VOLKSBANK
Gutes zieht Kreise.

HALF-YEAR MANAGEMENT REPORT

ASSOCIATION OF VOLKSBANKS

AS AT 30 JUNE 2026

KEY FIGURES OF THE ASSOCIATION OF VOLKSBANKS

Euro million	30 Jun 2026	31 Dec 2025	31 Dec 2024
Balance sheet			
TOTAL ASSETS	32,457	32,897	32,065
Loans and receivables to customers	**23,751**	**23,564**	**23,224**
Liabilities to customers	**23,927**	**23,601**	**23,256**
Liabilities evidenced by certificates	**3,238**	**4,231**	**3,490**
Subordinated liabilities	**1,230**	**1,244**	**1,273**
Own funds			
Common equity Tier 1 capital (CET1)	2,533	2,520	2,408
Tier 1 capital (T1)	**2,533**	**2,520**	**2,408**
Tier 2 capital (T2)	1,067	1,092	1,162
Own funds	**3,600**	**3,612**	**3,570**
Risk weighted exposure - credit risk	14,677	14,672	14,102
Total risk exposure - market risk	22	24	20
Total risk exposure - operational risk	1,486	1,486	1,447
Total risk for credit valuation adjustment	9	10	9
Total risk exposure	**16,194**	**16,192**	**15,577**
Common equity tier 1 capital ratio [1]	**15.6 %**	**15.6 %**	**15.5 %**
Tier 1 capital ratio [1]	**15.6 %**	**15.6 %**	**15.5 %**
Total capital ratio [1]	**22.2 %**	**22.3 %**	**22.9 %**
Income statement	**1-6/2026**	**1-6/2025**	**1-6/2024**
Net interest income	298.2	288.0	327.0
Risk provision	-7.5	-67.3	-84.0
Net fee and commission income	148.9	146.5	140.1
Net trading income	3.7	1.7	4.9
Result from financial instruments and investment properties	2.0	13.5	-4.0
Other operating result	-11.5	-9.3	-19.9
General administrative expenses	-337.5	-297.3	-283.8
Result from companies measured at equity	3.4	1.8	0.8
Result for the period before taxes	**99.7**	**77.6**	**81.0**
Income taxes	-18.0	6.4	-8.6
Result for the period after taxes	**81.7**	**84.0**	**72.4**
Result for the period attributable to non-controlling interests	0.0	0.0	0.0
Result of the group for the period	**81.7**	**84.0**	**72.4**
Operating result	**103.9**	**143.1**	**164.2**
Key ratios	**1-6/2026**	**1-6/2025**	**1-6/2024**
Cost-income-ratio	**75.8 %**	**68.6 %**	**63.7 %**
ROE before taxes	**7.1 %**	**5.9 %**	**6.1 %**
ROE after taxes	**5.9 %**	**6.4 %**	**5.4 %**
Net interest margin	**1.8 %**	**1.8 %**	**2.1 %**
NPL ratio	**5.2 %**	**5.2 %**	**3.4 %**
Leverage ratio	**7.6 %**	**7.1 %**	**7.3 %**
Liquidity coverage ratio	**185.6 %**	**193.0 %**	**184.3 %**
Net stable funding ratio	**132.5 %**	**133.6 %**	**135.2 %**
Loan deposit ratio	**98.5 %**	**103.8 %**	**103.4 %**
Coverage ratio I	**31.5 %**	**30.5 %**	**31.3 %**
Coverage ratio III	**105.6 %**	**106.2 %**	**108.2 %**
Resources	**1-6/2026**	**1-6/2025**	**1-6/2024**
Staff average	**3,145**	**3,149**	**3,119**
Thereof domestic	3,145	3,149	3,119
	30 Jun 2026	**31 Dec 2025**	**31 Dec 2024**
Staff at end of period	**3,145**	**3,168**	**3,158**
Thereof domestic	3,145	3,168	3,158
Number of branches	**231**	**231**	**231**
Thereof domestic	231	231	231
Number of customers	**942,680**	**946,901**	**952,254**

The capital 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 interest. 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 shows the business volume (comprising CCF-weighted off-balance sheet positions plus add-on derivatives, replacement value of derivatives, recognition of exposure from derivative claims and on-balance sheet 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.

[1] The reported capital ratios were calculated without including the unaudited interim profit, which is not yet eligible for regulatory recognition. The Common Equity Tier 1 (CET1) ratio including current-year profits is 16.1 %, the Tier 1 capital ratio is 16.1 % and the total capital ratio is 22.7 %.

Table of contents

ASSOCIATION OF VOLKSBANKS
HALF-YEAR REPORT

MANAGEMENT REPORT OF THE ASSOCIATION FOR THE FIRST HALF OF 2026

Report on the economic situation and earnings and financial performance

Economic environment

Macroeconomic developments in Austria in the first half of 2026

Real GDP growth Y/Y	Inflation rate (HICP) Y/Y	Unemployment rate Eurostat definition
0.9 % and 0.8 % (initial estimate)	2.5 % and 3.4 %	5.8 % and 5.7 %

Source: WIFO, Statistik Austria; as at: 31/7/2026

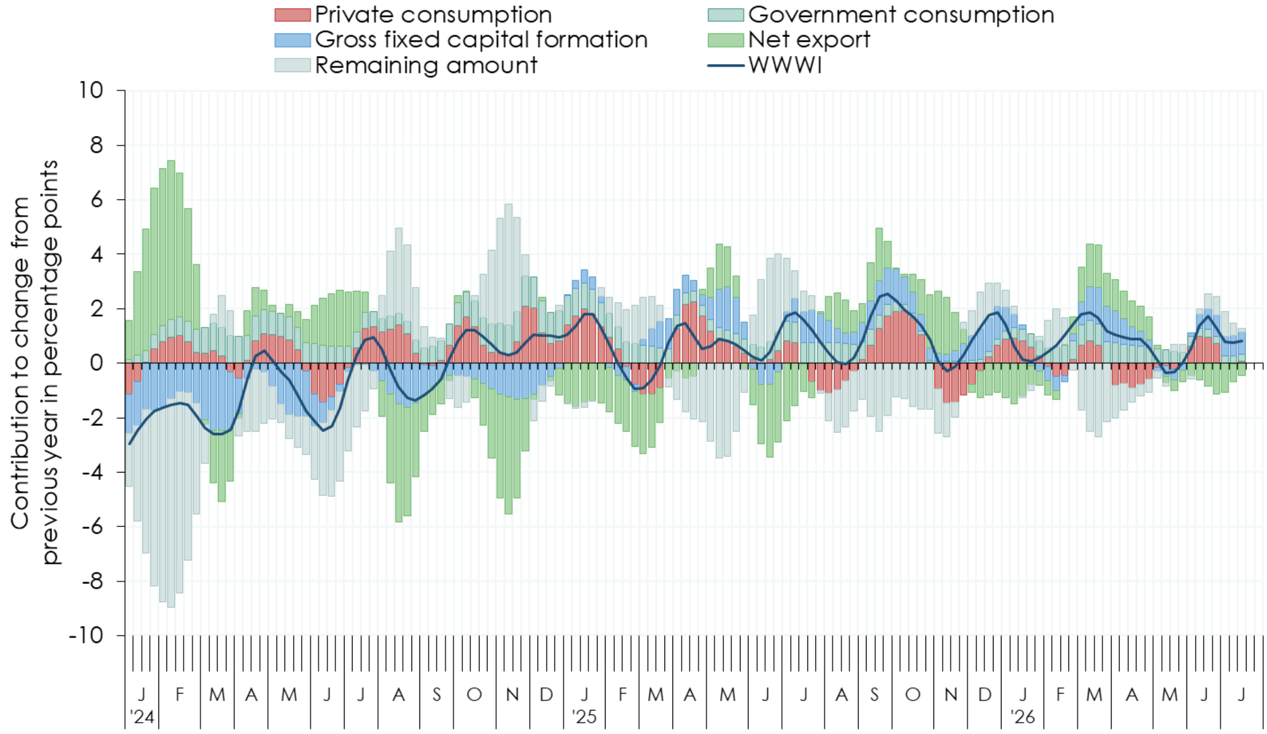
The economic starting position for the current year was somewhat better than initially estimated in the national accounts. Overall, the GDP growth rate for 2025 was revised from 0.6 % to 0.8 %. According to WIFO, the annual growth rates in the third and fourth quarters of 2025 reached 1.3 % and 1.1 %. This recovery continued in the first quarter of 2026. GDP grew by 0.2 % as compared to the previous quarter, but due to the improvements already achieved at the beginning of 2025, year-on-year growth of 0.9 % was already somewhat weaker than at the end of 2025. In addition to the continued expansion of the services sector, manufacturing also contributed to economic growth. On the expenditure side, growth in Q1 was driven by private and government consumption, while investment and exports – as in Q4-2025 – remained below their prior-year levels.

The inflation rate benefited primarily from the expiry of the one-off effects that had driven it higher in 2025. The increase in household electricity prices following the expiry of the 'electricity price brake' alone accounted for 0.71 percentage points of inflation in 2025, an effect that dropped out of the inflation calculation at the beginning of 2026. Lower ancillary costs, such as the electricity levy, which was reduced for 2026 from 1.5 to 0.1 cent/kWh for private households and to 0.82 cent/kWh for businesses, also provided relief. By contrast, oil and gas prices had already begun to rise again during the comparatively harsh winter of 2025/26. Compared with the end of the previous year, the oil price (Brent, USD/b) rose by 19 % and the gas price (TTF; EUR/MWh) by 13 % by the end of February, with these increases accelerating following the outbreak of war in Iran in March. Between March and June, the oil price closed above USD 118/b on several days but ended the quarter more or less at the level recorded on 27 February (USD 72/b). The spikes in the gas price to as much as EUR 63/MWh were also short-lived, but despite the market calming in June, the TTF price was up 37 % compared with 27 February and 54 % higher than at the end of 2025.

