VOLKSBANK
WIEN

Trust is the most valuable asset

HALF-YEAR FINANCIAL REPORT
AS AT 30 JUNE 2025

KEY FIGURES OF VOLKSBANK WIEN AG

Euro million	30 Jun 2025	31 Dec 2024	31 Dec 2023
Statement of financial position			
Total assets	**16,002**	**16,036**	**15,100**
Loans and receivables to customers	**6,178**	**6,060**	**5,858**
Amounts owed to customers	**6,478**	**6,674**	**6,531**
Debts evidenced by certificates	**3,486**	**3,449**	**3,323**
Subordinated liabilities	**1,236**	**1,237**	**402**
Own funds			
Common equity Tier 1 capital (CET1)	851	830	781
Additional Tier 1 capital (AT1)	0	0	220
Tier 1 capital (T1)	**851**	**830**	**1,001**
Tier 2 capital (T2)	1,125	1,150	300
Own funds	**1,976**	**1,979**	**1,301**
Risk weighted exposure amount credit risk	4,229	4,050	3,850
Total risk exposure amount market risk	16	18	23
Total risk exposure amount operational risk	625	692	662
Total risk for credit valuation adjustment	9	9	9
Total risk exposure amount	**4,879**	**4,770**	**4,543**
Common equity Tier 1 capital ratio	**17.4 %**	**17.4 %**	**17.2 %**
Tier 1 capital ratio	**17.4 %**	**17.4 %**	**22.0 %**
Equity ratio	**40.5 %**	**41.5 %**	**28.6 %**
Income statement	**1-6/2025**	**1-6/2024**	**1-6/2023**
Net interest income	64.2	81.8	87.3
Risk provision	-14.7	-26.5	3.3
Net fee and commission income	39.6	38.3	32.2
Net trading income	1.2	4.0	1.3
Result from financial instruments and investment properties	5.0	0.6	-0.6
Other operating result	74.5	69.0	69.5
General administrative expenses	-138.4	-128.5	-112.7
Result from companies measured at equity	0.9	0.4	1.7
Result for the period before taxes	**32.3**	**39.1**	**82.0**
Income taxes	12.4	0.8	-10.9
Result for the period after taxes	**44.7**	**39.9**	**71.2**
Result of the group for the period	**44.7**	**39.9**	**71.2**
Operating result	**46.1**	**65.2**	**77.1**
Key ratios	**1-6/2025**	**1-6/2024**	**1-6/2023**
Cost-income-ratio	**77.1 %**	**66.5 %**	**59.2 %**
ROE before taxes	**6.9 %**	**7.8 %**	**16.3 %**
ROE after taxes	**9.6 %**	**8.0 %**	**14.2 %**
Net interest margin	**0.8 %**	**1.1 %**	**1.2 %**
NPL ratio	**6.6 %**	**4.2 %**	**1.7 %**
Leverage ratio	**5.6 %**	**6.0 %**	**7.3 %**
Net stable funding ratio	**183.5 %**	**196.0 %**	**172.4 %**
Liquidity coverage ratio	**186.3 %**	**181.3 %**	**182.7 %**
Loan deposit ratio	**98.9 %**	**96.6 %**	**97.2 %**
Coverage ratio I	**30.2 %**	**29.0 %**	**29.1 %**
Coverage ratio III	**107.0 %**	**112.1 %**	**104.1 %**
Resources	**1-6/2025**	**1-6/2024**	**1-6/2023**
Staff average	**1,307**	**1,273**	**1,234**
Thereof domestic	1,307	1,273	1,234
	30 Jun 2025	**31 Dec 2024**	**31 Dec 2023**
Staff at end of period	**1,307**	**1,306**	**1,265**
Thereof domestic	1,307	1,306	1,265
Number of branches	**54**	**54**	**54**
Thereof domestic	54	54	54
Number of customers	**296,571**	**297,267**	**298,994**

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

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HALF-YEAR FINANCIAL REPORT

GROUP MANAGEMENT REPORT FOR THE FIRST HALF OF 2025

Report on the economic situation and earnings and financial performance

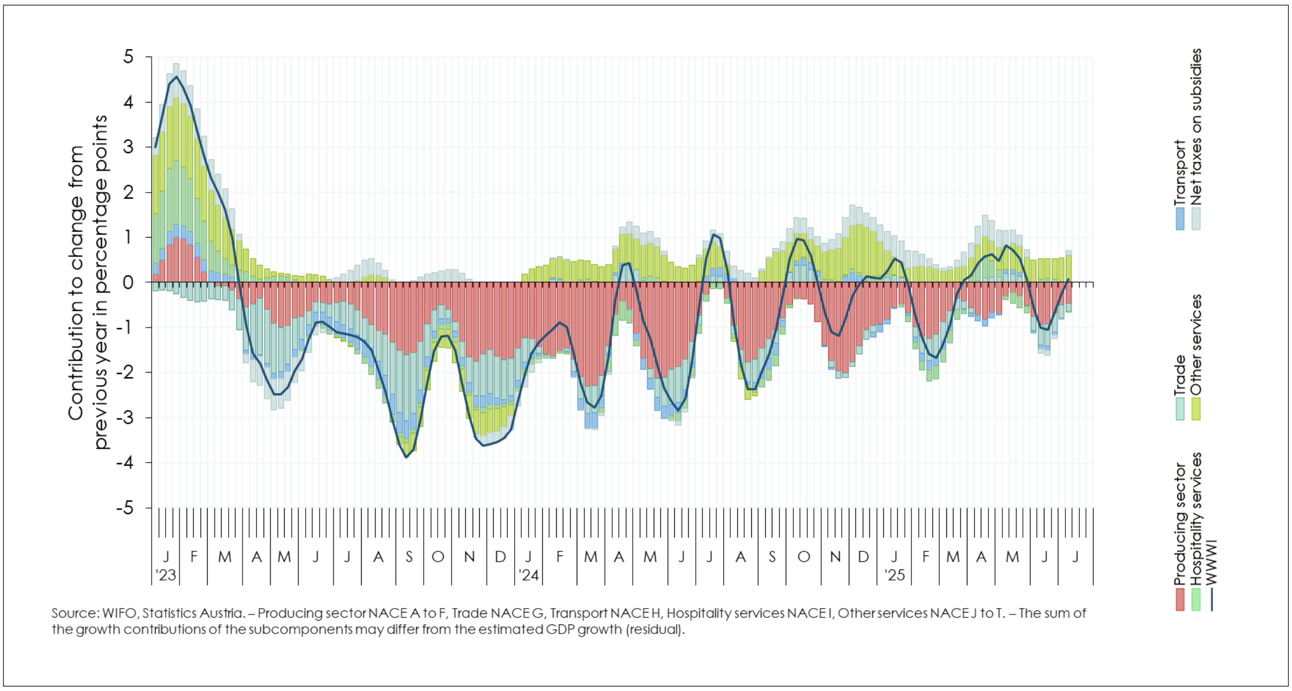
Economic environment

Following the recession in 2023 and 2024, Austria's economic performance remained subdued in the first half of 2025. Real GDP rose by 0.1% in the second quarter of 2025 as compared to the quarter before and was slightly above (by 0.1%) the previous year's level. While falling inflation rates and a stable demand for goods supported private consumption, gross fixed capital formation and foreign trade provided only modest growth impetus. Net exports once more made a negative contribution to GDP in the second quarter, as imports grew more quickly than exports. Although the service sector enjoyed a temporary revival in April thanks to the late Easter holidays, this slowed down again in May. The tourism industry benefited from seasonal effects in the short term but saw a decline in value added as the quarter progressed. The recessionary trend continued in the manufacturing sector. Although various indicators pointed to stabilisation, the overall mood in industry clearly remained negative according to the WIFO's business cycle survey. Growth across the euro area also remained subdued. According to Eurostat's flash estimate, real GDP in the euro area increased by 0.1% in the second quarter of 2025 as compared to the previous quarter and 1.4% as compared to the same quarter of the year prior.

The weak economic climate is increasingly leaving its mark on Austria's labour market. At the end of June 2025, some 364,000 people had registered with the Austrian Public Employment Service (AMS) as unemployed or in training. This corresponds to an increase of 26,000 people (or 7.8%) compared with the same month last year. The national unemployment rate stood at 6.8%, which is 0.5 percentage points higher than in June 2024. The increase in unemployment was particularly pronounced in the industrial provinces of Upper Austria (+16.3%) and Styria (+12.0%). The number of people unemployed rose by 2.6% in construction, while stronger increases of 12.4% and 14.1% were recorded in the retail sector and the manufacturing industry, respectively. At the same time, the number of people in paid employment fell slightly by 5,000 (-0.1%), with male employment falling more sharply (-0.6%) than female employment (+0.4%).

