VBW and AoV – Investor presentation

August 2024

CONTENT

Overview VBW and AoV

AoV and VBW: overview as of 06/2024

Association of Volksbanks	The Association of Volksbanks (AoV) consists of nine institutions, eight regional Volksbanks and one specialised bank (Österreichische Ärzte- und Apothekerbank AG) Central organisation (CO) of the Association is Volksbank Wien (VBW)	
Association Assets and capital	Total assets: Risk-weighted assets: CET1 ratio transitional / fully loaded:	**EUR 30.8 bn** **EUR 15.8 bn** **15.12% / 15.05%**
Volksbank Wien Assets and capital	Total assets: Risk-weighted assets: CET1 ratio transitional / fully loaded:	**EUR 14.7 bn** **EUR 4.8 bn** **16.94% / 16.89%**

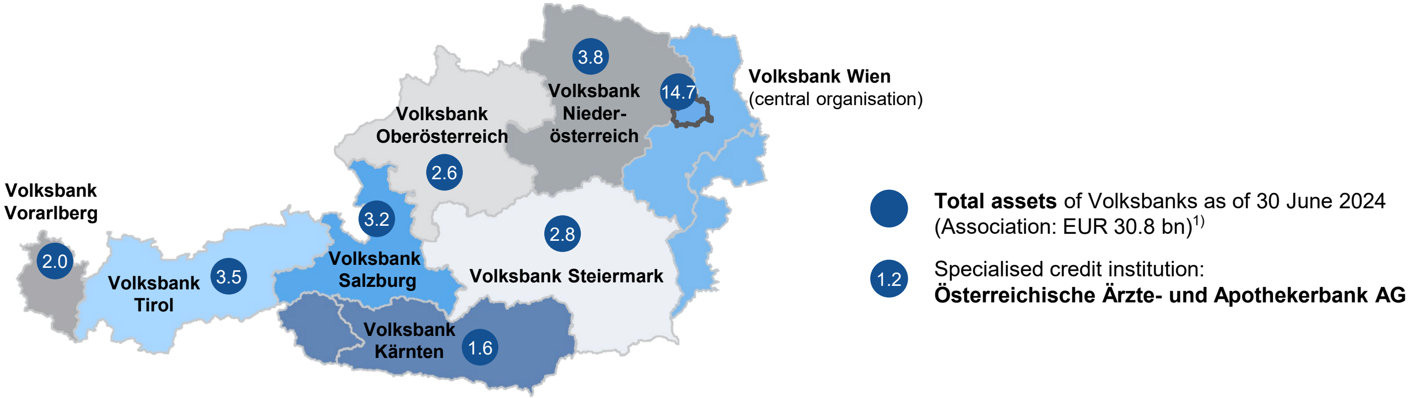
AoV and VBW: ratings

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

1) 11 April 2024: Moody's upgraded VBW's senior unsecured debt rating from A3 (outlook positive) to A2 (outlook stable), at the same time the long-term deposit rating was affirmed at A2 (outlook stable)
2) 25 June 2024: rating affirmed | 3) As of 02 December 2024

Regionally diversified business in Austria

- Volksbank Wien's and the Association's business models are based on **providing services to retail and SME customers in Austria.** At the end of H1 2024, the **Association** had approximately **962 ths customers,** and **Volksbank Wien** had ca. **298 ths customers**
- As of 30 June 2024 **Volksbank Wien had 54 branches,** and the **Association had 232 branches** located throughout Austria
- **VBW is the largest of the regional Volksbanks** by balance sheet size and at the same time acts as **central organisation** of the Association of Volksbanks. Owners of Volksbank Wien are member banks of the Association and holding cooperatives
- The **high degree of economic and prudential integration** allows the central organisation and the regional banks to be treated as one bank for regulatory purposes



1) Consolidation effects are excluded in the graph above leading to an overstatement of total assets shown, Association's consolidated total assets as of 06/2024 EUR 30.8 bn

AoV: key aspects of governance

- The Association of Volksbanks and the individual members of the Association are subject to **direct supervision by the ECB**
- The Association is organised according to **Article 10 CRR** and **Section 30a BWG** (Austrian Banking Act). The **Association Agreement, Cooperation Agreement, Trust Agreement and Agreement on the Division of Association Costs** define the member banks' rights and obligations
- Originally a network of cooperative banks, the Volksbanks chose a legal structure with the **highest degree of integration possible** as described in Article 10, CRR, therefore the Association is characterised by a **high level of cohesion**
- A number of **regulatory requirements** (i.e. capital and liquidity requirements) have to be met on the Association level and by the central organisation only, the other members of the Association are exempt

Centralised processes, streamlined governance	• **Governance strengthened through a clear distribution of tasks within the Association:** the central organisation is responsible for all steering and control tasks, regulatory matters and back-office functions, while the regional Volksbanks focus on sales and customer service • **Centralisation of steering and control functions:** accounting and financial reporting, regulatory reporting, controlling and planning, internal audit, legal, compliance (including tax compliance), treasury, risk controlling, organisation & IT, etc. have been centralised and are carried out by VBW for all Association member banks • **Bundling of back office and service functions** in VBW's subsidiaries *VB Services für Banken* (customer service centres and market service centres, loan processing, payment transactions, etc.) and *VB Infrastruktur und Immobilien* (facility management, banking logistics) • **Standardisation of organisational structure:** a standardised organisational chart has been successfully implemented in all Volksbanks, the organisational structures of all Association member banks are now identical • **A uniform data architecture** has been implemented in all Volksbanks • **Business is focused on all regions of Austria** (no participations abroad)
Joint liability & liquidity scheme	Volksbank Wien and the regional Volksbanks have established a **joint liability & liquidity scheme.** They are mutually obliged to jointly support a member institution should difficulties arise. Liabilities and contributions are unlimited. The Volksbanks have to hold their liquidity at the central organisation which is responsible for the Association's compliance with regulatory liquidity requirements
Right to issue directives	The central organisation is authorised to issue **general or individual directives** to the Volksbanks. General directives are aimed at all Volksbanks while individual directives are issued to specific banks

Financial performance H1 2024

Results H1 2024 at a glance (1/3)

Strategic continuity	• Full commitment to organic growth • Focus on regional business in Austria • Full commitment to and focus on our business model based on providing retail-, SME-, and real estate loans • Focus on fee and commission income through providing banking products from strategic business partners, therefore no consumer lending risks, foreign risks, or investment risks for the Association • Full commitment to and focus on strengthening the CET1 capital base through retained earnings • Further digitalisation of front office and back-office processes • Continued focus on operating efficiency
Growth in customer base	• Strong retail customer base as a strategic advantage and base for further growth • Amounts owed to customers including retail bonds issued further increased in H1 2024 to EUR 23.4 bn (12/2023: EUR 22.6 bn) • Austrian retail demand is still low, but finally improving (June), demand in the SME business is stable (ESG transformation as a driving factor) • Real estate lending in low-risk business with social housing cooperatives with low growth rates • Therefore, only a slight increase in loans and receivables from customers to EUR 22.9 bn (12/2023: EUR 22.7 bn, 06/2023: EUR 22.4 bn) • LDR including retail bonds issued remains below 100%

Results H1 2024 at a glance (2/3)

Operating result remains at a high level despite higher risk costs	• NII remains at a high level (NIM 2.1%), the slight decrease in the NIM is due to the repricing of deposits (change from current accounts to term deposits continues, although on a slowing pace); higher rates on loans to customers are partially offsetting these effects • In H1 2024 net fee and commission income increased from an already high level by +5% yoy (30% of the operating income, 0.9% of total assets) • The operating result remained stable in H1 2024 at 1.06% of total assets • Weak macroeconomic growth and especially the challenging situation on the real estate market in Austria led to higher risk provisions in stage 1+2 (+ EUR 30 mn) and in stage 3 (+ EUR 54 mn) • With a profit after taxes of EUR 72 mn, the Association of Volksbanks' result for the first half year 2024 was solid but, mainly due to higher risk provisions, remained below last year's record level (06/2023: EUR 170 mn)
Stable capital base	• As of 30 June 2024 the Association of Volksbanks shows a CET1 ratio of 15.1% (06/2023: 14.9%; 12/2023: 15.3%) and an improved equity ratio of 20.0% (06/2023: 19.0%; 12/2023: 18.9%)
Costs driven by inflation and IT expenses	• General administrative expenses increased to EUR 284 mn (yoy +10%), mainly driven by higher inflation, investments in digitalisation and process optimisation (operating expenses yoy +EUR 12 mn) and by increased collective labour agreements (personnel expenses yoy +EUR 14 mn) • Consequently, after the record low of 56.7% in H1 2023, the Association's CIR increased to 63.7% in the period under review

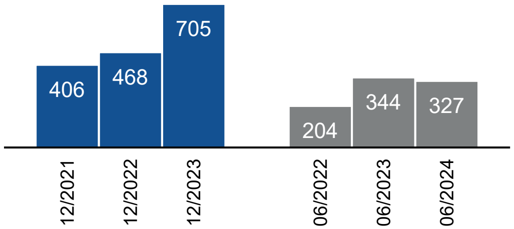
Results H1 2024 at a glance (3/3)

Economic downturn is reflected in risk provisions	• After the downturn of the Austrian economy, statistics show increasing insolvency numbers. The situation on the real estate market remains challenging due to weak demand, higher interest rates and increased construction costs driven by the higher inflation rate. The specific prudential regulation (KIM-VO)[1)] had a dampening effect on customer demand • These negative developments led to an increase of the NPL ratio yoy from 1.9% (06/2023) to 3.4% (06/2024) • Accordingly, risk provisions were increased considerably in H1 2024 and stood at EUR 84 mn
Capital market activities, rating	• To strengthen its capital base, Volksbank Wien successfully placed a EUR 500 mn benchmark T2 bond in March 2024 (term of 10.25 years with a call right after 5.25 years, spread of +310 bps, final order book of EUR 2.1 bn) • The placement of the T2 bond enabled Volksbank Wien to optimise the capital structure and exercise its call right in the outstanding EUR 220 mn AT1 issue in April, and Volksbank Wien continues to evaluate possible options to optimise its capital stack on an ongoing basis • In April 2024 Moody's upgraded Volksbank Wien's senior unsecured debt rating from A3 (outlook positive) to A2 (outlook stable), at the same time the long-term deposit rating was affirmed at A2 (outlook stable)

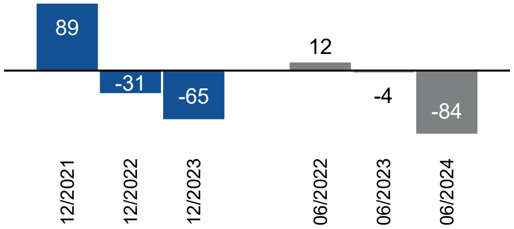
1) KIM-VO: Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung, KIM regulation sets tighter standards for private mortgage loans in terms of minimum equity and minimum DSCR required