With inflation picking up again, new threats to supply chains resulting from the closure of the Strait of Hormuz, and the constantly changing situation in the conflict between Israel and the United States on the one side and Iran on the other, economic activity slowed noticeably in the second quarter. According to WIFO's initial estimate, Austrian GDP stagnated as compared with the previous quarter and inflation increased to 3.4 %, while according to Eurostat the unemployment rate, which generally tends to lag behind the economic cycle, declined slightly. However, downsizing or closures of individual sites announced by some companies could point to a subsequent increase. The collective bargaining agreements concluded since autumn 2025, many of which have lagged behind rolling inflation, are dampening cost inflation for businesses (and thus also future inflation). However, with inflation rising again, they are weighing on households' real disposable incomes, while household consumption declined by 0.1 % Q/Q in the second quarter. By contrast, gross fixed capital formation (+0.4% Q/Q) and exports (+0.5 % Q/Q) increased slightly. Since imports also increased (+0.6 % Q/Q), there was no positive contribution from net exports, as also indicated by the expenditure-side calculation of WIFO's Weekly Economic Index (WWWI) shown below. The trade conflict continued to weigh on the economy, although in the United States many tariffs were temporarily suspended and replaced by lower flat-rate tariffs after the Supreme Court had ruled a number of tariffs unlawful. The trade agreement between the EU and the United States was generally being applied, although it had not been ratified by the end of the first half of the year and disagreements over the war in Iran repeatedly caused tensions.

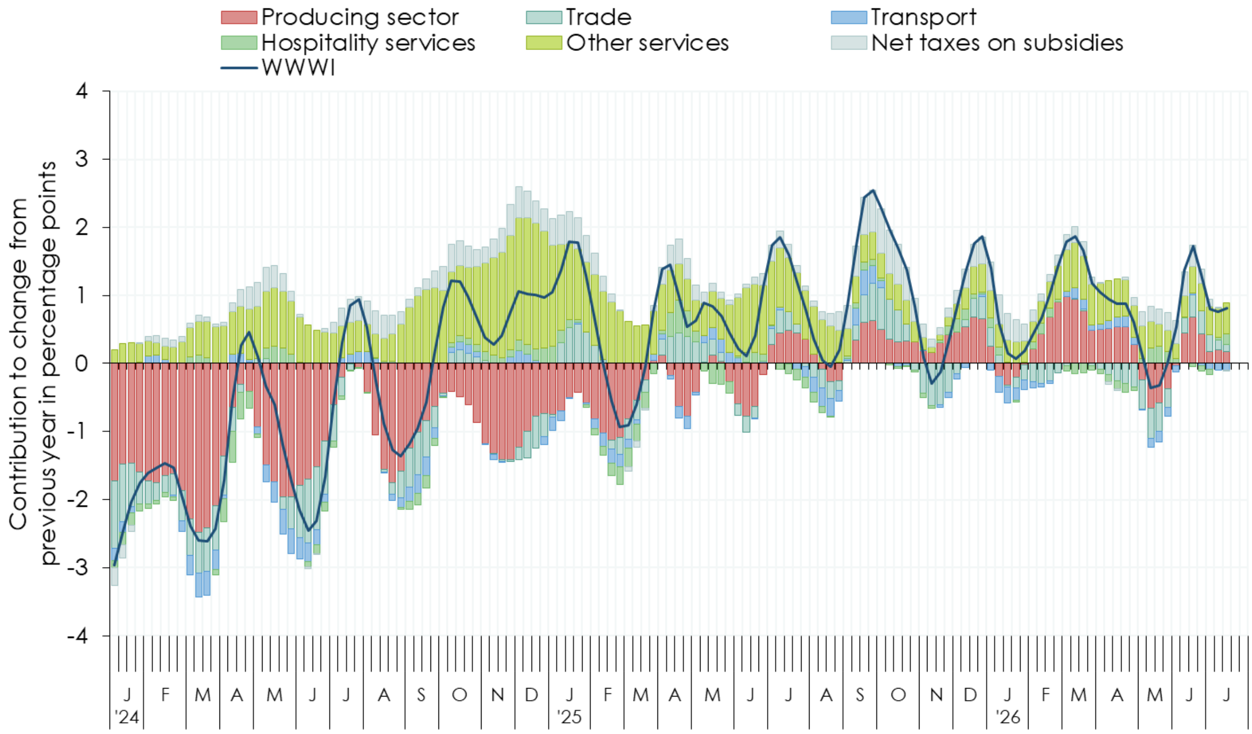
A new macroeconomic headwind associated with the surge in inflation emerged in Q2 in the form of higher interest rates. As inflation expectations increased, long-term yields, which had declined slightly in Europe in January and February, began to rise again, and the European Central Bank raised its key interest rates by 25 basis points in June to 2.25 % (deposit facility) and 2.40 % (main refinancing operation), respectively.

Expenditure



Source: WIFO, Statistics Austria.

Output



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

On the output side, services remained the main driver of growth in the second quarter, with ICT and financial and insurance services in particular making positive contributions, while real value added in accommodation and catering – as well as in the transport sector – remained at prior-year levels despite strong growth in overnight stays, pointing to a persistent reluctance to spend among guests concerned about high fixed costs and an uncertain economic environment. Momentum in the production sector weakened, although its contributions to growth remained positive apart from a brief interruption. However, WIFO's flash GDP estimate showed a slight decline (of 0.1 % Q/Q) in real value added in the production sector, comprising mining, manufacturing and utilities. Real value added in the construction sector has declined continuously since the second quarter of 2025.

The residential property market continued to stabilise in the first quarter. Despite uncertainty and higher interest rates, credit statistics showing a 2.1 % Y/Y increase in residential housing loans in May also point to continued robust activity in the second quarter. The OeNB house price index continued to rise in the first quarter, recording an annual growth rate of 2.4 % Y/Y (2.3 % in Vienna, 2.5 % outside Vienna). Apart from the comparatively small segment of single-family homes in Vienna, pre-owned dwellings were the weakest segment (+1.9 % in Vienna, +1.7 % outside Vienna). The OeNB commercial property price index, introduced in July 2026, was not yet available for H1-2026 at the editorial deadline. Following an increase of almost 15 % in 2021, commercial property prices declined. While the overall index stabilised in 2025 and averaged less than 1 % below the prior-year level, retail and office properties still recorded relatively substantial declines of around 3 %.

Insolvencies declined slightly in the first half of the year. Accordingly, the trend seen in the second half of 2025 continued, albeit at a slower pace. Preliminary data from the creditor protection association KSV indicate that insolvencies increased primarily in the accommodation and food services sector, while the number of cases in manufacturing declined.

The war in Iran triggered a market correction in March, but equity markets generally remained robust. Alongside geoeconomics, investment in artificial intelligence and its microeconomic and macroeconomic implications was the dominant topic.

Association result for the first half of 2026

Results of operation

The pre-tax result of the Association of Volksbanks amounted to euro 99.7 million in the first half of 2026 (1-6/2025: euro 77.6 million), with a result after taxes for the Association of euro 81.7 million (1-6/2025: euro 84.0 million) and an operating result[1] of euro 103.9 million (1-6/2025: euro 143.1 million).

Net interest income increased from euro 288.0 million in the same period of the previous year to euro 298.2 million in the first half of 2026, despite falling interest rates, with interest and similar income falling from euro 509.8 million to euro 492.9 million. As the decline in interest and similar expenses – from euro -221.8 million to euro -194.7 million – was greater than that in interest income, this more than offset the fall in interest income. This trend is particularly evident in the retail banking segment: interest income from loans to customers fell by euro -16.8 million, whilst interest expense on liabilities to customers decreased by euro +30.3 million. Furthermore, the lower interest income from the OeNB (a year-on-year decrease of euro 6.9 million) was offset by higher interest income from bonds (a year-on-year increase of euro 10.3 million), bringing total interest income from bonds to euro 54.3 million. Interest expenses for liabilities evidenced by certificates rose by euro -9.2 million to euro -53.1 million.

Risk provisions totalled euro -7.5 million and were therefore euro 59.8 million lower than in the same period of the previous year. Primarily, net allocations to individual loan loss provisions (incl. direct write-offs and income from loans and receivables that have been written off) totalling euro -4.3 million (1-6/2025: euro -31.5 million) and portfolio loan loss provisions totalling euro -6.0 million (1-6/2025: euro -34.1 million) were recognised. Net reversals of euro +4.6 million were made in respect of off-balance-sheet business (1-6/2025: net allocations of euro -1.7 million).

Net fee and commission income of euro 148.9 million in the reporting period was slightly higher than in the same period of the previous year (1-6/2025: euro 146.5 million). The moderate increase is attributable to the securities business (euro 3.0 million), the custody business (euro 1.6 million), and the current account and payment transactions business (euro 0.7 million). These were offset by declines in the 'other services' business (euro -1.7 million) and the lending business (euro -1.3 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 3.7 million in the first half of 2026 and was therefore euro 2.0 million higher than in the same period of the previous year. The key factors here are the valuation of currency derivatives and the valuation of foreign exchange, foreign currencies and precious metals.

The result from financial instruments and investment properties decreased by euro -11.4 million to euro 2.0 million in the reporting period compared with the same period of the previous year (1-6/2025: euro 13.5 million). The result is primarily attributable to euro -11.0 million lower dividend income, as well as a lower valuation gain on issues carried at fair value (euro -0.8 million). It should be noted that these issues are matched by interest rate swaps entered into for hedging purposes, which constitute an economic hedge. The valuation of the interest rate swaps resulted in offsetting effects that largely compensated for the negative fair value measurements on the issues. Higher valuation gains from customer receivables measured at fair value of euro +1.1 million also had an offsetting effect.

The other operating result totalled euro -11.5 million in the first half of 2026 (1-6/2025: euro -9.3 million). The main changes compared with the same period last year relate to income of euro 1.9 million from a retrospective purchase price adjustment in connection with the sale of VB Schweiz, as well as lower claims-related expenses at VB Kärnten of euro 1.4 million. Higher income of euro 0.3 million from the billing of services provided by VB Services für Banken GmbH and VB Infrastruktur und Immobilien GmbH to external parties also had a positive effect. Conversely, other operating profit was negatively impacted by a settlement payment and a retrospective reduction in the purchase price in connection with the disposal of VB Liechtenstein amounting to euro -1.8 million, as well as higher provisions, in particular for loan processing fees, amounting to euro -4.1 million.