According to leading indicators such as the WIFO's business cycle survey and the Weekly Economic Index, the Austrian economy is still not showing any signs of a sustained recovery. The Weekly Economic Index (see chart) estimates economic performance and its subcomponents for specific calendar weeks using high-frequency data. In June 2025, real economic performance was roughly 0.5% below the previous year's level. In the first half of July, the data available pointed to widespread stagnation. Net exports, which once more made a negative contribution to growth, and persistently weak investment activity had a negative impact in the second quarter. At the sectoral level, the recessionary trends in manufacturing and in construction continued, while the services sector as a whole remained more resilient. Although the late Easter in April provided a positive boost for tourism, value added fell again in May and June. Momentum in the retail sector also weakened noticeably. According to the WIFO's business cycle survey, business assessments of the economy deteriorated further in June. Both the assessment of the current situation and expectations remained clearly negative. This means that Austrian growth is lagging behind that of the euro area, where Spain and France made a marked contribution to quarterly growth of 0.7% and 0.3%, respectively. By contrast, economic performance contracted slightly by 0.1% in both Germany and Italy.

In the period from January to June 2025, 76.1 million overnight stays were registered in Austria, which corresponds to a slight increase of 0.4% as compared with the same period in the previous year. The summer season started in May with 8.4 million overnight stays in domestic tourist accommodation establishments, 11.8% below the record set in May 2024. This decline was mainly due to the shifting of Whitsun and Corpus Christi to June, which had a dampening effect on overnight stays by domestic guests and those from Germany in particular. In contrast, preliminary results indicate that 13.38 million overnight stays were recorded in June – an increase of 13.9% on the previous year and the highest June figure since records began. A total of 21.9 million overnight stays were counted in May and June, corresponding to a 3.1% increase on the previous year. Particularly strong growth was recorded in Tyrol (+23.5%), Salzburg (+21.3%), and Vorarlberg (+25.9%) in June, while Vienna (+1.2%) and Lower Austria (-0.6%) achieved stable figures.



Source: WIFO

Monetary policy and financial markets

The European Central Bank has significantly eased its monetary policy stance since June 2024, lowering the key interest rate by a total of 275 basis points in eight steps. Following the most recent adjustment on 5 June 2025, the deposit rate is now 2%, the main refinancing rate is 2.15%, and the marginal lending facility is 2.4%. This interest rate move was the ECB's response to the downward inflation in the euro area, which was recently just below 2%, as well as to the first signs of an economic slowdown. At the same time, the Governing Council of the ECB stressed that future monetary policy should remain strictly data driven. Capital market interest rates have also stabilised in this environment. The yield on the 10-year Austrian government bond was around 3.03% in mid-July, roughly on a par with the beginning of the year. The yield spread to German government bonds was recently around 51 basis points, which is above the long-term average. The Austrian yield curve exhibits a predominantly normal slope, with only slight inversions visible at the short end. The positive trend on the European stock markets continued. The EURO STOXX 50 remained stable at 5,370 points in the first half of 2025 and recorded an annual gain of almost 10%. Despite geopolitical tensions and uncertainties in international trade, overall market sentiment has remained robust.

Insolvencies

In the first quarter of 2025 (January to March), Statistics Austria recorded a total of 1,798 corporate insolvencies, representing a 5% increase as compared with the same period last year. For the first half of 2025 (January to June), the Alpenländische Kreditorenverband (AKV), an Austrian association advocating for creditors, reported 2,173 business insolvencies, an increase of 3.5% on the previous year. Including dismissed insolvency applications, the total number of corporate insolvencies amounted to 3,713 cases, corresponding to a 12% increase. The retail sector (523 cases), the construction industry (472), and the hospitality and catering sector (362) continued to be particularly affected. Insolvencies at the regional level rose especially in Carinthia (+35%), Tyrol (+22%), and Salzburg (+16%), while declines were recorded in Vorarlberg (-26%) and Burgenland (-22%). The crisis in the property sector continues to shape the insolvency landscape. The collapse of several large project developers, most notably René Benko's Signa Group, resulted in more than 94 insolvencies within the corporate group in the first half of 2025 alone. Since the end of 2023, bankruptcies within the Signa Group have totalled 151 companies. Accordingly, the real property and housing sector rose to fifth place among the most affected sectors and accounted for the highest liabilities, amounting to EUR 4.1 billion. Even though the number of jobs at risk is falling slightly, the trend in corporate bankruptcies remains alarming according to the AKV.

Credit market

High financing costs, the loss of real income, and weak order levels have significantly slowed lending activity since the second half of 2022. Demand for corporate loans – long-term loans for investment financing, in particular – remained subdued in the first quarter of 2025. Risk assessments in the banking sector continued to be restrictive, even though some banks signalled a slight easing of lending criteria. Stabilisation has been observed in the private housing loan segment since the beginning of the year. After a sustained decline in 2024, a slight recovery has been evident since March 2025 (March: +0.3 %, April: +0.5 %, May: +0.4 %). Year-on-year, the volume of loans to private households stagnated up until May 2025 (May: 0.0 % YoY), while home equity loans remained slightly below the previous year's level (May: -0.1 % YoY). The moderate upward trend in loans to non-financial corporations continued, with the volume of loans rising by 1.6 % in May as compared with the same month a year earlier. Solid year-on-year growth of +2.4 % was recorded for corporate loans with terms exceeding one year, in particular. By comparison, growth in the eurozone was slightly more dynamic: +0.8 % for private households and +1.5 % for non-financial corporations.

Property market

On the Austrian residential property market, the downward trend in prices that began at the end of 2022 has recently slowed noticeably. After a decline of 1.6 % in the OeNB's residential property price index in 2023 as a whole and of 2.6 % YoY in the first quarter of 2024, prices stabilised as the year progressed. The index rose across Austria by 0.4 % YoY in the first quarter of 2025 and remained virtually unchanged at 0.0 % YoY in the second. Regional trends were mixed. While prices in Vienna fell slightly in the second quarter (-0.3 % YoY), they rose by 1.0 % overall in the other provinces. Moderate price increases were once more recorded in some regions, especially for new owner-occupied flats, while used flats and single-family houses continued to fall slightly. In addition to residential construction, non-residential building activity remained marked by a persistent reluctance to invest. The commercial property market also continues to face pressure. High financing costs, more stringent lending standards, and restricted affordability weighed heavily on the market last year, although a slight easing in lending conditions and construction costs has been observed recently.

Group result for the first half of 2025

Results of operation

The pre-tax result of the Volksbank Wien Group amounted to euro 32.3 million in the first half of 2025. (1-6/2024: euro 39.1 million), with a Group result after taxes of euro 44.7 million (1-6/2024: euro 39.9 million) and an operating result[1] of euro 46.1 million (1-6/2024: euro 65.2 million).

Net interest income fell from euro 81.8 million in the same period of the previous year to euro 64.2 million in the first half of 2025, as a result of further key interest rate cuts by the ECB. On the income side, interest and similar income fell from euro 265.7 million to euro 216.0 million and on the expense side, interest and similar expenses fell from euro -183.9 million to euro -151.7 million. Interest income from receivables from customers decreased by euro -11.0 million, while interest expenses to customers fell by euro 14.8 million. Net interest income from the OeNB also decreased by euro -18.2 million. In contrast, interest income from bonds increased by euro +16.5 million to euro 46.0 million (1-6/2024: euro 29.5 million). Interest expenses for subordinated liabilities increased by euro -14.6 million to euro -33.1 million (1-6/2024: euro -18.5 million).

Risk provisions totalled euro -14.7 million and were therefore euro +11.8 million lower than in the same period of the previous year. Net allocations to individual loan loss provisions (incl. direct write-offs and income from loans and receivables that have been written off) totalling euro -9.3 million (1-6/2024: euro -18.1 million) and portfolio loan loss provisions totalling euro -6.1 million (1-6/2024: euro -9.3 million) were recognised. Net reversals for the off-balance sheet business of euro +0.7 million were recognised (1-6/2024: euro +0.8 million).

Net fee and commission income of euro 39.6 million in the reporting period was slightly higher than in the same period of the previous year (1-6/2024: euro 38.3 million). The increase is mainly due to the securities business (euro +0.6 million) and the current account business and payment transactions (euro +0.6 million).

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

Net trading income totalled euro 1.2 million in the first half of 2025 and was therefore euro 2.8 million lower than in the same period of the previous year. The main reason for this decline was lower valuations for currency derivatives and foreign exchange.

