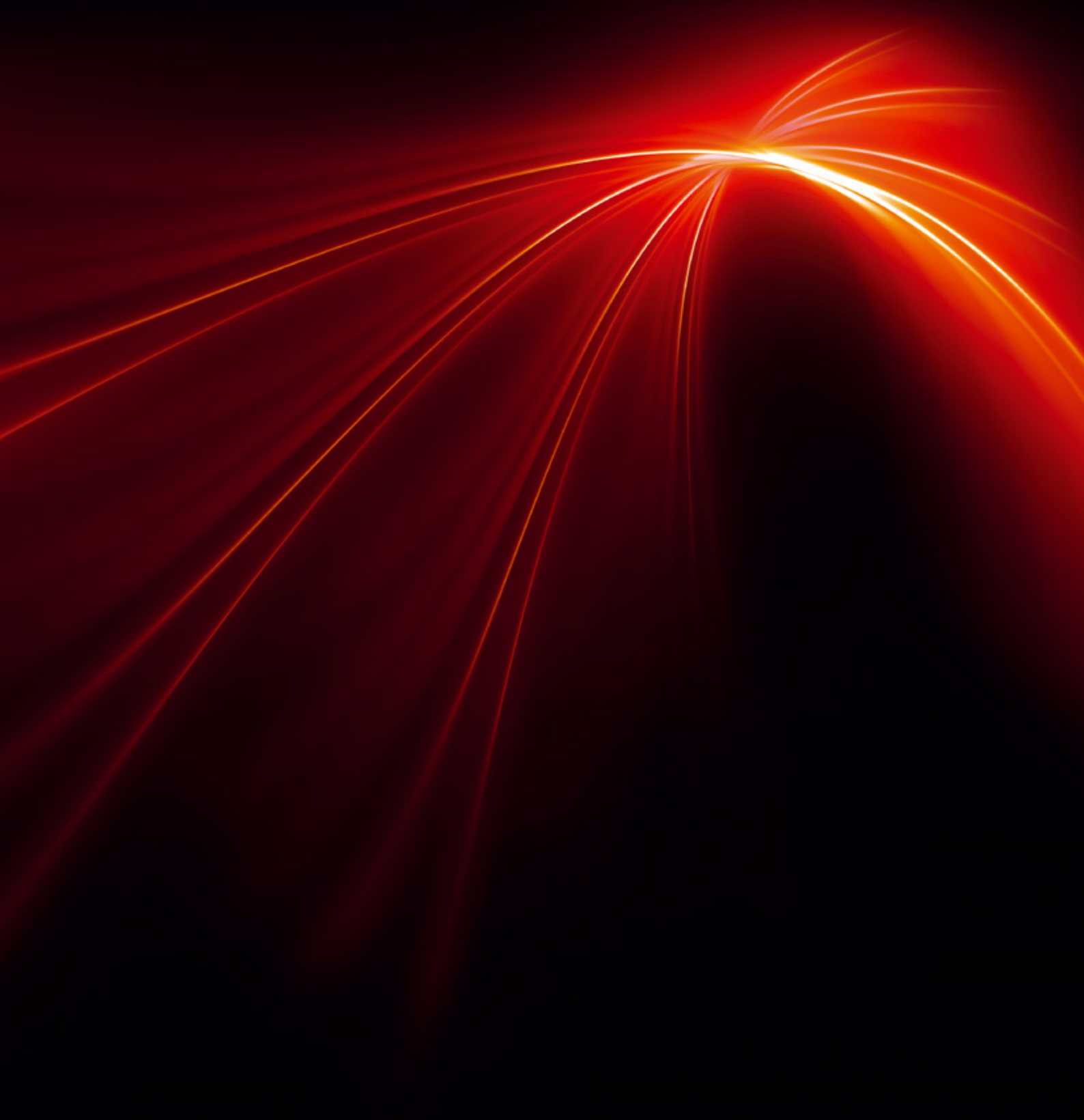




# 2024 Half-Yearly Financial Report

Empowering  
Communities to Progress.

 **Bank Austria**  
Member of  **UniCredit**



# Content

|                                                       |           |
|-------------------------------------------------------|-----------|
| <b>Bank Austria at a glance</b>                       | <b>6</b>  |
| <b>Economic environment – market developments</b>     | <b>7</b>  |
| <b>Business development in the first half of 2024</b> | <b>9</b>  |
| <b>Details of the income statement</b>                | <b>10</b> |
| <b>Financial position and capital resources</b>       | <b>12</b> |
| <b>Development of business segments</b>               | <b>18</b> |
| <b>Outlook</b>                                        | <b>24</b> |
| <hr/>                                                 |           |
| <b>Consolidated income statement</b>                  | <b>28</b> |
| <b>Consolidated statement of comprehensive income</b> | <b>30</b> |
| <b>Consolidated statement of financial position</b>   | <b>31</b> |
| <b>Consolidated statement of changes in equity</b>    | <b>33</b> |
| <b>Consolidated statement of cash flows</b>           | <b>35</b> |
| <b>Notes to the consolidated financial statements</b> | <b>37</b> |
| Notes to the income statement                         | 45        |
| Notes to the statement of financial position          | 55        |
| Segment reporting                                     | 62        |
| Risk report                                           | 68        |
| Additional disclosures                                | 81        |
| <b>Statement by management</b>                        | <b>83</b> |
| <hr/>                                                 |           |
| <b>Glossary of alternative performance measures</b>   | <b>86</b> |
| <b>Investor relations, ratings, imprint, notes</b>    | <b>88</b> |



# Management Report

|                                                |    |
|------------------------------------------------|----|
| Bank Austria at a glance                       | 6  |
| Economic environment – market developments     | 7  |
| Business development in the first half of 2024 | 9  |
| Details of the income statement                | 10 |
| Financial position and capital resources       | 12 |
| Development of business segments               | 18 |
| Outlook                                        | 24 |

# Management Report

## Bank Austria at a glance

### Income statement figures and performance ratios

(€ million)

|                                                                        | 1H24  | 1H23  | +/-     |
|------------------------------------------------------------------------|-------|-------|---------|
| Net interest                                                           | 805   | 757   | 6.4%    |
| Dividends and other income from equity investments                     | 130   | 147   | -11.9%  |
| Net fees and commissions                                               | 398   | 366   | 8.6%    |
| Net trading, hedging and fair value income/loss                        | 8     | (16)  | n.m.    |
| Operating income                                                       | 1,359 | 1,268 | 7.1%    |
| Operating costs                                                        | (511) | (518) | -1.4%   |
| Operating profit                                                       | 848   | 750   | 13.0%   |
| Net write-downs of loans and provisions for guarantees and commitments | 3     | 29    | -88.7%  |
| Net operating profit                                                   | 851   | 780   | 9.2%    |
| Profit (loss) before tax                                               | 833   | 704   | 18.3%   |
| Net Profit attrib. to the owners of the parent company                 | 692   | 565   | 22.5%   |
| Cost/income ratio                                                      | 37.6% | 40.9% | -3.2 PP |
| Cost of risk                                                           | -1 bp | -9 bp | +8 bp   |

### Statement of financial position and RWA

(€ million)

|                                      | 30.06.2024 | 31.12.2023 | +/-    |
|--------------------------------------|------------|------------|--------|
| Total assets                         | 113,117    | 102,745    | +10.1% |
| Loans and receivables with customers | 62,100     | 63,997     | -3.0%  |
| Deposits from customers              | 59,743     | 59,549     | +0.3%  |
| Equity                               | 10,205     | 10,451     | -2.4%  |
| Risk-weighted assets (overall)       | 38,032     | 38,581     | -1.4%  |

### Capital ratios

|                                    | 30.06.2024 | 31.12.2023 | +/-     |
|------------------------------------|------------|------------|---------|
| Common Equity Tier 1 capital ratio | 19.4%      | 19.3%      | +0.1 PP |
| Tier 1 capital ratio               | 21.3%      | 21.1%      | +0.2 PP |
| Total capital ratio                | 23.4%      | 23.3%      | +0.2 PP |
| Leverage ratio                     | 5.7%       | 6.4%       | -0.7 PP |

### Staff

| (Full-time equivalent) | 30.06.2024 | 31.12.2023 | +/-   |
|------------------------|------------|------------|-------|
| Austria in Total       | 4,556      | 4,747      | (191) |

### Offices

|                                   | 30.06.2024 | 31.12.2023 | +/- |
|-----------------------------------|------------|------------|-----|
| BA AG - Privatkundenbank branches | 104        | 104        | -   |

#### Notes:

- The income statement of Bank Austria Group for the first half of 2024 and the comparative figures shown in summarised form in this table reflect UniCredit's managerial view.
- For Bank Austria Group results, no recasts were done for the first half of 2023, therefore, these values are as published
- Other figures presented in the management report are in accordance with the consolidated financial statements of Bank Austria Group
- RWA are total regulatory risk-weighted assets
- Capital ratios pursuant to Basel 3 according to the current state of the transitional provisions and based on all risks
- Staff numbers (2024 and 2023) including Austrian part of UniCredit Direct Services (UCDS), a subsidiary of the German UniCredit Bank GmbH
- n. m. = not meaningful; PP = percentage point(s); bp = basis point(s)

# Management Report

## Economic environment – market developments

### Stabilization of the global economy

After several years of overlapping shocks, the global economy began to stabilize in the first few months of 2024. Despite an escalation in geopolitical tensions and a persistently restrictive monetary policy, the global economy began to recover from the growth markets, which was reflected in growth in global trade in goods. By contrast, the tailwind from stronger exports of services largely subsided as the global recovery in tourism came to an end. However, the recovery in the first half of the year was relatively subdued in both the industrialized countries and the growth markets, despite the support provided by the decline in inflation from the previous year's peak levels and, in some regions, the easing of monetary policy, such as in China. However, the cuts in key interest rates by these central banks were generally limited and tight monetary policy continued unchanged in the industrialized countries. In addition, the scope for fiscal policy has narrowed in many countries due to high interest rates and increased government debt. Among the industrialized countries, however, the US economy showed good, albeit declining, growth momentum in the first half of the year, supported by consumption, with GDP growth of around 2.5% year-on-year. The US economy thus clearly set itself apart from developments in Europe. In the eurozone, the economy picked up at the beginning of the year, supported by the service sector, but economic growth remained very modest at around half a percent year-on-year in the first half of 2024, weighed down in particular by the weakness of the German economy.

Commodity prices have recovered from their 2022 highs and pressure on supply chains has eased, which has contributed to a slowdown in global inflation. However, the pace of disinflation has slowed compared to the previous year. In particular, second-round effects of the energy price distortions on service prices led to a relatively sluggish disinflation process in the first half of the year, which was primarily reflected in core inflation rates. After averaging 4.1% in the US and 5.4% in the eurozone in 2023, general inflation fell to an average of 3.3% in the US and 2.6% in the eurozone in the first half of 2024. With a strong focus on price stability, the central banks of the industrialized countries did not tighten monetary policy further in the first half of 2024 in view of the slow decline in inflation, but they did not loosen it either. The US Federal Reserve, which began its cycle of interest rate hikes in March 2022 and raised the Fed funds target rate to a range of 5.25% to 5.50% by July 2023, did not change its key interest rate in the first half of the year. The relatively good economy and solid labor market as well as the inflation trend stood in the way of an easing of monetary policy via interest rates; at the same time, the US Federal Reserve continued to reduce its balance sheet, but reduced the pace somewhat from June onwards. In contrast, the European Central Bank (ECB) implemented an initial interest rate cut of 25 basis points in June in view of lower inflation and the weak economy. The deposit rate was therefore 3.75% at the end of June 2024. As a result, the 3-month Euribor fell to 3.70 percent in the middle of the year. The ECB also continued to reduce its holdings under the asset purchase program (APP). The redemption amounts of the securities purchased under the PEPP (Pandemic Emergency Purchase Program) were reinvested in full by the end of June 2024 when they matured.

In the face of disappointed expectations of interest rate cuts, 10-year US Treasuries were trading at 4.2% at the end of June 2024, slightly above the level of 3.9% at the start of the year. Long-term yields in Europe remained lower than in the US in the first half of 2024, but also showed a slight upward trend. The ten-year Austrian government bond was quoted at 3% at the end of June 2024, around 40 basis points higher than at the start of the year. Despite high interest rates, the stock markets held up well, supported by the prospect of an economic recovery and falling interest rates. Despite high volatility, the Dow Jones Index rose by almost 4 percent over the course of the year. Most European stock markets performed even better, with the Euro-Stoxx 50 rising by more than 9%. The Vienna Stock Exchange index ATX also rose from the beginning of the year to mid-2024, albeit at a more modest rate of around 5%.

The more favorable economic development in the US and higher US interest rates repeatedly exerted slight downward pressure on the euro against the US dollar in the first half of 2024. After 1.10 at the start of the year, the US dollar exchange rate stood at 1.07 to the euro in mid-2024. The average exchange rate in the first half of 2024 was 1.08, largely unchanged compared to the average for 2023.

# Management Report

## Economic situation and market development in Austria

Although the Austrian economy was able to overcome the recession around the turn of the year, it was characterized by persistently weak economic development on the verge of stagnation in the first half of 2024. The decline in industrial production and weakness in the construction sector due to a lack of incoming orders and tight monetary policy, which had an unfavorable impact on investment momentum, had a particularly negative effect. In contrast, there was a revival in many parts of the service sector, supported by real wage increases, which was reflected in noticeable growth in consumption. Consumers' purchasing power was boosted by the decline in inflation, which fell from an average of 7.8% in 2023 to below 4% in the first half of 2024, with a value of only 3% by the middle of the year. However, inflation was still above the comparable figures for the eurozone, although the gap has narrowed. Despite the weakening economy, the situation on the labor market deteriorated only relatively modestly. The national unemployment rate according to AMS (*Arbeitsmarktservice*) rose from an average of 6.4% in 2023 to a seasonally adjusted 6.9% in the middle of the year.

In view of the weak economy and persistently high interest rates, lending momentum in Austria remained very low in the first months of 2024. From January to May, nominal credit growth amounted to just 0.6% year-on-year. Loans to private households have even fallen slightly in the year to date. While there was at least a slight increase in the development of consumer loans, the significant decline in demand for housing loans continued, albeit at a slightly slower pace. At least slight growth was achieved in corporate loans in the first few months of 2024, with long-term financing increasing significantly more than short-term financing.

In view of the higher interest rates, deposit momentum began to increase in 2024 to date, accompanied by a shift from short-term to longer-term deposits. The trend in deposits from private households was more favorable than for companies, which suffered from the weak economic development.



# Management Report

## Business development in the first half of 2024

### Reclassified income statement of Bank Austria Group according to structure of segment reporting<sup>1)</sup>

(€ million)

|                                                                                    | BANK AUSTRIA GROUP <sup>2)</sup> |              | CHANGE     |              |
|------------------------------------------------------------------------------------|----------------------------------|--------------|------------|--------------|
|                                                                                    | 1H24                             | 1H23         | +/- €      | +/- %        |
| Net interest                                                                       | 805                              | 757          | 49         | 6.4%         |
| Dividends and other income from equity investments                                 | 130                              | 147          | (17)       | -11.9%       |
| Net fees and commissions                                                           | 398                              | 366          | 31         | 8.6%         |
| Net trading, hedging and fair value income/loss                                    | 8                                | (16)         | 23         | n.m.         |
| Net other expenses/income                                                          | 18                               | 14           | 5          | 33.5%        |
| <b>Operating income</b>                                                            | <b>1,359</b>                     | <b>1,268</b> | <b>90</b>  | <b>7.1%</b>  |
| Payroll costs                                                                      | (285)                            | (281)        | (3)        | 1.2%         |
| Other administrative expenses                                                      | (204)                            | (212)        | 8          | -3.6%        |
| Recovery of expenses                                                               | 0                                | 0            | (0)        | -62.4%       |
| Amortisation, depreciation and impairment losses on intangible and tangible assets | (22)                             | (26)         | 3          | -12.8%       |
| <b>Operating costs</b>                                                             | <b>(511)</b>                     | <b>(518)</b> | <b>7</b>   | <b>-1.4%</b> |
| <b>Operating profit</b>                                                            | <b>848</b>                       | <b>750</b>   | <b>98</b>  | <b>13.0%</b> |
| Net write-downs of loans and provisions for guarantees and commitments             | 3                                | 29           | (26)       | -88.7%       |
| <b>Net operating profit</b>                                                        | <b>851</b>                       | <b>780</b>   | <b>71</b>  | <b>9.2%</b>  |
| Provisions for risks and charges                                                   | 10                               | (1)          | 11         | n.m.         |
| Systemic charges                                                                   | (21)                             | (75)         | 54         | -72.0%       |
| Integration/restructuring costs                                                    | (7)                              | 0            | (7)        | n.m.         |
| Net income from investments                                                        | (1)                              | (1)          | (0)        | 25.4%        |
| <b>Profit (loss) before tax</b>                                                    | <b>833</b>                       | <b>704</b>   | <b>129</b> | <b>18.3%</b> |
| Income tax for the period                                                          | (141)                            | (140)        | (1)        | 0.9%         |
| Non-controlling interests                                                          | 0                                | 1            | (0)        | -28.5%       |
| <b>Net profit or loss - attributable to the owners of the parent company</b>       | <b>692</b>                       | <b>565</b>   | <b>127</b> | <b>22.5%</b> |

1) Condensed income statement of Bank Austria as presented in this table is a reclassified format corresponding to the format used for segment reporting and reflects UniCredit's managerial view

2) For Bank Austria Group results, no recasts were done for the first half of 2023, therefore, these values are as published  
n.m. = not meaningful

# Management Report

## Details of the income statement

*The following commentary on Bank Austria's performance is based on the income statement structure used for segment reporting. Segment reporting is based on the segmentation logic of UniCredit Group and deviates slightly from a Bank Austria-internal view.*

**Segment reporting** covers three business segments: **Retail, Wealth Management & Private Banking (WM&PB)** and **Corporates**.

**Retail** covers the servicing for individuals (including premium banking customers), the liberal professions and business customers (with an annual turnover of up to €1 million). The **Corporates** division serves corporate customers of all sizes, including multinational and major international customers with a need for capital market-related services and investment banking solutions. The activities of FactorBank and Leasing are also included, as are financial institutions such as banks, asset managers, institutional clients and insurance companies. Those parts of the bank that are not allocated to a business division, are shown in the **Corporate Center** segment.

**Operating income** amounted to €1,359 million in the first half of 2024, an increase of 7% compared to the previous year's figure of €1,268 million. This growth was primarily driven by core income (net interest and net fees and commissions). Net trading, hedging and fair value income also improved significantly.

**Net interest**, which remains the largest item among Bank Austria's operating income, rose by 6% to €805 million, up on the previous year's figure of €757 million. This reflects a further favorable margin development, also supported by the interest rate environment in the first half of 2024.

**Dividends and other income from equity investments** amounted to €130 million, which represents a slight decrease on the previous year's figure of €147 million. This item primarily includes pro rata earnings from major investments accounted for using the equity method such as the 3-Banken Group and Oesterreichische Kontrollbank.

At €398 million, **net fees and commissions** clearly exceeded the previous year's figure by 9%. In particular, commissions from the securities business, loan fees and fees from customer hedging transactions showed a positive trend.

**Net trading, hedging and fair value income** amounted to €+8 million, which represents a considerable improvement on the previous year's figure of €-16 million.

The income statement item **balance of other operating income and expenses** includes items that are not allocated to the above-mentioned income items. In the first half of 2024, this resulted in income of €18 million (compared to €14 million in the previous year).

Bank Austria continues to focus on very strict cost management. **Operating costs** were reduced by 1% to €511 million in the first half of 2024 (previous year: €518 million) despite continued inflationary pressure in the current environment.

**Payroll costs** amounted to €285 million and were therefore €3 million or just 1% higher than in the previous year, despite a significantly higher wage settlement in an inflationary environment. Compared to the previous year, there was a reduction in personnel capacity (FTE) of -350 (-7%) as at the reporting date.

**Other administrative expenses** fell by 4% to €204 million, also confirming the clear focus on strict cost management.

**Depreciation and amortization** decreased from €26 million to €22 million.

**Operating profit** reached €848 million, an increase of 13% on the previous year's figure of €750 million, reflecting the developments outlined above.