General administrative expenses, at euro -337.5 million (1-6/2025: euro -297.3 million), increased by euro -40.2 million compared with the same period of the previous year. Staff expenses rose by euro -5.5 million to euro -177.0 million due to a higher average number of employees and changes in collective labour agreements. Administrative expenses also increased by euro -34.5 million. This was due to a euro -10.5 million increase in costs for IT projects, in advertising, PR and promotional expenses of euro -2.2 million and in other operating expenses of euro -21.1 million. The increase in other operating expenses is primarily attributable to one-off expenses relating to a framework agreement concluded in June 2026 within the Association of Volksbanks.

Taxes on income and earnings totalled euro -18.0 million in the first half of 2026 (1-6/2025: euro +6.4 million). The tax result includes deferred tax expenses totalling euro -1.7 million (1-6/2025: deferred tax income euro +12.7 million). Based on the tax planning for the next five years, deferred tax assets totalling euro 5.8 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 -16.3 million in the first half of 2026 (1-6/2025: euro -6.2 million).

Financial position

Total assets as at 30 June 2026 amounted to euro 32.5 billion, down euro -0.4 billion on the figure for the end of 2025 (euro 32.9 billion). The decline is primarily attributable, on the assets side, to lower deposits with the OeNB and, on the liabilities side, to the redemption of bonds. This is offset by an increase in the volume of loans and purchases of fixed-income securities.

Liquid funds (cash and central bank deposits), at euro 2.9 billion, are euro -0.8 billion below the previous year's figure, which is due to lower deposits at the OeNB.

Loans to and receivables from credit institutions remained unchanged from the end of 2025, at euro 0.2 billion.

Loans to and receivables from customers amounted to euro 23.8 billion as at 30 June 2026 and were therefore slightly higher than the previous year's figure as at 31 December 2025 (euro 23.6 billion). The increase is due to the positive development in customer volume. Provisions for risks remained unchanged from the previous year at euro -0.6 billion.

The growth in financial investments of euro 0.2 billion to euro 4.6 billion (31 December 2025: euro 4.4 billion) is attributable to purchases of fixed-income securities.

Liabilities to credit institutions, amounting to euro 0.2 billion, remained unchanged compared with the end of 2025.

Liabilities to customers rose to euro 23.9 billion as at 30 June 2026 (31 December 2025: euro 23.6 billion). The increase is primarily attributable to higher demand and savings deposits.

The volume of liabilities evidenced by certificates amounted to euro 3.2 billion as at 30 June 2026, a decrease of euro -1.0 billion compared with the previous year, which is essentially the result of two bond redemptions, each amounting to euro 0.5 billion.

The euro 0.2 billion increase in other liabilities is due to the clearing business with PSA Payment Service Austria GmbH.

Since the beginning of the year, equity has risen by euro 80.7 million to euro 2.8 billion. This change is attributable to the Association's comprehensive income for the first half of 2026 of euro 83.5 million, the gain on the disposal of treasury shares amounting to euro 12.1 million, and dividend payments amounting to euro -14.3 million. The Association's comprehensive income for the first half of the year, amounting to euro 83.5 million, comprises the six-month profit for 2026 of euro 81.7 million and other comprehensive income of euro 1.8 million.

Financial performance indicators

The regulatory own funds of the association of credit institutions amounted to euro 3.6 billion as at 30 June 2026 (31 December 2025: euro 3.6 billion). The total risk exposure as at 30 June 2026 is euro 16.2 billion. (31 December 2025: euro 16.2 billion). The CET1 ratio in relation to total risk is 15.6 %[2] (31 December 2025: 15.6 %), the total capital ratio in relation to total risk is 22.2 %[2] (31 December 2025: 22.3 %).

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

Key figures	1-6/2026	1-6/2025	1-6/2024
ROE before taxes	7.1 %	5.9 %	6.1 %
ROE after taxes	5.9 %	6.4 %	5.4 %
Cost-income-ratio	75.8 %	68.6 %	63.7 %

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

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

The cost-income ratio is calculated as operating result in relation to operating expenses. Operating result consists of net interest income, net fee and commission income, trading income and, if positive, the other operating result 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 results and IFRS 5 valuation.

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

Branch offices

The Association of Volksbanks 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 2025 financial statements of the Association of Volksbanks.

[2] The reported capital ratios were calculated without including the unaudited interim profit, which is not yet eligible for regulatory recognition. The Common Equity Tier 1 (CET1) ratio including current-year profits is 16.1 %, and the total capital ratio is 22.7 %.

Report on the Association's future development and risks

Future development of the Association of Volksbanks

Economic environment

Economic forecasts for 2026

Real GDP growth Y/Y	Inflation rate (HICP) Y/Y	Unemployment rate National definition (AMS)
0.9 %	3.2 %	5.9 %

Source: WIFO, Statistik Austria; as at: 31/7/2026

In line with the OeNB, the Austrian Institute of Economic Research (WIFO) withdrew its spring forecast following the outbreak of the war in Iran in the spring. In the months that followed, the conflict proved more protracted and far-reaching than initially expected. Nevertheless, oil and gas prices remained in line with WIFO's baseline scenario and were even lower until the middle of the year, so only minor revisions were made to the summer forecast. Instead of the 1.2 % forecast at the end of last year, the Institute now expects real economic growth of only 0.8 % this year. The Institute expects industry and the export sector to benefit from a global upturn and economic activity to regain momentum as energy prices decline from the second half of the year onwards. The real disposable income of households is declining in 2026 due to inflation, constraining household final consumption expenditure. The inflation forecast was raised to 3.2 %, with a significantly lower rate of 2.4 % expected as early as 2027. In 2026, the unemployment rate is expected to increase slightly from 5.7 % in 2025 to 5.9 % but is projected to fall again to 5.6 % in 2027.

Oil and gas prices increased again in July. The relatively moderate price changes to date compared with the first few months after the outbreak of the Russia-Ukraine war in February 2022 were partly due to the use of reserve stocks, which cannot be repeated indefinitely. A prolonged conflict with corresponding implications for the transport routes through the Strait of Hormuz and the Red Sea could lead to further energy price increases, which may weaken the outlook further. An extreme surge in inflation such as that seen in 2022 is unlikely, not least because of tighter monetary policy and moderate collective bargaining agreements in Austria and the euro area. Nevertheless, cost increases could constrain private consumption and demand for real estate and weigh on corporate earnings. The effects on tourism would be mixed. While higher costs for long-haul travel and geopolitical risks increase Austria's appeal as a holiday destination, visitors' willingness to spend is being further constrained. An easing of geopolitical tensions, accompanied by a corresponding reduction in energy prices, would provide economic activity with renewed impetus. While this issue is more short-term in nature and could also diminish in importance as alternative transport routes are expanded, structural opportunities and risks arising from such factors as the transformation of the automotive sector, climate change and the increased use of AI will persist over a longer period and could fundamentally affect the outlook.

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 2026 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 %. Due to the increased NPL ratio over the previous two years, the Association of Volksbanks - and consequently the Volksbank Wien Group as well - has implemented an NPL reduction strategy in 2025. The execution resulted in first successes leading to a declining NPL ratio in the first half year 2026. The strategic target of a maximum of 3.0 % remains unchanged. 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.

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.

The Federal Finance Court (Bundesfinanzgericht, BFG) has made a request to the European Court of Justice (ECJ) to decide whether the intermediate bank exemption pursuant to Section 6(1) no. 28 2nd sentence of the Austrian VAT Act (UStG) constitutes state aid within the meaning of Article 107(1) TFEU (most recently by decision dated 30 May 2025). The ECJ ruled on this matter in its judgment of 9 July 2026 (Case C-360/25). Please refer to the notes to the consolidated financial statements of the Association for information on the estimates regarding the impacts of that decision.

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

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 2025 financial statements for the Association of Volksbanks.

Report on research and development

The Association of Volksbanks 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 Association of Volksbanks' online banking for private customers) is the most important digital interface for interactions with customers. The use of banking services continues to grow year on year, and mobile logins already account for 93 per cent of the total. The further development of digital services in #hausbanking is being steadily advanced and continuously expanded through partnerships with strategic product partners (TeamBank, ERGO, etc.). In order to meet customers' requirements for a modern design and an excellent user experience, as well as to implement legal requirements in a timely manner, a new mobile banking app is being put out to tender as a white-label solution.

New digital customer journeys (onboarding, mortgage lending, securities, Business Lounge) have been designed, implemented with selected third-party providers or procured as SaaS solutions, and enhanced to meet Volksbank-specific requirements. This accelerates sales processes, enables multi-channel product sales and reduces the workload on front-office and back-office units. The introduction of a new digital signature solution is leading to wider use of advanced and qualified electronic signatures – both internally and in customer-facing areas – and is also being integrated into core banking processes as well as the M365 environment. AI-supported processes enable rapid access to knowledge bases (internal GenAI chatbot), assist staff with day-to-day tasks (use of CoPilot) and lead to further automation initiatives (RPA, PowerPlatform).