AoV: KPIs 12/2021 – 06/2024

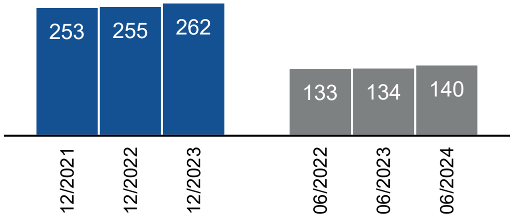
Net interest income
(EUR mn)



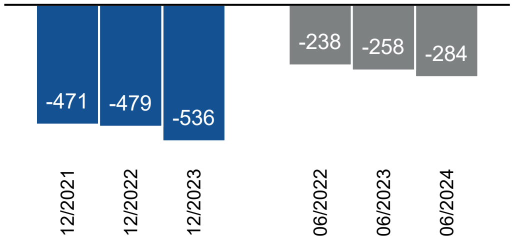
Risk provisions
(EUR mn)



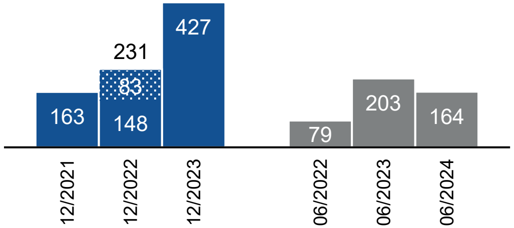
Net fee and commission income
(EUR mn)



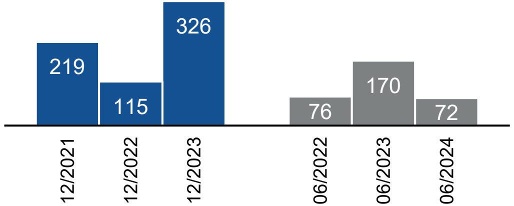
General administrative expenses
(EUR mn)



Operating result[1)]
(EUR mn)



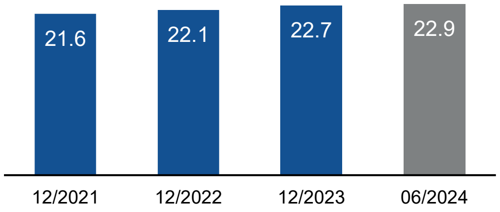
Result after taxes
(EUR mn)



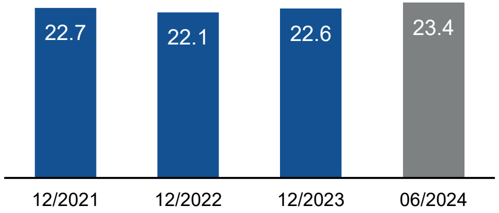
1) Operating result includes net interest income, net fee & commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses; operating result as of 12/2022 adjusted for payment on government participation right in H2 2022 in an amount of EUR 83 mn

AoV: development of customer business

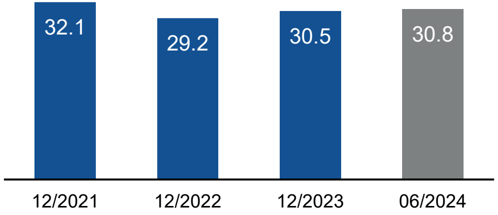
Loans & receivables from customers[1)]
(EUR bn)



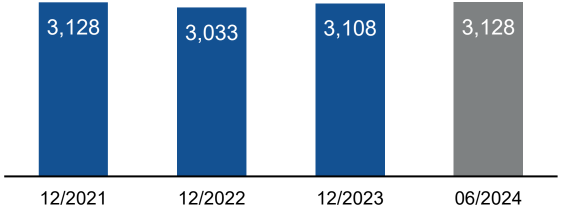
Amounts owed to customers & retail bonds issued
(EUR bn)



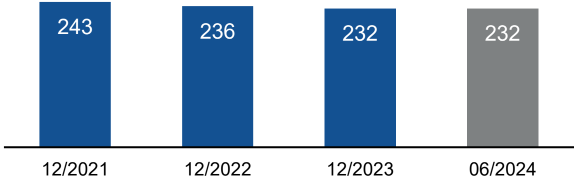
Total assets[2)]
(EUR bn)



Number of employees (FTE)

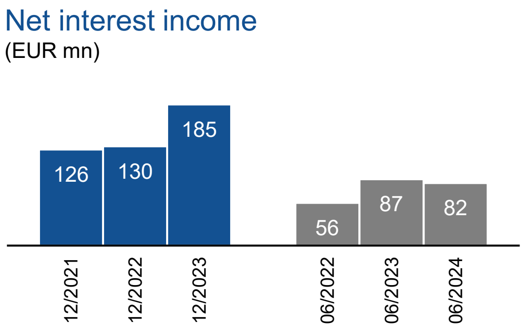


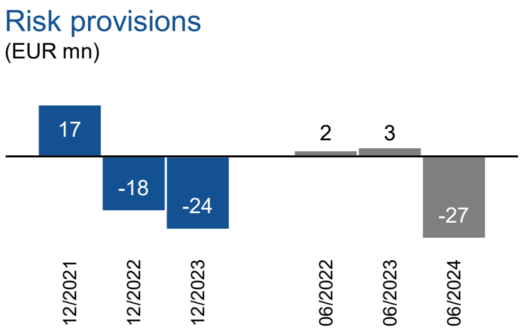
Number of branches

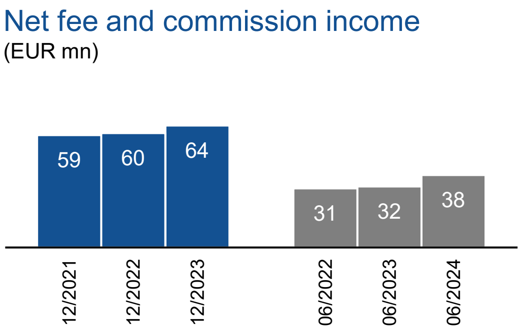


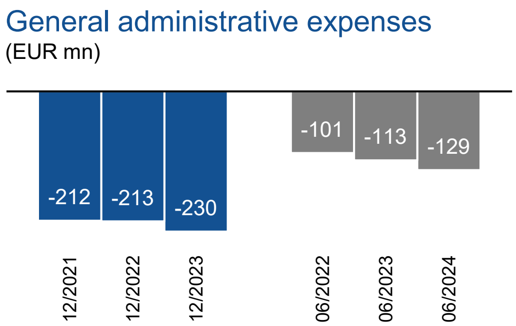
1) Breakdown fixed/floating rate loans (including swaps): as of 06/2024: 43% fixed rate loans, 57% floating rate loans; as of 12/2023: 40% fixed rate loans, 60% floating rate loans
2) Total assets 12/2021 include participation in TLTRO in an amount of EUR 2 bn (TLTRO participation in 2020: EUR 1.5 bn), the last TLTRO tranche was repaid in H1 2024

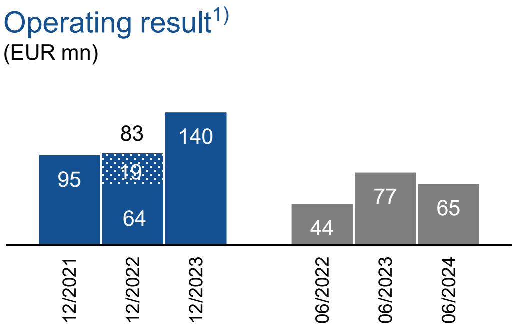
VBW: KPIs 12/2021 – 06/2024

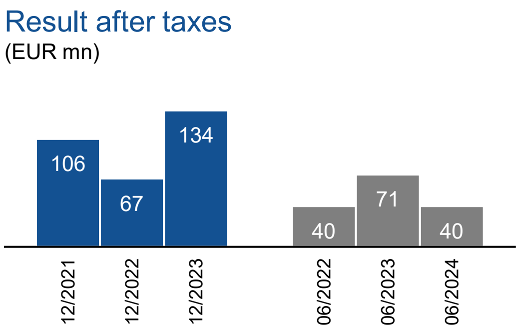








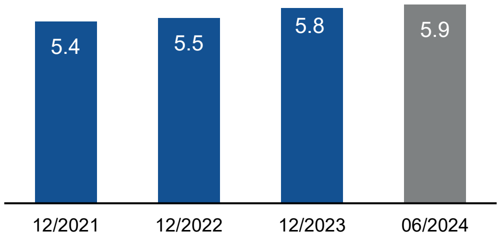




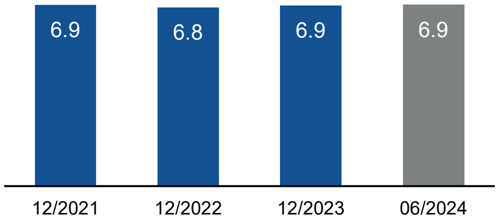
1) Operating result includes net interest income, net fee & commission income, net trading income, result from financial instruments and investment properties, other operating result and general administrative expenses; operating result as of 12/2022 adjusted for payment on government participation right in H2 2022 in an amount of EUR 19 mn

VBW: development of customer business

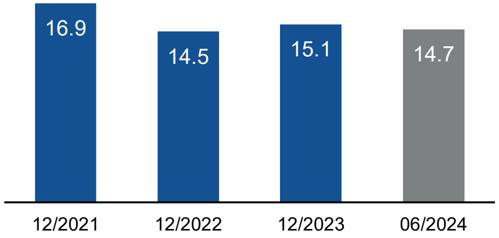
Loans & receivables from customers[1]
(EUR bn)



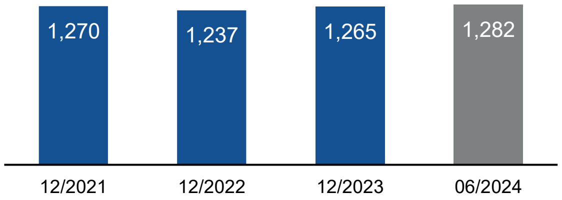
Amounts owed to customers & retail bonds issued
(EUR bn)



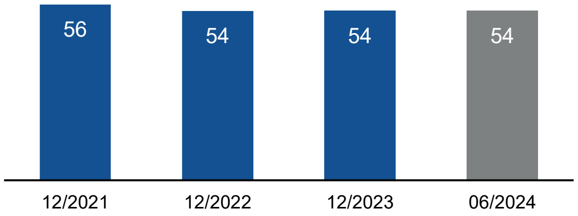
Total assets[2]
(EUR bn)



Number of employees (FTE)



Number of branches



1) Breakdown fixed/floating rate loans (including swaps): as of 06/2024 43% fixed rate loans, 57% floating rate loans; as of 12/2023 40% fixed rate loans, 60% floating rate loans
2) Total assets 12/2021 include participation in TLTRO in an amount of EUR 2 bn (TLTRO participation in 2020: EUR 1.5 bn), the last TLTRO tranche was repaid in H1 2024