# Management Report

In the first half of 2024, a positive contribution of €3 million was reported in **net write-downs of loans and provisions for guarantees and commitments**. This resulted from net write-backs for non-performing loans (stage 3) in the amount of €26 million and loan loss provisions (mainly due to model changes) for performing loans (€-23 million).

**Cost of risk** (the quotient of the net write-downs of loans and provisions for guarantees and commitments and the average loan volume, expressed in basis points/bp; see also the glossary of alternative key performance indicators in the Notes) amounted to -1 bp (-9 bp in the same period of the previous year). The following cost of risk was reported for the divisions: Retail -5 bp (previous year: -11 bp), Wealth Management & Private Banking 23 bp (previous year: -41 bp) and Corporates 0 bp (previous year: -8 bp).

The operating result (**net operating profit**) amounted to €851 million in the first half of 2024, exceeding the previous year's figure of €780 million by 9%. The individual customer business divisions achieved the following results: Retail +€268 million, Wealth Management & Private Banking +€71 million and Corporates +€426 million.

An amount of €+10 million (previous year: €-1 million) was reported under **provisions for risks and charges** in the reporting period.

At -€21 million, **systemic charges** were significantly lower than in the first half of 2023 (€-75 million). Of the total amount, €10 million related to the allocation to the deposit guarantee fund and €11 million to the bank levy, while no contributions were made to the resolution fund in 2024, resulting in the decrease in the overall position.

An expense of €-1 million (previous year: €-1 million) was reported in **net income from investments**.

The items listed above result in **profit before tax** of €833 million. The increase compared to the previous year's figure of €704 million is primarily due to significantly higher operating income (especially net interest and net fees and commissions), cost savings and the lower systemic charges (no contribution to the resolution fund in 2024).

**Income tax for the period** amounted to €-141 million (previous year: €-140 million).

Overall, Bank Austria generated a profit (**consolidated profit after tax attributable to the owners of Bank Austria**) of €692 million in the first half of 2024, which represents a significant increase of 23% compared to the previous year's figure of €565 million.

# Management Report

## Financial position and capital resources

Bank Austria Group's balance sheet at 30 June 2024 reflects the target structure which was to be strategically achieved through an **Austrian universal bank** focused on traditional commercial banking business with customers. **Loans and receivables with customers** is the largest item on the asset side by far with a proportion of more than 50%. The Corporates division accounted for around two-thirds of total lending volume, underlining Bank Austria's leading position as a major lender to the Austrian business sector. Furthermore, the bank holds an important position in lending to Austrian retail customers. **Deposits from customers** represent more than half of liabilities and equity. Close to 60% consist of deposits from the Retail and Wealth Management & Private Banking divisions and constitute a solid refinancing basis for Bank Austria.

### Reclassified statement of financial position <sup>1)</sup>

| (€ million)                                                       |                |                |                |               |
|-------------------------------------------------------------------|----------------|----------------|----------------|---------------|
|                                                                   | 30.06.2024     | 31.12.2023     | CHANGE         |               |
|                                                                   |                |                | +/- € MILLION  | +/- %         |
| <b>Assets</b>                                                     |                |                |                |               |
| Cash and cash balances                                            | 17,234         | 8,730          | +8,504         | +97.4%        |
| Financial assets held for trading                                 | 1,552          | 1,573          | (21)           | -1.3%         |
| Loans and receivables with banks                                  | 6,427          | 3,158          | +3,269         | >100%         |
| Loans and receivables with customers                              | 62,100         | 63,997         | (1,897)        | -3.0%         |
| Other financial assets                                            | 22,940         | 21,914         | +1,026         | +4.7%         |
| Hedging instruments                                               | 1,253          | 1,577          | (324)          | -20.6%        |
| Other assets                                                      | 1,611          | 1,797          | (186)          | -10.4%        |
| <b>TOTAL ASSETS</b>                                               | <b>113,117</b> | <b>102,745</b> | <b>+10,372</b> | <b>+10.1%</b> |
| <b>Liabilities and equity</b>                                     |                |                |                |               |
| Deposits from banks                                               | 23,334         | 12,466         | +10,868        | +87.2%        |
| Deposits from customers                                           | 59,743         | 59,549         | +194           | +0.3%         |
| Debt securities in issue                                          | 12,307         | 12,259         | +48            | +0.4%         |
| Financial liabilities held for trading                            | 1,573          | 1,570          | +3             | +0.2%         |
| Hedging instruments                                               | 1,394          | 1,694          | (300)          | -17.7%        |
| Other liabilities                                                 | 4,561          | 4,757          | (196)          | -4.1%         |
| <i>o/w pensions and other post-retirement benefit obligations</i> | 2,849          | 2,914          | (66)           | -2.3%         |
| Equity                                                            | 10,205         | 10,451         | (246)          | -2.4%         |
| <b>TOTAL LIABILITIES AND EQUITY</b>                               | <b>113,117</b> | <b>102,745</b> | <b>+10,372</b> | <b>+10.1%</b> |

<sup>1)</sup> see reconciliation of the reclassified balance sheet to the balance sheet items of the consolidated financial statements (on next pages)

# Management Report

## Reconciliation of the short version of the balance sheet (see previous page) to the balance sheet items of the consolidated interim financial statements

### Total assets

(€ million)

|                                                                                                                     | 30.06.2024     | 31.12.2023     |
|---------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Cash and cash balances</b>                                                                                       | <b>17,234</b>  | <b>8,730</b>   |
| Item 10. Cash and cash balances                                                                                     | 17,234         | 8,730          |
| <b>Financial assets held for trading</b>                                                                            | <b>1,552</b>   | <b>1,573</b>   |
| Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading                | 1,552          | 1,573          |
| <b>Loans to banks</b>                                                                                               | <b>6,427</b>   | <b>3,158</b>   |
| Item 40. Financial assets at amortised cost: a) Loans and advances to banks                                         | 7,952          | 4,678          |
| less: Reclassification of debt securities in Other financial assets                                                 | (1,525)        | (1,520)        |
| <b>Loans to customers</b>                                                                                           | <b>62,100</b>  | <b>63,997</b>  |
| Item 40. Financial assets at amortised cost: b) Loans and advances to customers                                     | 63,715         | 65,611         |
| less: Reclassification of debt securities in Other financial assets                                                 | (1,977)        | (2,036)        |
| less: Reclassification of leasing assets IFRS16 in Other financial assets                                           | (36)           | (14)           |
| Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value | 469            | 509            |
| less: Reclassification of debt securities in Other financial assets                                                 | (70)           | (74)           |
| <b>Other financial assets</b>                                                                                       | <b>22,940</b>  | <b>21,914</b>  |
| Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value        | 116            | 88             |
| Item 30. Financial assets at fair value through other comprehensive income                                          | 16,295         | 15,332         |
| Item 70. Equity investments                                                                                         | 2,920          | 2,850          |
| + Reclassification of debt securities from Other financial assets mandatorily at fair value - Item 20 c)            | 70             | 74             |
| + Reclassification of debt securities from Loans to banks - Item 40 a)                                              | 1,525          | 1,520          |
| + Reclassification of debt securities from Loans to customers - Item 40 b)                                          | 1,977          | 2,036          |
| + Reclassification of leasing assets IFRS16 from Loans to customers - Item 40 b)                                    | 36             | 14             |
| <b>Hedging instruments</b>                                                                                          | <b>1,253</b>   | <b>1,577</b>   |
| Item 50. Hedging derivatives                                                                                        | 2,781          | 2,862          |
| Item 60. Changes in fair value of portfolio hedged items (+/-)                                                      | (1,528)        | (1,285)        |
| <b>Other assets</b>                                                                                                 | <b>1,611</b>   | <b>1,797</b>   |
| Item 90. Property, plant and equipment                                                                              | 793            | 839            |
| Item 100. Intangible assets                                                                                         | 6              | 6              |
| Item 110. Tax assets                                                                                                | 449            | 579            |
| Item 120. Non-current assets and disposal groups classified as held for sale                                        | 1              | (0)            |
| Item 130. Other assets                                                                                              | 362            | 373            |
| <b>TOTAL ASSETS</b>                                                                                                 | <b>113,117</b> | <b>102,745</b> |

# Management Report

## Total liabilities and equity

|                                                                                     | (€ million)    |                |
|-------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                     | 30.06.2024     | 31.12.2023     |
| <b>Deposits from banks</b>                                                          | <b>23,334</b>  | <b>12,466</b>  |
| Item 10. Financial liabilities at amortised cost: a) Deposits from banks            | 23,334         | 12,466         |
| <b>Deposits from customers</b>                                                      | <b>59,743</b>  | <b>59,549</b>  |
| Item 10. Financial liabilities at amortised cost: b) Deposits from customers        | 60,038         | 59,834         |
| less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities | (295)          | (285)          |
| <b>Debt securities issued</b>                                                       | <b>12,307</b>  | <b>12,259</b>  |
| Item 10. Financial liabilities at amortised cost: c) Debt securities in issue       | 12,307         | 12,259         |
| <b>Financial liabilities held for trading</b>                                       | <b>1,573</b>   | <b>1,570</b>   |
| Item 20. Financial liabilities held for trading                                     | 1,573          | 1,570          |
| <b>Hedging instruments</b>                                                          | <b>1,394</b>   | <b>1,694</b>   |
| Item 40. Hedging derivatives                                                        | 2,714          | 2,906          |
| Item 50. Value adjustment of hedged financial liabilities (+/-)                     | (1,320)        | (1,213)        |
| <b>Other liabilities</b>                                                            | <b>4,561</b>   | <b>4,757</b>   |
| Item 30. Financial liabilities designated at fair value                             | 61             | 61             |
| Item 60. Tax liabilities                                                            | 49             | 25             |
| Item 80. Other liabilities                                                          | 948            | 1,041          |
| Item 100. Provisions for risks and charges                                          | 3,208          | 3,345          |
| of which: pensions and other post-retirement benefit obligations                    | 2,849          | 2,914          |
| + Reclassification of leasing liabilities IFRS16 from Deposits from customers       | 295            | 285            |
| <b>Shareholders' equity:</b>                                                        | <b>10,205</b>  | <b>10,451</b>  |
| Item 120. Valuation reserves                                                        | (2,047)        | (1,964)        |
| Item 140. Equity instruments                                                        | 600            | 600            |
| Item 150. Reserves                                                                  | 5,112          | 4,845          |
| Item 160. Share premium                                                             | 4,134          | 4,135          |
| Item 170. Share capital                                                             | 1,681          | 1,681          |
| Item 190. Minority shareholders' equity (+/-)                                       | 33             | 34             |
| Item 200. Profit (Loss) of the year (+/-)                                           | 691            | 1,120          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                   | <b>113,117</b> | <b>102,745</b> |

# Management Report

## Reconciliation principles followed for the reclassified consolidated balance sheet

The main reclassifications made in the reconciliation from the structure of the consolidated financial statements to the reclassified balance sheet presented above, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in "Loans to banks" of item "Financial assets at amortised cost: a) loans and advances to banks", net of debt securities reclassified in "Other financial assets";
- the inclusion in "Loans to customers" of item "Financial assets at amortised cost: b) Loans and advances to customers", net of debt securities and of IFRS16 leasing assets reclassified in "Other financial assets", and of loans related to item "Financial assets at fair value through profit or loss: c) other financial assets mandatorily at fair value";
- the aggregation as "Other financial assets" of items (i) "Financial assets at fair value through profit or loss: b) financial assets designated at fair value and c) other financial assets mandatorily at fair value", net of loans reclassified in "Loans to banks and to customers", of (ii) "Financial assets at fair value through other comprehensive income", of (iii) "Equity investments", besides reclassifications of (iv) debt securities from item "Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers" and of (v) IFRS16 leasing assets from item "Financial assets at amortised cost: a) loans and advances to banks and b) loans and advances to customers";
- the inclusion in "Other liabilities" of leasing liabilities pursuant to accounting standard IFRS16 relating to item "Financial liabilities at amortised cost: a) deposits from banks and b) deposits from customers";
- grouping under "Hedging instruments", both assets and liabilities, of items "Hedging derivatives" and "Changes in fair value of portfolio hedged items" in the assets and "Value adjustment of hedged financial liabilities" in the liabilities;
- the inclusion of items "Provision for employee severance pay" and "Provisions for risks and charges" under "Other liabilities".

# Management Report

**Total assets** as at 30 June, 2024 increased by € 10.4 billion (+10.1%) to € 113.1 billion compared to 31 December 2023.

**Loans and receivables to banks** grew by € 3.3 billion to € 6.4 billion.

**Loans and receivables with customers** fell by €1.9 billion to €62.0 billion, partly due to the repayment of several large loans in the Corporates division. Gross non-performing loans fell by € 0.3 billion to € 2.0 billion compared to the end of 2023. The gross NPL ratio (3.1%) improved significantly compared to the end of 2023 (3.4%), as did the net NPL ratio (1.9%, after 2.2%).

**Other financial assets** rose by € 1.0 billion to € 22.9 billion, mainly due to an increase in the securities portfolio.

**Deposits from banks** showed a significant increase of € 10.9 billion to € 23.3 billion compared to the 2023 balance sheet date.

**Deposits from customers** increased by €0.2 billion to €59.7 billion compared to the end of 2023. Growth in Retail and Wealth Management & Private Banking compensated for declines in the Corporates business division.

**Debt securities in issue** increased slightly to € 12.3 billion in the reporting period, whereby a large issue, a green bond with a volume of € 750 million, was offset by various repayments.

At the end of the first half of 2024, **commercial total financial assets (Comm. TFA**, the sum of all customer investments) amounted to €93.1 billion, of which €20.2 billion were **assets under management (AuM**, fund and asset management products), € 2.7 billion were **assets under advisory (AuA)**, €18.0 billion were **assets under custody (AuC**, direct investments in the capital market/custody business) and €49.3 billion were **deposits from customers** (incl. building society savings, balances with severance funds) and €2.9 billion in life insurance products. Comm. TFA relate to volumes in the Retail, Wealth Management & Private Banking and SME (sub-) segments. Large Corporates and central functions (Corporate Center) are not included.

**Provisions** (included in **Other liabilities**) amounted to around € 3.2 billion at the end of the first half of 2024, which is € -0.1 billion compared to the end of 2023. The most significant item here is provisions for pensions and similar obligations, which amounted to € 2.8 billion (31.12.2023: € 2.9 billion). As at 30 June 2024, the discount rate for social capital was 3.80%, which represents an increase of 0.25 percentage points compared to the year-end 2023 figure of 3.55%.

**Equity** of € 10.2 billion was reported as at 30 June, 2024, a decrease of € 0.2 billion compared to the end of 2023. This was primarily driven by the 2023 dividend payment of € 832 million made in April and the half-year profit 2024 of € 692 million.



# Management Report

## Capital resources and risk-weighted assets

Regulatory capital, capital requirements and regulatory capital ratios were calculated in accordance with the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) to implement Basel 3 in the European Union. Under the Austrian CRR Supplementary Regulation and ECB Regulation 2016/445 on the exercise of options and discretions available in EU law, these provisions were not yet fully applicable, but will be gradually introduced over several years.

From 28 June 2021, all of the regulatory provisions of Regulation (EU) 2019/876 (CRR II) are applied and were reflected in the calculation of the capital ratios as at 30 June 2024 in addition to the provisions that were already directly applicable when the Regulation came into force on 27 June 2019, as well as the provisions of Regulation (EU) 2020/873 amending Regulation (EU) 575/2013 and (EU) 2019/876 due to certain adjustments made as a result of the COVID-19 pandemic.

The provisions of the CRD V were transposed into Austrian law via the Austrian Banking Act (BWG) amendment of 28 May 2021.

Bank Austria Group calculated its consolidated regulatory capital and consolidated regulatory capital requirements on an IFRS basis. Bank Austria has been making use of the option to allocate the IFRS 9 credit risk effects over time since 1 January 2021.

Bank Austria Group's **eligible own capital** amounted to €7.6 billion as of June 30, 2024 (a decrease of €0.1 billion compared to December 31, 2023). Additional Tier 1 (AT1) capital remained unchanged at €0.6 billion compared with year-end 2023.

**Common Equity Tier 1 capital (CET1)** amounted to €6.3 billion (year-end 2023: €6.4 billion).

Compared with year-end 2023, **risk-weighted assets (RWA)** decreased from €33.2 billion to €32.4 billion.

The €0.8 billion decrease in credit risk mainly driven by exposure and rating dynamics in the Retail and exposure reduction in the Corporates segments. RWA stemming from MREL-eligible subordinated instruments from other legal entities within UniCredit Group have been excluded due to daisy chain regulation applicated from 1 January.2024. The increase in market risk of €0.1 billion was offset by a decrease in operational risk of €0.1 billion.

Mainly due to the RWA reduction, **capital ratios** improved as shown in the table below. The ratios continued to significantly exceed the legal requirements.

### Capital ratios (based on all risks)

|                                           | 30.06.2024 | 31.12.2023 |
|-------------------------------------------|------------|------------|
| Common Equity Tier 1 (CET1) capital ratio | 19.4%      | 19.3%      |
| Tier 1 capital ratio                      | 21.3%      | 21.1%      |
| Total capital ratio                       | 23.4%      | 23.3%      |

The **leverage ratio** pursuant to the Delegated Regulation (EU) 2015/62, based on the current status of transitional arrangements, was 5.7% as at 30 June 2024.

## Permanent establishments

There are no significant permanent establishments.

# Management Report

## Development of business segments

### Retail

(€ million)

|                                                 | 1H24       | 1H23 <sup>1)</sup> | CHANGE        |             |
|-------------------------------------------------|------------|--------------------|---------------|-------------|
|                                                 |            |                    | +/- € million | +/- %       |
| Operating income                                | 524        | 533                | (9)           | -1.7%       |
| Operating costs                                 | (261)      | (270)              | 10            | -3.6%       |
| Operating profit                                | 264        | 263                | 1             | 0.3%        |
| Net write-downs of loans                        | 4          | 10                 | (6)           | -58.2%      |
| Net operating profit                            | 268        | 273                | (5)           | -1.9%       |
| <b>Profit (loss) before tax</b>                 | <b>257</b> | <b>251</b>         | <b>6</b>      | <b>2.3%</b> |
| Commercial Total Financial Assets <sup>2)</sup> | 41,866     | 42,058             | (192)         | -0.5%       |
| Loans to customers                              | 18,537     | 19,362             | (825)         | -4.3%       |
| Deposits from customers                         | 27,150     | 27,701             | (551)         | -2.0%       |
| Ø Risk-weighted assets (RWA) <sup>3)</sup>      | 9,028      | 10,214             | (1,185)       | -11.6%      |
| ROAC <sup>4)</sup>                              | 33.6%      | 28.7%              | +4.9 PP       | n.m.        |

1) Segment reporting is shown in UniCredit's managerial view. Comparative figures for the previous year were recast to reflect the current structure and methodology (see section Segment Reporting in the Notes to the consolidated financial statements). These recasts for the first half of 2023 (update of internal transfer pricing) only had an impact at segment level, but not at the level of the Bank Austria Group's overall results.

2) Commercial Total Financial Assets (Comm. TFA): sum of total commercial financial assets held by customers, i.e. sum of deposits from customers (including deposits with building societies and balances with severance funds) + assets under management (AuM, i.e. fund and asset management products) + assets under advisory (AuA) + deposits with life insurances + assets under custody (AuC, i.e. direct investments on the capital market/safe-custody business) - of the (sub-) segments Retail, Wealth Management & Private Banking and SME. Not included: Large Corporates and central functions (Corporate Center)

3) Average risk-weighted assets (all risks) under Basel 3

4) Allocated capital calculated at 13.00% common equity tier 1 (CET1) target ratio (2024 and 2023)

n.m. = not meaningful

PP = percentage points

These comments also apply to the segment tables on the following pages.

### Operating profit

Operating income slightly below the previous year driven by net interest income as a result of the market environment. This was partially compensated by higher net fees & commissions, mainly due to a better result in investment business. Operating costs improved year-on-year, driven by the strong focus on cost management. Overall, operating profit is almost in line with the previous year.

### Net write-downs of loans and provisions for guarantees and commitments

Net releases of €4 million resulted mainly from net write-backs in the non-performing portfolio.

### Profit (loss) before tax

Due to the above-mentioned achievements and Y/Y improvements of non-operating expenses, the half-year result improved compared to 1H23.

### Loans to customers/customer deposits

At €18.5 billion, the loan volume was €-0.8 billion below the previous year's level, impacted by housing loan business due to the economic environment. Customer deposits also decreased by €-0.5 billion to €27.2 billion, mainly in sight deposits.