Consolidated financial statements

ASSOCIATION OF VOLKSBANKS
HALF-YEAR REPORT

Condensed statement of comprehensive income

INCOME STATEMENT	1-6/2026 Euro thousand	1-6/2025 Euro thousand	Changes Euro thousand	%
Interest and similar income	492,903	509,782	-16,879	-3.31 %
thereof using the effective interest method	480,521	491,653	-11,132	-2.26 %
Interest and similar expenses	-194,662	-221,807	27,145	-12.24 %
Net interest income	298,241	287,975	10,266	3.56 %
Risk provision	-7,538	-67,322	59,785	-88.80 %
Fee and commission income	164,009	163,134	875	0.54 %
Fee and commission expenses	-15,118	-16,603	1,485	-8.94 %
Net fee and commission income	148,891	146,531	2,360	1.61 %
Net trading income	3,745	1,735	2,010	115.86 %
Result from financial instruments and investment properties	2,047	13,451	-11,404	-84.78 %
Other operating result	-11,541	-9,292	-2,249	24.21 %
General administrative expenses	-337,503	-297,312	-40,192	13.52 %
Result from companies measured at equity	3,368	1,800	1,568	87.10 %
Result for the period before taxes	**99,710**	**77,566**	**22,144**	**28.55 %**
Income taxes	-18,026	6,447	-24,473	< -200,00 %
Result for the period after taxes	**81,684**	**84,013**	**-2,329**	**-2.77 %**
Result for the period attributable to shareholders of the parent company	**81,684**	**84,013**	**-2,329**	**-2.77 %**
Result attributable to non-controlling interests	**0**	**0**	**0**	**0.0 %**

Other comprehensive income	1-6/2026 Euro thousand	1-6/2025 Euro thousand	Changes Euro thousand	%
Result for the period after taxes	**81,684**	**84,013**	**-2,329**	**-2.77 %**
Items that will not be reclassified to profit or loss				
Fair value reserve - equity instruments (including deferred taxes)	3,790	-5,919	9,709	-164.03 %
Revaluation of own credit risk (including deferred taxes)	-400	-87	-312	> 200,00 %
Change from companies measured at equity	-392	-1,196	805	-67.26 %
Total items that will not be reclassified to profit or loss	**2,999**	**-7,202**	**10,201**	**-141.64 %**
Items that may be reclassified to profit or loss				
Fair value reserve - debt instruments (including deferred taxes)				
Change in fair value	481	956	-475	-49.68 %
Cash flow hedge reserve (including deferred taxes)				
Change in fair value (effective hedge)	-2,155	-679	-1,476	> 200,00 %
Net amount transferred to profit or loss	448	-49	498	< -200,00 %
Change from companies measured at equity	0	0	0	— %
Total items that may be reclassified to profit or loss	**-1,225**	**228**	**-1,453**	**< -200,00 %**
Other comprehensive income total	**1,774**	**-6,974**	**8,748**	**-125.43 %**
Comprehensive income	**83,458**	**77,039**	**6,418**	**8.33 %**
Comprehensive income attributable to shareholders of the parent company	**83,458**	**77,039**	**6,418**	**8.33 %**
Comprehensive income attributable to non-controlling interests	**0**	**0**	**0**	**0.0 %**

Condensed statement of financial position as at 30 June 2026

	30 Jun 2026	31 Dec 2025	Changes	
	Euro thousand	Euro thousand	Euro thousand	%
ASSETS				
Liquid funds	2,882,033	3,683,584	-801,552	-21.76 %
Loans and receivables to credit institutions	223,009	245,674	-22,665	-9.23 %
Loans and receivables to customers	23,750,508	23,563,669	186,839	0.79 %
Fair value changes of hedged items in portfolio hedge of interest rate risk	-49,815	-46,407	-3,408	7.34 %
Assets held for trading	13,616	14,701	-1,085	-7.38 %
Financial investments	4,587,366	4,400,502	186,864	4.25 %
Investment property	47,196	46,775	421	0.90 %
Companies measured at equity	50,474	47,497	2,977	6.27 %
Participations	105,257	105,385	-128	-0.12 %
Intangible assets	1,875	2,073	-198	-9.57 %
Tangible assets	391,229	395,362	-4,133	-1.05 %
Tax assets	135,039	136,630	-1,591	-1.16 %
Current taxes	7,762	7,714	48	0.62 %
Deferred taxes	127,277	128,916	-1,639	-1.27 %
Other assets	318,627	301,073	17,553	5.83 %
Assets held for sale	373	0	373	100.00 %
TOTAL ASSETS	**32,456,786**	**32,896,517**	**-439,732**	**-1.34 %**
LIABILITIES AND EQUITY				
Liabilities to credit institutions	205,543	247,839	-42,296	-17.07 %
Liabilities to customers	23,927,407	23,601,244	326,163	1.38 %
Fair value changes of hedged items in portfolio hedge of interest rate risk	61	148	-87	-58.59 %
Liabilities evidenced by certificates	3,237,596	4,231,257	-993,660	-23.48 %
Lease liabilities	168,408	173,435	-5,027	-2.90 %
Liabilities held for trading	14,649	15,103	-454	-3.01 %
Provisions	178,167	186,895	-8,728	-4.67 %
Tax liabilities	24,509	15,386	9,123	59.29 %
Current taxes	20,104	11,050	9,054	81.94 %
Deferred taxes	4,405	4,336	68	1.57 %
Other liabilities	639,000	430,196	208,803	48.54 %
Subordinated liabilities	1,229,699	1,243,942	-14,243	-1.14 %
Total nominal value cooperative capital shares	7,763	5,080	2,683	52.82 %
Subscribed capital	268,562	269,867	-1,305	-0.48 %
Reserves	2,555,422	2,476,125	79,297	3.20 %
TOTAL LIABILITIES AND EQUITY	**32,456,786**	**32,896,517**	**-439,732**	**-1.34 %**

Condensed changes in equity and cooperative capital shares

Euro thousand	Subscribed capital [1]	Capital reserves	Retained earnings and other reserves	Equity excluding non-controlling interests	Non-controlling interest	Equity	Cooperative capital shares [2]	Equity and cooperative capital shares
As at 01 Jan 2025	**269,853**	**508,229**	**1,816,606**	**2,594,688**	**0**	**2,594,688**	**5,411**	**2,600,099**
Consolidated net income			84,013	84,013		84,013		84,013
Other comprehensive income	0	0	-6,974	-6,974	0	-6,974	0	-6,974
Comprehensive income	0	0	77,039	77,039	0	77,039	0	77,039
Dividends paid			-31	-31		-31		-31
Changes in base amount regulation	0			0		0	0	0
Change in cooperative capital and participation capital	-69		-317	-386		-386	-697	-1,083
Disposal own shares			0	0		0		0
Change in treasury stocks participation capital	-4	-22	0	-26		-26	0	-26
As at 30 Jun 2025	**269,780**	**508,207**	**1,893,297**	**2,671,285**	**0**	**2,671,285**	**4,714**	**2,675,999**
As at 01 Jan 2026	**269,867**	**508,229**	**1,967,895**	**2,745,992**	**0**	**2,745,992**	**5,080**	**2,751,072**
Consolidated net income			81,684	81,684		81,684		81,684
Other comprehensive income	0	0	1,774	1,774	0	1,774	0	1,774
Comprehensive income	0	0	83,458	83,458	0	83,458	0	83,458
Dividends paid			-14,267	-14,267		-14,267		-14,267
Changes in base amount regulation	-3,147		0	-3,147		-3,147	3,147	0
Change in cooperative capital and participation capital	-20		-93	-113		-113	-464	-577
Disposal own shares	1,873	3,134	7,128	12,134		12,134		12,134
Change in treasury stocks participation capital	-11	-62		-73		-73		-73
As at 30 Jun 2026	**268,562**	**511,301**	**2,044,120**	**2,823,984**	**0**	**2,823,984**	**7,763**	**2,831,747**

[1] Subscribed capital incl. participation capital and cooperative capital shares, pursuant to IFRIC 2 eligible as equity.
[2] Cooperative capital shares, pursuant to IFRIC 2 not eligible as equity.

Condensed cash flow statement

Euro thousand	1-6/2026	1-6/2025
Cash and cash equivalents at the end of previous period (= liquid funds)	**3,683,585**	**4,007,513**
Cash flow from operating activities	-608,593	316,341
Cash flow from investing activities	-173,414	-664,735
Cash flow from financing activities	-19,577	-17,248
Effect of currency translation	31	19
Cash and cash equivalents at the end of period	**2,882,033**	**3,641,891**

Notes as at 30 June 2026

1) General information and accounting principles

VOLKSBANK WIEN AG (VBW), which has its registered office at Dietrichgasse 25, 1030 Vienna, Austria, is the central organisation (CO) of the Austrian Association of Volksbanks. VBW has concluded a banking association agreement with the primary banks (Volksbanks, VB) in accordance with section 30a of the Austrian Banking Act (Bankwesengesetz, BWG). The purpose of this banking association agreement is to create a joint liability scheme between the primary sector institutions and to monitor and ensure compliance with the standards of the applicable regulatory provisions at association level. Section 30a (10) of the Austrian Banking Act requires an association's central organisation to have the right to issue instructions to the member credit institutions.

The interim financial statements as at 30 June 2026 are prepared in accordance with all the latest valid versions of the IFRS/IAS as at the reporting date, as published by the International Accounting Standards Board (IASB). The interim financial statements also comply with all interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and Standing Interpretations Committee (SIC), if adopted by the European Union in its endorsement process and additional requirements pursuant to section 245a of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB) and section 59a of the Austrian Banking Act.

Regarding the exceptions to the application of individual IFRS we refer to the Association's financial statements as at 31 December 2025.

The Association of Volksbanks is required to comply with the regulatory provisions of Parts Two to Eight of Regulation (EU) No 575/2013 and section 39a of the Austrian Banking Act, on the basis of the consolidated financial position (section 30a (7) of the Austrian Banking Act). By letter dated 29 June 2016, the ECB granted unlimited approval of the Association of Volksbanks.

Under section 30a (7) of the Austrian Banking Act, the CO is required to prepare consolidated financial statements pursuant to sections 59 and 59a of the Austrian Banking Act for the Association of Volksbanks. The Association's financial statements are prepared according to IFRS rules. For full consolidation purposes, section 30a (8) of the Austrian Banking Act specifies that the CO is to be regarded as a higher-level institution, while each associated institution and, under certain conditions, each transferring legal entity, is to be treated as a subordinated institution.

In accordance with IFRS, full consolidation only can take place if a company has full authority over decisions of the associated company, hence, it has the ability to influence returns on equity by its power of disposition (IFRS 10.6). Although the central organisation may issue directives to affiliated credit institutions, the conditions for control within the meaning of IFRS 10 are not satisfied within the Austrian Association of Volksbanks. Accordingly, no control exists. In the absence of a superior controlling parent company, a consolidated presentation can only be prepared in the sense of a group of equals, despite the CO's extensive authority to issue directives. It was therefore necessary to define a set of rules for preparing the Association's financial statements.