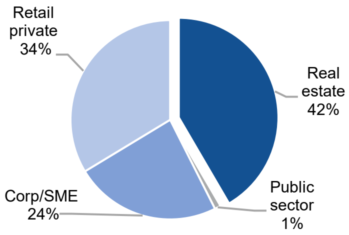
Asset quality and risk provisions

Stable customer business in Austria

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

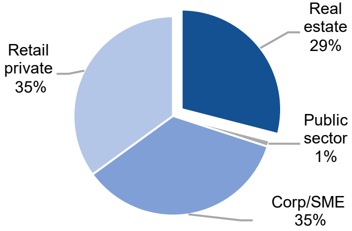
Volksbank Wien

06/2024 (EUR 6.94 bn)



Association of Volksbanks

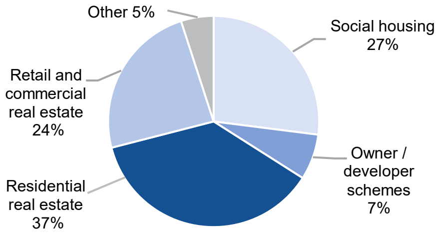
06/2024 (EUR 27.06 bn)



Distribution of RE exposure[1)]

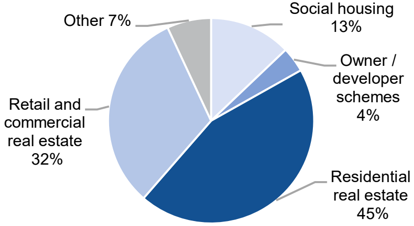
Volksbank Wien

06/2024 (EUR 2.89 bn)



Association of Volksbanks

06/2024 (EUR 7.72 bn)



Regional focus on Austria

As of 30 June 2024 the vast majority of loans and receivables was located in Austria:

- **Association:** 96.0% of total loans and receivables
- **Volksbank Wien:** 98.3% of total loans and receivables

High level of collateralisation

Segment Real Estate

Collateralisation ratios as of 06/2024:

- **Association:** 86.9%
- **Volksbank Wien:** 89.1%

Subsegment Residential RE

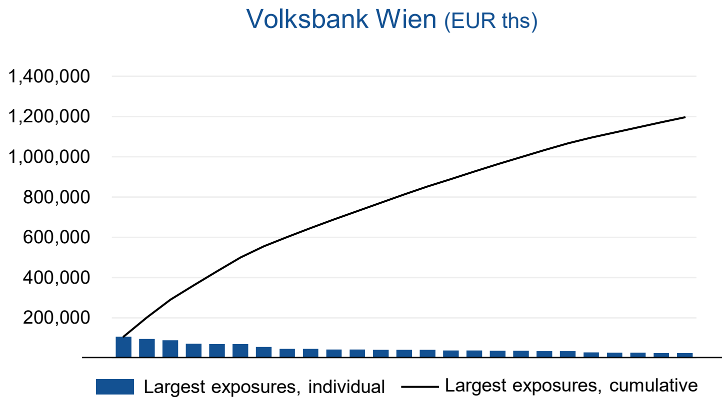
Collateralisation ratios as of 06/2024:

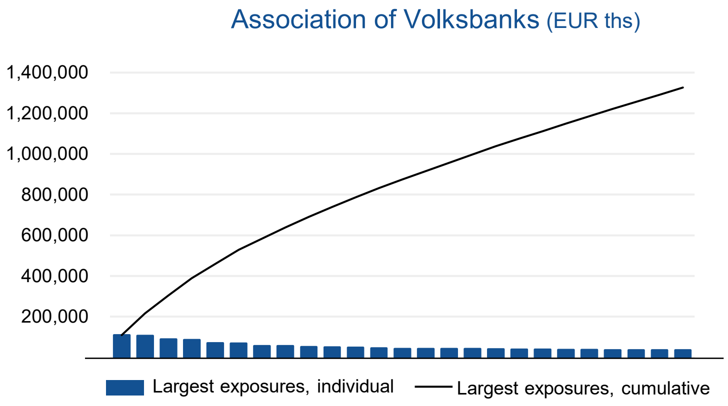
- **Association:** 93.1%
- **Volksbank Wien:** 95.3%

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

Granular loan portfolios without cluster risk

25 largest customer exposures[1)]





Both Volksbank Wien and the Association have granular credit portfolios with no significant large single credit positions, reflecting the focus on small-volume retail and SME business:

- As of 06/2024 the **top 25 exposures** represent 4.9% of the Association's and 17.2% of Volksbank Wien's total loans and receivables from customers
- The **largest single customer exposure** accounts for 0.4% of the Association's and for 1.5% of Volksbank Wien's customer loans

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

Effects of economic environment on loan portfolio (1/2)

The following, general market developments can be seen in the three main customer-risk segments of the Association of Volksbanks:

Retail Private:

- Private customers loan portfolio structure is stable, with few defaults
- Due to KIM-VO[1)] and the level of interest rates, new loans are stagnating; new housing package shows little impact
- Supply and demand is still diverging – leading to a reduction in the number of transactions in the private sector

Corporate/SME:

- The economic slowdown was particularly noticeable in Q2 2024, with a slump in the industrial and construction sectors
- The service sector is struggling with declining consumption, especially impacting retail businesses; the hospitality sector (tourism, gastronomy) is challenged by increased costs and staff shortages; compared to the previous quarter, the commercial trade, transport, and hospitality sectors are stagnating; some positive impulses are visible in the information technology and communication sectors

Real Estate:

- Buyer’s market prevails - although having slowed down, the negative development of prices has continued, in particular in Vienna, where new projects being completed still outstrip demand; in Vienna the market is dominated by institutional investors
- Increased construction costs still burden the market (completion forecasts for new buildings have been further revised downwards) and the realisation periods remain longer (completion and sale of projects)

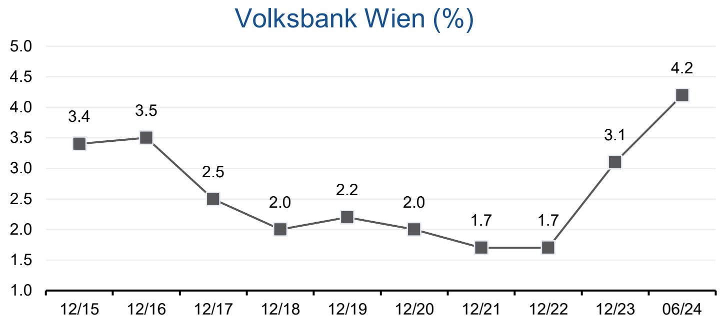
1) KIM-VO: Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung, KIM regulation sets tighter standards for private mortgage loans in terms of minimum equity and minimum DSCR required

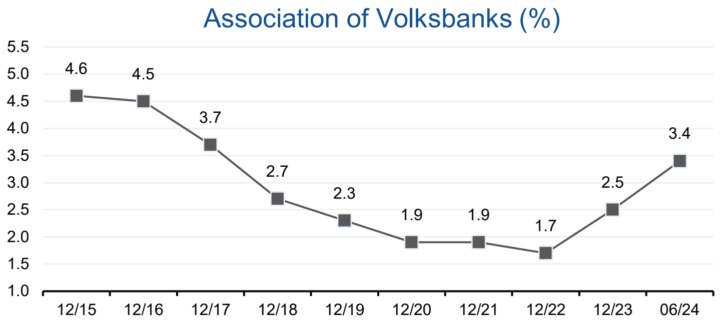
Effects of economic environment on loan portfolio (2/2)

- The overall situation of the Austrian economy has different impacts on specific loan portfolios in the Association of Volksbanks
- KRIs in the **Retail Private and Corporate/SME** risk segments remain at relatively satisfactory levels (i.e. no significant increase in NPLs and watch-list exposures with special monitoring compared to the beginning of the year)
- Within the **Corporate/SME** risk segment, the exposure in the construction industry is under particular attention, as insolvency figures are rising throughout Austria. However, only a small increase in NPLs can be seen in the Association's construction industry loan portfolio
- The most significant decline in asset quality took place in the **Real Estate** risk segment (i.e. commercial real estate financing)
- The distortions on the domestic real estate market - triggered by high inflation, rising construction costs, high interest rates and a generally weak economic situation - led to above-average total risk costs and a significant increase in non-performing loans
- Total risk costs in the Association of Volksbanks amount to EUR -84 mn (Volksbank Wien: EUR -27 mn), and the Association's NPL volume increased from EUR 680 mn to EUR 918 mn (Volksbank Wien: from EUR 210 mn to EUR 294 mn)
- Within the Real Estate risk segment, the sub-portfolios of category B (residential real estate; EUR 3.4 bn), category C (retail and commercial real estate; EUR 2.5 bn) and category "other" (holding companies; loans not directly attributable; EUR 0.5 bn) are affected
- Within these categories, real estate developers are most affected by the above-mentioned distortions (i.e. purchase of land or properties, their development or renovation and subsequent profitable sale; regulatory so-called speculative immovable property financing; EUR 1.5 bn; largest share of category B - residential real estate)
- There are still no NPLs in the category A risk segment containing social housing and owner/developer schemes (exposure of EUR 1.3 bn)

Real estate exposure drives increase of NPL ratios

Development of NPL ratios[1)]





- The increase of the Association's NPL ratio to 3.4% (Volksbank Wien: 4.2%) corresponds to an additional NPL volume of EUR 239 mn (Volksbank Wien: EUR 84 mn) compared to the beginning of the year
- EUR 199 mn or 83% (Volksbank Wien: EUR 73 mn or 87%) of this additional NPL volume is attributable to the Real Estate segment, and EUR 37 mn or 16% (Volksbank Wien: 8 mn or 10%) corresponds to the Corporate/SME segment, the remaining amount comes from the Retail Private segment
- In the Association of Volksbanks ca. 2/3 of the EUR 199 mn NPL increase in the Real Estate segment comes from category B - residential real estate, these loans are collateralised to a very high degree
- As of 30 June 2024 the collateralisation ratio in the real estate segment was 86.9% on the Association level (Volksbank Wien: 89.1%), in the subsegment residential real estate (category B) the Association's collateralisation ratio was 93.1% (Volksbank Wien: 95.3%)
- Within in the Corporate/SME segment, around 60% of the EUR 37 mn increase in NPL volume is attributable to the tourism sector, resulting from a limited number of larger defaults in the western part of Austria
- There is no US CRE exposure

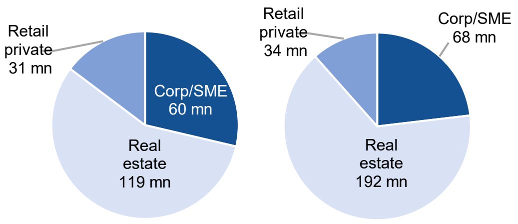
1) Loans and receivables based on risk view (total loans extended)