The **Retail** division serves private customers with an investment volume of up to €1 million and freelancers and business customers with an annual turnover of up to €1 million. This division is also responsible for the subsidiaries operating in the credit card business.

# Management Report

With the service model implemented in Retail, Bank Austria has created the basis for an organization with greater customer proximity, faster decisions, intensified cooperation and a high level of innovation. These simplifications achieved through digitalization significantly reduce the complexity of the business and ensure greater personal responsibility in all customer segments - with clearly defined roles and responsibilities. The strong collaboration between digital and physical channels allows us to realize the full customer potential with shared responsibilities and strong collaboration within the teams to serve our customers in a hybrid way.

For the **digital/remote banking** sector in particular, "change is the constant" applies more than ever. This is clearly reflected in changing customer behavior. Bank Austria is in first place in terms of mobile banking usage with 63%, well above the market average of 55%. Already 21% of Bank Austria customers see themselves as digital-only users compared to the market average of 15%. This is also clearly reflected in the use of various app features, such as 48% of Bank Austria app users using photo transfers (market average 36%), 34% of Bank Austria app users changing their ATM card limit digitally (market average 21%) or the digital use of financial information via the app, which 19% of Bank Austria app users use (market average 10%).

In line with this trend, the **digital product and service range** was further expanded and existing customer journeys further optimized, which is reflected in increased digital product sales. This is particularly true in the area of internet security, where Bank Austria offers a product that is in high demand digitally with its "*Just in Case*" insurance. The same applies to the wide range of digital savings offers in the app, which are now also being offered selectively via *digital stand-alone onboarding* on platforms such as *Durchblicker* and *Check24* in addition to various payment transaction accounts. In addition, there is consistently high demand for digital consumer loans and securities investment options, from securities savings plans to individual orders for funds and various securities.

Customers are competently supported by professional employees in all branches as well as by a central team of experts in the Contact Center, where customers receive specific support with digitalization using the *#OneTeam approach*. Bank Austria also offers a cell phone for senior citizens with a pre-installed Bank Austria Mobile Banking app at a reduced price.

In the area of **ESG (Environmental, Social & Governance)**, we were able to further strengthen our strong position in the area of sustainability, as confirmed by the latest retail banking market study. This is not least due to our range of accounts. Since 2020, four of Bank Austria's account products have already been successfully certified with the Austrian Ecolabel. Three of these products - the *GoGreen account*, the *MegaCard GoGreen account* and the *GoGreen student account* - are purely private customer products, while the *GoGreen business account* is an account product for business customers. With this broad product range, our customers are able to actively contribute to sustainability over the entire lifecycle from the age of 10.

With its broad range of sustainable products, Bank Austria's Retail Division thus offers its customers the opportunity to make a contribution to sustainability in the Austrian market.

Both in consumer credit and in construction and housing finance, we continue to focus on the area of **sustainable financing**, known as **green finance**. We are successfully positioning ourselves as a sustainable financing partner. A key highlight and milestone was the successful cooperation with *Krone Sonne* and *Energie Burgenland*, where we were able to position ourselves as a partner for financing the energy transition in Austria. To support families and young people in particular in purchasing their first home, Bank Austria has put together a €100 million housing package with favorable conditions in the second quarter of 2024. This enabled up to 500 families to obtain low-interest fixed-rate loans of up to €200,000 with terms of 2.99% p.a. fixed for 10 years.

# Management Report

## Wealth Management & Private Banking (WM & PB)

(€ million)

|                                   | 1H24      | 1H23      | CHANGE        |             |
|-----------------------------------|-----------|-----------|---------------|-------------|
|                                   |           |           | +/- € million | +/- %       |
| Operating income                  | 130       | 130       | (0)           | -0.1%       |
| Operating costs                   | (58)      | (59)      | 1             | -1.0%       |
| Operating profit                  | 72        | 71        | 0             | 0.6%        |
| Net write-downs of loans          | (1)       | 2         | (3)           | n.m.        |
| Net operating profit              | 71        | 73        | (2)           | -3.0%       |
| <b>Profit (loss) before tax</b>   | <b>69</b> | <b>67</b> | <b>3</b>      | <b>3.9%</b> |
| Commercial Total Financial Assets | 26,938    | 25,622    | 1,316         | 5.1%        |
| Loans to customers                | 648       | 872       | (224)         | -25.6%      |
| Deposits from customers           | 7,267     | 7,312     | (45)          | -0.6%       |
| Ø Risk-weighted assets (RWA)      | 637       | 700       | (63)          | -9.0%       |
| ROAC                              | 127.9%    | 107.8%    | +20.1 PP      | n.m.        |

The comments/footnotes below the Retail table also apply to the table above.

### Operating profit

In the first half of 2024, the operating income of the Wealth Management & Private Banking (WM & PB) at €130 million, which is in line with the previous first half year result.

Operating costs decreased by €1 million to €58 million, due to savings on administrative costs leading to an improvement of the cost/income ratio by -0.4pp to 44.9%. Strict cost management remains in place. In total, an operating profit of €72 million was achieved (€+0.5m compared with the previous year).

### Net write-downs of loans and provisions for guarantees and commitments

Net write-downs totaled -€1 million (previous year: €+2 million).

### Profit (loss) before tax

After taking into account the systemic charges, profit before tax in the first half of 2024 was €69 million, €2 million above the previous year's figure.

### Loans to customers/customer deposits

At the end of the first six months of the year, the loan volume was €0.6 billion (30 June 2023: €0.9 billion), which is below previous year's level due to higher redemptions; deposits from customers stable at €7.3 billion (30 June 2023 to €7.3 billion).

The **Wealth Management & Private Banking** division serves and supports wealthy and affluent customers with a focus on investment and retirement planning.

The **Wealth Management** segment is concentrated at **Schoellerbank**, which specializes in investments and pensions. Its core competence has been asset management for more than three decades - the experts always invest their customers' money according to the motto "investing instead of speculating". However, wealth management at Schoellerbank means much more than just investing money. The experts see themselves as "architects" of the client relationship and focus on the needs of their clients - who currently entrust the bank with commercial total financial assets of around €13.2 billion - when managing their entire wealth. As part of the holistic advisory approach, solutions such as financial and liquidity planning, succession and pension planning, support with real estate transactions and a dedicated foundation competence center are offered.

# Management Report

Years of experience and expertise have not only earned this traditional bank, which was founded in 1833, many satisfied and loyal customers, but also numerous important awards in the financial sector: Schoellerbank has been the **most awarded private bank in Austria** for years with frequent recognition in independent international industry tests, thus underlining its role as the country's leading wealth manager time and again. With eight locations, Schoellerbank - a wholly-owned subsidiary of Bank Austria - is the only private bank represented throughout Austria. With **Schoellerbank Invest**, it also has its own in-house investment company, which launches both tailor-made special funds for particularly high investment requirements and mutual funds, including sustainable variants. These funds are also offered to customers of Bank Austria.

The **Private Banking** segment focuses on wealthy private customers, churches and foundations as clients of UniCredit Bank Austria AG. It currently serves more than 12,000 customers with commercial total financial assets of around €13.8 billion.

Our customers are advised at 15 private banking locations throughout Austria. A separate competence center in Vienna takes care of the financial affairs of churches and foundations. A special feature of Bank Austria Private Banking is the individualized 360-degree service approach, which covers the entire spectrum of banking services and products - from investment financing, construction and housing loans to high-quality investment solutions. The Private Banking Asset Management experts are responsible for market assessment and its implementation in the respective asset management solutions. In addition, our Credit Advisory and Wealth Planning experts support the Private Banking advisors with special financing issues or as part of holistic financial and succession planning.

Private Banking also offers clients Schoellerbank Invest mutual funds in addition to tailor-made special funds.

# Management Report

## Corporates

(€ million)

|                                 | 1H24       | 1H23       | CHANGE        |             |
|---------------------------------|------------|------------|---------------|-------------|
|                                 |            |            | +/- € million | +/- %       |
| Operating income                | 604        | 612        | (8)           | -1.3%       |
| Operating costs                 | (179)      | (172)      | (7)           | 4.3%        |
| Operating profit                | 425        | 440        | (15)          | -3.4%       |
| Net write-downs of loans        | 1          | 17         | (16)          | -94.4%      |
| Net operating profit            | 426        | 457        | (31)          | -6.8%       |
| <b>Profit (loss) before tax</b> | <b>431</b> | <b>428</b> | <b>4</b>      | <b>0.9%</b> |
| Loans to customers              | 42,785     | 44,848     | (2,063)       | -4.6%       |
| Deposits from customers         | 24,067     | 22,875     | 1,192         | 5.2%        |
| Ø Risk-weighted assets (RWA)    | 18,012     | 18,487     | (475)         | -2.6%       |
| ROAC                            | 27.3%      | 26.4%      | +0.9 PP       | n.m.        |

The comments/footnotes below the Retail table also apply to the table above.

### Operating profit

Operating income in the first half of 2024 was at €604 million, in the previous year it was €612 million. Net fees and commissions increased by 8.5% y/y, driven by services in the financing business and in Corporate Treasury Sales (CTS)/derivative business. Trading result increased in 1H24, as 1H23 was negatively affected by valuation effects.

Operating costs increased by €7 million to €179 million, mainly due to wage drift.

In total, an operating profit of €425 million (-3% compared to the previous year) was achieved.

### Net write-downs of loans and provisions for guarantees and commitments

Net-write backs resulted in a positive contribution of €1 million in the first half of 2024 (previous year: €17 million).

### Profit (loss) before tax

After taking into account systemic charges, profit before tax for the first six months amounted to €431 million), mainly thanks to no Single Resolution Fund costs in 1H24.

### Loans to customers/customer deposits

At the end June 2024, the loan volume stood at €42.8 billion (30 June 2023: €44.8 billion), driven by difficult market environment. At €24.1 billion, deposits from customers were above 1H23 level (€22.9 billion) thanks to continuous growth in term deposits.

**UniCredit Group** is one of the **largest lenders in Europe** and is usually among the top 3 banks in the respective country in its markets.

**Bank Austria is the leading corporate customer bank in Austria** and has a long-established leading position in corporate customer financing in general, ESG financing, syndicated financing and the real estate business. **Awards** from renowned trade journals, such as most recently "*Best Bank in Austria*", "*Best Bank for Digital Solutions*" in 2023 and "*Market Leader*" and "*Best Service*" in Austria in the Euromoney Trade Finance Survey 2024, testify to our strength and performance. Bank Austria's performance and service quality also made a significant contribution to UniCredit Group being named "*Global Bank of the Year*" for 2023 by the renowned magazine "The Banker".

A particular focus is placed on products and services relating to **sustainability topics ("ESG")** and the range of products and services is constantly being expanded. Our advisory expertise ranges from a general assessment of the situation using our "*ESG industry barometer*" to support in the selection of suitable "promotional products" and customized ESG advisory services together with our "Global ESG Advisory Team" in the Group.

# Management Report

However, the particular dynamics of the ESG framework and the comparatively low level of preparation of Austrian companies in terms of the availability and disclosure of ESG data represent a major challenge. Since the beginning of the year, Bank Austria has been participating in the platform of Österreichische Kontrollbank, OeKB > ESG Data Hub, which simplifies the provision and ongoing management of ESG data for companies by means of harmonized questionnaires. The standardized ESG data obtained in this way enables a sector comparison and can be made available to the banks for determining the sustainability risk of their customers.

The weaker economic momentum resulting from geopolitical uncertainties, higher interest rates and inflation, which is now largely behind us, has been reflected in the results of our **international large corporates (including financial institutions and the public sector)**. Nevertheless, almost all customers have demonstrated their ability to adapt quickly to changing conditions and are increasingly taking advantage of these situations for acquisitions, while organic growth investments are at a relatively low level. Significant investments are being made in the area of sustainability and to ensure security of supply for energy and raw materials. Sustainability is a key issue in financing, not least due to the increased regulatory requirements in the credit process. The fact that the database of sustainability indicators is not yet fully available poses a challenge for some customers.

In close strategic dialog, we support our multinational clients in leading arranging positions in Austria as well as in the Nordic and Iberian regions with innovative solutions in the areas of financing, capital markets, transactional banking and corporate treasury risk management. This has enabled us to further expand our leading role as an advisory bank with a stronger sector focus.

The ever more expensive financing conditions continued in the first half of 2024. The effects of rising costs and prices once again presented the public sector with very challenging conditions for ensuring the high quality of Austrian services of general interest this year. As the most important public investors, Austrian municipalities maintained their demand for financing at a high level and Bank Austria's Public Sector was able to maintain its position as Austria's leading municipal financier with further improved acceptance rates and stable high market shares.

**Commercial real estate clients** and non-profit developers continue to find themselves in a very difficult market environment. The current level of interest rates and the continuing reluctance of investors in almost all segments is a major challenge for all real estate companies. Above all, sufficient liquidity for current expenses and professional interest rate risk management will be particularly important in the second half of the year until new projects can be implemented again. From its strong position in the existing portfolio, Bank Austria's Real Estate business segment will continue to provide its customers with comprehensive support in these challenging times, both in the financing of new projects and with advice on the management of interest rate risks in the portfolio.

Business performance in the **Small & Medium Corporates (SMC)** customer segment was satisfactory in the first half of 2024 against the backdrop of current economic developments in Austria. The high operating income generated in the previous year was exceeded. This excellent result is characterized by contributions from the deposit business as well as concluded interest rate and commodities derivatives.

Bank Austria's strong credit standing made it possible to increase the volume of deposits compared to the previous year and to gain market share in the SMC segment. In view of the ECB's interest rate policy, fixed-term deposits are in high demand among our customers. A special focus on interest rate hedging brought good results, supported by the development of the yield curve.

We were able to provide our customers with above-average support for their project activities abroad by issuing bank guarantees for advance payments and warranties.

In order to counteract the cooling economy and the associated decline in our customers' investment activity, we have launched numerous initiatives to stabilize and promote growth in our lending business. With the help of extensive "big data" analyses, potential loan customers were targeted and successes were achieved. At the end of the first half of 2024, we noticeably accelerated the credit process by using new analysis tools. In addition to an immediate increase in customer satisfaction, this will also free up more time for customer service.

We have significantly intensified our efforts to be attractive to new customers and support this with the expanded services in our online onboarding. The area of digital products and business processing has been expanded to include our "*Corporates Direct*" service offering and is impressing the steadily growing number of customers with its prompt and simplified processing.

Numerous innovations that expand the range of online processing of simple service requests round off our activities towards greater digitalization of the business model.

**Bank Austria** remains **THE strategic financial partner for Austrian companies**, with a nationwide presence throughout Austria and highly competent and reliable advisors. Continuously increasing customer satisfaction and strong profitability despite a challenging environment speak for themselves.

# Management Report

## Outlook

### Economic environment 2024

The global economy should continue to stabilize over the course of 2024. However, at an expected 3.1%, global growth for the year as a whole will be below the 2012-19 average of 3.4%, as high real interest rates, declining resilience in the labor markets and ongoing geopolitical tensions are weighing on economic activity. The manufacturing sector should gradually improve, while the services sector is likely to lose some momentum in the coming months. There are signs of a slowdown in consumption, particularly in the USA. Consumer sentiment has fallen, growth in consumer credit has slowed, the savings buffers of low-income earners have been exhausted and growth in real disposable income has weakened. Corporate investment is unlikely to provide much support in view of high interest rates and the declining stimulus from tax policy, especially as there is great uncertainty due to the upcoming presidential elections in November. We expect GDP to increase by 2.2% in 2024, compared to 2.5% in the previous year. In the eurozone, we expect significantly more moderate growth of 0.6% in 2024, burdened by the still high interest rates. However, the burden of monetary policy is gradually easing. In addition, an increase in real wages should support private consumption. However, the latest leading indicators, particularly from industry and the construction sector, show that the headwinds for the European economy remain strong and that the production sector will be on shaky ground for some time to come. Growth momentum in the emerging markets is likely to slow in 2024, primarily due to developments in China. In China, the economy will continue to be weighed down by problems in the real estate sector and subdued consumption, and growth is likely to be generated primarily through exports and public investment. We expect GDP to increase by 4.8% in 2024, compared to 5.2% in the previous year.

The ongoing disinflation process should continue in the second half of 2024. Assuming that there are no major geopolitical shocks with possible upheavals on the energy price market, price increases for goods should remain limited. The upward price trend in services, which had a strong impact on inflation in the first half of the year, is likely to gradually weaken as wage growth cools and it becomes more difficult for companies to pass on increased costs to customers. Overall inflation in the USA and the eurozone will therefore approach the central banks' target of two percent over the course of the year, particularly in the eurozone. We expect inflation in the US to fall to 3.0% on average for the year, down from 4.1% in 2023. In the eurozone, inflation is even likely to fall to an average of 2.4%, down from 5.4% in 2023. The sharper decline in inflation will allow the ECB to cut interest rates further by the end of the year. After the first rate cut in June, we expect two more cautious rate cuts of 25 basis points each in the third and fourth quarters. The deposit rate should therefore be 3.25 percent at the end of the year. The US Federal Reserve is also expected to start easing its monetary policy in the fall. We expect key interest rates to be cut by a total of 75 basis points from September until the end of the year. According to our estimates, this means that both economic areas will continue to exceed the longer-term neutral interest rate.

### The outlook for Austria

Although the recovery of the domestic economy is very slow to get out of the starting blocks, the upward trend is stable. The improved sentiment suggests that the Austrian economy will continue its recovery in the coming months and will probably also allow a slight increase in the pace of growth. Following the slight decline in GDP in the first half of the year of around half a percent compared to the previous year, a slight economic growth of 0.3 percent will still be possible in 2024 as a whole. The further upturn in private consumption, which is benefiting from real wage increases, should contribute to a slight acceleration in economic momentum in the second half of the year. As a result, many service sectors are likely to become the driving force behind the recovery in Austria. The turnaround in monetary policy initiated by the ECB in June is improving the economic outlook. However, the phase of interest rate cuts that has begun is only likely to have a positive effect on a recovery in investment from 2025, which should then have a particularly positive impact on domestic industry and the construction sector, which will remain weak for the time being. The still rather subdued economy is likely to lead to a continued deterioration in the situation on the Austrian labor market in the second half of the year. In view of the tightness of the domestic labor market, however, the deterioration trend will remain subdued. The average unemployment rate is likely to rise to 6.9% in 2024, compared to 6.4% in 2023. Inflation has fallen significantly since the start of the year, dropping to 3% year-on-year by mid-2024. The passing on of lower wholesale prices for gas and electricity to households is likely to continue to dampen inflation, but the second-round effects in the services sector, which are only slowly coming to an end, are slowing down disinflation. Following the noticeable decline in inflation since the beginning of the year, the disinflation process will therefore almost come to a standstill in the second half of the year. We expect an average inflation rate of 3.6% in 2024, although the outlook for a slightly lower figure has increased slightly.



# Management Report

Nevertheless, inflation in Austria will be well above our forecast of 2.4% in the eurozone, after stronger energy price increases have triggered higher second-round effects, e.g. through indexed rents.

We expect little movement on the financing market in the coming months, as the cautious easing of monetary policy will only slowly find its way into the real economy. However, driven by a slight improvement in consumer and investment demand as a result of the moderate recovery in the second half of the year, there should at least be a slight upturn in lending business by the end of the year. Nevertheless, loans to households are likely to decrease on average in 2024 due to the persistently weak demand for real estate financing. A slight increase in consumer loans will not be enough to increase household loans overall in 2024. A slightly more favorable trend is expected for corporate financing, although nominal growth in 2024 as a whole is likely to be lower than in the previous year.

Despite the expected key interest rate cuts in the second half of the year, deposit interest rates are likely to remain attractive enough to ensure continued growth in household deposits, while corporate deposits are also expected to grow as the economy continues to stabilize. Stronger growth is expected for both household and corporate deposits in 2024 than in 2023.

## Medium and long-term objectives

On the basis of sustainable value creation and further efficiency improvements and supported by the favourable interest rate environment despite expected interest rate cuts, Bank Austria continues to expect a clear double-digit return on assets (ROAC), the maintenance of excellent cost-income ratios and, in addition, further regulatory capital ratios (CET1 ratio) at a high level. This is based on customer-oriented service models, supported by the integration of technology and digitalisation, the further simplification of processes and the inclusion of sustainability in all relevant activities. In addition, the bank will focus on a solid liquidity position based on a balanced development of loans, deposits and securities issues.