The result from financial instruments and investment properties increased by euro +4.4 million to euro +5.0 million in the reporting period compared to the same period of the previous year (1-6/2024: euro +0.6 million). The increased result is mainly due to the dividend received from Volksbanken Holding eGen in the amount of euro 2.5 million and an improved valuation result from derivatives. These increased by euro +4.2 million to euro +0.8 million as compared to the previous year's reporting date. This was offset by lower valuation gains on receivables recognised at fair value of euro -0.3 million and on issues recognised at fair value of euro -0.8 million.

The other operating result totalled euro +74.5 million in the first half of 2025, an improvement on the previous year's figure of euro +69.0 million. The improvement in earnings is mainly due to higher income from charged out costs from VBW to the Association banks of euro +3.6 million and lower contributions to the Deposit Protection and Resolution Fund in the amount of euro +2.5 million. This was offset by higher expenses from the Stability Tax, which – at euro -3.0 million – were above the previous year's level.

General administrative expenses, at euro -138.4 million. (1-6/2024: euro -128.5 million), increased by 7.7 % or euro -9.9 million compared to the same period of the previous year. Staff expenses rose by euro -3.7 million to euro -76.3 million due to a higher average number of employees and changes in collective labour agreements. Administrative expenses also increased by euro -5.9 million to euro -56.7 million. This was due to a euro -3.9 million increase in costs for IT projects, a euro -1.2 million increase in project and consulting costs at and a euro -0.6 million increase in PR and promotional expenses.

Taxes on income and earnings totalled euro +12.4 million in the first half of 2025 (1-6/2024: euro +0.8 million). The tax result includes deferred tax income totalling euro +14.5 million (1-6/2024: euro +3.0 million). Based on the tax planning for the next five years, deferred tax assets totalling euro 20.2 million (1-6/2024: Four planning years euro 9.7 million) will be recognised on a portion of the tax loss carryforwards for the reporting period. Current tax expenses including tax expenses from previous periods totalled euro -2.1 million in the first half of 2025 (1-6/2024: euro -2.2 million).

Financial position

Total assets amounted to euro 16.0 billion as at 30 June 2025, which corresponds to the level at the end of 2024. Investments in fixed-income securities and moderate growth in customer volume led to an increase, which was offset by a decline in balances at the OeNB.

Liquid funds, at euro 3.5 billion, are euro 0.4 billion below the previous year's figure, which is due to lower deposits at the OeNB.

Loans to and receivables from credit institutions totalling euro 1.6 billion decreased compared to the end of 2024 (euro 1.8 billion) as a result of lower refinancing by the banks of the Association.

Loans to and receivables from customers amounted to euro 6.2 billion as at 30 June 2025 and were therefore slightly higher than the previous year's figure as at 31 December 2024 (euro 6.1 billion). The increase is due to moderate growth in customer volume. Risk provisions remained constant at euro -0.2 billion.

The growth in financial investments of euro 0.4 billion to euro 4.0 billion (2024: euro 3.6 billion) is attributable to purchases of fixed-income securities.

At euro 3.0 billion, liabilities to credit institutions were only slightly below the previous year's figure of euro 3.1 billion.

The decrease in liabilities to customers from euro 6.7 billion to euro 6.5 billion as at 30 June 2025 is the result of lower time deposits as well as current account and uncommitted savings deposits.

The volume of liabilities evidenced by certificates remained almost unchanged at euro 3.5 billion as at 30 June 2025.

The euro 0.1 billion increase in other liabilities is due to the clearing business with PSA Payment Service Austria GmbH, a subsidiary of OeNB.

Equity including non-controlling interests increased by euro +43.5 million to euro 956.1 million since the beginning of the year. This development is mainly due to the comprehensive income of the Group for the first half of 2025 of euro 43.5 million, which is made up of the half-year result for 2025 of euro 44.7 million and the other comprehensive income of euro -1.2 million.

Financial performance indicators

The regulatory own funds of the VBW Group of credit institutions, including allocation of profits, amounted to euro 2.0 billion as at 30 June 2025. (31.12.2024: euro 2.0 billion). The total risk exposure amount as at 30 June 2025 is euro 4.9 billion. (31.12.2024: euro 4.8 billion). The CET1 ratio in relation to total risk is 17.4 % (31.12.2024: 17.4 %), the own funds ratio in relation to total risk is 40.5 % (31.12.2024: 41.5 %).

The regulatory own funds, the total risk exposure amount and the key figures calculated from these were determined in accordance with CRR (EU Regulation 575/2013), including supplementary EU regulations CRR2 (2020/873) and CRR3 (2024/1623).[2] For further details, please refer to Note 5).

Key figures	1-6/2025	1-6/2024	1-6/2023
Return on equity before taxes	6.9 %	7.8 %	16.3 %
Return on equity after taxes	9.6 %	8.0 %	14.2 %
Cost-income ratio	77.1 %	66.5 %	59.2 %

The ROE before taxes is calculated as the ratio of the result before taxes and the average value of equity as at the balance sheet date and the balance sheet date of the previous year.

The ROE after taxes is calculated as the ratio of the result after taxes and the average value of equity as at the balance sheet date and the balance sheet date of the previous year.

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

The key figures presented are considered standard for the industry and contribute significantly to the credit rating of banks. Furthermore, the cost-income ratio at VBW was defined as an early warning indicator for reorganisation under the Austrian Federal Act on the Recovery and Resolution of Banks (BaSAG).

Report on branch offices

The VBW Group does not have any branch offices.

Transactions with related parties

For information on business relationships with related parties, please refer to the disclosures in the notes to the 2024 consolidated financial statements.

2 The comparison figures for the previous year and previous periods were calculated in accordance with CRR (EU Regulation No. 575/2013).

Non-financial performance indicators

As part of its Group reporting, VBW reports on concepts, results and risks in relation to environmental matters, social and employee topics, human rights, corruption and bribery as well as diversity pursuant to the Sustainability and Diversity Improvement Act (Nachthaltigkeits- und Diversitätsverbesserungsgesetz; NaDiVeG) and Article 8 of the EU Taxonomy Regulation in a separate sustainability report.

Report on the company's future development and risks

Future development of the company

Economic environment

The Austrian Institute of Economic Research continues to see no signs of a strong economic upturn. After two years of recession, the domestic economy stagnated in 2024 (GDP growth according to WIFO: 0.0%), before beginning to show a moderate recovery of 0.6% in 2025. This was mainly due to the gradual recovery in international demand, which supported export-orientated industries and the service sector. In contrast, the industrial sector remained in a challenging environment with a weak order situation and continued reluctance to invest. The construction industry also remained under pressure until spring 2025, before the government's housing package began to have a positive impact. According to WIFO, Austria's price competitiveness has deteriorated further compared to the eurozone. This, combined with high wage agreements, put an additional brake on real growth. Consumer price inflation continued to decline, falling from 3.4% in 2024 to 2.5% in 2025. The fall in prices was mainly due to lower energy prices and the existing economic underutilisation, with the service sector dampening disinflation.

In its June forecast, the Oesterreichische Nationalbank confirms the cautious upward trend, but considers the momentum weaker. It expects GDP growth of just 0.2% and an inflation rate of 3.0% in 2025. The economy is being supported by stable exports and a slight rise in real household income. There are initial signs of a trend reversal in residential construction, while gross fixed capital formation remains subdued overall. The Institute for Advanced Studies is forecasting average GDP growth of 1.0% per year for the period 2024 to 2028, compared to 0.5% p.a. in previous years.

There are also signs of a moderate recovery at the global level. In its World Economic Outlook (April 2025), the International Monetary Fund forecasts global growth of 3.2% for 2024 and 3.3% for 2025. While momentum in the USA weakened, the eurozone recovered somewhat more strongly than expected. At just over 3%, global trade grew in line with global GDP, but remained vulnerable to setbacks due to protectionist measures in several regions of the world.

Economic forecasts for 2025

June 2025	Real GDP growth Y/Y	Inflation rate according to HICP Y/Y	Unemployment rate National definition (AMS)
WIFO	0.6 %	2.5 %	7.2 %
OeNB	0.2 %	3.0 %	7.4 %

Key downside risks include geopolitical uncertainties that could impact inflation and trade trends. Repeated jumps in energy prices or sharp wage increases would further weaken price competitiveness and curb the willingness to invest.

Business development

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.

Our orientation as the house bank of the future is based on two pillars: On the one hand, a high quality of support in regional customer work and, on the other, centralised management and resolution.

In view of the challenging economic conditions, the focus for 2025 will be on growth with customers across the entire network. To this end, we are continuing to work on improving processes and promoting digitalisation.