Distribution of non-performing loans

Total non-performing loans[1)]

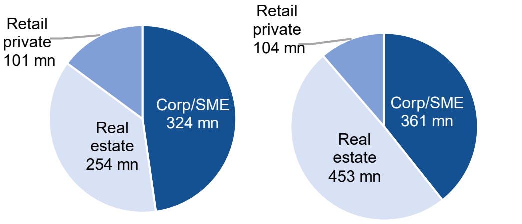
Volksbank Wien

12/2023 (EUR 210 mn) / **06/2024 (EUR 294 mn)**



Association

12/2023 (EUR 680 mn) / **06/2024 (EUR 918 mn)**

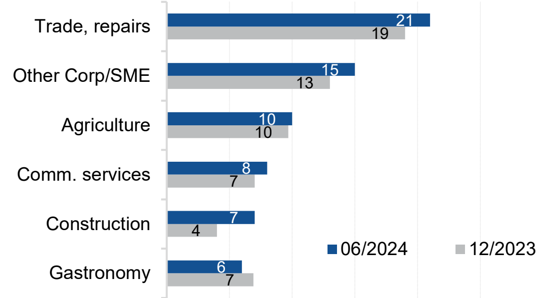


1) *Loans and receivables based on risk view (total loans extended)*

NPLs Corp/SME[1)]

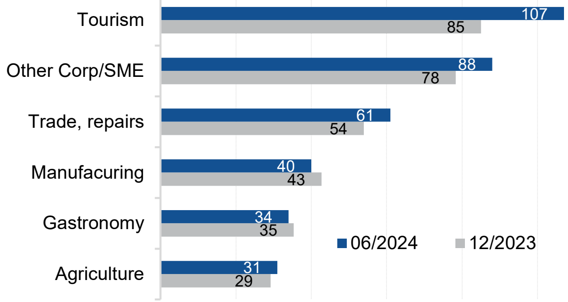
Volksbank Wien

12/2023 (EUR 60 mn) / **06/2024 (EUR 68 mn)**



Association

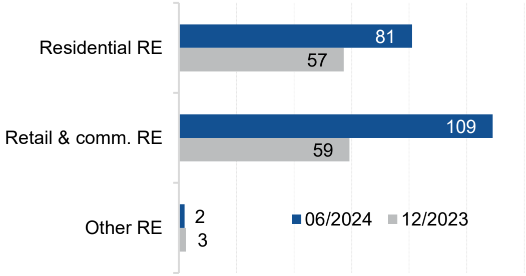
12/2023 (EUR 324 mn) / **06/2024 (EUR 361 mn)**



NPLs real estate[1)]

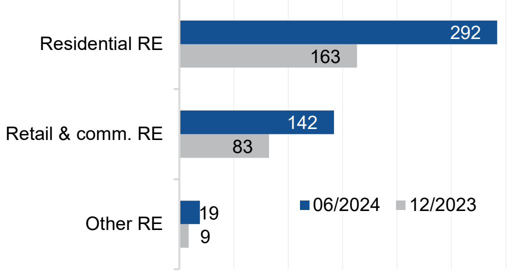
Volksbank Wien

12/2023 (EUR 119 mn) / **06/2024 (EUR 192 mn)**



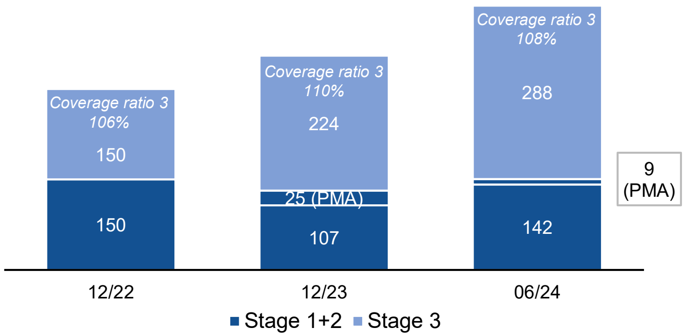
Association

12/2023 (EUR 254 mn) / **06/2024 (EUR 453 mn)**



AoV: development of risk provisions

Stock of risk provisions (EUR mn)



Risk provisions p&l (EUR mn)

Association	12/2022	12/2023	06/2024
Stage 1+2	-39	6	-30
Stage 3	17	-70	-54
Other[1)]	-9	-1	0
Total	**-31**	**-65**	**-84**
Total (in bp)	**-12**	**-24**	**-31**

Stock of risk provisions

- Adequate stage 3 risk provisions in an amount of EUR 288 mn result in a NPL coverage in form of the **coverage ratio 3** (risk provisions plus loan collateral after haircuts) of **108%,** which is clearly above the internal target value of >104%
- As of 30 June 2024 the total amount of **post-model adjustments** (PMA) stood at **EUR 9 mn,** accounting for effects of future model adjustments. EUR 14 mn of PMAs formed at the end of 2023 to reflect adverse developments on the real estate market were transferred to stage 2 risk provisions in the first half year 2024

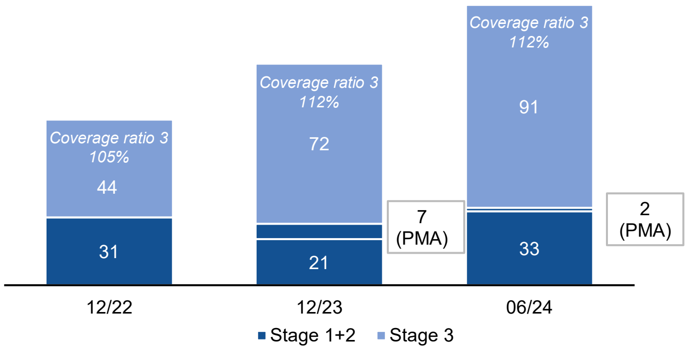
Risk provisions p&l

- The Association's total risk costs as of 06/2024 were **EUR -84 mn**
- The stage 3 result is mainly attributable to large-volume loan defaults in the real estate portfolio. Within the performing portfolio (stages 1 + 2), risk provisions in an amount of EUR 30 mn were recognised due to rating downgrades and staging effects

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

VBW: development of risk provisions

Stock of risk provisions (EUR mn)



Risk provisions p&l (EUR mn)

VB Wien	12/2022	12/2023	06/2024
Stage 1+2	-10	0	-10
Stage 3	-1	-28	-17
Other[1)]	1	0	0
Total	**-10**	**-29**	**-27**
Total (in bp)	**-14**	**-42**	**-38**

Stock of risk provisions

- At **112%** as of 06/2024, Volksbank Wien‘s **coverage ratio 3** clearly exceeds the internal target value of >104%
- As on the Association level, most of Volksbank Wien’s PMAs formed at the end of the previous year due to negative developments on the real estate market were transferred to stage 2 risk provisions in H1 2024. As of 30 June 2024 remaining **PMAs,** accounting for effects of future model adjustments, stood at **EUR 2 mn**

Risk provisions p&l

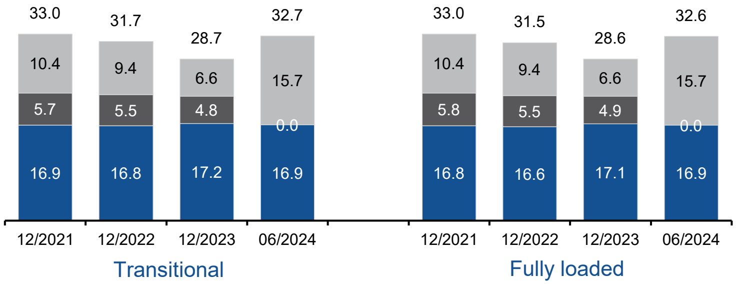
- Volksbank Wien’s **total risk costs** stood at **EUR -27 mn** as of 30 June 2024
- Similar to the Association, the result is mainly attributable to large-volume defaults in the real estate portfolio, and to rating downgrades and staging effects in the performing portfolio

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

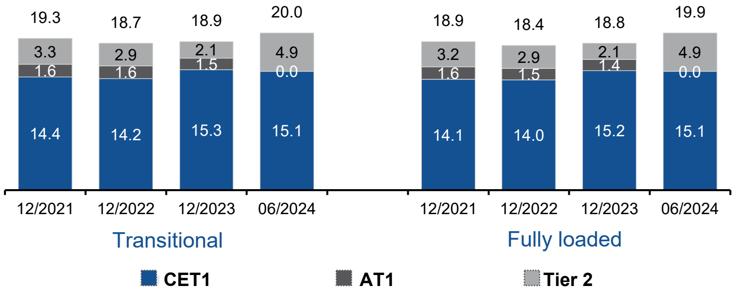
Capital, funding and liquidity, MDA and ADI

Capital ratios clearly above requirements

Capital ratios Volksbank Wien[1] (%)



Capital ratios Association[1] (%)

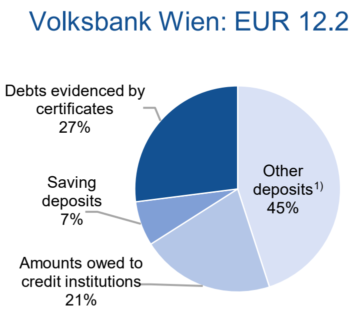


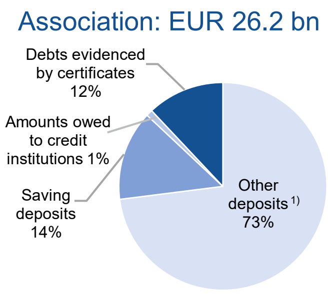
- **SREP ratios as of 12/2024:** pillar 1 requirement 8.0% (CET1: 4.5% T1: 6.0%) pillar 2 requirement (P2R) 2.25% (CET1: 1.27%, T1: 1.69%), capital conservation buffer 2.5%, systemic risk buffer 0.5%, other systemically important institutions buffer 0.9%,countercyclical capital buffer 0.05%, pillar 2 guidance (P2G) 1.25%.
- In 2024 the pillar 2 requirement (P2R) decreased from 2.5% to 2.25%, while the other systemically important institutions buffer increased by 0.15%-pts to 0.9%
- The **effective CET1 requirement** (excl. P2G) is 11.64% and corresponds to the T1 capital requirement since all T1 requirements are covered with CET1 capital. As of 06/2024 there is no T2 shortfall
- The **overall capital requirement** is 14.2**%** (excl. P2G)
- Volksbank Wien as central organisation of the Association has to fulfil the SREP capital requirements on a consolidated basis together with the associated institutes (Association of Volksbanks)
- The **MREL requirement** is set at 24.44% (including a 3.95% combined buffer requirement, the subordination requirement is 0) and is applicable on the Association level. As of 30 June 2024, the MREL ratio was 28.93%
- **Risk-weighted assets as of 06/2024**
  - Association RWAs: **EUR 15.8 bn** (91% credit risk)
  - Volksbank Wien RWAs: **EUR 4.8 bn** (86% credit risk)