### Sustainability in customer business

Through its participation in ESG agreements - in Austria in the *Green Finance Alliance* and via UniCredit Group in the global *Net-Zero Banking Alliance* - Bank Austria effectively and transparently supports the decarbonisation of the economy by decarbonising its loan portfolio step by step.

Bank Austria has a holistic approach in the areas of ESG advisory, more complex financial solutions and funding advice: from financing to investment products - from the comprehensive advisory and product range of green financing (consumer loans, loans for SMEs, ESG-linked loans, green bonds) to green investment and account products (investment funds, *GoGreen accounts* for private and business customers, etc.). For some time now, Bank Austria has been preparing its corporate customers for the changed regulatory requirements for banks, according to which sustainability risks must now also be taken into account when granting loans. To this end, the bank must also obtain ESG data from its corporate customers in order to determine whether there is an increased transition risk - and if so, what strategies the company is pursuing or what activities are already being undertaken to transition to a climate-neutral economy. The bank then prepares a customised financing offer based on the ESG data of the respective corporate client.

With its *GoGreen accounts*, Bank Austria also has a broadly effective current account offering in the retail sector: the bank finances sustainable projects for every euro in the *GoGreen accounts* of its private or business customers: These are primarily sustainable home loans, but also wind power and hydropower projects as well as electric vehicles.

Bank Austria has a clear **focus on ESG/sustainability**:

- Further alignment of the business with the targets of the **Net-Zero Banking Alliance**, which UniCredit Group joined in 2021, i.e. analysing the portfolio and setting net-zero targets - after setting the targets for the first three sectors with the highest emissions (oil and gas, electricity generation and automotive), the target paths for other sectors will be successively defined
- Further expansion of its **range of green products and services**, such as ESG asset management for private banking clients
- Further strengthening of social commitment - with a focus on **educational projects and financial education**, including the Wealth Management & Private Banking division's "Girls Go Finance" initiative in cooperation with *Teach for Austria*
- Strengthening of **customer events with a focus on social aspects**, including a customer event together with the *Ohrenschmaus* association and a charity event for a *Volkshilfe* project
- Comprehensive internal **ESG and sustainability training initiative** for all employees and managers

# Management Report

In order to implement the CSRD (Corporate Sustainability Reporting Directive of the EU), Bank Austria has launched a specific project to meet the future requirements of comprehensive sustainability reporting as part of the annual financial report.

## Environmental management and circular economy at Bank Austria

Since 2008, Bank Austria has reduced its **"ecological footprint"** by 80 per cent or more, depending on the segment in question - from business trips to waste, paper, water and energy consumption to overall CO<sub>2</sub> emissions. Sustainability and efficiency are not mutually exclusive, quite the opposite: over the years, the company has made huge savings in CO<sub>2</sub> emissions, but also in costs and time, particularly when it comes to business trips. In terms of greenhouse gas emissions, Bank Austria's clear goal is "net zero by 2030 for its own emissions".

Bank Austria's long-standing collaboration with AfB is a prime example of the **circular economy** in action: Bank Austria provides the non-profit IT company AfB with its decommissioned IT devices for reuse. In 2023 alone, this amounted to more than 7,300 IT and mobile devices with a total weight of around 49 tonnes. AfB was able to remarket more than 90 per cent of these notebooks and smartphones, thereby achieving significant emission reductions and resource savings.

## Digitalisation and simplification as important pillars of the **"UniCredit Unlocked"** multi-year plan

Digitalisation and simplification are a focus of the bank in the successful implementation of the Group-wide multi-year plan **"UniCredit Unlocked"**. Bank Austria has already defined numerous relevant initiatives and is implementing them step by step. These include, for example, further improvements to the **mobile banking app**, extensions to the **range of products that can be concluded online**, new digital service models, the use of new tools to speed up the lending and review process, and much more.

## Consolidated financial statements in accordance with IFRSs

|                                                       |           |
|-------------------------------------------------------|-----------|
| <b>Consolidated income statement</b>                  | <b>28</b> |
| <b>Consolidated statement of comprehensive income</b> | <b>30</b> |
| <b>Consolidated statement of financial position</b>   | <b>31</b> |
| <b>Consolidated statement of changes in equity</b>    | <b>33</b> |
| <b>Consolidated statement of cash flows</b>           | <b>35</b> |
| <b>Notes to the consolidated financial statements</b> | <b>37</b> |
| Notes to the income statement                         | 45        |
| Notes to the statement of financial position          | 55        |
| Segment reporting                                     | 62        |
| Risk report                                           | 68        |
| Additional disclosures                                | 81        |
| <b>Statement by management</b>                        | <b>83</b> |
| <b>Glossary of alternative performance measures</b>   | <b>86</b> |
| <b>Investor relations, ratings, imprint, notes</b>    | <b>88</b> |

**Notes**

In this report, "Bank Austria" and "the Bank Austria Group" refer to the Group. To the extent that information relates to the parent company's separate, unconsolidated financial statements, "UniCredit Bank Austria AG" is used.

In adding up rounded figures and calculating the percentage rates of changes, slight differences may result compared to totals and rates arrived at by adding up component figures which have not been rounded off.

**Explanatory notes on figures/tables:**

- "X" means that there can be no values for Bank Austria in this item (e.g. due to reporting standards applied or not applied),
- a dash ("-") means exactly zero,
- a zero means that this value in the respective numerical unit (e.g. in € million) rounded to a zero.



## Consolidated income statement

## Consolidated income statement

(€ million)

| ITEMS                                                                                                 | AS AT        |              |
|-------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                       | 30.06.2024   | 30.06.2023   |
| 10. Interest income and similar revenues                                                              | 2,683        | 2,038        |
| <i>of which: interest income calculated with the effective interest method</i>                        | 1,981        | 1,568        |
| 20. Interest expenses and similar charges                                                             | (1,827)      | (1,223)      |
| <b>30. Net interest margin</b>                                                                        | <b>856</b>   | <b>815</b>   |
| 40. Fees and commissions income                                                                       | 469          | 449          |
| 50. Fees and commissions expenses                                                                     | (105)        | (109)        |
| <b>60. Net fees and commissions</b>                                                                   | <b>364</b>   | <b>340</b>   |
| 70. Dividend income and similar revenues                                                              | 4            | 4            |
| 80. Net gains (losses) on trading                                                                     | 34           | 25           |
| 90. Net gains (losses) on hedge accounting                                                            | 1            | 0            |
| 100. Gains (Losses) on disposal and repurchase of:                                                    | 3            | (16)         |
| a) financial assets at amortised cost                                                                 | (1)          | (12)         |
| b) financial assets at fair value through other comprehensive income                                  | 6            | (6)          |
| c) financial liabilities                                                                              | (2)          | 1            |
| 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:   | (8)          | (3)          |
| a) financial assets/liabilities designated at fair value                                              | (6)          | 2            |
| b) other financial assets mandatorily at fair value                                                   | (2)          | (5)          |
| <b>120. Operating income</b>                                                                          | <b>1,254</b> | <b>1,164</b> |
| 130. Net losses/recoveries on credit impairment                                                       | (26)         | 25           |
| a) financial assets at amortised cost                                                                 | (26)         | 25           |
| b) financial assets at fair value through other comprehensive income                                  | (0)          | (0)          |
| 140. Gains/Losses from contractual changes with no cancellations                                      | 0            | 0            |
| <b>150. Net profit from financial activities</b>                                                      | <b>1,228</b> | <b>1,189</b> |
| 160. Net premiums                                                                                     | -            | -            |
| 170. Other net insurance income/expenses                                                              | -            | -            |
| <b>180. Net profit from financial and insurance activities</b>                                        | <b>1,228</b> | <b>1,189</b> |
| 190. Administrative expenses:                                                                         | (562)        | (617)        |
| a) staff costs                                                                                        | (335)        | (330)        |
| b) other administrative expenses                                                                      | (227)        | (287)        |
| 200. Net provisions for risks and charges:                                                            | 41           | 4            |
| a) commitments and financial guarantees given                                                         | 31           | 5            |
| b) other net provisions                                                                               | 10           | (1)          |
| 210. Net value adjustments/write-backs on property, plant and equipment                               | (40)         | (41)         |
| 220. Net value adjustments/write-backs on intangible assets                                           | (1)          | (1)          |
| 230. Other operating expenses/income                                                                  | 39           | 27           |
| <b>240. Operating costs</b>                                                                           | <b>(524)</b> | <b>(628)</b> |
| 250. Gains (Losses) of equity investments                                                             | 126          | 146          |
| 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value | 2            | (3)          |
| 270. Goodwill impairment                                                                              | -            | -            |
| 280. Gains (Losses) on disposals of investments                                                       | (0)          | 0            |
| <b>290. Profit (Loss) before tax from continuing operations</b>                                       | <b>832</b>   | <b>704</b>   |
| 300. Tax expenses (income) for the period from continuing operations                                  | (141)        | (140)        |
| <b>310. Profit (Loss) after tax from continuing operations</b>                                        | <b>691</b>   | <b>564</b>   |
| 320. Profit (Loss) after tax from discontinued operations                                             | -            | -            |
| <b>330. Profit (Loss) for the period</b>                                                              | <b>691</b>   | <b>564</b>   |
| 340. Minority profit (loss) of the year                                                               | 0            | 1            |
| <b>350. Profit (Loss) for the period - attributable to the owners of Bank Austria</b>                 | <b>691</b>   | <b>564</b>   |

## Consolidated statement of comprehensive income

## Earnings per share (in €, basic and diluted)

| POSITIONS                                                                      | AS AT      |            |
|--------------------------------------------------------------------------------|------------|------------|
|                                                                                | 30.06.2024 | 30.06.2023 |
| Earnings per share from profit (loss) after taxes from continuing operations   | 2.99       | 2.44       |
| Earnings per share from profit (loss) after taxes from discontinued operations | -          | -          |

## Consolidated statement of comprehensive income

| ITEMS                                                                                                      | AS AT        |            |
|------------------------------------------------------------------------------------------------------------|--------------|------------|
|                                                                                                            | 30.06.2024   | 30.06.2023 |
| <b>10. PROFIT (LOSS) FOR THE PERIOD</b>                                                                    | <b>691</b>   | <b>564</b> |
| <b>Other comprehensive income after tax not reclassified to profit or loss</b>                             | <b>21</b>    | <b>41</b>  |
| 20. Equity instruments designated at fair value through other comprehensive income                         | 5            | 1          |
| 30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)   | -            | -          |
| 40. Hedge accounting of equity instruments designated at fair value through other comprehensive income     | -            | -          |
| 50. Property, plant and equipment                                                                          | 3            | 2          |
| 60. Intangible assets                                                                                      | -            | -          |
| 70. Defined-benefit plans                                                                                  | 7            | 19         |
| 80. Non-current assets and disposal groups classified as held for sale                                     | -            | (0)        |
| 90. Portion of valuation reserves from investments valued at equity method                                 | 6            | 20         |
| <b>Other comprehensive income after tax reclassified to profit or loss</b>                                 | <b>(104)</b> | <b>87</b>  |
| 100. Foreign investments hedging                                                                           | -            | -          |
| 110. Foreign exchange differences                                                                          | -            | -          |
| 120. Cash flow hedging                                                                                     | (13)         | (19)       |
| 130. Hedging instruments (non-designated items)                                                            | -            | -          |
| 140. Financial assets (different from equity instruments) at fair value through other comprehensive income | (95)         | 110        |
| 150. Non-current assets and disposal groups classified as held for sale                                    | -            | -          |
| 160. Part of valuation reserves from investments valued at equity method                                   | 4            | (4)        |
| <b>170. Total other comprehensive income after tax</b>                                                     | <b>(82)</b>  | <b>128</b> |
| <b>180. Comprehensive income (Item 10+170)</b>                                                             | <b>608</b>   | <b>692</b> |
| 190. Minority profit (loss) of the year                                                                    | 0            | 1          |
| <b>200. Parent Company's consolidated comprehensive income</b>                                             | <b>609</b>   | <b>693</b> |

## Consolidated statement of financial position

## Consolidated balance sheet

(€ million)

| ASSETS                                                                  | AMOUNTS AS AT  |                |
|-------------------------------------------------------------------------|----------------|----------------|
|                                                                         | 30.06.2024     | 31.12.2023     |
| 10. Cash and cash balances                                              | 17,234         | 8,730          |
| 20. Financial assets at fair value through profit or loss:              | 2,137          | 2,170          |
| a) financial assets held for trading                                    | 1,552          | 1,573          |
| b) financial assets designated at fair value                            | 116            | 88             |
| c) other financial assets mandatorily at fair value                     | 469            | 509            |
| 30. Financial assets at fair value through other comprehensive income   | 16,295         | 15,332         |
| 40. Financial assets at amortised cost:                                 | 71,667         | 70,289         |
| a) loans and advances to banks                                          | 7,952          | 4,678          |
| b) loans and advances to customers                                      | 63,715         | 65,611         |
| 50. Hedging derivatives                                                 | 2,781          | 2,862          |
| 60. Changes in fair value of portfolio hedged items (+/-)               | (1,528)        | (1,285)        |
| 70. Equity investments                                                  | 2,920          | 2,850          |
| 80. Insurance reserves charged to reinsurers                            | -              | -              |
| 90. Property, plant and equipment                                       | 793            | 839            |
| 100. Intangible assets                                                  | 6              | 6              |
| <i>of which: goodwill</i>                                               | -              | -              |
| 110. Tax assets:                                                        | 449            | 579            |
| a) current                                                              | 41             | 65             |
| b) deferred                                                             | 409            | 514            |
| 120. Non-current assets and disposal groups classified as held for sale | 1              | (0)            |
| 130. Other assets                                                       | 362            | 373            |
| <b>TOTAL ASSETS</b>                                                     | <b>113,117</b> | <b>102,745</b> |

## Consolidated statement of financial position

(€ million)

| LIABILITIES AND SHAREHOLDERS' EQUITY                               | AMOUNTS AS AT  |                |
|--------------------------------------------------------------------|----------------|----------------|
|                                                                    | 30.06.2024     | 31.12.2023     |
| 10. Financial liabilities at amortised cost:                       | 95,679         | 84,558         |
| a) deposits from banks                                             | 23,334         | 12,466         |
| b) deposits from customers                                         | 60,038         | 59,834         |
| c) debt securities in issue                                        | 12,307         | 12,259         |
| 20. Financial liabilities held for trading                         | 1,573          | 1,570          |
| 30. Financial liabilities designated at fair value                 | 61             | 61             |
| 40. Hedging derivatives                                            | 2,714          | 2,906          |
| 50. Value adjustment of hedged financial liabilities (+/-)         | (1,320)        | (1,213)        |
| 60. Tax liabilities:                                               | 49             | 25             |
| a) current                                                         | 43             | 20             |
| b) deferred                                                        | 5              | 6              |
| 70. Liabilities associated with assets classified as held for sale | (0)            | (0)            |
| 80. Other liabilities                                              | 948            | 1,041          |
| 90. Provision for employee severance pay                           | -              | -              |
| 100. Provisions for risks and charges:                             | 3,208          | 3,345          |
| a) commitments and guarantees given                                | 131            | 160            |
| b) post-retirement benefit obligations                             | 2,849          | 2,914          |
| c) other provisions for risks and charges                          | 229            | 272            |
| 110. Technical reserves                                            | -              | -              |
| 120. Valuation reserves                                            | (2,047)        | (1,964)        |
| 130. Redeemable shares                                             | -              | -              |
| 140. Equity instruments                                            | 600            | 600            |
| 150. Reserves                                                      | 5,112          | 4,845          |
| 160. Share premium                                                 | 4,134          | 4,135          |
| 170. Share capital                                                 | 1,681          | 1,681          |
| 180. Treasury shares (-)                                           | -              | -              |
| 190. Minority profit (loss) of the year                            | 33             | 34             |
| 200. Profit (Loss) for the period (+/-)                            | 691            | 1,120          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                  | <b>113,117</b> | <b>102,745</b> |



## Consolidated statement of changes in equity

## Statement of changes in Equity as at 30.06.2024

(€ million)

|                                                                          | BALANCE AS AT<br>31.12.2023 | ALLOCATION OF PROFIT<br>FROM PREVIOUS YEAR |                                    | CHANGES IN THE PERIOD |                                      |       |       |                      | SHAREHOLDERS' EQUITY GROUP<br>AS AT 30.06.2024 |
|--------------------------------------------------------------------------|-----------------------------|--------------------------------------------|------------------------------------|-----------------------|--------------------------------------|-------|-------|----------------------|------------------------------------------------|
|                                                                          |                             |                                            |                                    | CHANGES IN RESERVES   | SHAREHOLDERS' EQUITY<br>TRANSACTIONS |       |       | COMPREHENSIVE INCOME |                                                |
|                                                                          |                             | RESERVES                                   | DIVIDENDS AND OTHER<br>ALLOCATIONS |                       | CHANGES IN<br>CONSOLIDATION<br>SCOPE | OTHER | TOTAL |                      |                                                |
| Issued capital:                                                          |                             |                                            |                                    |                       |                                      |       |       |                      |                                                |
| a) ordinary shares                                                       | 1,681                       | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | 1,681                                          |
| b) other shares                                                          | -                           | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | -                                              |
| Share premium                                                            | 4,135                       | -                                          | -                                  |                       | -                                    | (1)   | (1)   | -                    | 4,134                                          |
| Reserves:                                                                |                             |                                            |                                    |                       |                                      |       |       |                      |                                                |
| a) other reserve                                                         | 4,847                       | 1,120                                      | (832)                              | (20)                  | (0)                                  | -     | (0)   | -                    | 5,114                                          |
| b) foreign currency reserve                                              | (2)                         | -                                          | -                                  | 0                     | -                                    | -     | -     | -                    | (1)                                            |
| Revaluation reserves:                                                    | (1,964)                     | -                                          | -                                  | -                     | -                                    | -     | -     | (82)                 | (2,047)                                        |
| a) Cashflow Hedge Reserve                                                | 13                          | -                                          | -                                  | -                     | -                                    | -     | -     | (13)                 | 0                                              |
| b) Revaluation Reserve FA @FVTOCI                                        | (293)                       | -                                          | -                                  | -                     | -                                    | -     | -     | (90)                 | (382)                                          |
| c) Revaluation Reserve associates and<br>joint ventures                  | 46                          | -                                          | -                                  | -                     | -                                    | -     | -     | 11                   | 56                                             |
| d) Revaluation reserve tangible assets                                   | 77                          | -                                          | -                                  | -                     | -                                    | -     | -     | 3                    | 80                                             |
| e) Pension and similar liabilities IAS 19                                | (1,807)                     | -                                          | -                                  | -                     | -                                    | -     | -     | 7                    | (1,800)                                        |
| f) Revaluation reserve: non - current<br>assets classified held-for-sale | -                           | -                                          | -                                  | -                     |                                      | -     | -     | -                    | -                                              |
| Equity instruments                                                       | 600                         | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | 600                                            |
| Net profit or loss for the period                                        | 1,120                       | (1,120)                                    | -                                  | -                     | -                                    | -     | -     | 691                  | 691                                            |
| Shareholders' Equity Group                                               | 10,417                      | -                                          | (832)                              | (20)                  | (0)                                  | (1)   | (1)   | 609                  | 10,172                                         |
| Shareholders' Equity minorities                                          | 34                          | -                                          | (0)                                |                       |                                      |       |       | (0)                  | 33                                             |
| Total Shareholders' Equity                                               | 10,451                      | -                                          | (833)                              | (20)                  | (0)                                  | (1)   | (1)   | 608                  | 10,205                                         |