As part of its medium-term planning, the Association of Volksbanks has set itself a number of strategic goals that will be the focus of management over the next few years. These include a cost-income ratio of less than 65 %, a core capital ratio (CET 1) of at least 16 % at the level of the Association of Volksbanks, an NPL ratio (non-performing loans) of less than 3.0 % and a return on equity (RoE) after tax of more than 7 %. The NPL ratio rose sharply in the 2025 financial year and was well above the strategic target of a maximum of 3.0 % as at 30 June 2025. Due to the increased NPL ratio, the Group is working on an NPL reduction strategy, which will be fully completed in the second quarter of 2025. In addition, achieving the highest levels of satisfaction among our customers thanks to a sustainable cooperative business model and the successful implementation of the IT infrastructure modernisation projects initiated together with our new IT partner Accenture are the main goals for the coming years.

The Association of Volksbanks has defined sustainability goals that cover all ESG aspects. The expansion of sustainable products, decarbonisation of operations and employee development targets 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. Forecasts expect the economy to return to at least moderate growth. The renewed interest in the property market is an indicator of this.

On 28 June 2024, the Federal Fiscal Court (Bundesfinanzgericht; BFG) submitted a request for a preliminary ruling to the European Court of Justice (ECJ) in accordance with Art. 267 TFEU. The BFG requests the ECJ to decide whether the so-called intermediate bank exemption pursuant to sec. 6 para. 1 no. 28, 2nd sentence of the Austrian VAT Act (Umsatzsteuergesetz; UStG) constitutes state aid within the meaning of Art 107 (1) TFEU. By decision of 5 May 2025, the ECJ ruled and rejected the request for a preliminary ruling as inadmissible, whereupon the BFG once again submitted a modified request for a preliminary ruling to the ECJ on 30 May 2025. With regard to the estimates of the effects of any decision by the ECJ or the European Commission, please refer to the relevant information in the notes to the consolidated financial statements for 2024.

Significant risks and uncertainties

With regard to the legally required disclosures on the use of financial instruments, risk management objectives and methods as well as price change, default, liquidity and cash flow risks, please refer to the explanations in the notes to the 2024 consolidated financial statements.

Report on research and development

VOLKSBANK WIEN AG does not have its own research and development unit. However, specific customer-focused approaches are being advanced as part of various digitalisation campaigns.

The 'hausbanking' system (the Volksbank Association's online banking for private customers) is the most important digital interface for interactions with customers. Use of the banking system is continuously reviewed and examined with respect to the potential for optimisation and further development using targeted evaluations (e.g. login figures, use of service orders, online transactions). Special service orders within hausbanking enable functions to be easily "tested" with customers before they are fully integrated into the bank's system. This is used to check whether the service lives up to customers' expectations and to find options for improvement ('fail fast').

Digital target group management in the Association of Volksbanks was established across all departments and the use of digital channels such as hausbanking and the hausbanking mobile app was expanded in a targeted manner.

There has been an increase in the use of online services and online product transactions as well as a continuous improvement in data quality among online customers.

The development of new onboarding routes accelerates the introduction of digitalised processes in online self-service as well as at the branch level, and the integration of new identification procedures (Foto-Ident and ID Austria) significantly improves the customer experience. Analysis and developments of new interfaces are leading to significant time savings for customers and help to save important resources in downstream processing units.

The robotics measures implemented (RPA) have led to a high degree of automation in service processes and in the back office (market service centre) and will be further expanded with PowerAutomate tools.

Other potential innovation topics – primarily in the Aufwind programme – are being subjected to a structured review, prioritised and evaluated for deployment across the entire Association network.

Vienna, 21 August 2025

CONSOLIDATED FINANCIAL STATEMENTS

VOLKSBANK WIEN AG
HALF-YEAR FINANCIAL REPORT

Condensed statement of comprehensive income

INCOME STATEMENT	1-6/2025 Euro thousand	1-6/2024 Euro thousand	Changes Euro thousand	%
Interest and similar income	215,966	265,707	-49,741	-18.72 %
thereof using the effective interest method	208,868	254,203	-17,109	-6.73 %
Interest and similar expenses	-151,721	-183,890	32,170	-17.49 %
Net interest income	64,246	81,817	-17,571	-21.48 %
Risk provision	-14,734	-26,510	11,776	-44.42 %
Fee and commission income	47,548	44,682	2,866	6.42 %
Fee and commission expenses	-7,979	-6,405	-1,574	24.58 %
Net fee and commission income	39,569	38,277	1,292	3.38 %
Net trading income	1,176	3,960	-2,784	-70.30 %
Result from financial instruments and investment properties	5,006	627	4,380	> 200.00 %
Other operating result	74,474	69,032	5,442	7.88 %
General administrative expenses	-138,366	-128,464	-9,902	7.71 %
Result from companies measured at equity	919	353	566	160.24 %
Result for the period before taxes	**32,290**	**39,091**	**-6,801**	**-17.40 %**
Income taxes	12,399	769	11,630	> 200.00 %
Result for the period after taxes	**44,689**	**39,860**	**4,829**	**12.12 %**
Result attributable to shareholders of the parent company	**44,689**	**39,860**	**4,829**	**12.12 %**

OTHER COMPREHENSIVE INCOME	1-6/2025 Euro thousand	1-6/2024 Euro thousand	Changes Euro thousand	%
Result for the period after taxes	**44,689**	**39,860**	**4,829**	**12.12 %**
Items that will not be reclassified to profit or loss				
Fair value reserve - equity instruments (including deferred taxes)	-665	3,335	-4,001	-119.95 %
Revaluation of own credit risk (including deferred taxes)	-87	-78	-10	12.30 %
Change from companies measured at equity	-597	0	-597	100.00 %
Total items that will not be reclassified to profit or loss	**-1,349**	**3,258**	**-4,607**	**-141.42 %**
Items that may be reclassified to profit or loss				
Fair value reserve - debt instruments (including deferred taxes)				
Change in fair value	223	-160	383	< -200.00 %
Cash flow hedge reserve (including deferred taxes)				
Change in fair value (effective hedge)	-132	-88	-44	50.70 %
Net amount transferred to profit or loss	52	73	-21	-28.79 %
Change from companies measured at equity	16	714	-698	-97.74 %
Total items that may be reclassified to profit or loss	**159**	**539**	**-380**	**-70.50 %**
Other comprehensive income total	**-1,190**	**3,797**	**-4,987**	**-131.35 %**
Comprehensive income	**43,499**	**43,656**	**-157**	**-0.36 %**
Comprehensive income attributable to shareholders of the parent company	**43,499**	**43,656**	**-157**	**-0.36 %**

Condensed statement of financial position as at 30 June 2025

	30 Jun 2025 Euro thousand	31 Dec 2024 Euro thousand	Changes Euro thousand	%
ASSETS				
Liquid funds	3,519,901	3,873,327	-353,426	-9.12 %
Loans and receivables to credit institutions	1,578,049	1,798,682	-220,633	-12.27 %
Loans and receivables to customers	6,177,780	6,059,981	117,799	1.94 %
Fair value changes of hedged items in portfolio hedge of interest rate risk	-20,081	-20,959	878	-4.19 %
Assets held for trading	15,823	22,598	-6,775	-29.98 %
Financial investments	4,021,241	3,632,232	389,009	10.71 %
Investment property	28,223	28,223	0	0.00 %
Companies measured at equity	29,095	28,757	338	1.18 %
Participations	95,018	96,044	-1,026	-1.07 %
Intangible assets	13,489	14,218	-729	-5.13 %
Tangible assets	126,862	128,463	-1,601	-1.25 %
Tax assets	89,877	73,929	15,947	21.57 %
Current taxes	6,098	4,836	1,263	26.11 %
Deferred taxes	83,778	69,094	14,685	21.25 %
Other assets	327,091	300,695	26,396	8.78 %
TOTAL ASSETS	**16,002,367**	**16,036,189**	**-33,822**	**-0.21 %**
LIABILITIES				
Liabilities to credit institutions	3,017,162	3,069,555	-52,392	-1.71 %
Liabilities to customers	6,478,177	6,673,557	-195,381	-2.93 %
Fair value changes of hedged items in portfolio hedge of interest rate risk	414	514	-99	-19.35 %
Liabilities evidenced by certificates	3,486,055	3,449,077	36,979	1.07 %
Lease liabillities	80,036	82,242	-2,206	-2.68 %
Liabilities held for trading	16,255	19,957	-3,702	-18.55 %
Provisions	56,693	54,425	2,269	4.17 %
Tax liabilities	808	735	73	9.94 %
Current taxes	142	139	3	2.44 %
Deferred taxes	665	596	70	11.69 %
Other liabilities	675,142	536,213	138,929	25.91 %
Subordinated liabilities	1,235,576	1,237,365	-1,790	-0.14 %
Equity	956,050	912,551	43,499	4.77 %
TOTAL LIABILITIES	**16,002,367**	**16,036,189**	**-33,822**	**-0.21 %**