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

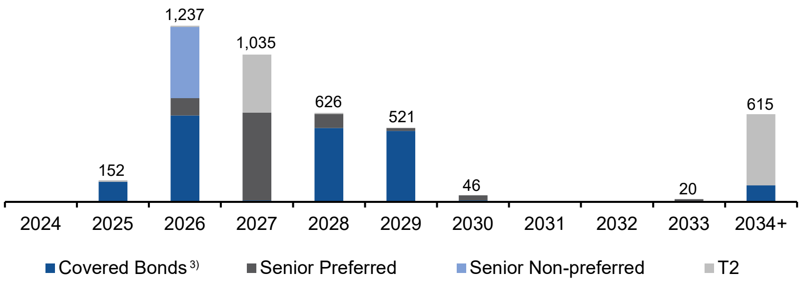
Funding structure and maturity profile

Breakdown of VBW and AoV funding as of 06/2024





Maturity profile of AoV issues as of 06/2024[2] (EUR mn)



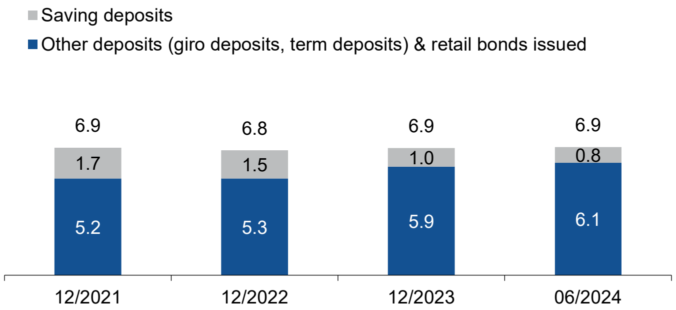
- The funding mix of the Association is dominated by an approx. **87% share of customer deposits;** wholesale funding needs are limited
- **Volume of customer deposits** as of 06/2024
  - **Association:** savings deposits EUR 3.7 bn, other deposits (incl. term deposits) EUR 19.1 bn, retail bonds issued EUR 0.6 bn
  - **VBW:** savings deposits EUR 0.8 bn, other deposits (incl. term deposits) EUR 5.5 bn, retail bonds issued EUR 0.6 bn
- **Volume of deposits insured by deposit scheme** as of 06/2024
  - **Association:** EUR 14.7 bn (ca. 962 ths customers)
  - **VBW:** EUR 4.1 bn (ca. 298 ths customers)
- Member institutions are obliged to **place excess funding at the CO**
- The Association participated in two tranches in **ECB's TLTRO III program** with a total amount of EUR 3.5 bn**,** these funds were deposited with the ECB. The last tranche in an amount of EUR 0.6 bn was repayed on 26 June 2024
- **Leverage ratios** as of 06/2024: **7.3%** (Association) and **6.0%** (VBW)
- **Loan deposit ratios** as of 06/2024: **103.4%** (Association) and **96.6%** (VBW)
- Possible **T2 issuance** targeted as early as H2 2024
- The Association of Volksbanks has a **covered bond program** backed by mortgages of the regional Volksbanks at its disposal
- Long-term liquidity can therefore be generated through the **issuance of covered bonds rated Aaa by Moody's**

1) Other deposits: term deposits, giro deposits | 2) EUR 220 mn AT1 capital issued in 2019 was called in April 2024
3) Apart from the CBs placed externally shown above, covered bonds in an amount of approx. EUR 1.2 bn were placed as collateral at ECB

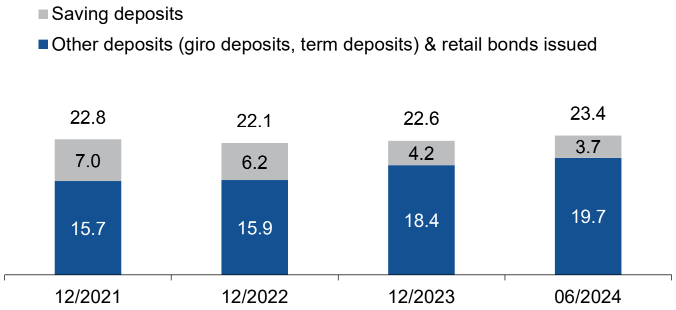
AoV and VBW: amounts owed to customers

Development savings deposits, other deposits & retail bonds issued

Volksbank Wien (EUR bn)



Association of Volksbanks (EUR bn)



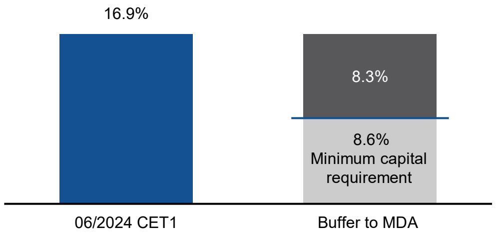
- The distinct shift from giro deposits and saving deposits to products carrying higher interest rates (primarily term deposits and online savings) recorded in 2023 has continued in the first half year 2024
- Primary funds increased significantly at the primary banks[1)] in H1 2024 (+EUR 825 mn), primary bank's net sale of own retail bonds was EUR 157 mn
- Over the course of the first half year, the interest rate of primary funds rose to 1.53%, and the deposit beta[2)] was 43% as of 30 June 2024

1) Primary banks: regional Volksbanks (incl. VBW Retail, excl. VBW CO) and Ärzte- und Apothekerbank
2) Average interest rate in relation to 3-months Euribor

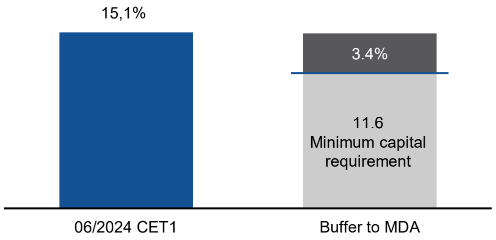
AoV and VBW: maximum distributable amount

Maximum distributable amount (fully loaded)

Volksbank Wien



Association of Volksbanks



- The Association's effective CET1 requirement (excl. P2G) is 11.6% and corresponds to the T1 capital requirement, since all T1 requirements are covered with CET1 capital. As of 06/2024 there is no T2 shortfall
- No T2 shortfall on the level of Volksbank Wien
- Pillar 2 requirement, systemic risk buffer and other systemically important institution buffer requirements are only applicable on the consolidated Association level

VBW: available distributable items (ADIs)

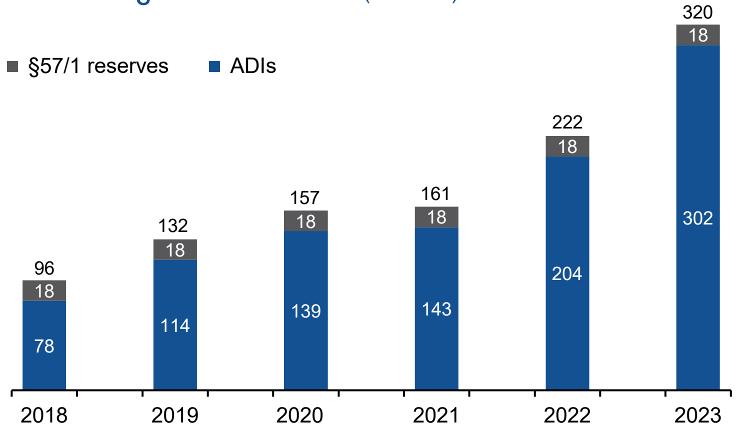
Available distributable items[1)]

- Dividends and discretionary coupon payments are subject to **regulatory requirements, results and sufficient distributable items**
- Distributable items are determined on the basis of **Volksbank Wien's unconsolidated annual financial statements, based on UGB/BWG (local Austrian GAAP)**
- As of 12/2023, **Volksbank Wien's ADIs** were **EUR 301.6 mn**
- Volksbank Wien's **profit for the year 2023** based on local GAAP of **EUR 101.3 mn**. is included in the ADIs as of 12/2023

§ 57/1 BWG reserves[2)]

- VBW has **EUR 17.9 mn § 57/1 BWG-PWB reserves** to cover potential risk costs or generate income from release of this reserve

ADIs and § 57/1 reserves (EUR mn)

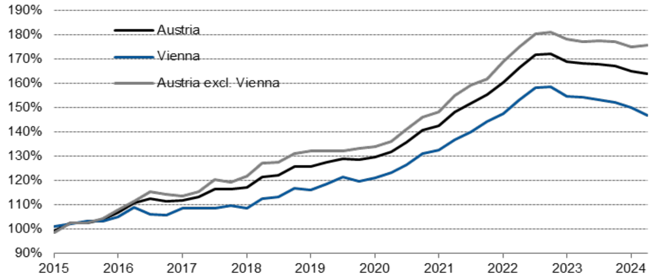


1) *Available distributable items* as defined *in Article 4 (1) (128) CRR*
2) *(Voluntary) reserve for reasons of prudence according to § 57/1 Austrian Banking Act (BWG), reserve can be released on the basis of a resolution by the management board, source: VBW internal calculation*

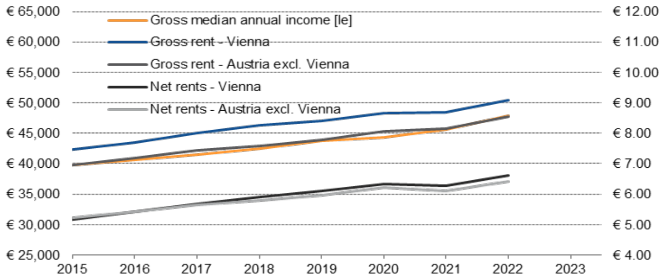
Overview covered bonds

Development of the Austrian real estate market

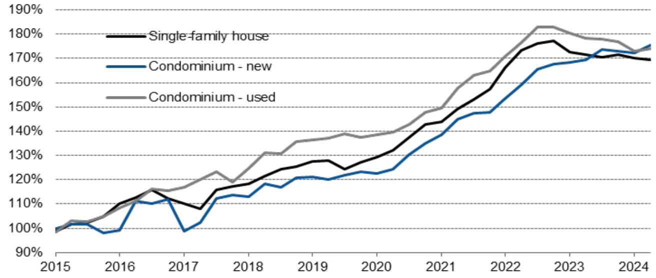
Austria: real estate prices[1)]



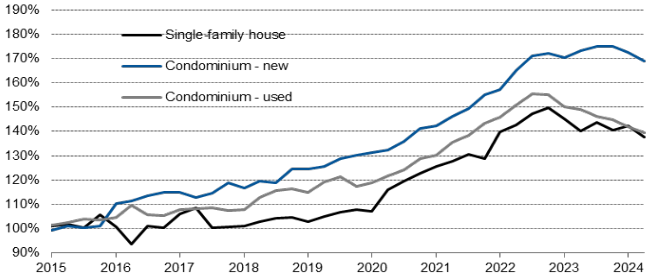
Gross median income & rents[2)]



