fraud or error.

In conducting our limited assurance engagement with respect to the sustainability statement included in the management report for the Association, we proceed as follows:

- We obtain an understanding on the materiality assessment performed, especially by:
 - inquiries to understand the sources of information used by management; and
 - reviewing the internal documentation of the assessment; and
- We evaluate, based on the evidence obtained from our procedures, whether the materiality assessment process implemented complies with the ESRS requirements and the description of the process in note "IRO-1 – Description of procedures to identify and assess material impacts, risks and opportunities".
- We evaluate whether all relevant information identified in the materiality assessment is included in the sustainability statement.
- We obtain an understanding of the company's procedures relevant for the preparation of the sustainability statement.
- We evaluate whether the structure and presentation of the Sustainability Statement for the Association comply with ESRS.
- We inquire with relevant employees and perform analytical procedures regarding selected disclosures in the sustainability statement.
- We perform sample-based substantive procedures regarding selected disclosures in the sustainability statement.
- We obtain evidence on the methods disclosed in respect of the development of estimates and future-oriented information.
- We obtain an understanding of the methodology to identify taxonomy-eligible and taxonomy-aligned economic activities and to prepare the corresponding disclosures in the sustainability statement,
- evaluate whether this methodology, based on our understanding, complies with the EU Taxonomy Regulation and the related Delegated Regulations,
- and test input data and calculation logics used on a sample basis.
- We compare selected information in the sustainability statement with information in the financial statements and the other sections of the management report for the Association.

Limited Liability

The limited assurance engagement on the sustainability statement is not legally required. As agreed, in the event of liability, any contributory negligence on the part of the company, its legal representatives and vicarious agents must be taken into account. Because our report is prepared solely for and on behalf of the company, it does not constitute a basis for any reliance on its contents by third parties. Therefore, no claims of third parties can be derived from it.

Our independent practitioner' limited assurance report is issued based on the engagement letter agreed with the company and is governed by the General Conditions of Contract for the Public Accounting Professions (AAB 2018) enclosed to this report, which also apply towards third parties.

Our liability for slight negligence is excluded in accordance with the AAB 2018. Different from item 7 para. 2 AAB 2018, our liability for gross negligence is limited to half of the liability limit applicable to the mandatory audit of the financial statements for the Association of Volksbanks.

Responsible Engagement Partner

Responsible for the proper performance of the limited assurance engagement of the Sustainability Statement for the Association of Volksbanks is Mr. Werner Stockreiter, Austrian Certified Public Accountant.

Vienna
5 March 2026

PwC Wirtschaftsprüfung GmbH

Mag. (FH) Werner Stockreiter
Austrian Certified Public Accountant
signed

Terminology and Imprint

Terminology and Imprint

TERMINOLOGY
IMPRINT

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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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Association of Volksbanks

Apart from the primary banks, VBVM (Volksbank Vertriebs- und Marketing eG) is also part of the Association of Volksbanks.

Volksbank primary banks

8 regional Volksbanks, 1 special bank (Österreichische Ärzte- und Apothekerbank AG).

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.