Condensed changes in the Group's equity

Euro thousand	Subscribed capital	Additional Tier 1 capital	Capital reserves	Retained earnings and other reserves	Shareholders' equity	Equity
As at 01 Jan 2024	**135,674**	**217,722**	**269,779**	**471,179**	**1,094,355**	**1,094,355**
Consolidated net income				39,860	39,860	39,860
Other comprehensive income				3,797	3,797	3,797
Comprehensive income				43,656	43,656	43,656
Redemption AT1 emission		-217,722		-2,278	-220,000	-220,000
Dividends paid				-7,595	-7,595	-7,595
Coupon for the AT1 emission				-8,525	-8,525	-8,525
As at 30 Jun 2024	**135,674**	**0**	**269,779**	**496,438**	**901,891**	**901,891**
As at 01 Jan 2025	**135,674**	**0**	**269,779**	**507,097**	**912,551**	**912,551**
Consolidated net income				44,689	44,689	44,689
Other comprehensive income				-1,190	-1,190	-1,190
Comprehensive income				43,499	43,499	43,499
Redemption AT1 emission						
Dividends paid						
Coupon for the AT1 emission						
As at 30 Jun 2025	**135,674**	**0**	**269,779**	**550,596**	**956,050**	**956,050**

Condensed cash flow statement

Euro thousand	1-6/2025	1-6/2024
Cash and cash equivalents at the end of previous period (= liquid funds)	3,873,327	3,303,819
Cash flow from operating activities	59,943	-69,886
Cash flow from investing activities	-408,168	-354,023
Cash flow from financing activities	-5,201	257,450
Cash and cash equivalents at the end of period	3,519,901	3,137,361

Notes as at 30 June 2025

1) General information and accounting principles

VOLKSBANK WIEN AG (VBW), which has its registered office at Dietrichgasse 25, 1030 Vienna, is the parent company of subsidiaries active within Austria, and the central organisation (CO) of the Austrian Association of Volksbanks. In addition to the sector business with Volksbanks, the focus of private und corporate customer business on Austria.

The interim financial statements of VBW as at 30 June 2025 were prepared on the basis of all IFRS/IAS standards published by the International Accounting Standards Board (IASB) applicable as at the reporting date, and all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), in so far as these have also been adopted by the European Union in the endorsement process and their application is mandatory.

The interim financial statements do not contain all information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2024. The accounting policies estimates and assumptions on which these financial statements are based are the same as those used in the preparation of the consolidated financial statements as at 31 December 2024 with the exceptions stated below.

These condensed consolidated interim financial statements fulfil the requirements of IAS 34 Interim Financial Reporting. They have not been audited or reviewed by the statutory auditor.

The accounts have been prepared on the assumption that VBW will remain a going concern. The interim consolidated financial statements have been drawn up in euro as this is the Group’s functional currency. All figures are indicated in thousands of euros, unless specified otherwise. The following tables may contain rounding differences.

Accounting standards

Standards and interpretations applied for the first time

Standard	Mandatory application	Significant effects on VBW
Amendments to standards and interpretations		
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	01 January 2025	No

Standards and interpretations to be applied in the future

Standard	Mandatory application	Significant effects on VBW
Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	01 January 2026	No
Annual Improvements to IFRS Accounting Standards - Volume 11	01 January 2026	No
Amendments to IFRS 9 and IFRS 7 - Power Purchase Agreements refering to contracts for Renewable Electricity	01 January 2026	No
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Yes
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	No

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.

The impact on the annual financial statements is analysed.

2) Presentation and changes in the scope of consolidation

During the first half of the 2025 business year there were no changes in the scope of consolidation within the VBW Group.

3) Notes to the income statement

Net interest income

Euro thousand	1-6/2025	1-6/2024
Interest and similar income from	215,966	265,707
Deposits with credit institutions (incl. central banks)	40,008	68,235
Credit and money market transactions with credit institutions	18,771	41,841
Credit and money market transactions with customers	105,023	116,025
Bonds and other fixed-income securities	45,997	29,541
Derivative instruments	6,167	10,065
Interest and similar expenses for	-151,721	-183,890
Liquid funds	0	-10,047
Deposits from credit institutions	-35,070	-50,586
Deposits from customers	-32,661	-47,463
Liabilities evidenced by certificates	-42,020	-40,488
Subordinated liabilities	-33,141	-18,524
Derivative instruments	-8,435	-16,107
Lease liabilities	-522	-551
Valuation result - modification	95	-131
Valuation result - derecognition	33	7
Net interest income	**64,246**	**81,817**

Net interest income according to IFRS 9 categories

Euro thousand	1-6/2025	1-6/2024
Interest and similar income from	215,966	265,707
Financial assets measured at amortised cost	208,624	254,045
Financial assets measured at fair value through OCI	244	159
Financial assets measured at fair value through profit or loss - obligatory	931	1,439
Derivative instruments	6,167	10,065
Interest and similar expenses for	-151,721	-183,890
Financial liabilities measured at amortised cost	-141,949	-166,219
Financial liabilities measured at fair value through profit or loss - designated	-1,464	-1,440
Derivative instruments	-8,435	-16,107
Valuation result - modification	95	-131
Valuation result - derecognition	33	7
Net interest income	**64,246**	**81,817**

Risk provision

Euro thousand	1-6/2025	1-6/2024
Changes in risk provision	-15,927	-27,409
Changes in provisions for off-balance sheet risks	682	805
Direct write-offs of loans and receivables	-323	-545
Income from loans and receivables previously written off	815	593
Valuation result modification / derecognition	18	47
Risk provision	**-14,734**	**-26,510**

Net fee and commission income

Euro thousand	1-6/2025	1-6/2024
Fee and commission income	47,548	44,682
Lending business	3,715	2,341
Securities and custody business	18,724	17,733
Payment transactions	19,402	18,626
Foreign exchange, foreign notes and coins and precious metals transactions	59	70
Financial guarantees	588	612
Other services	5,061	5,300
Fee and commission expenses	-7,979	-6,405
Lending business	-2,475	-1,139
Securities and custody business	-2,584	-2,552
Payment transactions	-2,865	-2,670
Other services	-55	-43
Net fee and commission income	**39,569**	**38,277**

Other service business mainly includes brokerage commissions for brokering loans to TeamBank AG Nürnberg. Net fee and commission income includes fee and commission income in the amount of euro 138 thousand (1-6/2024: euro 71 thousand) for trust agreements.

Net trading income

Euro thousand	1-6/2025	1-6/2024
Equity-related transactions	6	6
Exchange-rate-related transactions	-321	3,076
Interest-rate-related transactions	1,491	878
Net trading income	**1,176**	**3,960**

Result from financial instruments and investment properties

Euro thousand	1-6/2025	1-6/2024
Other result from financial instruments	**4,363**	**-54**
Result from financial investments and other financial assets and liabilities measured at fair value through profit or loss	-152	-2,303
Valuation measured at fair value through profit or loss - obligatory	-907	-3,905
Loans and receivables to credit institutions and customers	392	651
Securities	24	18
Result from other derivative instruments	813	-3,441
Result from fair value hedge	-2,132	-1,112
Result (ineffectiveness) from cash flow hedge	-4	-22
Valuation measured at fair value through profit or loss - designated	744	1,588
Liabilities evidenced by certificates	744	1,588
Income from equities and other variable-yield securities	11	14
Result from financial investments and other financial assets and liabilities measured at fair value through OCI	4,515	2,249
Income from participations	4,515	2,249
Result from investment properties	**643**	**681**
Income from investment properties and operating leases	643	681
Result from financial instruments and investment properties	**5,006**	**627**

Other operating result

Euro thousand	1-6/2025	1-6/2024
Other operating income	86,400	84,119
Other operating expenses	-7,624	-11,284
Regulatory expenses	-4,301	-3,803
Other operating result	**74,474**	**69,032**

Regulatory expenses include the stability tax in the amount of euro -4,097 thousand (1-6/2024: euro -1,140 thousand), contributions to the deposit guarantee scheme in the amount of -204 thousand (1-6/2024: euro -2,193 thousand) and contributions to the Single Resolution Fund in the amount of euro 0 thousand (1-6/2024: euro -470 thousand).

Detailed description of other operating income and other operating expenses:

Euro thousand	1-6/2025	1-6/2024
Income from allocation of costs	85,300	83,020
Others	1,100	1,098
Other operating income	**86,400**	**84,119**
Allocation of costs	-7,415	-10,181
Other taxes	-60	-135
Others	-150	-967
Other operating expenses	**-7,624**	**-11,284**

The income from cost allocations totalling EUR 85,300 thousand (1–6/2024: EUR 83,020 thousand) primarily relates to personnel and operating expenses incurred by VBW in its capacity as the central organisation of the Austrian Association of Volksbanks, which are allocated to the primary institutions of the Association in accordance with the cost-sharing agreement.