## Consolidated statement of changes in equity

## Statement of changes in Equity as at 30.06.2023

(€ million)

|                                                                          | BALANCE AS AT<br>31.12.2022 | ALLOCATION OF PROFIT<br>FROM PREVIOUS YEAR |                                    | CHANGES IN THE PERIOD |                                      |       |       |                      | SHAREHOLDERS' EQUITY GROUP<br>AS AT 30.06.2023 |
|--------------------------------------------------------------------------|-----------------------------|--------------------------------------------|------------------------------------|-----------------------|--------------------------------------|-------|-------|----------------------|------------------------------------------------|
|                                                                          |                             |                                            |                                    | CHANGES IN RESERVES   | SHAREHOLDERS' EQUITY<br>TRANSACTIONS |       |       | COMPREHENSIVE INCOME |                                                |
|                                                                          |                             | RESERVES                                   | DIVIDENDS AND OTHER<br>ALLOCATIONS |                       | CHANGES IN<br>CONSOLIDATION<br>SCOPE | OTHER | TOTAL |                      |                                                |
| Issued capital:                                                          |                             |                                            |                                    |                       |                                      |       |       |                      |                                                |
| a) ordinary shares                                                       | 1,681                       | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | 1,681                                          |
| b) other shares                                                          | -                           | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | -                                              |
| Share premium                                                            | 4,133                       | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | 4,133                                          |
| Reserves:                                                                |                             |                                            |                                    |                       |                                      |       |       |                      |                                                |
| a) other reserve                                                         | 4,272                       | 823                                        | (234)                              | (3)                   | -                                    | -     | -     | -                    | 4,857                                          |
| b) foreign currency reserve                                              | (2)                         | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | (2)                                            |
| Revaluation reserves:                                                    | (2,105)                     | -                                          | -                                  | (8)                   | -                                    | -     | -     | 128                  | (1,984)                                        |
| a) Cashflow Hedge Reserve                                                | 42                          | -                                          | -                                  | -                     | -                                    | -     | -     | (19)                 | 23                                             |
| b) Revaluation Reserve FA @FVTOCI                                        | (523)                       | -                                          | -                                  | -                     | -                                    | -     | -     | 111                  | (412)                                          |
| c) Revaluation Reserve associates and<br>joint ventures                  | 42                          | -                                          | -                                  | (8)                   | -                                    | -     | -     | 17                   | 50                                             |
| d) Revaluation reserve tangible assets                                   | 75                          | -                                          | -                                  | -                     | -                                    | -     | -     | 1                    | 76                                             |
| e) Pension and similar liabilities IAS 19                                | (1,741)                     | -                                          | -                                  | -                     | -                                    | -     | -     | 19                   | (1,723)                                        |
| f) Revaluation reserve: non - current<br>assets classified held-for-sale | 1                           | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | 1                                              |
| Equity instruments                                                       | 600                         | -                                          | -                                  | -                     | -                                    | -     | -     | -                    | 600                                            |
| Net profit or loss for the period                                        | 823                         | (823)                                      | -                                  | -                     | -                                    | -     | -     | 564                  | 564                                            |
| Shareholders' Equity Group                                               | 9,402                       | -                                          | (234)                              | (11)                  | -                                    | (0)   | (0)   | 693                  | 9,850                                          |
| Shareholders' Equity minorities                                          | 32                          | -                                          | (0)                                | -                     | -                                    | -     | -     | (1)                  | 31                                             |
| Total Shareholders' Equity                                               | 9,434                       | -                                          | (234)                              | (11)                  | -                                    | (0)   | (0)   | 692                  | 9,881                                          |

## Consolidated statement of cash flows

## Consolidated cash flow statement (indirect method)

(€ million)

|                                                                                                                                          | AS AT          |                |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                          | 30.06.2024     | 30.06.2023     |
| <b>A. OPERATING ACTIVITIES</b>                                                                                                           |                |                |
| <b>1. Non-cash items included in net profit and adjustments to reconcile net profit to cash flows from operating activities:</b>         | <b>70</b>      | <b>(104)</b>   |
| - profit (loss) of the period (+/-)                                                                                                      | 691            | 564            |
| - gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+) | (19)           | (4)            |
| - gains (losses) on hedge accounting (-/+)                                                                                               | (1)            | (0)            |
| - net losses/recoveries on impairments (+/-)                                                                                             | 164            | 36             |
| - net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)                                         | 39             | 46             |
| - net provisions for risks and charges (incl. personnel) and other expenses/income (+/-)                                                 | (167)          | (149)          |
| - unpaid duties, taxes and tax credits (+/-)                                                                                             | 135            | 138            |
| - impairments/write-backs after tax on discontinued operations (+/-)                                                                     | -              | -              |
| - other adjustments (+/-)                                                                                                                | (773)          | (735)          |
| <b>2. Changes in assets and liabilities arising from operating activities after corrections for non-cash positions</b>                   | <b>9,215</b>   | <b>4,540</b>   |
| <b>2a. Liquidity generated/absorbed by financial assets:</b>                                                                             | <b>(2,326)</b> | <b>(2,418)</b> |
| - financial assets held for trading                                                                                                      | 50             | 12             |
| - financial assets designated at fair value                                                                                              | (34)           | 17             |
| - other financial assets mandatorily at fair value                                                                                       | 38             | 74             |
| - financial assets at fair value through other comprehensive income                                                                      | (1,064)        | (1,850)        |
| - financial assets at amortised cost                                                                                                     | (1,542)        | (720)          |
| - other assets                                                                                                                           | 226            | 49             |
| <b>2b. Liquidity generated/absorbed by financial liabilities:</b>                                                                        | <b>10,687</b>  | <b>6,146</b>   |
| - financial liabilities at amortised cost                                                                                                | 11,121         | 6,645          |
| - financial liabilities held for trading                                                                                                 | -              | 0              |
| - financial liabilities designated at fair value                                                                                         | (0)            | 0              |
| - other liabilities                                                                                                                      | (434)          | (500)          |
| <b>2c. Liquidity generated/absorbed by interest and tax received/paid:</b>                                                               | <b>854</b>     | <b>813</b>     |
| - interest received                                                                                                                      | 2,436          | 2,038          |
| - interest paid                                                                                                                          | (1,575)        | (1,223)        |
| - income taxes received (+)/ paid (-) from operating activities                                                                          | (6)            | (2)            |
| <b>Net liquidity generated/absorbed by operating activities</b>                                                                          | <b>9,285</b>   | <b>4,436</b>   |

## Consolidated statement of cash flows

## Consolidated cash flow statement (indirect method) - continued

(€ million)

|                                                                       | AS AT         |               |
|-----------------------------------------------------------------------|---------------|---------------|
|                                                                       | 30.06.2024    | 30.06.2023    |
| <b>B. INVESTMENT ACTIVITIES</b>                                       |               |               |
| <b>1. Liquidity generated by:</b>                                     | <b>84</b>     | <b>73</b>     |
| - sales of equity investments                                         | -             | -             |
| - collected dividends on equity investments                           | 66            | 45            |
| - sales of property, plant and equipment                              | 18            | 27            |
| - sales of intangible assets                                          | -             | 0             |
| - sales of subsidiaries and business units (less cash disposed)       | -             | -             |
| <b>2. Liquidity absorbed by:</b>                                      | <b>(18)</b>   | <b>(56)</b>   |
| - purchases of equity investments                                     | -             | (12)          |
| - purchases of property, plant and equipment                          | (17)          | (44)          |
| - purchases of intangible assets                                      | (1)           | (1)           |
| - purchases of subsidiaries and business units (less cash acquired)   | -             | -             |
| <b>Net liquidity generated/absorbed by investment activities</b>      | <b>66</b>     | <b>17</b>     |
| <b>C. FUNDING ACTIVITIES</b>                                          |               |               |
| - issue/purchase of equity instruments                                | -             | -             |
| - payouts on equity instruments                                       | (14)          | (14)          |
| - dividend distribution to shareholders and non-controlling interests | (833)         | (234)         |
| - sale/purchase of minority control                                   | -             | -             |
| - Proceeds from issues of subordinated liabilities                    | -             | -             |
| - Payments for repayment of subordinated liabilities                  | -             | -             |
| <b>Net liquidity generated/absorbed by funding activities</b>         | <b>(847)</b>  | <b>(248)</b>  |
| <b>NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR</b>                   | <b>8,504</b>  | <b>4,205</b>  |
| <b>CASH AND CASH EQUIVALENTS AT END OF PREVIOUS PERIOD</b>            | <b>8,730</b>  | <b>13,627</b> |
| Cash flows from operating activities                                  | 9,285         | 4,436         |
| Cash flows from investment activities                                 | 66            | 17            |
| Cash flows from funding activities                                    | (847)         | (248)         |
| Effects of changes in scope of consolidation                          | -             | -             |
| Effects of exchange rate changes                                      | -             | -             |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                     | <b>17,234</b> | <b>17,832</b> |

In the 2023 financial year, the liquidity surplus in excess of the minimum reserve held at the Austrian National Bank was transferred from the item "40. a) Financial assets at amortized cost / Loans and advances to banks" to the item "10. Cash and cash balances".

In order to ensure comparability with the cash flow calculation of the previous year's figures, cash and cash equivalents at the beginning of 2023 was adjusted by €12,689 million.

## Notes to the consolidated financial statements

### Basis for the preparation of the financial statements

The interim consolidated financial statements for the first half of 2024 (January 2024 to June 2024) include the financial statements of UniCredit Bank Austria AG and its subsidiaries and the Group's interests in associates and jointly controlled entities (collectively referred to as Bank Austria).

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) by the International Accounting Standards Board (IASB) using IAS 34 "Interim Financial Reporting". Unless indicated otherwise, all figures are expressed in millions of euros (€).

The interim consolidated financial statements of Bank Austria for the first half of 2024 are unaudited and have not been reviewed by the auditors. It comprises the balance sheet with comparative figures as of 31 December 2023, and the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement (compiled using the indirect method) with comparative figures as of 30 June 2023, the segment reporting and explanatory notes. The explanatory notes describe events and transactions that are relevant to understanding the changes in the financial position, the results of operations and the cash flows of the Group since the consolidated financial statements for the year ended 31 December 2023.

The interim consolidated financial statements do not contain all the information and data required for the consolidated financial statements for a financial year. The interim consolidated financial statements are to be read in conjunction with the audited consolidated financial statements of Bank Austria 2023, which were prepared using the same accounting principles.

In preparing financial statements in accordance with IFRS, estimates and assumptions by management are required for certain categories of assets and liabilities. These assumptions and estimates affect reported income and expense during the period, as well as the reported amounts of assets and liabilities, and contingent assets and contingent liabilities as of the balance sheet date. Actual results may differ from management's estimates. The reported results should not necessarily be considered as an indication of the full-year results to be expected.

### Accounting and valuation methods

Compared to the consolidated financial statements of Bank Austria as of 31 December 2023, there were no changes to the accounting principles in the interim financial statements 2024 which resulted from the application of new or amended standards.

### Application of amended and new IFRS or IAS

#### Application of amended financial reporting standards and accounting methods

##### **Interbank Offered Rates (IBORs) transition**

Following the concerns raised about the integrity and reliability of major financial market benchmarks the Financial Stability Board (FSB) started in 2013 a comprehensive reference rates reform with the end goal of a successful transition to robust benchmarks, including the transition away from LIBOR.

European working group on euro risk-free rates (the Working Group) was initially established in 2018 by the ECB together with the Belgian Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA) and the European Commission to identify and recommend risk-free rates that could serve as an alternative to prevailing EUR interest rate benchmarks while other international working groups and bodies (e.g., International Swaps and Derivatives Association - ISDA; ICE Benchmark Administration - IBA; London Clearing House - LCH) issued recommendations, focused on LIBOR discontinuation for relevant financial instruments to be considered while envisaging market practice to handle transitioning.

The EU Benchmark Regulation was amended to allow the European Commission to provide for statutory replacement rates, while the other involved international market authorities (e.g., Financial Conduct Authority and Bank of England in the UK, New York State Department of Financial Services in the US) defined amendments to the applicable laws to support a smooth transition.

## Notes to the consolidated financial statements

The European Commission adopted an Implementing Act of the BMR in October 2021; the Implementing Act provided legal ground for an EU Statutory Replacement Rate for legacy contracts indexed to CHF LIBOR and EONIA that had not yet been repapered or did not contain adequate fallback rates.

Such a replacement rate operating by law in Europe brought further stability in the market and reduced the conduct risk associated with the outstanding stock of assets, liabilities and derivatives transformed or transitioned or yet to be transformed or transitioned.

The end of June 2023 marked the final major milestone in the LIBOR transition, managed by ICE Benchmarking Administration according to the Financial Conduct Authorities recommendations, with the end of the remaining USD LIBOR panelist. After June 2023 only three of the US dollar LIBOR settings (1,3,6 months) and one GBP sterling LIBOR setting (3 month) continue in a synthetic form. The US dollar LIBOR settings are intended to cease at end of September 2024 while the GBP sterling LIBOR setting are ceased at end of March 2024.

UniCredit Bank Austria successfully completed in year 2023 the transition away from IBOR's to reference risk-free rates.

## First time application of amended and new financial reporting standards and accounting methods

### Amendments to IAS 1 Presentation of Financial Statements

On 31 October 2022, the IASB finalized the amendments to IAS 1 on the classification of liabilities with covenants. The amendments to IAS 1 were issued to clarify how the conditions that an entity must satisfy within twelve months of the reporting period affect the classification of a liability. Only covenants that an entity must satisfy on or before the reporting date affect the classification of a liability as current or non-current. However, an entity must disclose information in the notes that enables users of the financial statements to understand the risk that long-term debt with covenants could become repayable within twelve months. Furthermore, the effective date of the changes was deferred to 1 January 2024. On 19 November 2021, the IASB also published the draft "ED/2021/9 Non-current Liabilities with Covenants (Proposed amendments to IAS 1)" on amendments to IAS 1 Presentation of Financial Statements. The proposed amendment is intended to clarify that loan terms that must be fulfilled by an enterprise within twelve months of the reporting date do not affect the classification of a liability as current or non-current. Instead, companies should report non-current liabilities with covenants separately in the balance sheet and provide additional information in the notes. The EFRAG-endorsement advice was given on 30 March 2023, the endorsement date still has to be determined. The application of the amendments is mandatory before 1 January 2024. The above changes have no material impact on Bank Austria.

### Amendments to IFRS 16 Leases

On 22 September 2022, the IASB published amendments to IFRS 16. Lease liability in a sale-and-leaseback transaction (Amendments to IFRS 16) requires that a seller-lessee subsequently measure lease liabilities arising from a sale-leaseback transaction such that it does not include an amount of profit or loss related to the retained right of use. The new regulations do not prevent a seller-lessee from recording gains or losses in connection with the partial or complete termination of a lease in the income statement. The EFRAG-endorsement advice was given on 30 March 2023, the endorsement date still has to be determined.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Premature application is permitted. The changes mentioned above do not have any material impact on Bank Austria.

### Amendments to IAS 7 Statement of Cash Flows

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to add disclosure requirements to enhance transparency and usefulness of existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements in the sense of supply chain financing, financing of trade payables, or reverse factoring arrangements.

The amendments supplement the disclosure of terms and conditions, on an entity's liabilities, cash flows and exposures to liquidity risk as resulting from supplier finance arrangements as well as ranges of payment due dates.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2024. Bank Austria does not expect any material impact from these changes.

## Notes to the consolidated financial statements

***As of 31<sup>st</sup> May 2024, the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:***

### **Implementation of IFRS 18 Presentation and Disclosure in Financial Statements**

On April 9, 2024, the IASB published the introduction of the new IFRS 18 standard, which replaces IAS 1. The regulation is intended to improve the reporting, comparability and analysis of companies' financial performance for users of financial statements and prescribes requirements for the explanation of alternative, company-specific performance measures ("management-defined performance measures") that relate to the income statement. IFRS 18 also provides improved guidelines for the classification of information in the financial statements and for deciding whether the relevant information should be presented in the primary financial statements or in the notes. IFRS 18 applies to all financial statements prepared in accordance with IFRS accounting standards and is effective for reporting periods beginning on or after January 1, 2027.

The impact of IFRS 18 on Bank Austria has to be analyzed.

### **Implementation of IFRS 19 Subsidiaries without Public Accountability**

IASB published the introduction of the new IFRS 19 regulation on May 9, 2024. IFRS 19 aims to set out specific disclosure requirements for when an entity does not apply IFRS accounting standards because it

- is a subsidiary,
- is not subject to public accountability and,
- has an ultimate or intermediate parent that prepares publicly available consolidated financial statements that comply with IFRS accounting standards.

IFRS 19 is intended to reduce the costs and effort involved in preparing the annual financial statements for the afore-mentioned companies. The new IFRS standard will be applied for the first time for financial years beginning on or after January 1, 2027.

It is not expected that the introduction of IFRS 19 has any impact on Bank Austria.

### **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**

On August 15, 2023, the IASB published amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability. The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a closing rate when exchangeability does not exist and require disclosure of information that enables users of financial statements to understand the effects of a currency that is not exchangeable.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

The application of these amendments is not expected to have any material impact on Bank Austria.

## Other topics

### **"3-Banken" impairment test**

As of 30 June 2024, the investments held by Bank Austria in Oberbank AG (Oberbank), Bank für Tirol und Vorarlberg Aktiengesellschaft (BTV) and BKS Bank AG (BKS), collectively referred to as the "3-Banken group", were tested for impairment in accordance with IAS 36.

With regard to Oberbank and BTV, the pro rata market capitalization was higher than the carrying amount, resulting in no impairment requirement. In the case of BKS, the pro rata market capitalization is lower than the respective carrying amount. The required impairment test was performed on the basis of a discounted cash flow valuation model. For this purpose, the expected cash flows were discounted using an appropriate cost of equity determined on the basis of the long-term risk-free interest rate, the credit risk premium for Austria and an appropriate beta.

The basis for the impairment test as of 30 June 2024, was the business plan approved by the BKS management as of the end of 2023, and the published business development as of the first quarter of 2024 was taken into account.

## Notes to the consolidated financial statements

The impairment test carried out in the first half of 2024 resulted in no impairment requirement.

As the parameters and data used for impairment testing are significantly influenced by the overall economic environment and market conditions, which can change rapidly and unpredictably, the results of future impairment tests could differ from those taken into account in the interim financial statements as of 30 June 2024.

### Tax loss carryforwards

The deferred tax amount of the capitalized losses as of 30 June 2024 was €129 million (€283 million as of 30 June 2023), which must be considered as being of value based on the assumptions as of 30 June.

For the assessment of the usability of the tax loss carryforwards as of 31 December 2023, the updated Multi-Year Plan "UniCredit Unlocked" for the years 2024 to 2026 was available, for tax purposes a roll-forward for subsequent years (10 years) based on the Monte-Carlo-simulation was used.

It should be noted that assumptions have been made regarding the utilization of the loss carryforwards, which could change in the event of a change in the economic and other underlying conditions and thus have an impact on the income tax treatment.

No deferred tax assets were recognised for the following items (gross amounts), as from today's perspective a tax benefit does not appear realisable within a reasonable time. The amount of deferred taxes on tax losses carryforwards not recognized amounts to €33 million.

The major part of tax losses carried forward originates from companies in Austria and can be carried forward without time restriction. In Austria, the annual set-off of losses carried forward is limited to 75% of the relevant taxable profit.



# Notes to the consolidated financial statements

## Information on fair value

This section presents information on the fair value disclosures as required by IFRS 13.

The determination of the fair values for the various holdings of financial instruments in the interim consolidated financial statements was disclosed in detail as at 31 December 2023, and remains valid.

The following tables show a breakdown of the financial assets and financial liabilities measured at fair value.

### 1. Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value levels

| FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE                  | AMOUNTS AS AT 30.06.2024 |              |              | AMOUNTS AS AT 31.12.2023 |              |              |
|----------------------------------------------------------------------|--------------------------|--------------|--------------|--------------------------|--------------|--------------|
|                                                                      | LEVEL 1                  | LEVEL 2      | LEVEL 3      | LEVEL 1                  | LEVEL 2      | LEVEL 3      |
| 1. Financial assets at fair value through profit or loss             | 116                      | 1,860        | 160          | 88                       | 1,917        | 165          |
| a) Financial assets held for trading                                 | 0                        | 1,546        | 6            | -                        | 1,564        | 8            |
| b) Financial assets designated at fair value                         | 116                      | -            | -            | 88                       | -            | -            |
| c) Financial assets mandatorily at fair value                        | -                        | 315          | 154          | -                        | 353          | 157          |
| 2. Financial assets at fair value through other comprehensive income | 14,537                   | 1,190        | 567          | 13,362                   | 1,384        | 586          |
| 3. Hedging derivatives                                               | -                        | 2,781        | -            | -                        | 2,862        | -            |
| 4. Property, plant and equipment                                     | -                        | -            | 359          | -                        | -            | 354          |
| 5. Intangible assets                                                 | -                        | -            | -            | -                        | -            | -            |
| <b>Total</b>                                                         | <b>14,654</b>            | <b>5,831</b> | <b>1,086</b> | <b>13,450</b>            | <b>6,163</b> | <b>1,105</b> |
| 1. Financial liabilities held for trading                            | -                        | 1,561        | 13           | -                        | 1,556        | 14           |
| 2. Financial liabilities designated at fair value                    | -                        | 60           | 1            | -                        | 60           | 1            |
| 3. Hedging derivatives                                               | -                        | 2,711        | 3            | -                        | 2,902        | 4            |
| <b>Total</b>                                                         | <b>-</b>                 | <b>4,332</b> | <b>17</b>    | <b>-</b>                 | <b>4,518</b> | <b>20</b>    |

### Description of the inputs used to measure the fair value of items categorised in Level 2 and 3

Hereby a description of the main significant inputs used to measure the fair value of items categorised in Level 2 and 3 of the fair value hierarchy.