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



Vienna: real estate prices[1)]



1) OeNB „Immobilienpreisindex“ | 2) Statistik Austria

Covered pool: overview

Overview

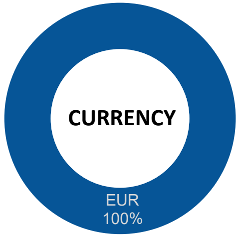
Total assets in the cover pool (EUR mn)	5,052
Total outstanding liabilities (EUR mn)	3,108
Current OC (nominal basis)	62.55%
Number of loans	36,118
Number of borrowers	30,501
Average loan balance (EUR)	139.87
Properties located in Austria	100%
Share of 10 biggest loans	1.17%

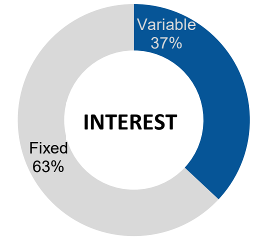
as of 30 Jun 2024

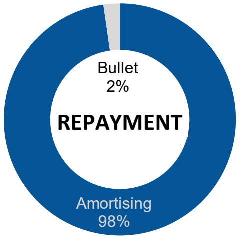
Moody´s rating figures

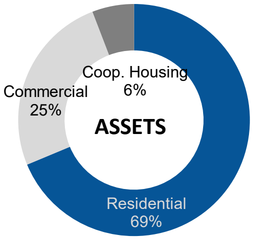
Pool rating	Aaa
CR assessment	A1(cr)
Deposit rating	baa1
TPI payment indicator	probable-high
TPI leeway	3 notches
OC consitent wirh current rating	10.5%
Collateral score	5.8% / 5.4%
WA LTV (indexed / unindexed)	55.6% / 63.1%
WA seasoning (in months)	66
WA remaining term (in months)	226

as of 31 Mar 2024

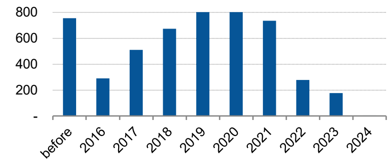




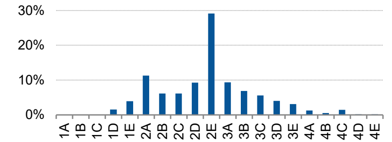




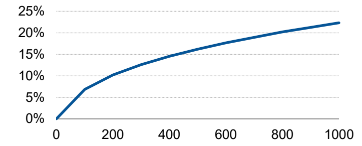
Seasoning



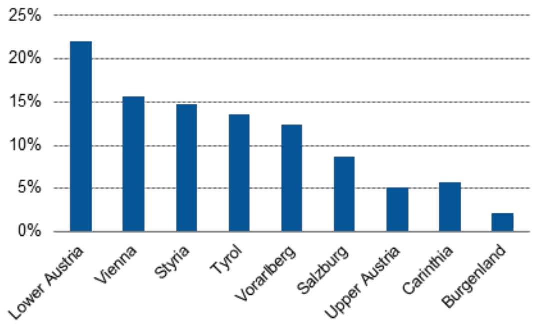
Rating distribution

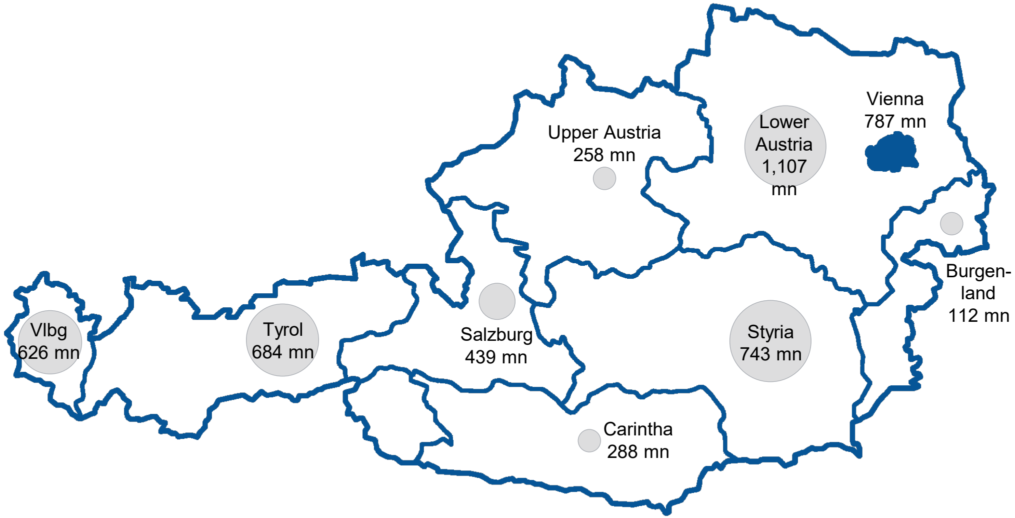


Granularity of the pool



Covered pool: regional distribution





Covered pool: distribution real estate

	CRE				RRE				Total				
	Number of Loans	Covered value	Avg. indexed LTV	Share	Number of Loans	Covered value	Avg. indexed LTV	Share	Number of Loans	Covered value	Avg. indexed LTV	Share	Share cumulative
Single family home	472	86,537,096	53.1%	1.71%	16,378	1,825,729,878	52.2%	36.15%	16,850	1,912,266,975	52.3%	37.9%	37.9%
Condominium	467	84,778,692	58.8%	1.7%	9,814	1,033,502,470	54.2%	20.5%	10,281	1,118,281,162	54.5%	22.1%	60.0%
Apartment building	775	557,532,597	61.9%	11.04%	2,806	368,831,721	51.3%	7.30%	3,581	926,364,318	57.7%	18.3%	78.3%
Accommodation property	465	160,577,224	53.7%	3.2%	9	2,601,096	48.1%	0.1%	474	163,178,320	53.6%	3.2%	81.6%
Commercial/industrial building	488	162,273,124	58.0%	3.21%	11	1,663,658	38.5%	0.03%	499	163,936,782	57.8%	3.2%	84.8%
Row house	29	9,219,718	73.2%	0.2%	1,029	138,373,566	59.5%	2.7%	1,058	147,593,285	60.4%	2.9%	87.7%
Residential/commercial building (mixed use)	224	82,370,874	75.5%	1.63%	369	57,538,703	60.5%	1.14%	593	139,909,577	69.3%	2.8%	90.5%
Agricultural/forestry property (developed)	750	103,818,684	42.3%	2.1%	5	1,055,539	55.1%	0.0%	755	104,874,223	42.4%	2.1%	92.6%
Office property	161	69,535,906	69.6%	1.38%	2	203,043	67.3%	0.00%	163	69,738,949	69.6%	1.4%	94.0%
Retail property	122	62,204,370	64.6%	1.2%	3	329,073	47.1%	0.0%	125	62,533,442	64.5%	1.2%	95.2%
Agricultural/forestry property (undeveloped)	441	51,809,946	45.1%	1.03%	1	35,893	69.0%	0.00%	442	51,845,839	45.1%	1.0%	96.2%
Residential plot	34	10,637,325	60.9%	0.2%	227	29,958,405	50.7%	0.6%	261	40,595,730	53.4%	0.8%	97.0%
Restaurant property	118	29,485,287	61.7%	0.58%	4	618,266	71.9%	0.01%	122	30,103,553	61.9%	0.6%	97.6%
Logistics property	54	32,923,765	64.0%	0.7%	1	380,097	67.0%	0.0%	55	33,303,862	64.0%	0.7%	98.3%
Social property	16	25,424,270	62.7%	0.50%	7	1,610,538	73.3%	0.03%	23	27,034,808	63.4%	0.5%	98.8%
Retirement home/dormitory	26	21,078,772	67.2%	0.4%	-	-		0.0%	26	21,078,772	67.2%	0.4%	99.2%
Commercial/industrial property	28	10,125,096	57.5%	0.20%	-	-		0.00%	28	10,125,096	57.5%	0.2%	99.4%
Leisure property	12	8,345,266	53.4%	0.2%	2	225,362	26.7%	0.0%	14	8,570,629	52.7%	0.2%	99.6%
Energy production property	20	4,619,041	36.4%	0.09%	1	548,846	42.0%	0.01%	21	5,167,887	37.0%	0.1%	99.7%
Garden allotment house	3	1,540,345	40.5%	0.0%	43	4,663,857	64.1%	0.1%	46	6,204,201	58.2%	0.1%	99.8%
Car parking space	5	903,217	65.8%	0.02%	34	3,972,909	61.7%	0.08%	39	4,876,126	62.5%	0.1%	99.9%
Residential plot for multiple dw elling	5	2,294,881	38.5%	0.0%	-	-		0.0%	5	2,294,881	38.5%	0.0%	100.0%
Public building	2	1,109,813	42.6%	0.02%	-	-		0.00%	2	1,109,813	42.6%	0.0%	100.0%
Infrastructure property	8	847,384	47.0%	0.0%	-	-		0.0%	8	847,384	47.0%	0.0%	100.0%

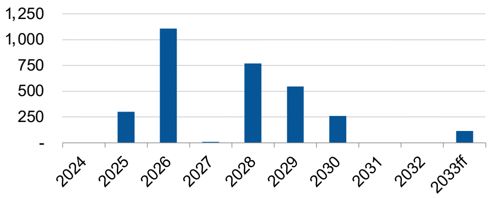
Covered bond liabilities

Covered bonds

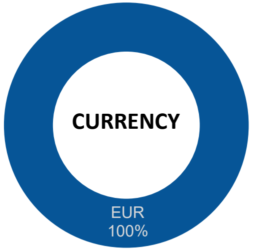
Total outstanding liabilities (EUR mn)	3,108
thereof used as collateral	1,207
Number of outstanding covered bonds	23
thereof callable	*1*
Average bond size (EUR mn)	135
WA remaining term (years)	3.60

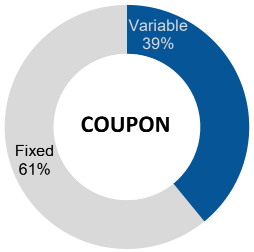
as of 30 Jun 2024

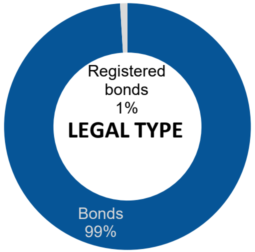
Amortisation profile

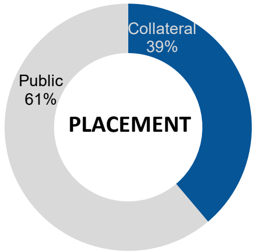


as of 30 Jun 2024









ESG strategy

Sustainability is part of the corporate DNA

Sustainability is deeply rooted in the Association and forms a strong foundation for the future