General administrative expenses

Euro thousand	1-6/2025	1-6/2024
Staff expenses	-76,314	-72,606
Wages and salaries	-57,877	-54,495
Expenses for statutory social security	-14,592	-13,707
Fringe benefits	-863	-905
Expenses for retirement benefits	-1,825	-1,639
Allocation to provision for severance payments and pension funds	-1,157	-1,860
Administrative expenses	-56,666	-50,758
Office space expenses	-2,853	-3,033
Office supplies and communication expenses	-824	-729
Advertising, PR and promotional expenses	-3,384	-2,798
Legal, auditing and consultancy expenses	-9,144	-7,950
IT expenses	-36,466	-32,603
Other administrative expenses (including training expenses)	-3,995	-3,646
Depreciation and reversal of impairment	-5,385	-5,101
Depreciation	-3,302	-3,099
Rights of use - lease amortisation	-2,083	-2,001
General administrative expenses	**-138,366**	**-128,464**

Income taxes

In the first half of the 2025 business year deferred tax assets for tax loss carryforwards in the amount of euro 20,200 thousand (1-6/2024: euro 9,720 thousand) were recognised.

4) Notes to the consolidated balance sheet

Liquid funds

Euro thousand	30 Jun 2025	31 Dec 2024
Cash in hand	38,752	43,229
Balances with central banks	3,481,149	3,830,098
Liquid funds	**3,519,901**	**3,873,327**

The balance sheet item Liquid funds includes cash in hand, the minimum reserve and loans and receivables from the Oesterreichische Nationalbank due on demand.

Loans and receivables to credit institutions and customers

Euro thousand	30 Jun 2025	31 Dec 2024
Loans and receivables to credit institutions		
Amortised cost	1,580,983	1,801,361
Gross carrying amount	1,580,983	1,801,361
Risk provision	-2,934	-2,679
Net carrying amount	**1,578,049**	**1,798,682**
Loans and receivables to customers		
Amortised cost	6,306,597	6,168,331
Fair value through profit or loss	43,102	48,133
Gross carrying amount	6,349,699	6,216,464
Risk provision	-171,918	-156,483
Net carrying amount	**6,177,780**	**6,059,981**
Loans and receivables to credit institutions and customers	**7,755,829**	**7,858,663**

Sensitivity analysis

The following table shows the changes in the fair value of the loans and receivables to customers recognised at fair value through profit or loss after adjustment of input factors:

Loans and receivables to customers

Euro thousand 30 Jun 2025	Positive change in fair value	Negative change in fair value
Change in risk markup +/- 10 bp	102	-102
Change in risk markup +/- 100 bp	1,046	-995
Change in rating 1 stage down / up	4	-6
Change in rating 2 stages down / up	7	-16
31 Dec 2024		
Change in risk markup +/- 10 bp	114	-114
Change in risk markup +/- 100 bp	1,172	-1,114
Change in rating 1 stage down / up	6	-7
Change in rating 2 stages down / up	9	-18

Risk provision

The following table shows the development of risk provision for loans and receivables to credit institutions as well as to customers including finance lease receivables, financial instruments measured at amortised cost and financial instruments 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	**17,577**	**12,214**	**66,020**	**95,812**
Increases due to origination and acquisition	1,455	166	1,596	3,217
Decreases due to derecognition	-1,608	-339	-530	-2,478
Changes due to change in credit risk	-5,631	19,249	18,478	32,096
Thereof transfer to Stage 1	632	-629	-2	
Thereof transfer to Stage 2	-6,074	6,105	-32	
Thereof transfer to Stage 3	-23	-805	827	
Post-model adjustment	-1,294	-3,524	0	-4,818
Decrease in allowance account due to write-offs	0	0	-802	-802
Other adjustments	-7	-1,705	1,643	-69
As at 30 Jun 2024	**10,491**	**26,059**	**86,406**	**122,957**
As at 01 Jan 2025	**9,310**	**17,393**	**133,003**	**159,705**
Increases due to origination and acquisition	1,108	111	186	1,404
Decreases due to derecognition	-754	-382	-1,320	-2,455
Changes due to change in credit risk	-1,881	8,739	13,841	20,699
Thereof transfer to Stage 1	303	-302	-1	
Thereof transfer to Stage 2	-2,987	3,024	-36	
Thereof transfer to Stage 3	-13	-1,345	1,358	
Post-model adjustment	-171	-1,943	0	-2,115
Decrease in allowance account due to write-offs	0	0	-1,849	-1,849
Other adjustments	0	1	5	6
As at 30 Jun 2025	**7,612**	**23,917**	**143,866**	**175,395**

Assets held for trading

Euro thousand	30 Jun 2025	31 Dec 2024
Bonds and other fixed-income securities	1,418	4,621
Equities and other variable-yield securities	73	71
Positive fair values of derivative instruments	14,333	17,907
Interest-rate-related transactions	14,333	17,907
Assets held for trading	**15,823**	**22,598**

Since assuming of the CO function, the company has maintained a trading book. As at 30 June 2025 the volume of the trading book amounts to euro 766,312 thousand (31 December 2024: euro 725,122 thousand).

Financial investments

Euro thousand	30 Jun 2025	31 Dec 2024
Financial investments		
Amortised cost	3,988,412	3,602,239
Fair value through OCI	28,536	24,423
Fair value through profit or loss	4,835	6,113
Risk provision	-542	-542
Carrying amount	**4,021,241**	**3,632,232**

Participations

Euro thousand	30 Jun 2025	31 Dec 2024
Investments in unconsolidated affiliates	2,519	2,540
Investments in companies with participating interests	5,343	5,343
Investments in other participations	87,156	88,161
Participations	**95,018**	**96,044**

Sensitivity analysis

Participations measured by using the DCF method

Euro thousand		Proportional fair value Interest rate		
30 Jun 2025		**-0.50 %**	**Actual**	**0.50 %**
	-10.00 %	12,095	11,785	11,502
Income component	**Actual**	12,842	**12,498**	12,183
	10.00 %	13,589	13,210	12,864
31 Dec 2024				
	-10.00 %	10,849	10,526	10,244
Income component	**Actual**	12,054	**11,498**	10,991
	10.00 %	13,259	12,648	12,090

Participations measured on the basis of net assets

Euro thousand	Proportional fair value		
30 Jun 2025	**Decrease of assumption**	**Actual**	**Increase of assumption**
Net assets (10 % change)	6,911	**7,613**	8,446
31 Dec 2024			
Net assets (10 % change)	6,930	**7,634**	8,470

Participations measured on the basis of external appraisals

Euro thousand			
30 Jun 2025	**Lower band**	**Actual**	**Upper band**
Proportional fair value	62,456	**69,396**	76,335
31 Dec 2024			
Proportional fair value	64,269	**71,410**	78,551

Other assets

Euro thousand	30 Jun 2025	31 Dec 2024
Deferred items	29,710	4,639
Other receivables and assets	76,838	31,045
Positive fair values of derivative instruments	220,543	265,011
Other assets	**327,091**	**300,695**

Liabilities to credit institutions

Euro thousand	30 Jun 2025	31 Dec 2024
Other credit institutions	3,017,162	3,069,555
Liabilities to credit institutions	**3,017,162**	**3,069,555**

Liabilities to credit institutions are measured at amortised cost.

Liabilities to customers

Euro thousand	30 Jun 2025	31 Dec 2024
Savings deposits	703,945	764,598
Other deposits	5,774,232	5,908,959
Liabilities to customers	**6,478,177**	**6,673,557**

Liabilities to customers are measured at amortised cost.

Liabilities evidenced by certificates

Euro thousand	30 Jun 2025	31 Dec 2024
Bonds	3,486,055	3,449,077
Amortised cost	3,414,594	3,378,008
Fair value through profit or loss - designated	71,461	71,069
Liabilities evidenced by certificates	**3,486,055**	**3,449,077**

The item Bonds - measured at fair value through profit or loss - designated comprises the redemption amount at maturity of euro 50,000 thousand (31 Dec 2024: euro 50,000 thousand), the FV measurement and the interest accruals (including interest accruals for a zero-coupon bond). In the first half of 2025, the fair value change of own credit risk in the amount of euro -87 thousand (1-6/2024: euro -78 thousand) was reported in other comprehensive income. The cumulative amount of the fair value change of own credit risk was euro 1,755 thousand (1-6/2024: euro 1,822 thousand).