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 2025. 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 2025, with the exception of changes and amendments that are explained in the accounting principles.

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

Accounting principles

Standards and interpretations applied for the first time

Standard	Mandatory application	Significant effects on the Association
Amendments to standards and interpretations		
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 referring to contracts for Renewable Electricity	01 January 2026	No

Standards and interpretations to be applied in the future

Standard	Mandatory application	Significant effects on the Association
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Yes
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	No
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	01 January 2027	No
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	No
Amendments to the Fair Value Option in IAS 28 Investments in Associates and Joint Ventures	01 January 2027	No
IFRS 20 regulatory assets and regulatory liabilities	01 January 2029	No

IFRS 18 Presentation and Disclosures in the Financial Statements

IFRS 18 introduces new rules regarding the structure of the statement of profit and loss (income statement). It also introduces new disclosure requirements for certain performance indicators defined by management – known as 'management-defined performance measures' (MPMs). The new standard replaces IAS 1 and comes into force for financial years beginning on 1 January 2027.

As part of its preparations for the application of IFRS 18, the Association of Volksbanks has set up a dedicated implementation project. An analysis of the impact on the presentation of the income statement, as well as the definition of the principal business activities of the banks within the Association of Volksbanks, has already been carried out. Based on the current status of the project, no material impact on recognition and measurement is expected. However, the application of IFRS 18 will lead to adjustments in the presentation of the income statement as well as to extended disclosure requirements.

The options provided for in the standard are currently being assessed, and preparations are underway to identify and define potential company-specific performance measures (MPMs). At the time of preparing the six-month financial statements, no final decisions have yet been taken, meaning that the specific impact on future presentation and the additional disclosures cannot yet be definitively assessed.

2) Presentation and changes in the scope of consolidation

During the first half of the 2026 business year there were no changes in the scope of consolidation of the Association of Volksbanks.

3) Notes to the income statement

Net interest income

Euro thousand	1-6/2026	1-6/2025
Interest and similar income from	492,903	509,782
Deposits with credit institutions (incl. central banks)	33,128	40,008
Credit and money market transactions with credit institutions	1,417	1,591
Credit and money market transactions with customers	396,299	413,051
Bonds and other fixed-income securities	54,347	44,003
Derivative instruments	7,711	11,129
Interest and similar expenses for	-194,662	-221,807
Deposits from credit institutions	-1,707	-3,594
Deposits from customers	-99,941	-130,250
Liabilities evidenced by certificates	-53,121	-43,907
Subordinated liabilities	-33,255	-33,695
Derivative instruments	-5,425	-9,168
Lease liabilities	-1,382	-1,414
Valuation result - modification	169	222
Net interest income	**298,241**	**287,975**

Net interest income according to IFRS 9 categories

Euro thousand	1-6/2026	1-6/2025
Interest and similar income from	492,903	509,782
Financial assets measured at amortised cost	479,446	490,778
Financial assets measured at fair value through OCI	1,075	875
Financial assets measured at fair value through profit or loss - obligatory	4,671	7,000
Derivative instruments	7,711	11,129
Interest and similar expenses for	-194,662	-221,807
Financial liabilities measured at amortised cost	-188,147	-211,266
Financial liabilities measured at fair value through profit or loss - designated	-1,259	-1,594
Derivative instruments	-5,425	-9,168
Valuation result - modification	169	222
Net interest income	**298,241**	**287,975**

Risk provision

Euro thousand	1-6/2026	1-6/2025
Changes in risk provisions	-10,651	-66,477
Changes in provisions for off-balance sheet risks	4,566	-1,685
Direct write-offs of loans and receivables	-1,519	-1,015
Income from loans and receivables previously written off	1,934	1,898
Valuation result modification/derecognition	-1,867	-43
Risk provision	**-7,538**	**-67,322**

Net fee and commission income

Euro thousand	1-6/2026	1-6/2025
Fee and commission income	164,009	163,134
Lending business	9,266	12,724
Securities and custody business	65,539	60,480
Payment transactions	69,376	68,507
Foreign exchange, foreign notes and coins and precious metals transactions	793	648
Financial guarantees	2,871	2,934
Other services	16,164	17,841
Fee and commission expenses	-15,118	-16,603
Lending business	-2,495	-4,667
Securities and custody business	-4,643	-4,173
Payment transactions	-7,814	-7,620
Financial guarantees	-8	-9
Other services	-158	-135
Net fee and commission income	**148,891**	**146,531**

Other services mainly include brokerage commission for brokering loans to TeamBank AG Nürnberg. Net fee and commission income includes fee and commission income in the amount of euro 26 thousand (1-6/2025: euro 285 thousand) for trust agreements.

Net trading income

Euro thousand	1-6/2026	1-6/2025
Equity related transactions	5	6
Exchange rate related transactions	2,772	278
Interest rate related transactions	968	1,450
Net trading income	**3,745**	**1,735**

Result from financial instruments and investment properties

Euro thousand	1-6/2026	1-6/2025
Result from financial instruments	**1,092**	**12,454**
Result from financial investments and other financial assets and liabilities measured at fair value through profit or loss	-1,139	-785
Valuation measured at fair value through profit or loss - obligatory	-1,087	-1,534
Loans and receivables to credit institutions and customers	1,500	448
Securities	173	26
Result from other derivative instruments	-963	810
Result from fair value hedge	-1,286	-2,892
Result (ineffectiveness) from cash flow hedge	-511	75
Valuation measured at fair value through profit or loss - designated	-62	744
Liabilities evidenced by certificates	-62	744
Income from equities and other variable-yield securities	10	5
Result from financial investments and other financial assets and liabilities measured at fair value through OCI	2,231	13,239
Income from participations	2,231	13,239
Result from investment properties	**955**	**997**
Income from investment properties and operating leases	1,062	880
Valuation investment properties	-107	117
Result from financial instruments and investment properties	**2,047**	**13,451**

Other operating result

Euro thousand	1-6/2026	1-6/2025
Other operating income	9,316	7,738
Other operating expenses	-13,992	-9,801
Regulatory expenses	-6,865	-7,228
Other operating result	**-11,541**	**-9,292**

Regulatory expenses include the stability tax in the amount of euro -6,028 thousand (1-6/2025: euro -6,487 thousand) as well as contributions to the deposit guarantee scheme in the amount of euro -836 thousand (1-6/2025: euro -742 thousand).

Detailed description of other operating income and other operating expenses

Euro thousand	1-6/2026	1-6/2025
Income from allocation of costs	2,880	2,653
Realised gains from disposal of fixed assets and security properties	187	399
Rental and leasing income	2,374	2,125
Purchase price adjustment - disposal of VB Schweiz	1,925	0
Others	1,950	2,562
Other operating income	**9,316**	**7,738**
Allocation of costs	-315	-2,845
Realised losses from disposal of fixed assets and security properties	-93	-169
Claims	-1,153	-3,518
Expenses arising from the allocation to provisions	-6,648	0
Reduction of purchase price - disposal of VB Liechtenstein	-1,791	0
Other taxes	-1,217	-875
Others	-2,775	-2,394
Other operating expenses	**-13,992**	**-9,801**

The expenses arising from additions to provisions are primarily attributable to supplemental provisions relating to loan processing fees. They also include provisions for other claims and risks.

General administrative expenses

Euro thousand	1-6/2026	1-6/2025
Staff expenses	-177,007	-171,509
Wages and salaries	-134,016	-129,894
Expenses for statutory social security	-34,006	-32,976
Fringe benefits	-2,379	-2,320
Expenses for retirement benefits	-4,318	-4,070
Allocation to provision for severance payments and pension funds	-2,288	-2,249
Administrative expenses	-146,025	-111,506
Office space expenses	-9,545	-9,612
Office supplies and communication expenses	-3,005	-2,588
Advertising, PR and promotional expenses	-11,868	-9,673
Legal, auditing and consultancy expenses	-15,713	-15,226
IT expenses	-74,933	-64,482
Other administrative expenses (including training expenses)	-30,962	-9,924
Depreciation and reversal of impairment	-14,471	-14,297
Depreciation	-9,719	-9,912
Right of use - lease depreciation	-4,752	-4,386
General administrative expenses	**-337,503**	**-297,312**

Other administrative expenses rose to euro -30,962 thousand in the first half of 2026 (1-6/2025: euro -9,924 thousand). The increase is primarily attributable to one-off expenses of euro 18,918 thousand in connection with the framework agreement concluded within the Association of Volksbanks in June 2026. The expenses relate to compensation payments to shareholders in connection with the implementation of the agreed measures to adjust the cost-sharing agreement and the sale of treasury shares.

Income taxes

In the first half of the 2026 business year deferred tax assets for tax loss carry forwards in the amount of euro 5,756 thousand (1-6/2025: euro 22,334 thousand) were recognised.