#### Volatility

Volatility is a measure for variation of price of a financial instrument over time. In particular, volatility measures the speed and severity of market price changes for an instrument, parameter or market index given the particular instrument, parameter or index changes in value over time, expressed as a percentage of relative change in price. The higher the volatility of the underlying, the riskier the instrument. In general, long option positions (assets) benefit from increases in volatility, whereas short option positions (liabilities) will suffer losses.

Differentiated are different macro-types of volatility:

- volatility of interest rate;
- inflation volatility;
- volatility of foreign exchange;
- volatility of equity stocks, equity or other indexes/prices.

#### Correlation

Correlation is a measure of the relationship between the movements of two variables. Therefore, changes in correlation levels can have a major impact, favourable or unfavourable, on the fair value of an instrument, depending on the type of correlation.

## Notes to the consolidated financial statements

Correlation is a pricing input for a derivative product where the payoff is driven by multiple underlying risks. The level of correlation used in the valuation of derivatives with multiple underlying risks depends on a number of factors including the nature of those risks.

### Dividends

The derivation of a forward price for an individual stock or index is important both for measuring fair value for forward or swap contracts and for measuring fair value using option pricing models. The relationship between the current stock price and the forward price is based on a combination of expected future dividend levels and payment timings and, to a lesser extent, the relevant funding rates applicable to the stock in question. The dividend yield and payment timing represents the most significant parameter in determining fair value for instruments that are sensitive to an equity forward price.

### Interest rate curve

The calculation of the interest rate curve is based on standard bootstrapping techniques relying on the set of quotes of appropriate financial instruments, for each currency, which turns interest rates in zero-coupon. Less liquid currencies' interest curve refers to the rates in currencies for which a market liquidity in terms of tightness, depth and resiliency does not exist.

### Inflation swap rate

The determination of forward levels for inflation indexes is based on swap quote over inflation indexes. Swap over inflation may present a low liquidity level whether there is no liquid market in terms of rigidity, deepness and resistance.

### Credit spreads

Credit spreads reflect the credit quality of the associated credit name. The credit spread of a particular security is reported in relation to the yield on a benchmark security or reference rate and is generally expressed in terms of basis points.

### Loss Given Default (LGD)/recovery rate

LGD, also known as loss severity (the inverse concept is the recovery rate), represents the percentage of contractual cash flows lost in the event of a default, expressed as the net amount of loss relative to the outstanding balance. An increase in the loss severity, in isolation, would result in a decrease in a fair value measure. Loss Given Default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

### Prepayment rate (PR)

The PR is the estimated rate at which forecast prepayments of principal of the related debt instrument are expected to occur. Voluntary unscheduled payments (prepayments) change the future cash flows for the investor and thus also the fair value of the instrument. In general, as prepayment speeds change, the weighted average life of the instrument changes, which impacts the valuation either positively or negatively, depending on the nature of the instrument and the direction of the change in the weighted average life.

### Probability of default (PD)

The probability of default is an estimate of the likelihood of not collecting contractual amounts. It provides an estimate of the likelihood that a client of a financial institution will be unable to meet its debt obligations over a particular time horizon. The PD of an obligor not only depends on the risk characteristics of that particular obligor but also on the economic environment and the degree to which it affects the obligor.

### Early conversion

The early conversion is the estimate of the probability that the liability would be converted into equity earlier than the terms stated.

### EBITDA

EBITDA is an indicator of the current operating profitability of the business, that is the income generated by the use of the company's assets and the commercialisation of the products manufactured.

### Ke

The Ke (cost of capital) represents the minimum rate that the company has to offer to its shareholders as remuneration for the funds received.

### Growth rate

It is the constant growth rate used for the future dividends estimate.

## Notes to the consolidated financial statements

### Fair value sensitivity to variations in unobservable input used in the fair value computation for instruments categorised as Level 3

The sensitivities to changes in the unobservable parameters for the different categories of Level 3 financial instruments at fair value are shown in the following table, in which:

- for derivatives on equities and commodities: 1% absolute of volatility, 10% relative of dividend, 1% absolute of correlation and 10% relative of volatility skew;
- for foreign exchanges: 1% absolute of underlying volatility;
- for interest rate derivatives: 1 basis point absolute of rates curves and volatilities or 1% absolute of swaption volatilities;
- for credit derivatives: 1 basis point absolute of credit spread or the CVA impact of a 5% absolute shift of the recovery rate;
- for debt securities and loans: 1 basis point absolute of credit spread;
- for equities: 1% of the underlying;
- for Units in Investment Funds quotes: 5 basis points absolute shift in PD and LGD, if evaluated leveraging on models considering counterparty credit risk as main risk factor, otherwise 1% of fair value.

### 2. Sensitivity analyses - FV Hierarchy - Level 3

(€ million)

| PRODUCT CATEGORIES               |                                    | FAIR VALUE MOVEMENTS |           |
|----------------------------------|------------------------------------|----------------------|-----------|
| <b>Derivatives</b>               | Financial Instruments              | Equity & Commodities | +/- 0.00  |
|                                  |                                    | Foreign Exchange     | +/- 0.00  |
|                                  |                                    | Interest Rate        | +/- 17.63 |
|                                  |                                    | Credit Derivatives   | +/- 0.00  |
| <b>Debt Securities and Loans</b> | Corporate/ Government/Other        |                      | +/- 0.21  |
|                                  | Mortgage & Asset Backed Securities |                      | +/- 0.00  |
| <b>Equity Securities</b>         | Unlisted Equity & Holdings         |                      | +/- 0.00  |
| <b>Units in Investment Funds</b> | Real Estate & Other Funds          |                      | +/- 0.01  |

## Notes to the consolidated financial statements

## Group of consolidated companies and changes in the group of consolidated companies of Bank Austria Group in the first half of 2024

|                              | CONSOLIDATED<br>COMPANIES | COMPANIES ACCOUNTED<br>FOR<br>UNDER THE EQUITY<br>METHOD | TOTAL      |
|------------------------------|---------------------------|----------------------------------------------------------|------------|
| <b>Opening balance</b>       | <b>163</b>                | <b>13</b>                                                | <b>176</b> |
| <b>Additions</b>             | -                         | -                                                        | -          |
| Newly established companies  | -                         | -                                                        | -          |
| Acquired companies           | -                         | -                                                        | -          |
| Other changes                | -                         | -                                                        | -          |
| Changes in UniCredit Group   | -                         | -                                                        | -          |
| <b>Disposals</b>             | <b>1</b>                  | <b>1</b>                                                 | <b>2</b>   |
| Companies sold or liquidated | 1                         | 1                                                        | 2          |
| Mergers                      | -                         | -                                                        | -          |
| Changes in UniCredit Group   | -                         | -                                                        | -          |
| <b>CLOSING BALANCE</b>       | <b>162</b>                | <b>12</b>                                                | <b>174</b> |

The changes in the group of consolidated companies mainly relate to a further simplification of the structure of UniCredit Bank Austria Group's holdings.

# Notes to the income statement

## 1.1 Interest income and similar revenues: breakdown

| ITEMS/TYPES                                                                 | AS AT 30.06.2024 |              |                       |              | AS AT<br>30.06.2023 |
|-----------------------------------------------------------------------------|------------------|--------------|-----------------------|--------------|---------------------|
|                                                                             | DEBT SECURITIES  | LOANS        | OTHER<br>TRANSACTIONS | TOTAL        | TOTAL               |
| <b>1. Financial assets at fair value through profit or loss</b>             | <b>3</b>         | <b>8</b>     | <b>302</b>            | <b>313</b>   | <b>238</b>          |
| 1.1 Financial assets held for trading                                       | 0                | 0            | 302                   | 302          | 229                 |
| 1.2 Financial assets designated at fair value                               | 1                | -            | -                     | 1            | 1                   |
| 1.3 Other financial assets mandatorily at fair value                        | 2                | 8            | -                     | 10           | 9                   |
| <b>2. Financial assets at fair value through other comprehensive income</b> | <b>178</b>       | <b>-</b>     | <b>X</b>              | <b>178</b>   | <b>104</b>          |
| <b>3. Financial assets at amortised cost</b>                                | <b>17</b>        | <b>1,786</b> | <b>X</b>              | <b>1,803</b> | <b>1,464</b>        |
| 3.1 Loans and advances to banks                                             | 7                | 483          | X                     | 490          | 394                 |
| 3.2 Loans and advances to customers                                         | 10               | 1,304        | X                     | 1,314        | 1,071               |
| <b>4. Hedging derivatives</b>                                               | <b>X</b>         | <b>X</b>     | <b>388</b>            | <b>388</b>   | <b>206</b>          |
| <b>5. Other assets</b>                                                      | <b>X</b>         | <b>X</b>     | <b>1</b>              | <b>1</b>     | <b>26</b>           |
| <b>6. Financial liabilities</b>                                             | <b>X</b>         | <b>X</b>     | <b>X</b>              | <b>0</b>     | <b>1</b>            |
| <b>Total</b>                                                                | <b>198</b>       | <b>1,794</b> | <b>691</b>            | <b>2,683</b> | <b>2,038</b>        |
| <i>of which: interest income on impaired financial assets</i>               | -                | 19           | -                     | 19           | 28                  |
| <i>of which: interest income on financial lease</i>                         | X                | 46           | X                     | 46           | 36                  |

The increase in interest income compared to June 2023 is mainly due to the increased interest rate environment.

## B.1.2 Interest expenses and similar charges: breakdown

| ITEMS/TYPES                                              | AS AT 30.06.2024 |              |                       |                | AS AT<br>30.06.2023 |
|----------------------------------------------------------|------------------|--------------|-----------------------|----------------|---------------------|
|                                                          | DEBTS            | SECURITIES   | OTHER<br>TRANSACTIONS | TOTAL          | TOTAL               |
| <b>1. Financial liabilities at amortised cost</b>        | <b>(982)</b>     | <b>(198)</b> | <b>X</b>              | <b>(1,181)</b> | <b>(768)</b>        |
| 1.1 Deposits from central banks                          | (15)             | X            | X                     | (15)           | (95)                |
| 1.2 Deposits from banks                                  | (442)            | X            | X                     | (442)          | (265)               |
| 1.3 Deposits from customers                              | (525)            | X            | X                     | (525)          | (252)               |
| 1.4 Debt securities in issue                             | X                | (198)        | X                     | (198)          | (156)               |
| <b>2. Financial liabilities held for trading</b>         | <b>-</b>         | <b>-</b>     | <b>(304)</b>          | <b>(304)</b>   | <b>(235)</b>        |
| <b>3. Financial liabilities designated at fair value</b> | <b>-</b>         | <b>(1)</b>   | <b>-</b>              | <b>(1)</b>     | <b>(1)</b>          |
| <b>4. Other liabilities and funds</b>                    | <b>X</b>         | <b>X</b>     | <b>(0)</b>            | <b>(0)</b>     | <b>(2)</b>          |
| <b>5. Hedging derivatives</b>                            | <b>X</b>         | <b>X</b>     | <b>(341)</b>          | <b>(341)</b>   | <b>(218)</b>        |
| <b>6. Financial assets</b>                               | <b>X</b>         | <b>X</b>     | <b>X</b>              | <b>(0)</b>     | <b>(0)</b>          |
| <b>Total</b>                                             | <b>(982)</b>     | <b>(199)</b> | <b>(645)</b>          | <b>(1,827)</b> | <b>(1,223)</b>      |
| <i>of which: interest expenses on lease liabilities</i>  | (3)              | X            | X                     | (3)            | (4)                 |

Total interest expense for liabilities measured at amortised cost amounts to €-1,181 million (previous year: €-768 million).

The increase in interest expenses compared to June 2023 is mainly due to increased interest rate environment.

## Notes to the income statement

## B.2.1 Fees and commissions income: breakdown

| (€ million)                                                                    |                  |                  |
|--------------------------------------------------------------------------------|------------------|------------------|
| TYPE OF SERVICES/VALUES                                                        | AS AT 30.06.2024 | AS AT 30.06.2023 |
| a) Financial Instruments                                                       | 17               | 18               |
| 1. Placement of securities                                                     | -                | -                |
| 1.1 Underwriting and/or on the basis of an irrevocable commitment              | -                | -                |
| 1.2 Without irrevocable commitment                                             | -                | -                |
| 2. Reception and transmission of orders                                        | 2                | 2                |
| 2.1 Reception and transmission of orders of financial instruments              | 2                | 2                |
| 2.2 Execution of orders on behalf of customers                                 | -                | -                |
| 3. Other fees related to activities linked to financial instruments            | 15               | 16               |
| of which: <i>proprietary Trading</i>                                           | -                | -                |
| of which: <i>individual portfolio management</i>                               | 15               | 16               |
| b) Corporate Finance                                                           | 4                | 6                |
| 1. M&A advisory                                                                | -                | -                |
| 2. Treasury services                                                           | -                | -                |
| 3. Other fee and commission income in relation to corporate finance activities | 4                | 6                |
| c) Fee based advice                                                            | 11               | 10               |
| d) Clearing and settlement                                                     | -                | -                |
| e) Collective portfolio management                                             | 72               | 68               |
| f) Custody and administration of securities                                    | 43               | 46               |
| 1. Custodian Bank                                                              | -                | -                |
| 2. Other fee and commission income in relation to corporate finance activities | 43               | 46               |
| g) Central administrative services for collective investment                   | -                | -                |
| h) Fiduciary transactions                                                      | -                | -                |
| i) Payment services                                                            | 45               | 43               |
| 1. Current accounts                                                            | 0                | 0                |
| 2. Credit cards                                                                | 1                | 0                |
| 3. Debits cards and other card payments                                        | 14               | 12               |
| 4. Transfers and other payment orders                                          | 22               | 22               |
| 5. Other fees in relation to payment services                                  | 8                | 8                |
| j) Distribution of third party services                                        | 44               | 31               |
| 1. Collective portfolio management                                             | 35               | 22               |
| 2. Insurance products                                                          | 8                | 8                |
| 3. Other products                                                              | 1                | 1                |
| of which: <i>individual portfolio management</i>                               | -                | -                |
| k) Structured finance                                                          | -                | -                |
| l) Loan securitization servicing activities                                    | -                | -                |
| m) Loan commitment given                                                       | -                | -                |
| n) Financial guarantees                                                        | 20               | 19               |
| of which: <i>credit derivatives</i>                                            | 0                | 0                |
| o) Lending transaction                                                         | 34               | 29               |
| of which: <i>factoring services</i>                                            | 1                | 2                |
| p) Currency trading                                                            | 1                | 1                |
| q) Commodities                                                                 | -                | -                |
| r) Other fee income                                                            | 179              | 178              |
| of which: <i>management of sharing multilateral trading facilities</i>         | -                | -                |
| of which: <i>management of organized trading systems</i>                       | -                | -                |
| <b>Total</b>                                                                   | <b>469</b>       | <b>449</b>       |

Item "r) Other fee income" mainly includes income from subsidiary in the amount of € 95 million (previous year: € 99 million).

## Notes to the income statement

## 2.2 Fees and commissions expenses: breakdown

| (€ million)                                                                |                  |                  |
|----------------------------------------------------------------------------|------------------|------------------|
| SERVICES/VALUES                                                            | AS AT 30.06.2024 | AS AT 30.06.2023 |
| a) Financial instruments                                                   | (2)              | (1)              |
| <i>of which: trading in financial instruments</i>                          | (1)              | (1)              |
| <i>of which: placement of financial instruments</i>                        | (0)              | -                |
| <i>of which: individual Portfolio management</i>                           | (0)              | (0)              |
| - own portfolio                                                            | (0)              | (0)              |
| - third party portfolio                                                    | -                | -                |
| b) Clearing and settlement                                                 | -                | -                |
| c) Portfolio management: collective                                        | (10)             | (9)              |
| 1. Own portfolio                                                           | (3)              | (2)              |
| 2. Third party portfolio                                                   | (8)              | (7)              |
| d) Custody and Administration                                              | (12)             | (14)             |
| e) Collection and payments services                                        | (70)             | (74)             |
| <i>of which: debit credit card service and other payment cards</i>         | (64)             | (68)             |
| f) Loan securitization servicing activities                                | -                | -                |
| g) Loan commitment given                                                   | (6)              | (5)              |
| h) Financial guarantees received                                           | (2)              | (2)              |
| <i>of which: credit derivatives</i>                                        | -                | -                |
| i) Off - site distribution of financial instruments, products and services | (1)              | (2)              |
| j) Currency trading                                                        | (0)              | (1)              |
| k) Other commission expenses                                               | (2)              | (3)              |
| <b>Total</b>                                                               | <b>(105)</b>     | <b>(109)</b>     |

## Notes to the income statement

## 3.1 Dividend income and similar revenues

(€ million)

| ITEMS/REVENUES                                                       | AS AT 30.06.2024 |                  | AS AT 30.06.2023 |                  |
|----------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                      | DIVIDENDS        | SIMILAR REVENUES | DIVIDENDS        | SIMILAR REVENUES |
| A. Financial assets held for trading                                 | -                | -                | -                | -                |
| B. Other financial assets mandatorily at fair value                  | 0                | -                | 0                | -                |
| C. Financial assets at fair value through other comprehensive income | 4                | -                | 4                | -                |
| D. Equity investments                                                | 0                | -                | 0                | -                |
| <b>Total</b>                                                         | <b>4</b>         | <b>-</b>         | <b>4</b>         | <b>-</b>         |

|                                             |          |          |
|---------------------------------------------|----------|----------|
| <b>Total dividends and similar revenues</b> | <b>4</b> | <b>4</b> |
|---------------------------------------------|----------|----------|

Dividends are recognised in the income statement when distribution is approved.