In the first half of 2025, VBW floated five (1-6/2024: four) issues with a total face value of euro 152,000 thousand (1-6/2024: euro 177,500 thousand).

Liabilities held for trading

Euro thousand	30 Jun 2025	31 Dec 2024
Negative fair values of derivative instruments		
Interest-rate-related transactions	16,255	19,957
Liabilities held for trading	**16,255**	**19,957**

Provisions

Euro thousand	30 Jun 2025	31 Dec 2024
Provisions for employment benefits	45,758	45,107
Provisions for off-balance sheet and other risks	6,977	7,704
Stage 1	1,587	1,292
Stage 2	2,610	2,258
Stage 3	2,780	4,154
Other provisions	3,958	1,613
Provisions	**56,693**	**54,425**

Other liabilities

Euro thousand	30 Jun 2025	31 Dec 2024
Deferred items	2,197	2,044
Other liabilities	433,442	250,104
Negative fair values of derivative instruments	239,504	284,064
Other liabilities	**675,142**	**536,213**

Subordinated liabilities

Euro thousand	30 Jun 2025	31 Dec 2024
Subordinated capital	1,235,576	1,237,365
Amortised cost	1,235,576	1,237,365
Subordinated liabilities	**1,235,576**	**1,237,365**

Equity

Dividend payment

Euro thousand	1-6/2025	1-6/2024
Dividend voting equity	0	7,595
Coupon for the AT1 emission	0	8,525
Total	**0**	**16,120**

The following table shows a breakdown and changes to retained earnings and other reserves:

Euro thousand	Retained earnings	Other reserves: IAS 19 reserve	Revaluation reserve	Fair value reserve - equity instruments	Fair value reserve - debt instruments	Cash flow hedge reserve	Own credit risk reserve	Retained earnings and other reserves
As at 01 Jan 2024	**425,079**	**9,018**	**1,633**	**33,992**	**-117**	**-325**	**1,899**	**471,179**
Consolidated net income	39,860							39,860
Other comprehensive income		2		4,056	-169	-15	-78	3,797
Redemption of AT1 emission	-2,278							-2,278
Dividends paid	-7,595							-7,595
Coupon for the AT1 emission	-8,525							-8,525
Reclassification fair value reserve due to sale	-1,533			1,533				0
As at 30 Jun 2024	**445,009**	**9,021**	**1,633**	**39,581**	**-287**	**-340**	**1,822**	**496,438**
As at 01 Jan 2025	**370,837**	**9,924**	**1,633**	**123,153**	**144**	**-436**	**1,842**	**507,097**
Consolidated net income	44,689							44,689
Other comprehensive income		3		-1,262	237	-80	-87	-1,190
Redemption of AT1 emission								0
Dividends paid								0
Coupon for the AT1 emission								0
Reclassification fair value reserve due to sale	-15			15				0
As at 30 Jun 2025	**415,511**	**9,927**	**1,633**	**121,906**	**381**	**-517**	**1,755**	**550,596**

5) Own funds

The table below shows the own funds of the association of credit institutions, determined in accordance with the Capital Requirements Regulation (CRR, Regulation (EU) No 575/2013), as well as the supplementary regulations CRR II (EU 2019/876), CRR Quick Fix (EU 2020/873), and CRR III (EU 2024/1623). The figures presented take into account profit allocations during the year and planned dividend distributions.

Euro thousand	30 Jun 2025	31 Dec 2024
Common Tier 1 capital: Instruments and reserves		
Capital instruments including share premium accounts	338,303	338,303
Retained earnings	332,547	332,562
Interim profit	44,912	
Accumulated other comprehensive income (and other reserves)	249,162	250,337
Common Tier 1 capital before regulatory adjustments	964,924	921,202
Common Tier 1 capital: regulatory adjustments		
Intangible assets (net of related tax liability)	-13,489	-14,218
Cash flow hedge reserve	517	436
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-1,755	-1,842
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	215	186
Value adjustments due to the requirement for prudent valuation	-753	-854
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-77,117	-56,917
Insufficient coverage for non-performing exposures	-5,649	-3,877
Regulatory adjustments - transitional provisions	0	1,893
Adjustments required on the basis of transitional arrangements under IFRS 9	0	1,893
Additional CET1 deductions pursuant to article 3 CRR	-16,264	-16,316
Total regulatory adjustments	-114,295	-91,509
Common Equity Tier 1 capital - CET1	**850,629**	**829,693**
Tier 1 capital (CET1 + AT1)	**850,629**	**829,693**
Tier 2 capital - instruments and provisions		
Capital instruments including share premium accounts	1,125,283	1,149,554
Tier 2 capital before regulatory adjustments	1,125,283	1,149,554
Tier 2 capital - T2	**1,125,283**	**1,149,554**
Own funds total - TC (T1 + T2)	**1,975,912**	**1,979,247**
Common Equity Tier I capital ratio	17.43 %	17.40 %
Tier I capital ratio	17.43 %	17.40 %
Equity ratio	40.50 %	41.50 %
each in relation to total risk exposure		

The risk-weighted assessment amounts as defined in CRR can be broken down as follows:

Euro thousand	30 Jun 2025	31 Dec 2024
Risk weighted exposure amount - credit risk	4,228,790	4,050,271
Total risk exposure amount for position, foreign exchange and commodities risks	15,830	18,392
Total risk exposure amount for operational risk	624,891	692,055
Total risk exposure amount for credit valuation adjustment (cva)	9,406	8,855
Total risk exposure amount	**4,878,918**	**4,769,572**

The scope of consolidation pursuant to IFRS reporting differs from the scope of consolidation under the CRR as the IFRS provide for the inclusion of other entities not belonging to the financial sector. 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 directly or indirectly, 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 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 first half of the 2025 business year, no substantial, practical or legal obstacles existed which would have prevented the transfer of own funds or the repayment of liabilities between the parent institution and companies subordinated to the former.

6) 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
30 Jun 2025					
Liquid funds	3,519,901	0	0	3,519,901	3,519,901
Loans and receivables to credit institutions	1,578,049	0	0	1,578,049	1,581,014
Loans and receivables to customers	6,134,679	0	43,102	6,177,780	6,095,550
Assets held for trading	0	0	15,823	15,823	15,823
Financial investments	3,987,870	28,536	4,835	4,021,241	3,978,284
Participations	0	95,018	0	95,018	95,018
Derivative instruments	0	0	220,543	220,543	220,543
Financial assets total	**15,220,499**	**123,554**	**284,303**	**15,628,355**	**15,506,134**
Liabilities to credit institutions	3,017,162	0	0	3,017,162	3,015,697
Liabilities to customers	6,478,177	0	0	6,478,177	6,478,810
Liabilities evidenced by certificates	3,414,594	0	71,461	3,486,055	3,499,878
Lease liabilities	80,036	0	0	80,036	80,036
Liabilities held for trading	0	0	16,255	16,255	16,255
Derivative instruments	0	0	239,504	239,504	239,504
Subordinated liabilities	1,235,576	0	0	1,235,576	1,229,620
Financial liabilities total	**14,225,544**	**0**	**327,220**	**14,552,764**	**14,559,799**
31 Dec 2024					
Liquid funds	3,873,327	0	0	3,873,327	3,873,327
Loans and receivables to credit institutions	1,798,682	0	0	1,798,682	1,803,546
Loans and receivables to customers	6,011,848	0	48,133	6,059,981	5,941,300
Assets held for trading	0	0	22,598	22,598	22,598
Financial investments	3,601,697	24,423	6,113	3,632,232	3,565,619
Participations	0	96,044	0	96,044	96,044
Derivative instruments	0	0	265,011	265,011	265,011
Financial assets total	**15,285,553**	**120,467**	**341,856**	**15,747,876**	**15,567,446**
Liabilities to credit institutions	3,069,555	0	0	3,069,555	3,067,171
Liabilities to customers	6,673,557	0	0	6,673,557	6,678,324
Liabilities evidenced by certificates	3,378,008	0	71,069	3,449,077	3,458,245
Lease liabilities	82,242	0	0	82,242	82,242
Liabilities held for trading	0	0	19,957	19,957	19,957
Derivative instruments	0	0	284,064	284,064	284,064
Subordinated liabilities	1,237,365	0	0	1,237,365	1,236,915
Financial liabilities total	**14,440,727**	**0**	**375,090**	**14,815,817**	**14,826,919**

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.