4) Notes to the consolidated balance sheet

Liquid funds

Euro thousand	30 Jun 2026	31 Dec 2025
Cash in hand	155,315	176,190
Balances with central banks	2,726,717	3,507,395
Liquid funds	**2,882,033**	**3,683,584**

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

Loans to and receivables from credit institutions and customers

Euro thousand	30 Jun 2026	31 Dec 2025
Loans and receivables to credit institutions		
Amortised cost	223,012	245,679
Gross carrying amount	**223,012**	**245,679**
Risk provision	-3	-5
Net carrying amount	**223,009**	**245,674**
Loans and receivables to customers		
Amortised cost	24,123,870	23,883,129
Fair value through profit or loss	236,490	292,822
Gross carrying amount	**24,360,359**	**24,175,951**
Risk provision	-609,852	-612,282
Net carrying amount	**23,750,508**	**23,563,669**
Loans and receivables to credit institutions and customers	**23,973,517**	**23,809,343**

Sensitivity analysis

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

Euro thousand 30 Jun 2026	Positive change in fair value	Negative change in fair value
Change in risk markup +/- 10 bp	672	-667
Change in risk markup +/- 100 bp	6,945	-6,467
Change in rating 1 stage down / up	496	-734
Change in rating 2 stages down / up	790	-1,873
31 Dec 2025		
Change in risk markup +/- 10 bp	770	-765
Change in risk markup +/- 100 bp	7,949	-7,413
Change in rating 1 stage down / up	668	-919
Change in rating 2 stages down / up	1,044	-2,310

Risk provision

The following table shows the development of risk provisions for loans to and receivables from credit institutions as well as with regard 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 2025	**37,596**	**97,786**	**387,663**	**523,045**
Increases due to origination and acquisition	1,299	2,803	3,038	7,140
Decreases due to derecognition	-267	-2,125	-5,522	-7,914
Changes due to change in credit risk	-16,552	54,187	49,230	86,865
Thereof transfer to stage 1	2,568	-2,567	-1	
Thereof transfer to stage 2	-22,291	22,458	-168	
Thereof transfer to stage 3	-35	-7,793	7,828	
Post-model adjustment	-253	-12,678	-1,555	-14,486
Decrease in allowance account due to write-offs	0	0	-4,731	-4,731
Other adjustments	1	-311	331	21
As at 30 Jun 2025	**21,824**	**139,662**	**428,454**	**589,940**
As at 01 Jan 2026	**19,621**	**138,814**	**454,451**	**612,886**
Increases due to origination and acquisition	1,147	2,172	7,504	10,823
Decreases due to derecognition	-350	-3,462	-5,626	-9,437
Changes due to change in credit risk	-313	7,044	11,854	18,586
Thereof transfer to stage 1	2,472	-2,469	-3	
Thereof transfer to stage 2	-3,041	3,369	-328	
Thereof transfer to stage 3	-106	-5,714	5,820	
Post-model adjustment	-956	-4,811	17	-5,750
Decrease in allowance account due to write-offs	0	0	-16,685	-16,685
Other adjustments	1	9	21	31
As at 30 Jun 2026	**19,151**	**139,767**	**451,536**	**610,454**

Assets held for trading

Euro thousand	30 Jun 2026	31 Dec 2025
Bonds and other fixed-income securities	199	680
Positive fair values of derivative instruments	13,417	14,021
Interest rate related transactions	13,417	14,021
Assets held for trading	**13,616**	**14,701**

VBW as the CO maintains a trading book. The face values of the trading book as at 30 June 2026 amounts to euro 868,581 thousand (31 Dec 2025: euro 961,432 thousand).

Financial investments

Euro thousand	30 Jun 2026	31 Dec 2025
Financial investments		
Amortised cost	4,448,834	4,286,362
Fair value through OCI	133,667	109,867
Fair value through profit or loss	5,461	4,868
Risk provisions financial investments	-595	-595
Carrying amount	**4,587,366**	**4,400,502**

Participations

Euro thousand	30 Jun 2026	31 Dec 2025
Investments in unconsolidated affiliates	12,118	11,732
Investments in companies with participating interests	4,340	3,548
Investments in other participations	88,799	90,104
Participations	**105,257**	**105,385**

Sensitivity analysis

Participations measured by using the DCF method

Euro thousand		Proportional fair value Interest rate		
30 Jun 2026		**-0.50%**	**Actual**	**0.50%**
	-10.00%	18,791	18,239	17,741
Income component	Actual	**20,007**	**19,198**	**18,840**
	10.00%	21,223	20,549	19,940
31 Dec 2025				
	-10.00%	17,255	16,711	16,220
Income component	Actual	18,942	17,994	17,299
	10.00%	20,837	19,794	18,851

Participations measured on the basis of net assets

Euro thousand	Proportional fair value		
30 Jun 2026	**Decrease of assumption**	**Actual**	**Increase of assumption**
Net assets (10 % change)	11,178	**12,445**	13,700
31 Dec 2025			
Net assets (10 % change)	10,469	**11,653**	12,833

Participations measured on the basis of external appraisals

Euro thousand 30 Jun 2026	Lower band	Actual	Upper band
Proportional fair value	60,354	**67,051**	73,766
31 Dec 2025			
Proportional fair value	58,436	**64,929**	71,421

Other assets

Euro thousand	30 Jun 2026	31 Dec 2025
Deferred items	57,608	8,959
Other receivables and assets	91,935	83,091
Positive fair values of derivative instruments	169,084	209,023
Other assets	**318,627**	**301,073**

Assets held for sale

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

Euro thousand	30 Jun 2026	31 Dec 2025
Tangible assets	81	0
Other assets	292	0
Assets held for sale	**373**	**0**

The assets reported under 'Other assets' relate to a property held as collateral, for which a sale process had been initiated as at the balance sheet date and which is expected to be sold within the timeframe specified in IFRS 5.

Liabilities to credit institutions

Euro thousand	30 Jun 2026	31 Dec 2025
Central banks	54	0
Other credit institutions	205,488	247,839
Liabilities to credit institutions	**205,543**	**247,839**

Liabilities to credit institutions are measured at amortised cost.

Liabilities to customers

Euro thousand	30 Jun 2026	31 Dec 2025
Savings deposits	2,871,635	3,033,410
Other deposits	21,055,772	20,567,834
Liabilities to customers	**23,927,407**	**23,601,244**

Liabilities to customers are measured at amortised cost.

Liabilities evidenced by certificates

Euro thousand	30 Jun 2026	31 Dec 2025
Bonds	3,237,596	4,231,257
Amortised cost	3,177,929	4,172,959
Fair value through profit or loss - designated	59,667	58,298
Liabilities evidenced by certificates	**3,237,596**	**4,231,257**

The item 'Bonds - measured at fair value through profit or loss - designated' comprises the redemption at maturity of euro 38,000 thousand (31 Dec 2025: euro 38,000 thousand), the fair value measurement and the interest accruals (including interest accruals for a zero-coupon bond).

In the first half of 2026, the fair value change of own credit risk in the amount of euro -400 thousand. (1-6/2025: EUR -87 thousand) was reported in other comprehensive income. The cumulative amount of the fair value change of own credit risk was euro 849 thousand (1-6/2025: euro 1,755 thousand).

In the first half of 2026, the Association floated 5 (1-6/2025: 6) issues with a total face value of euro 148,600 thousand (1-6/2025: euro 208,000 thousand). This was offset, in particular, by the repayment of two issues, each with a total face value of euro 500,000 thousand. Consequently, the volume of liabilities evidenced by certificates fell to euro 3,237,596 thousand (from euro 4,231,257 thousand).

Liabilities held for trading

Euro thousand	30 Jun 2026	31 Dec 2025
Negative fair values of derivative instruments		
Interest rate related transactions	14,649	15,103
Liabilities held for trading	**14,649**	**15,103**

Provisions

Euro thousand	30 Jun 2026	31 Dec 2025
Provisions for employment benefits	121,711	120,530
Provisions for off-balance sheet and other risks	28,001	32,607
Stage 1	3,194	3,901
Stage 2	13,534	14,124
Stage 3	11,273	14,582
Other provisions	28,456	33,758
Provisions	**178,167**	**186,895**

Fiscal unity of the Association of Volksbanks and termination of the interbank exemption

On 28 June 2024, the Austrian Federal Finance Court (BFG) referred a request for a preliminary ruling under Article 267 TFEU to the European Court of Justice (ECJ). The BFG is asking the ECJ to rule on whether the so-called interbank exemption under Section 6(1)(28), second sentence, of the Austrian Value Added Tax Act (UStG) constitutes state aid within the meaning of Article 107(1) TFEU. Section 6(1)(28), second sentence, of the Austrian Value Added Tax Act (UStG) exempts services between companies that predominantly carry out banking, insurance or pension fund transactions from the obligation to charge value added tax, provided that these services are used directly for the performance of tax-exempt transactions. Following its initial rejection by the ECJ and its resubmission by the BFG (order dated 30 May 2025), the ECJ ruled on the request for a preliminary ruling on 9 July 2026. In its judgment, the ECJ held that a VAT exemption for services that are not otherwise exempt and are provided between companies that predominantly carry out banking, insurance or pension fund transactions constitutes state aid within the meaning of Article 107(1) TFEU. The Association of Volksbanks is not itself involved in the original dispute for which the preliminary ruling procedure was requested, but has also made use of the interbank exemption under Section 6(1)(28) sentence 2 of the VAT Act in its business transactions with other companies in the Association of Volksbanks until the end of 2024. In order to avoid uncertainty for the future, the Austrian legislature has deleted the entire second sentence with effect from 1 January 2025 through the Tax Amendment Act 2024.

Due to the special situation of the Association of Volksbanks resulting from the requirements of organisational integration pursuant to Section 30a of the Austrian Banking Act (BWG) and the organisational structure existing in this context, VBW, together with the other members of the association and other affiliated companies, notified the competent tax offices before the end of 2024 of the existence of a fiscal unity in accordance with the UStG with effect from 1 January 2025, which means that the abolition of the interbank exemption within the Association of Volksbanks would have no significant impact. The requirements for an association-wide fiscal unity have already been met in the past, since the Association of Volksbanks was established in accordance with Section 30a of the Austrian Banking Act (BWG). VBW is therefore convinced that any decisions by the European Court of Justice or the European Commission on the previous application of the interbank exemption will have no impact on the Association of Volksbanks.

On the basis of the existing VAT Guidelines, the tax office did not accept the arguments put forward in support of an association-wide fiscal unity and issued corresponding assessment notices for periods beginning on 1 January 2025. Appeals were lodged against these notices, and those relating to 2025 are now pending before the Austrian Federal Finance Court. It continues to be assumed that the fiscal unity under the Austrian Value Added Tax Act has been lawfully established for the Association of Volksbanks and that the additional VAT that would otherwise arise, amounting to EUR 15.6 million for the 2025 financial year and EUR 6.4 million for the first half of 2026, is therefore not payable. Consequently, no provision was required in respect of these amounts.