## 4.1 Gains and losses on financial assets and liabilities held for trading

(€ million)

| TRANSACTIONS/P&L ITEMS                                           | REALISED PROFITS  |          |                    | REALISED LOSSES | NET PROFIT [(A + B) + (C + D)] |
|------------------------------------------------------------------|-------------------|----------|--------------------|-----------------|--------------------------------|
|                                                                  | CAPITAL GAINS (A) | (B)      | CAPITAL LOSSES (C) | (D)             |                                |
| <b>1. Financial assets held for trading</b>                      | -                 | 0        | (0)                | (0)             | (0)                            |
| 1.1 Debt securities                                              | -                 | -        | (0)                | (0)             | (0)                            |
| 1.2 Equity instruments                                           | -                 | -        | -                  | -               | -                              |
| 1.3 Units in investment funds                                    | -                 | 0        | -                  | -               | 0                              |
| 1.4 Loans                                                        | -                 | -        | -                  | -               | -                              |
| 1.5 Other                                                        | -                 | 0        | -                  | -               | 0                              |
| <b>2. Financial liabilities held for trading</b>                 | -                 | -        | -                  | -               | -                              |
| 2.1 Debt securities                                              | -                 | -        | -                  | -               | -                              |
| 2.2 Deposits                                                     | -                 | -        | -                  | -               | -                              |
| 2.3 Other                                                        | -                 | -        | -                  | -               | -                              |
| <b>3. Financial assets and liabilities: exchange differences</b> | <b>X</b>          | <b>X</b> | <b>X</b>           | <b>X</b>        | <b>8</b>                       |
| <b>4. Derivatives</b>                                            | <b>27</b>         | <b>-</b> | <b>(0)</b>         | <b>-</b>        | <b>26</b>                      |
| 4.1 Financial derivatives                                        | 27                | -        | (0)                | -               | 26                             |
| - On debt securities and interest rates                          | 25                | -        | -                  | -               | 25                             |
| - On equity securities and share indices                         | 0                 | -        | (0)                | -               | 0                              |
| - On currency and gold                                           | X                 | X        | X                  | X               | 0                              |
| - Other                                                          | 1                 | -        | (0)                | -               | 0                              |
| 4.2 Credit derivatives                                           | 0                 | -        | -                  | -               | 0                              |
| of which: economic hedges linked to the fair value option        | X                 | X        | X                  | X               | -                              |
| <b>Total 30.06.2024</b>                                          | <b>27</b>         | <b>0</b> | <b>(0)</b>         | <b>(0)</b>      | <b>34</b>                      |
| <b>Total 30.06.2023</b>                                          | <b>9</b>          | <b>0</b> | <b>(2)</b>         | <b>(0)</b>      | <b>25</b>                      |



# Notes to the income statement

## 5.1 Fair value adjustments in hedge accounting

|                                                                          |                  |                  | (€ million) |  |
|--------------------------------------------------------------------------|------------------|------------------|-------------|--|
| P&L COMPONENT/VALUES                                                     | AS AT 30.06.2024 | AS AT 30.06.2023 |             |  |
| <b>A. Gains on</b>                                                       |                  |                  |             |  |
| A.1 Fair value hedging instruments                                       | 223              | 372              |             |  |
| A.2 Hedged financial assets (in fair value hedge relationship)           | -                | -                |             |  |
| A.3 Hedged financial liabilities (in fair value hedge relationship)      | -                | 34               |             |  |
| A.4 Cash-flow hedging derivatives                                        | -                | -                |             |  |
| A.5 Assets and liabilities denominated in currency                       | -                | -                |             |  |
| <b>Total gains on hedging activities (A)</b>                             | <b>223</b>       | <b>406</b>       |             |  |
| <b>B. Losses on</b>                                                      |                  |                  |             |  |
| B.1 Fair value hedging instruments                                       | -                | (361)            |             |  |
| B.2 Hedged financial assets (in fair value hedge relationship)           | (23)             | (44)             |             |  |
| B.3 Hedged financial liabilities (in fair value hedge relationship)      | (200)            | -                |             |  |
| B.4 Cash-flow hedging derivatives                                        | -                | -                |             |  |
| B.5 Assets and liabilities denominated in currency                       | -                | -                |             |  |
| <b>Total losses on hedging activities (B)</b>                            | <b>(223)</b>     | <b>(405)</b>     |             |  |
| <b>C. Net hedging result (A – B)</b>                                     | <b>1</b>         | <b>0</b>         |             |  |
| <i>of which: net gains (losses) of hedge accounting on net positions</i> | -                | -                |             |  |

## 6.1 Gains (Losses) on disposal/repurchase

|                                                                      |          |            | (€ million)      |  |          |                  |
|----------------------------------------------------------------------|----------|------------|------------------|--|----------|------------------|
|                                                                      |          |            | AS AT 30.06.2024 |  |          | AS AT 30.06.2023 |
| ITEMS/P&L ITEMS                                                      | GAINS    | LOSSES     | NET PROFIT       |  | GAINS    | LOSSES           |
| <b>A. Financial assets</b>                                           |          |            |                  |  |          |                  |
| 1. Financial assets at amortised cost                                | -        | (1)        | (1)              |  | -        | (12)             |
| 1.1 Loans and advances to banks                                      | -        | -          | -                |  | -        | -                |
| 1.2 Loans and advances to customers                                  | -        | (1)        | (1)              |  | -        | (12)             |
| 2. Financial assets at fair value through other comprehensive income | 7        | (0)        | 6                |  | 2        | (7)              |
| 2.1 Debt securities                                                  | 7        | (0)        | 6                |  | 2        | (7)              |
| 2.2 Loans                                                            | -        | -          | -                |  | -        | -                |
| <b>Total assets (A)</b>                                              | <b>7</b> | <b>(2)</b> | <b>5</b>         |  | <b>2</b> | <b>(19)</b>      |
| <b>B. Financial liabilities at amortised cost</b>                    |          |            |                  |  |          |                  |
| 1. Deposits from banks                                               | -        | -          | -                |  | -        | -                |
| 2. Deposits from customers                                           | -        | -          | -                |  | -        | -                |
| 3. Debt securities in issue                                          | 0        | (3)        | (2)              |  | 1        | (0)              |
| <b>Total liabilities (B)</b>                                         | <b>0</b> | <b>(3)</b> | <b>(2)</b>       |  | <b>1</b> | <b>(0)</b>       |
| <b>Total financial assets/liabilities</b>                            |          |            | <b>3</b>         |  |          | <b>(16)</b>      |

## Notes to the income statement

## 7.1 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: a) financial assets/liabilities designated at fair value

(€ million)

| TRANSACTIONS/P&L ITEMS                                                               | CAPITAL GAINS (A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES (C) | REALISED LOSSES<br>(D) | NET PROFIT [(A + B)<br>+ (C + D)] |
|--------------------------------------------------------------------------------------|-------------------|-------------------------|--------------------|------------------------|-----------------------------------|
| <b>1. Financial assets</b>                                                           | -                 | -                       | (5)                | (0)                    | (5)                               |
| 1.1 Debt securities                                                                  | -                 | -                       | (5)                | (0)                    | (5)                               |
| 1.2 Loans                                                                            | -                 | -                       | -                  | -                      | -                                 |
| <b>2. Financial liabilities</b>                                                      | 0                 | -                       | (0)                | -                      | (0)                               |
| 2.1 Debt securities                                                                  | 0                 | -                       | (0)                | -                      | (0)                               |
| 2.2 Deposits from banks                                                              | -                 | -                       | -                  | -                      | -                                 |
| 2.3 Deposits from customers                                                          | -                 | -                       | -                  | -                      | -                                 |
| <b>3. Financial assets and liabilities in foreign currency: exchange differences</b> | X                 | X                       | X                  | X                      | -                                 |
| <b>Total 30.06.2024</b>                                                              | 0                 | -                       | (5)                | (0)                    | (6)                               |
| <b>Total 30.06.2023</b>                                                              | 2                 | -                       | (0)                | (0)                    | 2                                 |

## 7.2 Net gains (losses) on other financial assets/liabilities at fair value through profit or loss: b) other financial assets mandatorily at fair value

(€ million)

| TRANSACTIONS/P&L ITEMS                           | CAPITAL GAINS (A) | REALISED PROFITS<br>(B) | CAPITAL LOSSES (C) | REALISED LOSSES<br>(D) | NET PROFIT [(A + B)<br>+ (C + D)] |
|--------------------------------------------------|-------------------|-------------------------|--------------------|------------------------|-----------------------------------|
| <b>1. Financial assets</b>                       | 3                 | 0                       | (5)                | (0)                    | (2)                               |
| 1.1 Debt securities                              | -                 | 0                       | (3)                | -                      | (3)                               |
| 1.2 Equity securities                            | -                 | 0                       | -                  | -                      | 0                                 |
| 1.3 Units in investment funds                    | 0                 | 0                       | -                  | -                      | 0                                 |
| 1.4 Loans                                        | 3                 | 0                       | (2)                | (0)                    | 1                                 |
| <b>2. Financial assets: exchange differences</b> | X                 | X                       | X                  | X                      | -                                 |
| <b>Total 30.06.2024</b>                          | 3                 | 0                       | (5)                | (0)                    | (2)                               |
| <b>Total 30.06.2023</b>                          | 2                 | 1                       | (8)                | (0)                    | (5)                               |

# Notes to the income statement

## 8.1 Net impairment losses for credit risk relating to financial assets at amortised cost: breakdown

| AS AT 30.06.2024                   |         |         |             |       |             |       |             |         |         |             |       |       | AS AT |
|------------------------------------|---------|---------|-------------|-------|-------------|-------|-------------|---------|---------|-------------|-------|-------|-------|
| TRANSACTIONS/INCOME ITEMS          | STAGE 1 | STAGE 2 | WRITE-DOWNS |       |             |       | WRITE-BACKS |         |         |             | TOTAL | TOTAL |       |
|                                    |         |         | STAGE 3     |       | POCI ASSETS |       | STAGE 1     | STAGE 2 | STAGE 3 | POCI ASSETS |       |       |       |
|                                    |         |         | WRITE-OFF   | OTHER | WRITE-OFF   | OTHER |             |         |         |             |       |       |       |
| A. Loans and advances to banks     | (0)     | (0)     | -           | (1)   | -           | -     | 0           | 0       | 1       | -           | 0     | 4     |       |
| - Loans                            | (0)     | (0)     | -           | (1)   | -           | -     | 0           | 0       | 1       | -           | 0     | 4     |       |
| - Debt securities                  | (0)     | -       | -           | -     | -           | -     | 0           | -       | -       | -           | 0     | 0     |       |
| B. Loans and advances to customers | (47)    | (245)   | (7)         | (146) | -           | (0)   | 38          | 237     | 145     | 0           | (26)  | 21    |       |
| - Loans                            | (47)    | (245)   | (7)         | (146) | -           | (0)   | 38          | 237     | 145     | 0           | (26)  | 20    |       |
| - Debt securities                  | (0)     | -       | -           | -     | -           | -     | 0           | -       | -       | -           | 0     | 0     |       |
| Total                              | (48)    | (245)   | (7)         | (147) | -           | (0)   | 38          | 237     | 146     | 0           | (26)  | 25    |       |

## 9.1 Staff expenses: breakdown

| TYPE OF EXPENSES/VALUES                                                  | (€ million)      |                  |
|--------------------------------------------------------------------------|------------------|------------------|
|                                                                          | AS AT 30.06.2024 | AS AT 30.06.2023 |
| <b>1) Employees</b>                                                      | <b>(336)</b>     | <b>(334)</b>     |
| a) Wages and salaries                                                    | (211)            | (209)            |
| b) Social charges                                                        | (52)             | (52)             |
| c) Severance pay                                                         | -                | -                |
| d) Social security costs                                                 | -                | -                |
| e) Allocation to employee severance pay provision                        | -                | -                |
| f) Provision for retirements and similar provisions                      | (52)             | (59)             |
| - Defined contribution                                                   | -                | -                |
| - Defined benefit                                                        | (52)             | (59)             |
| g) Payments to external pension funds                                    | (7)              | (7)              |
| - Defined contribution                                                   | (7)              | (6)              |
| - Defined benefit                                                        | (1)              | (1)              |
| h) Costs arising from share-based payments                               | (1)              | (2)              |
| i) Other employee benefits                                               | (11)             | (6)              |
| <b>2) Other staff</b>                                                    | <b>(6)</b>       | <b>(6)</b>       |
| <b>3) Directors and Statutory Auditors</b>                               | <b>(0)</b>       | <b>(0)</b>       |
| <b>4) Early retirement costs</b>                                         | <b>-</b>         | <b>-</b>         |
| <b>5) Recoveries of payments for second employees to other companies</b> | <b>12</b>        | <b>16</b>        |
| <b>6) Early retirement costs</b>                                         | <b>(5)</b>       | <b>(6)</b>       |
| <b>Total</b>                                                             | <b>(335)</b>     | <b>(330)</b>     |

## Notes to the income statement

## 10.1 Other administrative expenses

| (€ million)                                                                                        |                  |                  |
|----------------------------------------------------------------------------------------------------|------------------|------------------|
| TYPE OF EXPENSES/SECTORS                                                                           | AS AT 30.06.2024 | AS AT 30.06.2023 |
| <b>1) Indirect taxes and duties</b>                                                                | <b>(9)</b>       | <b>(10)</b>      |
| 1a. Settled                                                                                        | (9)              | (10)             |
| 1b. Unsettled                                                                                      | (0)              | (0)              |
| <b>2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)</b>                    | <b>(10)</b>      | <b>(63)</b>      |
| <b>3) Guarantee fee for DTA conversion</b>                                                         | <b>-</b>         | <b>-</b>         |
| <b>4) Miscellaneous costs and expenses</b>                                                         | <b>(207)</b>     | <b>(213)</b>     |
| a) Advertising marketing and communication                                                         | (7)              | (7)              |
| b) Expenses relating to credit risk                                                                | (3)              | (3)              |
| c) Indirect expenses relating to personnel                                                         | (3)              | (3)              |
| d) Information & Communication Technology expenses                                                 | (120)            | (122)            |
| Lease of ICT equipment and software                                                                | (0)              | (0)              |
| Software expenses: lease and maintenance                                                           | (4)              | (3)              |
| ICT communication systems                                                                          | (3)              | (3)              |
| Services ICT in outsourcing                                                                        | (108)            | (110)            |
| Financial information providers                                                                    | (5)              | (5)              |
| e) Consulting and professional services                                                            | (9)              | (7)              |
| Consulting                                                                                         | (6)              | (5)              |
| Legal expenses                                                                                     | (2)              | (2)              |
| f) Real estate expenses                                                                            | (19)             | (24)             |
| Rentals of premises                                                                                | (1)              | (1)              |
| Utilities                                                                                          | (8)              | (11)             |
| Other real estate expenses                                                                         | (11)             | (12)             |
| g) Operating costs                                                                                 | (45)             | (46)             |
| Surveillance and security services                                                                 | (2)              | (1)              |
| Money counting services and transport                                                              | (3)              | (3)              |
| Printing and stationery                                                                            | (2)              | (2)              |
| Postage and transport of documents                                                                 | (7)              | (8)              |
| Administrative and logistic services                                                               | (24)             | (25)             |
| Insurance                                                                                          | (2)              | (2)              |
| Association dues and fees and contributions to the administrative expenses deposit guarantee funds | (6)              | (6)              |
| Other administrative expenses - other                                                              | 0                | 1                |
| <b>Total (1+2+3+4)</b>                                                                             | <b>(227)</b>     | <b>(287)</b>     |

The decrease compared to June 2023 is mainly due to the discontinuation of contributions to the Single Resolution Fund.

# Notes to the income statement

## 11.1 Net provisions for credit risk from loans commitments and financial guarantees given: breakdown

(€ million)

|                            | AS AT 30.06.2024 |                          |       |
|----------------------------|------------------|--------------------------|-------|
|                            | PROVISIONS       | SURPLUS<br>REALLOCATIONS | TOTAL |
| Loan commitments           | (26)             | 45                       | 19    |
| Financial guarantees given | (14)             | 25                       | 11    |

## 11.1 Net provisions for credit risk from loans commitments and financial guarantees given: breakdown

(€ million)

|                            | AS AT 30.06.2023 |                          |       |
|----------------------------|------------------|--------------------------|-------|
|                            | PROVISIONS       | SURPLUS<br>REALLOCATIONS | TOTAL |
| Loan commitments           | (20)             | 28                       | 8     |
| Financial guarantees given | (23)             | 20                       | (4)   |

## 12.1 Net provisions for risks and charges: breakdown

(€ million)

| ASSETS/P&L ITEMS           | AS AT 30.06.2024 |                         |           | AS AT<br>30.06.2023<br>TOTAL |
|----------------------------|------------------|-------------------------|-----------|------------------------------|
|                            | PROVISIONS       | REALLOCATION<br>SURPLUS | TOTAL     |                              |
| <b>1. Other provisions</b> |                  |                         |           |                              |
| 1.1 Legal disputes         | (4)              | 14                      | 10        | (3)                          |
| 1.2 Staff costs            | -                | -                       | -         | -                            |
| 1.3 Other                  | (0)              | 0                       | 0         | 2                            |
| <b>Total</b>               | <b>(4)</b>       | <b>14</b>               | <b>10</b> | <b>(1)</b>                   |

## 13.1 Other operating expenses

(€ million)

| TYPE OF EXPENSE/VALUES                                      | AS AT 30.06.2024 | AS AT 30.06.2023 |
|-------------------------------------------------------------|------------------|------------------|
| Costs for operating leases                                  | -                | -                |
| Non-deductible tax and other fiscal charges                 | (0)              | (0)              |
| Write-downs on leasehold improvements                       | (5)              | (5)              |
| Costs relating to the specific service of financial leasing | -                | (0)              |
| Other                                                       | (15)             | (13)             |
| <b>Total of other operating expenses</b>                    | <b>(19)</b>      | <b>(18)</b>      |

## 13.2 Other operating income

(€ million)

| TYPE OF REVENUE/VALUES                                 | AS AT 30.06.2024 | AS AT 30.06.2023 |
|--------------------------------------------------------|------------------|------------------|
| <b>A) Recovery of costs</b>                            | <b>0</b>         | <b>0</b>         |
| <b>B) Other revenues</b>                               | <b>58</b>        | <b>45</b>        |
| Revenues from administrative services                  | 5                | 6                |
| Revenues from operating leases                         | 31               | 29               |
| Recovery of miscellaneous costs paid in previous years | 5                | 0                |
| Revenues on financial leases activities                | -                | 0                |
| Other                                                  | 17               | 10               |
| <b>Total of other operating income (A+B)</b>           | <b>58</b>        | <b>45</b>        |

# Notes to the income statement

## 14.1 Profit (Loss) from equity investment

| (€ million)           |                  |                  |
|-----------------------|------------------|------------------|
| P&L ITEMS/VALUES      | AS AT 30.06.2024 | AS AT 30.06.2023 |
| <b>A. Income</b>      | <b>126</b>       | <b>176</b>       |
| 1. Revaluations       | 126              | 143              |
| 2. Gains on disposal  | -                | -                |
| 3. Writebacks         | 0                | 33               |
| 4. Other gains        | -                | -                |
| <b>B. Expenses</b>    | <b>(0)</b>       | <b>(30)</b>      |
| 1. Writedowns         | (0)              | (0)              |
| 2. Impairment losses  | (0)              | (30)             |
| 3. Losses on disposal | -                | -                |
| 4. Other expenses     | -                | -                |
| <b>NET AMOUNT</b>     | <b>126</b>       | <b>146</b>       |

Profit of associated companies amounted to €126 million (€143 million in the previous year); this item includes pro rata profits from companies subject to significant influence, mainly the 3-Banken Group and Oesterreichische Kontrollbank.

There were no write-ups or impairments of equity investments in the first half of 2024.

The write-backs in the first half of 2023 (1H23) is related to BTV €29 million and CBD International Sp.z.o.o. €4 million.

The impairment losses in 1H23 is related to BKS -€25 million and BTV -€5 million.

## 15.1 Gains and losses on disposal of investments

| (€ million)            |                  |                  |
|------------------------|------------------|------------------|
| P&L ITEMS/SECTORS      | AS AT 30.06.2024 | AS AT 30.06.2023 |
| <b>A. Property</b>     |                  |                  |
| - Gains on disposal    | -                | 1                |
| - Losses on disposal   | -                | -                |
| <b>B. Other assets</b> |                  |                  |
| - Gains on disposal    | 0                | -                |
| - Losses on disposal   | (0)              | (1)              |
| <b>Net profit</b>      | <b>(0)</b>       | <b>0</b>         |

## 16.1 Profit (Loss) after tax from discontinued operations

As in the previous year, there were no discontinued operations in the first half of 2024. Therefore, no data to be disclosed.