The table below shows financial assets and liabilities measured at fair value according to their fair value hierarchy:

Euro thousand	**Level 1**	**Level 2**	**Level 3**	**Total**
30 Jun 2025				
Loans and receivables to customers	0	0	43,102	43,102
Assets held for trading	525	15,298	0	15,823
Financial investments	29,559	626	3,186	33,371
Fair value through profit or loss	1,023	626	3,186	4,835
Fair value through OCI	28,536	0	0	28,536
Participations	0	0	94,984	94,984
Fair value through OCI - designated	0	0	94,984	94,984
Derivative instruments	0	220,543	0	220,543
Financial assets total	**30,084**	**236,467**	**141,271**	**407,822**
Liabilities evidenced by certificates	0	71,461	0	71,461
Liabilities held for trading	0	16,255	0	16,255
Derivative instruments	0	239,504	0	239,504
Financial liabilities total	**0**	**327,220**	**0**	**327,220**
31 Dec 2024				
Loans and receivables to customers	0	0	48,133	48,133
Assets held for trading	4,529	18,070	0	22,598
Financial investments	26,491	1,329	2,716	30,536
Fair value through profit or loss	2,068	1,329	2,716	6,113
Fair value through OCI	24,423	0	0	24,423
Participations	0	0	96,010	96,010
Fair value through OCI - designated	0	0	96,010	96,010
Derivative instruments	0	265,011	0	265,011
Financial assets total	**31,019**	**284,410**	**146,859**	**462,288**
Liabilities evidenced by certificates	0	71,069	0	71,069
Liabilities held for trading	0	19,957	0	19,957
Derivative instruments	0	284,064	0	284,064
Financial liabilities total	**0**	**375,090**	**0**	**375,090**

Participations in the amount of euro 34 thousand (31 Dec 2024: euro 34 thousand) were measured at amortised cost due to their immateriality.

When determining fair values for level 2 financial investments, VBW only uses prices based on observable market data. If systems deliver price information for positions which are not actively traded, this is checked based on secondary market data or transactions in comparable products performed on active markets. The system prices are then adjusted accordingly if necessary. The main level 2 input factors are interest rates including associated interest rate volatilities, foreign exchange swap points, exchange rates, share prices, index rates, including related volatilities and credit spreads obtained directly 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 the first half of 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	**65,729**	**0**	**77,860**	**143,589**	**70,126**	**70,126**
Additions	136	0	7,448	7,584	999	999
Disposals	-6,584	0	0	-6,584	0	0
Valuations						
Through profit or loss	651	0	0	651	-1,588	-1,588
Through OCI	0	0	3,374	3,374	101	101
As at 30 Jun 2024	**59,932**	**0**	**88,682**	**148,614**	**69,638**	**69,638**
As at 01 Jan 2025	**48,133**	**2,716**	**96,010**	**146,859**	**0**	**0**
Additions	60	471	0	530	0	0
Disposals	-5,484	0	-21	-5,505	0	0
Valuations						
Through profit or loss	392	0	0	392	0	0
Through OCI	0	0	-1,005	-1,005	0	0
As at 30 Jun 2025	**43,102**	**3,186**	**94,984**	**141,271**	**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). The valuations recorded in the income statement include holdings of financial assets and liabilities to the amount of euro 375 thousand (1-6/2024: euro 2,313 thousand) at the reporting date.

Liabilities evidenced by certificates were reclassified to Level 2 category as at 31 December 2024, following a revaluation.

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.

7) Number of staff

Number of staff employed during the business year:

	Average number of staff		Number of staff at end of period	
	1-6/2025	1-6/2024	30 Jun 2025	31 Dec 2024
Employees	1,304	1,269	1,304	1,302
Workers	3	4	3	4
Total number of staff	**1,307**	**1,273**	**1,307**	**1,306**

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

8) Branches

	30 Jun 2025	31 Dec 2024
Total number of domestic branches	**54**	**54**

9) Related party disclosures

Euro thousand	Unconsolidated affiliates	Companies in which the Group has a participating interest	Companies measured at equity
30 Jun 2025			
Loans and receivables to credit institutions	0	0	2,290
Liabilities to credit institutions	0	0	355,476
Liabilities to customers	63	9,933	3,481
Transactions	82	9,695	325,378
31 Dec 2024			
Loans and receivables to credit institutions	0	0	2,600
Liabilities to credit institutions	0	0	323,456
Liabilities to customers	90	5,432	10,861
Transactions	116	9,240	290,345

Business transactions are measured as the average receivables and liabilities from/to credit institutions and customers. The calculation is based on the figures at the quarterly reporting dates during the period under review, which are summed together irrespective of whether they are plus or minus figures.

Transfer prices between the VBW Group and its related parties are geared to usual market conditions. As in previous year, VBW Group does not have any other liabilities for unconsolidated affiliates or associated companies on the balance sheet date.

As at 30 Jun 2025 loans and receivables to credit institutions contain transactions with the Volksbank-Sector amounting to euro 1,425,782 thousand (31 December 2024: euro 1,679,428 thousand) and liabilities to credit institutions include transactions with the Volksbank-Sector amounting to euro 2,587,968 thousand (31 December 2024: euro 2,632,523 thousand).

10) Segment reporting by business segments

Euro thousand 1-6/2025	Retail	CO	Consolidation	Total
Net interest income	81,815	-17,570	0	64,246
Risk provision	-14,487	-247	0	-14,734
Net fee and commission income	35,567	3,810	191	39,569
Net trading income	71	1,105	0	1,176
Result from financial instruments and investment properties	4,095	911	0	5,006
Other operating result	1,184	108,593	-35,303	74,474
General administrative expenses	-83,799	-89,679	35,112	-138,366
Result from companies measured at equity	628	291	0	919
Result for the period before taxes	**25,075**	**7,215**	**0**	**32,290**
Income taxes	11,404	995	0	12,399
Result for the period after taxes	**36,480**	**8,209**	**0**	**44,689**
30 Jun 2025				
Total assets	**7,469,836**	**9,736,177**	**-1,203,646**	**16,002,367**
Loans and receivables to customers	6,163,661	14,119	0	6,177,780
Companies measured at equity	18,446	10,649	0	29,095
Liabilities to customers	5,955,247	530,287	-7,357	6,478,177
Liabilities evidenced by certificates, including subordinated liabilities	298,326	4,423,305	0	4,721,631

1-6/2024				
Net interest income	88,403	-6,586	0	81,817
Risk provision	-26,876	366	0	-26,510
Net fee and commission income	35,102	3,123	52	38,277
Net trading income	109	3,851	0	3,960
Result from financial instruments and investment properties	1,540	-913	0	627
Other operating result	-1,643	103,264	-32,589	69,032
General administrative expenses	-78,845	-82,158	32,538	-128,464
Result from companies measured at equity	295	58	0	353
Result for the period before taxes	**18,085**	**21,006**	**0**	**39,091**
Income taxes	-2,349	3,118	0	769
Result for the period after taxes	**15,736**	**24,123**	**0**	**39,860**
31 Dec 2024				
Total assets	**7,815,743**	**9,882,972**	**-1,662,526**	**16,036,189**
Loans and receivables to customers	6,047,162	12,819	0	6,059,981
Companies measured at equity	18,239	10,518	0	28,757
Liabilities to customers	5,915,912	769,623	-11,978	6,673,557
Liabilities evidenced by certificates, including subordinated liabilities	350,957	4,335,485	0	4,686,442

11) Subsequent events

There were no significant operational risk events after the end of the reporting period.

12) Quarterly financial data

Euro thousand	4-6/2025	1-3/2025	10-12/2024	7-9/2024	4-6/2024
Net interest income	32,079	32,167	36,083	36,880	38,395
Risk provision	-10,920	-3,814	-31,554	-16,587	-19,238
Net fee and commission income	19,231	20,338	18,895	18,262	18,507
Net trading income	247	930	471	792	3,199
Result from financial instruments and investment properties	3,002	2,004	2,695	-5,009	1,419
Other operating result	31,580	42,894	46,110	40,677	36,229
General administrative expenses	-71,145	-67,220	-75,392	-67,381	-65,849
Result from companies measured at equity	318	601	1,951	-3	181
Result for the period before taxes	**4,392**	**27,898**	**-741**	**7,631**	**12,843**
Income taxes	8,174	4,225	8,305	-12,083	2,083
Result for the period after taxes	**12,566**	**32,123**	**7,564**	**-4,451**	**14,926**
Result for the period attributable to shareholders of the parent company	**12,566**	**32,123**	**7,564**	**-4,451**	**14,926**

COMPLIANCE STATEMENT

VOLKSBANK WIEN AG
Statement of all legal representatives

We confirm to the best of our knowledge that the condensed half year financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed half year financial statements and of the principal risks and uncertainties for the remaining six months of the financial year.

Vienna, 21 August 2025

Gerald Fleischmann
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The Volksbank Wien Group 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.