Services outside the association-wide fiscal unity that have previously fallen under the interbank exemption are only sporadic and of minor significance. Due to the insignificant amounts involved, a more detailed investigation of the facts was not carried out and no provision was made.

Other liabilities

Euro thousand	30 Jun 2026	31 Dec 2025
Deferred items	5,318	2,976
Other liabilities	504,660	275,299
Negative fair values of derivative instruments	129,021	151,921
Other liabilities	**639,000**	**430,196**

Subordinated liabilities

Euro thousand	30 Jun 2026	31 Dec 2025
Subordinated capital	1,229,699	1,243,942
Subordinated liabilities	**1,229,699**	**1,243,942**

Subordinated liabilities are measured at amortised cost.

Equity

The following table shows the breakdown and development of the retained earnings and other reserves:

		Other reserves						
Euro thousand	Retained earnings	IAS 19 reserve	Revaluation reserve	Fair value reserve - equity instruments	Fair value reserve - debt instruments	Cash flow hedge reserve	Own credit risk reserve	Retained earnings and other reserves
As at 01 Jan 2025	**2,058,797**	**-11,731**	**2,545**	**-233,162**	**-4,001**	**2,317**	**1,842**	**1,816,606**
Consolidated net income	84,013							84,013
Other comprehensive income	0	0	0	-7,115	956	-728	-87	-6,974
Dividends paid	-31							-31
Change in cooperative capital and participation capital	-317							-317
Sales of own shares	0							0
Reclassification fair value reserve due to sale	-11			11				0
As at 30 Jun 2025	**2,142,452**	**-11,731**	**2,545**	**-240,266**	**-3,044**	**1,589**	**1,755**	**1,893,297**
As at 01 Jan 2026	**2,205,395**	**-2,573**	**5,160**	**-237,414**	**-2,966**	**-956**	**1,248**	**1,967,895**
Consolidated net income	81,684							81,684
Other comprehensive income	0	0	0	3,398	481	-1,706	-400	1,774
Dividends paid	-14,267							-14,267
Change in cooperative capital and participation capital	-93							-93
Sales of own shares	7,128							7,128
Reclassification fair value reserve due to sale	349			-349				0
As at 30 Jun 2026	**2,280,195**	**-2,573**	**5,160**	**-234,364**	**-2,485**	**-2,662**	**849**	**2,044,120**

In the 2026 financial year, a total of 19,974 treasury shares (1.36 per cent of the share capital) were sold to existing VBW shareholders. The total proceeds from the sale amounted to euro 12,134 thousand and were recognised directly in equity in accordance with IAS 32. The sale of treasury shares had no effect on the consolidated income statement.

5) Own funds

The table below shows the own funds of the association of credit institutions as calculated in accordance with the Capital Requirements Regulation (CRR, Regulation (EU) No 575/2013) and the supplementary regulations – CRR II (EU) 2019/876, CRR Quick Fix (EU) 2020/873 and CRR III (EU) 2024/1623. The reported capital ratios were calculated without including the unaudited interim profit, which is not yet eligible for regulatory recognition. The Common Equity Tier 1 (CET1) ratio including current-year profits is 16.14 %, the Tier 1 capital ratio is 16.14 % and the total capital ratio is 22.73 %.

Euro thousand	30 Jun 2026	31 Dec 2025
Common Tier 1 capital: Instruments and reserves		
Capital instruments including share premium accounts	768,512	766,726
Retained earnings	1,567,731	1,560,116
Accumulated other comprehensive income (and other reserves)	405,906	404,481
Common Tier 1 capital before regulatory adjustments	2,742,150	2,731,322
Common Tier 1 capital: regulatory adjustments		
Intangible assets (net of related tax liability)	-1,875	-2,073
Cash flow hedge reserve	2,662	956
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-849	-1,248
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	2	2
Value adjustments due to the requirement for prudent valuation	-868	-963
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	-103,658	-97,901
Insufficient coverage for non-performing exposures	-14,307	-10,915
Other foreseeable tax charges	-201	-201
Additional CET1 deductions pursuant to article 3 CRR	-90,343	-99,044
Total regulatory adjustments	-209,437	-211,388
Common Equity Tier 1 capital - CET1	**2,532,713**	**2,519,934**
Additional Tier 1 capital - AT1	**0**	**0**
Tier 1 capital (CET1 + AT1)	**2,532,713**	**2,519,934**
Tier 2 capital - instruments and provisions		
Capital instruments including share premium accounts	1,067,373	1,091,821
Tier 2 capital before regulatory adjustments	1,067,373	1,091,821
Tier 2 capital - T2	**1,067,373**	**1,091,821**
Own funds total - TC (T1 + T2)	**3,600,086**	**3,611,755**
Common Equity Tier I capital ratio	15.64%	15.56%
Tier I capital ratio	15.64%	15.56%
Total capital ratio	22.23%	22.31%
each in relation to total risk exposure		

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

Euro thousand	30 Jun 2026	31 Dec 2025
Risk weighted exposure - credit risk	14,676,696	14,671,583
Total risk exposure - settlement risk	91	0
Total risk exposure for position, foreign exchange and commodities risks	22,416	24,071
Total risk exposure for operational risk (OpR)	1,486,471	1,486,471
Total risk exposure for credit valuation adjustment (cva)	8,730	9,555
Total risk exposure	**16,194,403**	**16,191,680**

VBW has concluded a banking association agreement with the Volksbanks in accordance with section 30a of the Austrian Banking Act. The purpose of this banking association agreement is to create a joint liability scheme between the primary sector institutions and to monitor and ensure compliance with the standards of the Austrian Banking Act at association level. According to article 10 CRR in conjunction with article 11 (4) CRR the CO must comply with the CRR´s own funds requirements based on the consolidated overall position of the CO and its affiliated institutions. The own funds of the Association of Volksbanks are calculated by aggregating VBW's own funds and those of the member institutions. When aggregating the included companies investments in Volksbanks and VBW, the aggregated carrying amounts of the investments are deducted from the aggregated equity components. Superior financial holding companies and holding companies, provided they fulfil the requirements of section 30a of the Austrian Banking Act, are also added and participations in these deducted. The aggregation as a group of companies which are legally separate entities, but under unified control without a parent company, means that the capital consolidation does not result in any minority interests. Subordinated companies are included in accordance with the method described below.

According to the CRR, companies in the financial sector that are under the control of the parent or where the Group holds a majority of shares either direct or indirect, are fully consolidated. Institutions, financial institutions and providers of ancillary services that are subject to control but are not material for the presentation of the credit institution group in accordance with Article 19(1) CRR are deducted from own funds provided that they exceed the threshold value.

Subsidiaries which are managed jointly with non-Group companies are consolidated proportionately. Shares in companies in the financial sector with a stake of between 10 % and 50 % where there is no joint management, as well as participations in companies in the financial sector with a stake of less than 10 %, are also deducted from own funds if the threshold is exceeded, unless they are included voluntarily on a pro rata basis. All other participations are included in the assessment basis at their carrying amounts.

All credit institutions under control or where the Group holds a majority of shares either directly or indirectly are considered in the scope of consolidation under the CRR.

In the first half of the 2026 business year, no substantial, practical or legal obstacles existed which would have prevented the transfer of equity 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 2026					
Liquid funds			0	2,882,033	2,882,033
Loans and receivables to credit institutions	223,009	0	0	223,009	221,923
Loans and receivables to customers	23,514,018	0	236,490	23,750,508	23,546,374
Assets held for trading	0	0	13,616	13,616	13,616
Financial investments	4,448,238	133,667	5,461	4,587,366	4,565,859
Participations	0	105,257	0	105,257	105,257
Derivative instruments	0	0	169,084	169,084	169,084
Financial assets total	**31,067,298**	**238,924**	**424,650**	**31,730,873**	**31,504,146**
Liabilities to credit institutions	205,543	0	0	205,543	204,574
Liabilities to customers	23,927,407	0	0	23,927,407	23,929,199
Liabilities evidenced by certificates	3,177,929	0	59,667	3,237,596	3,258,815
Lease liabilities	168,408	0	0	168,408	168,408
Liabilities held for trading	0	0	14,649	14,649	14,649
Derivative instruments	0	0	129,021	129,021	129,021
Subordinated liabilities	1,229,699	0	0	1,229,699	1,263,791
Financial liabilities total	**28,708,985**	**0**	**203,337**	**28,912,323**	**28,968,457**
31 Dec 2025					
Liquid funds	3,683,584	0	0	3,683,584	3,683,584
Loans and receivables to credit institutions	245,674	0	0	245,674	244,617
Loans and receivables to customers	23,270,847	0	292,822	23,563,669	23,202,145
Assets held for trading	0	0	14,701	14,701	14,701
Financial investments	4,285,767	109,867	4,868	4,400,502	4,373,473
Participations	0	105,385	0	105,385	105,385
Derivative instruments	0	0	209,023	209,023	209,023
Financial assets total	**31,485,872**	**215,252**	**521,414**	**32,222,537**	**31,832,928**
Liabilities to credit institutions	247,839	0	0	247,839	246,930
Liabilities to customers	23,601,244	0	0	23,601,244	23,603,103
Liabilities evidenced by certificates	4,172,959	0	58,298	4,231,257	4,251,144
Lease liabilities	173,435	0	0	173,435	173,435
Liabilities held for trading	0	0	15,103	15,103	15,103
Derivative instruments	0	0	151,921	151,921	151,921
Subordinated liabilities	1,243,942	0	0	1,243,942	1,280,746
Financial liabilities total	**29,439,419**	**0**	**225,322**	**29,664,741**	**29,722,382**

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 2026				
Loans and receivables to customers	0	0	236,490	236,490
Assets held for trading	199	13,417	0	13,616
Financial investments	134,673	628	3,826	139,128
Fair value through profit or loss	1,006	628	3,826	5,461
Fair value through OCI - debt instruments	133,667	0	0	133,667
Participations	0	0	104,968	104,968
Fair value through OCI - designated	0	0	104,968	104,968
Derivative instruments	0	169,084	0	169,084
Financial assets total	**134,872**	**183,130**	**345,284**	**663,286**
Liabilities evidenced by certificates	0	59,667	0	59,667
Liabilities held for trading	0	14,649	0	14,649
Derivative instruments	0	129,021	0	129,021
Financial liabilities total	**0**	**203,337**	**0**	**203,337**
31 Dec 2025				
Loans and receivables to customers	0	0	292,822	292,822
Assets held for trading	680	14,021	0	14,701
Financial investments	110,899	635	3,201	114,735
Fair value through profit or loss	1,032	635	3,201	4,868
Fair value through OCI - debt instruments	109,867	0	0	109,867
Participations	0	0	105,096	105,096
Fair value through OCI - designated	0	0	105,096	105,096
Derivative instruments	0	209,023	0	209,023
Financial assets total	**111,579**	**223,679**	**401,120**	**736,377**
Liabilities evidenced by certificates	0	58,298	0	58,298
Liabilities held for trading	0	15,103	0	15,103
Derivative instruments	0	151,921	0	151,921
Financial liabilities total	**0**	**225,322**	**0**	**225,322**

Participations in the amount of euro 289 thousand (31 Dec 2025: euro 289 thousand) were measured at amortised cost due to their immateriality.