Sustainability has been an integral part of the business model of the cooperative Association of Volksbanks for more than 170 years, **“trust, regionality and customer proximity"** are the core values of the Association

Traditionally, Volksbank’s clients are also their owners. The **cooperative principle** promotes the regional economic cycle and ensures that capital and liquidity are employed regionally. The Volksbanks operate within their respective regions with the statutory goal of **supporting economic development in their region**

Volksbank Wien and the Association aim at a **further increase of sustainable products and services** offered and attach **great importance to sustainability** when selecting **product partners and suppliers**

Early engagement in international initiatives

- **Global Compact** signed in 2018
- **First sustainability report according to GRI-standards** for the business year 2019
- Commitment to the UN’s **SDGs**
- **TCFD**[1] commitment

Volksbank Wien issued its first green bond in March 2023 (EUR 500 mn benchmark), in October 2024 the first green retail bond was issued

Together with the other members of the Association, Volksbank Wien is one of the most important lenders in the segment of **project financing for renewable energy** in Austria. The Association of Volksbanks aims at **GHG neutral operations by 2030** (scope 1+2)

„Low ESG Risk“ Rating from Sustainalytics

Integration of ESG risks into the risk management of Volksbank Wien and the other Association member banks, especially in the lending business and in project financing

1) Task Force on Climate-related Financial Disclosures

ESG management – milestones (1/2)

2017/2018

- Volksbank Wien publishes its **first sustainability report** for the business year 2017
- Volksbank Wien joins the **UN Global Compact** in 2018
- **Seven UN SDGs** to the achievement of which Volksbank Wien will contribute (SDGs 3, 4, 5, 8, 9, 11 and 16) are identified

2019

- In cooperation with the main stakeholders, **“trust, regionality and customer proximity"** are defined as core values of the cooperative Association of Volksbanks
- Employees of all member banks are **trained on these core values**, the training wins the international “E-Learning Award”
- **Materiality analysis** of Volksbank Wien’s main sustainability topics based on a stakeholder survey
- Implementation of an **annual calculation of the corporate carbon footprint** (scope 1+2)
- Inclusion of **sustainability in fit & proper trainings**
- Certification as ***“Leitbetrieb Austria”*** (“Leading Austrian Company”)

2020

- Association-wide **management conference** on the topic of **“sustainable and regional“**
- Award received: **Austrian eco-label for sustainable funds**
- Volksbank Wien publishes **first sustainability report according to GRI-standards** (for the business year 2019)
- **Sustainable vision/mission** adopted
- **COVID-19**: Volksbanks offer bridge financing to all customers ahead of any state measures with a focus on SMEs

2021

- **Comprehensive sustainability project launched** across the Association of Volksbanks, nomination of “sustainability ambassadors”
- **Increased focus on sustainable financing**
- Staff in all member banks are **trained on sustainability strategy**
- **Customer events** on the topic of ESG and publication of first **sustainability brochure** (sustainability for SMEs and cooperatives)
- Start of preparations for the **issuance of green, social or sustainability bonds** including set up of internal processes and sustainability bond framework

ESG management – milestones (2/2)

2022

- **Sustainalytics classifies VBW's ESG risk as low** (ESG risk rating score of 17.4)
- **Sustainability Committee** established
- **ESG scores** for corporate customers implemented
- Further development of **ESG know-how and education of stakeholders** (employees and customers, fit & proper) on the topic of ESG
- Publication of **second sustainability brochure** for SMEs (focus on the topic of energy transition)
- Cooperation to **finance renewable energy projects** established by joining ***"Austrian Green Investment Pioneers – klimaaktiv"***[1)]
- **First sustainability report** according to GRI-standards and CCF for the **Association** published
- **Sustainable asset management** established
- Publication of a **diversity policy** that defines guidelines, processes and responsibilities for a fair and positive working environment

2023

- Volksbank Wien's **first green bond** issued in March in a volume of EUR 500 mn
- Further **improvement of Sustainalytics' ESG rating,** new ESG Risk Rating Score of 10.2
- VBW (in its function as central organisation representing the entire Association) joined the **Task Force on Climate Related Financial Disclosures (TCFD)** to facilitate a standardised assessment of climate-related risks
- **Third sustainability brochure for SMEs** (on the topic of circular economy) published
- **Stakeholder survey** to evaluate which sustainability topics are of the highest relevance for VBW
- Policy statement of the Managing Board of VBW on **respect of human rights** adopted
- **Implementation of a bonus model:** bonus payments for employees in dependence of the achievement of certain targets, especially ESG targets
- Target of **increasing the proportion of women in management positions** by 10% in the period 2021 to 2023 was achieved[2)]

2024

- **Materiality analysis based on ESRS** carried out and **reporting based on CSRD** initiated
- **Green Asset Ratio** (GAR) has been reported for the first time in the sustainability report 2023
- Preparation of **scope 1-3 climate strategy** on the basis of SBTi
- Definition of **ESG KPIs** and management of these KPIs through the sustainability committee
- **KPI on the CO_2-reduction target** integrated in the employee bonus model
- **Business Environment Scan** implemented
- Fundamental revision of the **ESG-risk heat map,** improvement of methodology
- Implementation of **stress tests** and improved quantification through **NGFS**[3)]
- **Risk indicators and monitoring indicators** integrated into the risk process via RAF/RAS (e.g. CO_2 intensity, physical risk)
- **Fourth sustainability brochure** published (focus on the value chain)
- **Sustainalytics' ESG rating** updated to **14.3**

1) Austrian Green Investment Pioneers (Volksbanks together with PowerSolution and ÖGV – Österreichischer Genossenschaftsverband): Companies, municipalities and households are supported in the construction, operation and financing of renewable energy plants, in the years 2022 and 2023 the foundation of 24 energy cooperatives was supported | 2) The share of women in managerial positions as of 12/2023 was 34.7% at VBW and 26.7% at the Association, representing an increase of 22.4% (VBW) and 13.2% (Association) in the period 2021 - 2023 | 3) NGFS: Network for Greening the Financial System

Sustainability strategy – green transformation

Sustainability in the Association

Our understanding of sustainability

- ✓ **Significance of sustainability:** sustainability and regionality have been at the core of the Association's business model for over 170 years and are reflected in the values and cooperative identity
- ✓ **Principles:** commitment to UN SDGs and Paris Agreement
- ✓ **Market opportunities:** Volksbanks view sustainability as competitive advantage and are committed to developing sustainable products and services
- ✓ **Sustainability risks:** ESG risks are integrated into the business strategy, governance, and risk management framework

Ambition level and goals

- ✓ **Positioning:** the Volksbanks aim at beeing "the local banks of Austria"
- ✓ **Strategic opportunity:** sustainability is seen as strategic opportunity
- ✓ **ESG criteria:** ESG criteria are integrated into the core business
- ✓ **Climate strategy:** implementation of measures to reduce greenhouse gas emissions and development of a climate strategy
- ✓ **Sustainability goals:** have been defined in mid-2021, cover all ESG aspects and are quantified continuously

Products and services

- ✓ **ESG risks:** events or conditions related to climate, environment, social issues, or corporate governance that could have negative impacts
- ✓ **Integration:** these risks are part of the business strategy, governance regulations, and the risk management framework
- ✓ **Stress tests and analyses:** implementation of internal stress tests and sensitivity analyses to assess potential impacts
- ✓ **ESG scoring:** scoring system to evaluate ESG risks at the individual borrower level

Governance

- ✓ **Responsibility:** the entire management board is responsible for the implementation of sustainability aspects
- ✓ **Review:** regular control by the supervisory board
- ✓ **Volksbank Wien sustainability officer:** responsible for the sustainability strategy and sustainability reports

Sustainability committee

- ✓ **Core business integration:** definition of extensive measures to integrate sustainability into core business
- ✓ **Steering:** through sustainability goals and the involvement of the Association member banks
- ✓ **Multipliers:** appointed sustainability officers in primary banks for further development and management of ESG topics

Strategies and objectives

Improving sustainability across all areas and acting in an eco-minded, climate-conscious manner

- Implementation of a decarbonisation strategy
- Continuous reduction of indirect CO_2 emissions from core business (e.g. from financings and investments)
- Regular monitoring of the carbon footprint

- Carbon footprint reduction as important goal in the banking book, improvement of the already very low CO_2 footprint of 7.4 t / million euros turnover on average
- GHG neutral operation by 2030, to achieve this goal a decarbonization path was developed

- Continuous annual growth in the areas of subsidised housing and social cooperative housing
- Further increase in offered range of sustainable products and services

- Increase the amount of real estate financing suitable for green bond issues
- Share of financing abroad not to exceed 5% of loan book
- Focus on financings in the area of renewable energy

- Proportion of women in managerial positions is to grow by 10% between 2023 and 2025
- GHG reduction targets integrated as KPIs in the employees‘ bonus model
- Promotion of good working conditions

Based on a materiality analysis, Volksbank Wien has assigned the material topics to specific SDGs

Climate action

13 CLIMATE ACTION

Decent work and economic growth, quality education

8 DECENT WORK AND ECONOMIC GROWTH

4 QUALITY EDUCATION

Good health and well-being

3 GOOD HEALTH AND WELL-BEING

Sustainable cities and communities

11 SUSTAINABLE CITIES AND COMMUNITIES

Gender equality

5 GENDER EQUALITY

Industry, innovation and infrastructure

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

ESG rating, certifications, memberships

SUSTAINALYTICS
a Morningstar company
RATED

Volksbank Wien is rated „Low Risk“ by Sustainalytics with an ESG risk rating score of 14.3

ESG Risk Exposure „Medium“ at 40.8:

„The company's overall exposure is medium and is moderately above subindustry average.”

ESG-Risk Management „Strong“ at 69.8:

„The company’s overall management of material ESG issues is strong.”