When determining fair values for level 2 financial investments, the Association only uses prices based on observable market data. If systems deliver price information for positions which are not actively traded, this is checked based on secondary market data or transactions in comparable products performed on active markets. The system prices are then adjusted accordingly if necessary. The main level 2 input factors are interest rates including associated interest rate volatilities, foreign exchange swap points, exchange rates, share 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 2026, as in the previous year, there were no reclassifications of financial instruments between level 1 and level 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
As at 01 Jan 2025	**351,866**	**2,716**	**115,572**	**470,154**
Reallocation to Level 3	0	0	29	29
Additions	5,695	471	0	6,165
Disposals	-21,530	0	-638	-22,168
Valuations				
Through profit or loss	448	0	0	448
Through OCI	0	0	-8,165	-8,165
As at 30 Jun 2025	**336,478**	**3,186**	**106,799**	**446,463**
As at 01 Jan 2026	**292,822**	**3,201**	**105,096**	**401,120**
Reallocation to Level 3	0	0	0	0
Additions	9,957	435	0	10,392
Disposals	-67,790	0	-4,446	-72,236
Valuations				
Through profit or loss	1,500	190	0	1,690
Through OCI	0	0	4,318	4,318
As at 30 Jun 2026	**236,490**	**3,826**	**104,968**	**345,284**

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 1,071 thousand (1-6/2025: euro 414 thousand) at the reporting date.

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	
	1-6/2026	1-6/2025	30 Jun 2026	31 Dec 2025
Employees	3,126	3,129	3,126	3,149
Workers	19	19	19	19
Total number of staff	**3,145**	**3,149**	**3,145**	**3,168**

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

8) Branches

	30 Jun 2026	31 Dec 2025
Total number of domestic branches	**231**	**231**

9) Related party disclosure

Euro thousand	Unconsolidated affiliates	Companies in which the Group has a participating interest	Companies measured at equity
30 Jun 2026			
Loans and receivables to customers	27	0	0
Liabilities to customers	8,471	6,284	15,624
Transactions	7,046	10,321	10,550
31 Dec 2025			
Loans and receivables to customers	7	0	0
Liabilities to customers	8,289	6,795	11,178
Transactions	5,772	12,542	8,850

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

10) Segment reporting by business segments

1-6/2026

Euro thousand	CO	Vienna	Lower Austria	Styria	Carinthia
Net interest income	-26,628	86,735	43,327	34,377	19,843
Risk provision	2,850	-10,415	-3,121	3,680	2,376
Net fee and commission income	3,849	36,479	19,741	14,189	8,272
Net trading income	2,158	150	67	102	109
Result from financial instruments and investment properties	2,472	47	3,982	997	459
Other operating result	123,544	-1,875	-2,130	-1,733	-545
General administrative expenses	-99,643	-89,387	-51,003	-36,262	-24,068
Result from companies measured at equity	140	1,156	25	302	270
Result for the period before taxes	**8,742**	**22,890**	**10,888**	**15,652**	**6,716**
Income taxes	331	-2,207	-2,276	-3,399	-1,412
Result for the period after taxes	**9,073**	**20,683**	**8,613**	**12,254**	**5,304**
30 Jun 2026					
Total assets	**9,106,267**	**7,709,990**	**3,688,316**	**2,925,241**	**1,659,703**
Loans and receivables to customers	-5,308	6,417,816	2,966,832	2,469,321	1,181,032
Companies measured at equity	1,378	15,080	232	3,900	5,138
Liabilities to customers	765,024	6,103,700	3,291,620	2,193,474	1,452,942
Liabilities evidenced by certificates, including subordinated liabilities	3,953,770	295,285	1,702	32,755	6,978

1-6/2025					
Net interest income	-18,394	81,215	40,801	33,422	19,178
Risk provision	268	-14,487	-20,191	-6,134	-1,589
Net fee and commission income	3,810	35,567	19,460	13,666	8,314
Net trading income	1,087	71	25	83	95
Result from financial instruments and investment properties	974	4,095	1,036	1,383	719
Other operating result	125,593	1,184	1,303	-335	-2,677
General administrative expenses	-89,679	-87,433	-47,036	-33,416	-22,072
Result from companies measured at equity	76	628	-14	164	146
Result for the period before taxes	**23,735**	**20,840**	**-4,616**	**8,834**	**2,113**
Income taxes	-1,847	11,385	2,646	-1,757	-306
Result for the period after taxes	**21,888**	**32,225**	**-1,970**	**7,078**	**1,807**
31 Dec 2025					
Total Assets	**9,930,419**	**7,490,282**	**3,745,338**	**2,900,626**	**1,656,112**
Loans and receivables to customers	401	6,300,482	3,008,233	2,459,424	1,191,679
Companies measured at equity	1,255	14,058	209	3,633	4,900
Liabilities to customers	596,316	6,100,640	3,369,406	2,213,609	1,460,605
Liabilities evidenced by certificates, including subordinated liabilities	5,024,098	296,710	1,745	510	6,873

Upper Austria	Salzburg	Tyrol	Vorarlberg	ÖÄAB	Consolidation	Total
25,986	44,898	38,073	17,243	14,404	-17	298,241
913	-6,936	3,323	326	-534	0	-7,538
15,683	16,630	19,809	9,181	5,191	-133	148,891
104	-6	92	1,006	24	-60	3,745
788	41	2,495	-134	407	-9,506	2,047
-305	-660	146	-67	-346	-127,570	-11,541
-36,141	-41,333	-46,190	-26,727	-14,561	127,811	-337,503
587	657	3	2	227	0	3,368
7,615	**13,291**	**17,750**	**830**	**4,811**	**-9,475**	**99,710**
-1,503	-3,218	-3,738	400	-998	-7	-18,026
6,112	**10,073**	**14,012**	**1,231**	**3,813**	**-9,482**	**81,684**
2,611,573	**3,231,888**	**3,590,399**	**2,191,245**	**1,243,578**	**-5,501,416**	**32,456,786**
2,127,075	2,655,753	3,021,189	1,876,139	1,044,058	-3,398	23,750,508
13,200	8,566	37	16	2,926	0	50,474
2,202,794	2,688,344	2,590,377	1,595,606	1,055,117	-11,589	23,927,407
48,544	4,407	175,504	15,391	0	-67,040	4,467,295
24,768	41,972	36,115	16,234	12,960	-297	287,975
-3,471	-9,804	-4,865	-3,499	-3,551	0	-67,322
15,294	16,667	19,326	9,136	4,936	354	146,531
116	-6	100	169	18	-22	1,735
826	1,680	1,568	813	424	-68	13,451
-314	-530	-232	-690	-60	-132,533	-9,292
-33,369	-37,466	-42,472	-23,881	-12,984	132,498	-297,312
318	357	2	1	123	0	1,800
4,168	**12,868**	**9,543**	**-1,717**	**1,866**	**-69**	**77,566**
-346	-2,377	-1,930	1,287	-309	2	6,447
3,822	**10,491**	**7,613**	**-430**	**1,557**	**-67**	**84,013**
2,697,757	**3,198,540**	**3,565,167**	**2,164,119**	**1,195,226**	**-5,647,068**	**32,896,517**
2,106,416	2,621,382	3,011,086	1,867,987	1,001,334	-4,757	23,563,669
12,682	7,985	35	15	2,726	0	47,497
2,280,864	2,723,612	2,496,382	1,392,711	988,729	-21,628	23,601,244
49,200	6,759	137,466	18,033	0	-66,196	5,475,198

11) Subsequent events

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

12) Quarterly financial data

Euro thousand	4-6/2026	1-3/2026	10-12/2025	7-9/2025	4-6/2025
Net interest income	152,119	146,122	151,085	147,515	144,003
Risk provision	-5,588	-1,949	-25,785	-44,098	-41,908
Net fee and commission income	74,949	73,942	75,185	71,778	71,642
Net trading income	1,408	2,337	1,088	1,713	514
Result from financial instruments and investment properties	5,122	-3,075	2,517	3,736	3,838
Other operating result	-8,422	-3,119	-2,455	-1,685	-3,146
General administrative expenses	-177,349	-160,154	-163,909	-152,344	-151,667
Result from companies measured at equity	2,680	689	-902	11	915
Result for the period before taxes	**44,917**	**54,793**	**36,825**	**26,627**	**24,190**
Income taxes	-7,331	-10,695	-2,445	5,008	5,327
Result for the period after taxes	**37,587**	**44,098**	**34,380**	**31,635**	**29,517**
Result for the period attributable to shareholders of the parent company	**37,587**	**44,098**	**34,380**	**31,635**	**29,517**
Result attributable to non-controlling interests	**0**	**0**	**0**	**0**	**0**

Vienna, 19 August 2026

DI Gerald Fleischmann
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Mag. Dr. Rainer Borns
Deputy Chairman of the Managing Board

Dr. Thomas Uher
Deputy Chairman of the Managing Board

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