Certifications

Three sustainable funds (UI) were certified with the Austrian ecolabel

„der faire Credit“: further award received for service and advisory quality

Volksbank Wien recertified as „Leitbetrieb“

Memberships in ESG-related initiatives

Volksbank Wien‘s sustainability principles

Three pillars form the basis of Volksbank Wien's sustainable actions, the focus is on the topic of "regional sustainability"

Volksbank Wien

- ➢ Operates sustainably in the region based on cooperative values
- ➢ Takes responsibility for the long-term well-being of customers and employees
- ➢ Acts in an environmentally and climate conscious manner

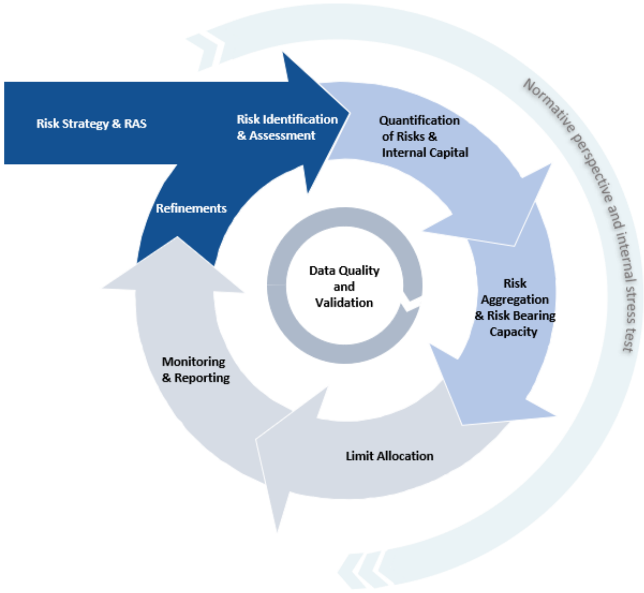
Volksbank Wien

- Is committed to the **Paris Agreement on Climate Protection**
- Aligns its business strategy with the **SDGs of the United Nations** and thus contributes to their achievement
- Through its **membership in the UN Global Compact,** Volksbank Wien underlines the importance of sustainability in its business activities and **supports the 10 principles of the UN Global Compact** for the development of a sustainable world economy for the benefit of all people, communities and markets
- By adhering to these principles, the bank is committed to **responsible corporate governance** and anchors **sustainability as an integral part of its corporate culture**
- Volksbank Wien aims at **appropriately managing ESG risks** and enhancing positive impacts of its business activities on environment and people
- Enables responsible cooperation with clients by offering **sustainable products and services**
- Policy statement of the Managing Board of VBW on **respect of human rights** adopted

ESG risks (1/2)

ESG risks are integrated into the risk frameworks and are integral part of the risk management process

- The Association of Volksbanks is an **ECB-supervised institution** and therefore complies with high supervisory standards
- ESG risks are managed centrally by the **risk management function**
- **Executive board** is involved in the process of management of ESG risks
- Coverage of ESG risks in **regular risk reporting,** with **quarterly reporting to the supervisory board** on progress in the integration of ESG risks
- Standardised identification of ESG risks in the **risk inventory via ESG heat maps**
- ESG risks are also quantified in the **risk-bearing capacity calculation**
- Calculation of **ESG-related scenarios** in the internal stress test
- The **Association's risk strategy** reflects the results of the internal stress test and the risk inventory
- Evaluation of ESG aspects in the **new product process**
- Consideration of ESG aspects in the **outsourcing risk assessment**

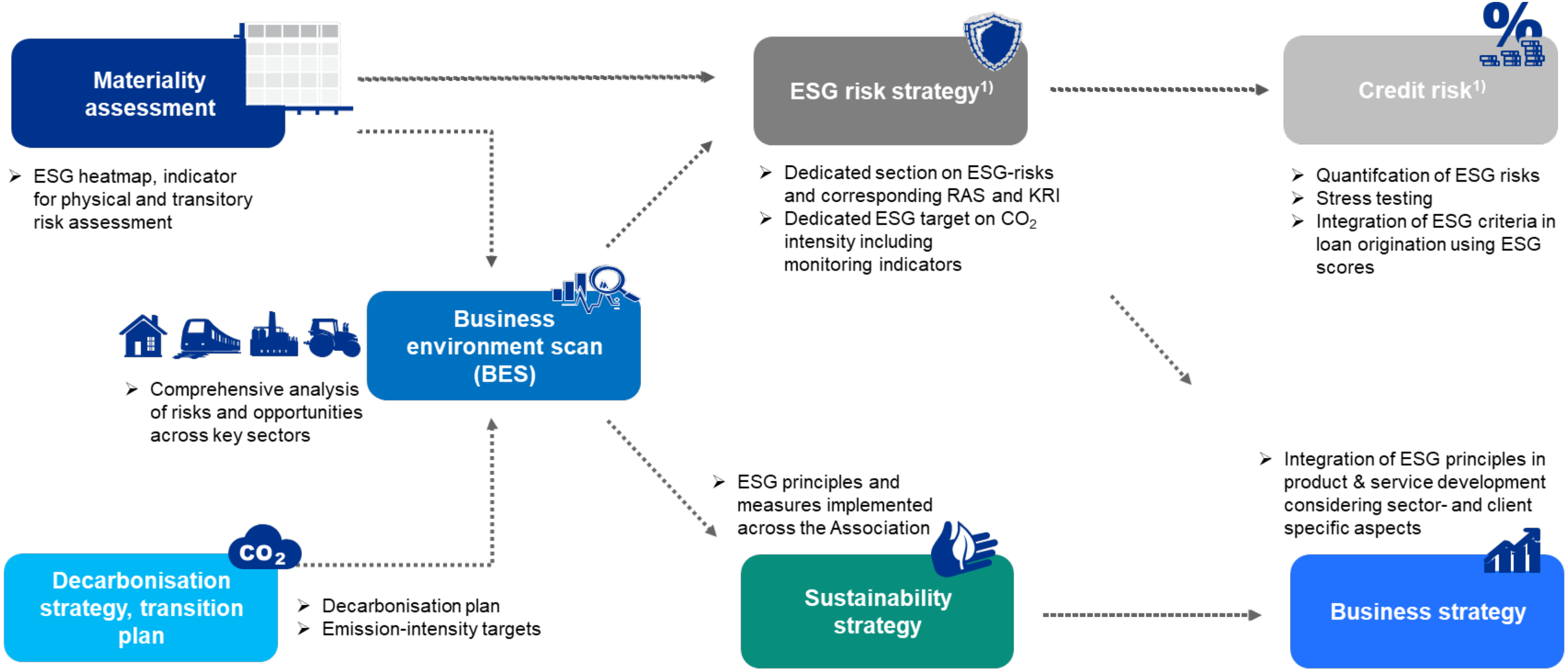


ESG risks (2/2)

ESG risks are integrated into the risk frameworks and are integral part of the risk management process

- The composition of the overall risk position corresponds to the pattern of a **regionally active retail bank,** credit risk accounts for the largest share of the overall risk position
- The focus of sustainability-related measures is on **commercial customers and real estate customers**
- ESG risks have been included in the credit decision since 2021:
  - The assessment of debt servicing capacity is carried out taking into account **physical and transitory risks**
  - ESG risks are also taken into account in **regular credit reviews**
  - Financed transactions must comply with **environmental protection regulation**
  - **No business** is conducted in **environmentally or socially harmful areas**
  - The list of undesirable sectors includes **ethically questionable sectors and business areas** as well as **environmentally and socially questionable sectors**
- Since mid-2021, **ESG aspects have been included in property valuations**
  - In addition, environmental impacts, energy efficiency and the use of fossil fuels in buildings are documented

ESG management landscape



1) *Credit risk/loan origination integrated into ESG risk strategy; ESG risk strategy also covers other risk categories*

Sustainability targets

Volksbank Wien has defined 10 specific target for the areas environment, social and governance

E

- We maintain a maximum Sustainalytics ESG risk rating score of 20, and thus remain in the “low risk” rating category
- We continue to further align our lending standards with ESG standards and we define adequate procedures for all customer segments to take ESG criteria into account in lending decisions
- We gradually introduce own ESG products and continuously increase the share of ESG products form our product partners
- By 2030, operations of the Association are GHG neutral in terms of CO_2 emissions (scope 1+2)

S

- We increase customer satisfaction and the satisfaction of our employees significantly
- We clearly increase diversity within the Association of Volksbanks
- We promote sustainable economic projects in the regions through the cooperative dividend cycle and build a sustainability hub to interconnect sustainable activities

G

- We create transparency in the disclosure of GAR[1)], CO2 emissions and the governance structure, and establish a bonus system based on sustainability criteria
- A sustainability committee has been established for the Association and the topic of sustainability has been implemented in the supervisory boards of the Association member banks
- We integrate sustainability in the “three lines of defense” model

1) GAR: Green Asset Ratio

Annex

Association of Volksbanks: structure

Deposit guarantee: **ESA (Einlagensicherung Austria)**
Deposit protection scheme according to § 1,
Deposit Guarantee and Investor Compensation Act

Association of Volksbanks (AoV)

Primary banks

8 Regional Volksbanks

1 Specialised bank (Österreichische Ärzte- und Apothekerbank AG)

9 Primary banks

VOLKSBANK WIEN AG (VBW)

Is one of the regional Volksbanks and at the same time
central organisation of the Association

VBVM (Volksbank Vertriebs- und Marketing eG)
VBVM is responsible primarily for the promotion of cooperation in sales activities
and for the harmonisation of processes

Auditing and early warning system: ÖGV
Österreichischer Genossenschaftsverband)
Primary banks are members of ÖGV

Association of Volksbanks: governance

Liability and Liquidity Scheme

VOLKSBANK WIEN AG (CO)
Sole responsibility for tasks according to § 30a, Austrian Banking Act

- Management via issuance of **directives**
- Performance of **control functions**

Volksbanks "8 + 1"

Volksbanken Leistungsfonds
Trust fund within the consolidation group

- The **CO Volksbank Wien and the regional Volksbanks** have established a **joint liability scheme:**
  - They are mutually obliged to jointly support a member institution should difficulties arise
  - Liabilities and contributions are unlimited[1)]
- The Association contract forms the basis of the liability scheme:
  - The CO performs significant control functions, is responsible for compliance with regulatory requirements and has the right to issue directives
  - The CO's management can impose remedial actions on troubled primary banks if early-warning indicators (macroeconomic, market-based or breaches of capital, liquidity, profitability or asset-quality ratios) deteriorate (without consent of the bank concerned or preliminary consultation with the Association's members)
- These remedial actions may take the form of equity injections, purchase of assets, short- and medium-term liquidity support, guarantees and other liabilities, subordinated loans, payment of third-party claims, lost grants and management support
- For covering CET1 shortfalls the central organisation has access to the trust fund (Leistungsfonds)

- The Association's members together form a **liquidity scheme.** The **CO is obligated to control liquidity in the Association** to ensure compliance with all material supervisory regulations at all times. The Association's member institutions are obligated to invest their liquidity at the CO

- **Volksbanken Leistungsfonds (VL)** is a trust fund established to enable the CO to take immediate remedial action to support the CET1 basis of any AoV member to prevent a threatening deterioration of its financial position
- With EUR 100 mn the fund has reached its target size in 2021
- If the CO estimates that VL is insufficient to cover support needs as these arise, it can call unilaterally for additional unlimited contributions from the other VBs[1)]
- Assets of VL are included in the Association's core capital

The AoV serves to ensure both the **regulated transfer of liquidity between its members and mutual liability,** thereby providing an indirect guarantee for the creditors of all members of the Association

1) Liabilities and contributions are limited however in the case of the CO to the point where the CO still has to fulfil regulatory capital requirements and in the case of the other members to the point where any member would come close to non-viability

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