# Notes to the statement of financial position

## 1.1 Financial assets held for trading: breakdown by product

(€ million)

| ITEMS/VALUES                                 | AMOUNTS AS AT 30.06.2024 |         |         | AMOUNTS AS AT 31.12.2023 |         |         |
|----------------------------------------------|--------------------------|---------|---------|--------------------------|---------|---------|
|                                              | LEVEL 1                  | LEVEL 2 | LEVEL 3 | LEVEL 1                  | LEVEL 2 | LEVEL 3 |
| <b>A. Financial assets (non-derivatives)</b> |                          |         |         |                          |         |         |
| 1. Debt securities                           | -                        | 0       | -       | -                        | -       | -       |
| 1.1 Structured securities                    | -                        | -       | -       | -                        | -       | -       |
| 1.2 Other debt securities                    | -                        | 0       | -       | -                        | -       | -       |
| 2. Equity instruments                        | -                        | -       | -       | -                        | -       | -       |
| 3. Units in investment funds                 | 0                        | -       | 0       | -                        | -       | -       |
| 4. Loans                                     | -                        | -       | -       | -                        | -       | -       |
| 4.1 Reverse Repos                            | -                        | -       | -       | -                        | -       | -       |
| 4.2 Other                                    | -                        | -       | -       | -                        | -       | -       |
| <b>Total (A)</b>                             | 0                        | 0       | 0       | -                        | -       | -       |
| <b>B. Derivative instruments</b>             |                          |         |         |                          |         |         |
| 1. Financial derivatives                     | -                        | 1,546   | 6       | -                        | 1,564   | 8       |
| 1.1 Trading                                  | -                        | 1,481   | 6       | -                        | 1,494   | 8       |
| 1.2 Linked to fair value option              | -                        | 65      | -       | -                        | 70      | -       |
| 1.3 Other                                    | -                        | -       | -       | -                        | -       | -       |
| 2. Credit derivatives                        | -                        | -       | 0       | -                        | -       | -       |
| 2.1 Trading                                  | -                        | -       | -       | -                        | -       | -       |
| 2.2 Linked to fair value option              | -                        | -       | 0       | -                        | -       | -       |
| 2.3 Other                                    | -                        | -       | -       | -                        | -       | -       |
| <b>Total (B)</b>                             | -                        | 1,546   | 6       | -                        | 1,564   | 8       |
| <b>Total (A+B)</b>                           | 0                        | 1,546   | 6       | -                        | 1,564   | 8       |
| <b>Total Level 1, Level 2 and Level 3</b>    |                          |         | 1,552   |                          |         | 1,573   |

## 2.1 Financial assets at fair value through profit or loss: other financial assets mandatorily at fair value

(€ million)

| ITEMS/VALUES                              | AMOUNTS AS AT 30.06.2024 |         |         | AMOUNTS AS AT 31.12.2023 |         |         |
|-------------------------------------------|--------------------------|---------|---------|--------------------------|---------|---------|
|                                           | LEVEL 1                  | LEVEL 2 | LEVEL 3 | LEVEL 1                  | LEVEL 2 | LEVEL 3 |
| <b>1. Debt securities</b>                 | -                        | 6       | 63      | -                        | 7       | 67      |
| 1.1 Structured securities                 | -                        | -       | -       | -                        | -       | -       |
| 1.2 Other debt securities                 | -                        | 6       | 63      | -                        | 7       | 67      |
| <b>2. Equity instruments</b>              | -                        | -       | -       | -                        | -       | -       |
| <b>3. Units in investment funds</b>       | -                        | -       | 1       | -                        | -       | 1       |
| <b>4. Loans</b>                           | -                        | 308     | 90      | -                        | 346     | 89      |
| 4.1 Structured                            | -                        | -       | -       | -                        | -       | -       |
| 4.2 Other                                 | -                        | 308     | 90      | -                        | 346     | 89      |
| <b>Total</b>                              | -                        | 315     | 154     | -                        | 353     | 157     |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |         | 469     |                          |         | 509     |

# Notes to the statement of financial position

## 3.1 Financial assets at fair value through other comprehensive income: breakdown by product

| ITEMS/VALUES                              | AMOUNTS AS AT 30.06.2024 |              |            | AMOUNTS AS AT 31.12.2023 |              |            |
|-------------------------------------------|--------------------------|--------------|------------|--------------------------|--------------|------------|
|                                           | LEVEL 1                  | LEVEL 2      | LEVEL 3    | LEVEL 1                  | LEVEL 2      | LEVEL 3    |
| <b>1. Debt securities</b>                 | <b>14,537</b>            | <b>1,135</b> | <b>454</b> | <b>13,362</b>            | <b>1,330</b> | <b>478</b> |
| 1.1 Structured securities                 | -                        | -            | -          | -                        | -            | -          |
| 1.2 Other                                 | 14,537                   | 1,135        | 454        | 13,362                   | 1,330        | 478        |
| <b>2. Equity instruments</b>              | <b>-</b>                 | <b>55</b>    | <b>113</b> | <b>-</b>                 | <b>55</b>    | <b>108</b> |
| <b>3. Loans</b>                           | <b>-</b>                 | <b>-</b>     | <b>-</b>   | <b>-</b>                 | <b>-</b>     | <b>-</b>   |
| <b>Total</b>                              | <b>14,537</b>            | <b>1,190</b> | <b>567</b> | <b>13,362</b>            | <b>1,384</b> | <b>586</b> |
| <b>Total Level 1, Level 2 and Level 3</b> | <b>16,295</b>            |              |            | <b>15,332</b>            |              |            |

## 4.1 Financial assets at amortised cost: breakdown by product of loans and advances to banks and central banks

| TYPE OF TRANSACTIONS/VALUES                   | AMOUNTS AS AT 30.06.2024 |           |                                                          | AMOUNTS AS AT 31.12.2023 |           |                                                          |
|-----------------------------------------------|--------------------------|-----------|----------------------------------------------------------|--------------------------|-----------|----------------------------------------------------------|
|                                               | BOOK VALUE               |           |                                                          | BOOK VALUE               |           |                                                          |
|                                               | STAGE 1 AND STAGE 2      | STAGE 3   | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1 AND STAGE 2      | STAGE 3   | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |
| <b>A. Loans and advances to Central Banks</b> | <b>613</b>               | <b>-</b>  | <b>-</b>                                                 | <b>575</b>               | <b>-</b>  | <b>-</b>                                                 |
| 1. Time deposits                              | -                        | -         | -                                                        | -                        | -         | -                                                        |
| 2. Compulsory reserves                        | 613                      | -         | -                                                        | 575                      | -         | -                                                        |
| 3. Reverse repos                              | -                        | -         | -                                                        | -                        | -         | -                                                        |
| 4. Other                                      | 0                        | -         | -                                                        | -                        | -         | -                                                        |
| <b>B. Loans and advances to banks</b>         | <b>7,298</b>             | <b>41</b> | <b>-</b>                                                 | <b>4,053</b>             | <b>49</b> | <b>-</b>                                                 |
| 1. Loans                                      | 5,773                    | 41        | -                                                        | 2,534                    | 49        | -                                                        |
| 1.1 Current accounts                          | -                        | -         | -                                                        | -                        | -         | -                                                        |
| 1.2 Time deposits                             | 2,327                    | -         | -                                                        | 1,464                    | -         | -                                                        |
| 1.3 Other loans                               | 3,445                    | 41        | -                                                        | 1,070                    | 49        | -                                                        |
| - Reverse repos                               | 2,963                    | -         | -                                                        | 577                      | -         | -                                                        |
| - Lease Loans                                 | -                        | -         | -                                                        | -                        | -         | -                                                        |
| - Other                                       | 482                      | 41        | -                                                        | 493                      | 49        | -                                                        |
| 2. Debt securities                            | 1,525                    | -         | -                                                        | 1,520                    | -         | -                                                        |
| 2.1 Structured                                | -                        | -         | -                                                        | -                        | -         | -                                                        |
| 2.2 Other                                     | 1,525                    | -         | -                                                        | 1,520                    | -         | -                                                        |
| <b>Total</b>                                  | <b>7,911</b>             | <b>41</b> | <b>-</b>                                                 | <b>4,629</b>             | <b>49</b> | <b>-</b>                                                 |

The increase in the item "B. Loans and advances to banks - 1.3. Other loans and advances - Reverse repos" is mainly due to new transactions with European banks in the amount of € 2.4 billion.



## Notes to the statement of financial position

## 4.2 Financial assets at amortised cost: breakdown by product of loans and advances to customers

(€ million)

| TYPE OF TRANSACTIONS/VALUES                                    | AMOUNTS AS AT 30.06.2024 |              |                                                          | AMOUNTS AS AT 31.12.2023 |              |                                                          |
|----------------------------------------------------------------|--------------------------|--------------|----------------------------------------------------------|--------------------------|--------------|----------------------------------------------------------|
|                                                                | BOOK VALUE               |              |                                                          | BOOK VALUE               |              |                                                          |
|                                                                | STAGE 1 AND STAGE 2      | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS | STAGE 1 AND STAGE 2      | STAGE 3      | PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS |
| <b>1. Loans</b>                                                | <b>60,557</b>            | <b>1,171</b> | <b>9</b>                                                 | <b>62,187</b>            | <b>1,381</b> | <b>7</b>                                                 |
| 1.1 Current accounts                                           | 5,088                    | 115          | 2                                                        | 5,288                    | 138          | -                                                        |
| 1.2 Reverse repos                                              | -                        | -            | -                                                        | -                        | -            | -                                                        |
| 1.3 Mortgages                                                  | 14,674                   | 52           | 1                                                        | 14,819                   | 50           | 1                                                        |
| 1.4 Credit cards and personal loans, including wage assignment | 728                      | 53           | 0                                                        | 748                      | 55           | 1                                                        |
| 1.5 Lease loans                                                | 1,420                    | 109          | -                                                        | 1,508                    | 114          | -                                                        |
| 1.6 Factoring                                                  | 2,186                    | 4            | -                                                        | 2,331                    | 6            | -                                                        |
| 1.7 Other loans                                                | 36,461                   | 838          | 6                                                        | 37,492                   | 1,018        | 5                                                        |
| <b>2. Debt securities</b>                                      | <b>1,977</b>             | <b>-</b>     | <b>-</b>                                                 | <b>2,036</b>             | <b>-</b>     | <b>-</b>                                                 |
| 2.1 Structured securities                                      | -                        | -            | -                                                        | -                        | -            | -                                                        |
| 2.2 Other debt securities                                      | 1,977                    | -            | -                                                        | 2,036                    | -            | -                                                        |
| <b>Total</b>                                                   | <b>62,534</b>            | <b>1,171</b> | <b>9</b>                                                 | <b>64,223</b>            | <b>1,381</b> | <b>7</b>                                                 |

## Notes to the statement of financial position

## 5.1 Non-current assets and disposal groups classified as held for sale: breakdown by asset type

(€ million)

|                                                                          | AMOUNTS AS AT |            |
|--------------------------------------------------------------------------|---------------|------------|
|                                                                          | 30.06.2024    | 31.12.2023 |
| <b>A. Assets held for sale</b>                                           |               |            |
| A.1 Financial assets                                                     | -             | -          |
| A.2 Equity investments                                                   | -             | -          |
| A.3 Property, plant and equipment                                        | 1             | -          |
| <i>of which: obtained by the enforcement of collateral</i>               | -             | -          |
| A.4 Intangible assets                                                    | -             | -          |
| A.5 Other non-current assets                                             | -             | -          |
| <b>Total (A)</b>                                                         | <b>1</b>      | <b>-</b>   |
| <i>of which: carried at cost</i>                                         | -             | -          |
| <i>of which: designated at fair value - level 1</i>                      | -             | -          |
| <i>of which: designated at fair value - level 2</i>                      | -             | -          |
| <i>of which: designated at fair value - level 3</i>                      | 1             | -          |
| <b>B. Discontinued operations</b>                                        |               |            |
| B.1 Financial assets at fair value through profit or loss                | -             | -          |
| - Financial assets held for trading                                      | -             | -          |
| - Financial assets designated at fair value                              | -             | -          |
| - Other financial assets mandatorily at fair value                       | -             | -          |
| B.2 Financial assets at fair value through other comprehensive income    | -             | -          |
| B.3 Financial assets at amortised cost                                   | -             | -          |
| B.4 Equity investments                                                   | -             | -          |
| B.5 Property, plant and equipment                                        | -             | -          |
| <i>of which: obtained by the enforcement of collateral</i>               | -             | -          |
| B.6 Intangible assets                                                    | -             | -          |
| B.7 Other assets                                                         | -             | -          |
| <b>Total (B)</b>                                                         | <b>-</b>      | <b>-</b>   |
| <i>of which: carried at cost</i>                                         | -             | -          |
| <i>of which: designated at fair value - level 1</i>                      | -             | -          |
| <i>of which: designated at fair value - level 2</i>                      | -             | -          |
| <i>of which: designated at fair value - level 3</i>                      | -             | -          |
| <b>C. Liabilities associated with assets classified as held for sale</b> |               |            |
| C.1 Deposits                                                             | -             | -          |
| C.2 Securities                                                           | -             | -          |
| C.3 Other liabilities                                                    | -             | -          |
| <b>Total (C)</b>                                                         | <b>-</b>      | <b>-</b>   |
| <i>of which: carried at cost</i>                                         | -             | -          |
| <i>of which: designated at fair value - level 1</i>                      | -             | -          |
| <i>of which: designated at fair value - level 2</i>                      | -             | -          |
| <i>of which: designated at fair value - level 3</i>                      | -             | -          |
| <b>D. Liabilities associated with discontinued operations</b>            |               |            |
| D.1 Financial liabilities at amortised cost                              | -             | -          |
| D.2 Financial liabilities held for trading                               | -             | -          |
| D.3 Financial liabilities designated at fair value                       | -             | -          |
| D.4 Provisions                                                           | -             | -          |
| D.5 Other liabilities                                                    | -             | -          |
| <b>Total (D)</b>                                                         | <b>-</b>      | <b>-</b>   |
| <i>of which: carried at cost</i>                                         | -             | -          |
| <i>of which: designated at fair value - level 1</i>                      | -             | -          |
| <i>of which: designated at fair value - level 2</i>                      | -             | -          |
| <i>of which: designated at fair value - level 3</i>                      | -             | -          |

## Notes to the statement of financial position

## 6.1 Financial liabilities at amortised cost: breakdown by product of deposits from banks

(€ million)

| TYPE OF TRANSACTIONS/VALUES                                           | AMOUNTS AS AT |               |
|-----------------------------------------------------------------------|---------------|---------------|
|                                                                       | 30.06.2024    | 31.12.2023    |
| <b>1. Deposits from central banks</b>                                 | <b>14</b>     | <b>1,596</b>  |
| <b>2. Deposits from banks</b>                                         | <b>23,320</b> | <b>10,869</b> |
| 2.1 Current accounts and demand deposits                              | 2,133         | 1,632         |
| 2.2 Time deposits                                                     | 7,557         | 6,695         |
| 2.3 Loans                                                             | 12,833        | 2,052         |
| 2.3.1 Repos                                                           | 12,833        | 2,052         |
| 2.3.2 Other                                                           | -             | -             |
| 2.4 Liabilities relating to commitments to repurchase treasury shares | -             | -             |
| 2.5 Lease deposits                                                    | -             | -             |
| 2.6 Other deposits                                                    | 797           | 490           |
| <b>Total</b>                                                          | <b>23,334</b> | <b>12,466</b> |

The decrease in the item "1. Deposits from central banks" is mainly due to the repayment of liabilities under the TLTRO III program in the amount of €1.55 billion in March 2024.

The increase in the item "2.3.1 Repos" is mainly reasoned by the increased volume of transactions compared to the previous period.

## 6.2 Financial liabilities at amortised cost: breakdown by product of deposits from customers

(€ million)

| TYPE OF TRANSACTION/VALUES                                           | AMOUNTS AS AT |               |
|----------------------------------------------------------------------|---------------|---------------|
|                                                                      | 30.06.2024    | 31.12.2023    |
| 1. Current accounts and demand deposits                              | 46,189        | 47,989        |
| 2. Time deposits                                                     | 13,495        | 11,506        |
| 3. Loans                                                             | 2             | 2             |
| 3.1 Repos                                                            | -             | -             |
| 3.2 Other                                                            | 2             | 2             |
| 4. Liabilities relating to commitments to repurchase treasury shares | -             | -             |
| 5. Lease liabilities                                                 | 295           | 284           |
| 6. Other deposits                                                    | 57            | 52            |
| <b>Total</b>                                                         | <b>60,038</b> | <b>59,834</b> |

# Notes to the statement of financial position

## 6.3 Financial liabilities at amortised cost: breakdown by product of debt securities in issue

| TYPE OF SECURITIES/VALUES | AMOUNTS AS AT |               |
|---------------------------|---------------|---------------|
|                           | 30.06.2024    | 31.12.2023    |
| <b>A. Debt securities</b> |               |               |
| 1. Bonds                  | 12,307        | 12,259        |
| 1.1 Structured            | 247           | 332           |
| 1.2 Other                 | 12,060        | 11,927        |
| 2. Other securities       | -             | -             |
| 2.1 Structured            | -             | -             |
| 2.2 Other                 | -             | -             |
| <b>Total</b>              | <b>12,307</b> | <b>12,259</b> |

## 7.1 Financial liabilities held for trading: breakdown by product

| TYPE OF TRANSACTIONS/VALUES               | AMOUNTS AS AT 30.06.2024 |            |              |              |            | AMOUNTS AS AT 31.12.2023 |            |              |              |            |
|-------------------------------------------|--------------------------|------------|--------------|--------------|------------|--------------------------|------------|--------------|--------------|------------|
|                                           | NOMINAL<br>VALUE         | FAIR VALUE |              |              | FAIR VALUE | NOMINAL<br>VALUE         | FAIR VALUE |              |              | FAIR VALUE |
|                                           |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |            |                          | LEVEL 1    | LEVEL 2      | LEVEL 3      |            |
| <b>A. Cash liabilities</b>                |                          |            |              |              |            |                          |            |              |              |            |
| 1. Deposits from banks                    | -                        | -          | -            | -            | -          | -                        | -          | -            | -            | -          |
| 2. Deposits from customers                | -                        | -          | -            | -            | -          | -                        | -          | -            | -            | -          |
| 3. Debt securities                        | -                        | -          | -            | -            | -          | -                        | -          | -            | -            | -          |
| 3.1 Bonds                                 | -                        | -          | -            | -            | -          | -                        | -          | -            | -            | -          |
| 3.1.1 Structured                          | -                        | -          | -            | -            | X          | -                        | -          | -            | -            | X          |
| 3.1.2 Other                               | -                        | -          | -            | -            | X          | -                        | -          | -            | -            | X          |
| 3.2 Other securities                      | -                        | -          | -            | -            | -          | -                        | -          | -            | -            | -          |
| 3.2.1 Structured                          | -                        | -          | -            | -            | X          | -                        | -          | -            | -            | X          |
| 3.2.2 Other                               | -                        | -          | -            | -            | X          | -                        | -          | -            | -            | X          |
| <b>Total (A)</b>                          | -                        | -          | -            | -            | -          | -                        | -          | -            | -            | -          |
| <b>B. Derivatives instruments</b>         |                          |            |              |              |            |                          |            |              |              |            |
| 1. Financial derivatives                  | X                        | -          | 1,561        | 13           | X          | X                        | -          | 1,556        | 14           | X          |
| 1.1 Trading derivatives                   | X                        | -          | 1,501        | 13           | X          | X                        | -          | 1,498        | 14           | X          |
| 1.2 Linked to fair value option           | X                        | -          | 59           | -            | X          | X                        | -          | 58           | -            | X          |
| 1.3 Other                                 | X                        | -          | -            | -            | X          | X                        | -          | -            | -            | X          |
| 2. Credit derivatives                     | X                        | -          | -            | -            | X          | X                        | -          | -            | -            | X          |
| 2.1 Trading derivatives                   | X                        | -          | -            | -            | X          | X                        | -          | -            | -            | X          |
| 2.2 Linked to fair value option           | X                        | -          | -            | -            | X          | X                        | -          | -            | -            | X          |
| 2.3 Other                                 | X                        | -          | -            | -            | X          | X                        | -          | -            | -            | X          |
| <b>Total (B)</b>                          | <b>X</b>                 | <b>-</b>   | <b>1,561</b> | <b>13</b>    | <b>X</b>   | <b>X</b>                 | <b>-</b>   | <b>1,556</b> | <b>14</b>    | <b>X</b>   |
| <b>Total (A+B)</b>                        | <b>X</b>                 | <b>-</b>   | <b>1,561</b> | <b>13</b>    | <b>X</b>   | <b>X</b>                 | <b>-</b>   | <b>1,556</b> | <b>14</b>    | <b>X</b>   |
| <b>Total Level 1, Level 2 and Level 3</b> |                          |            |              | <b>1,573</b> |            |                          |            |              | <b>1,570</b> |            |

# Notes to the statement of financial position

## 8.1 Financial liabilities designated at fair value: breakdown by product

(€ million)

| AMOUNTS AS AT 30.06.2024           |                  |            |         |         |            | AMOUNTS AS AT 31.12.2023 |            |         |         |            |
|------------------------------------|------------------|------------|---------|---------|------------|--------------------------|------------|---------|---------|------------|
| TYPE OF TRANSACTIONS/VALUES        | NOMINAL<br>VALUE | FAIR VALUE |         |         | FAIR VALUE | NOMINAL<br>VALUE         | FAIR VALUE |         |         | FAIR VALUE |
|                                    |                  | LEVEL 1    | LEVEL 2 | LEVEL 3 |            |                          | LEVEL 1    | LEVEL 2 | LEVEL 3 |            |
| 1. Deposits from banks             | 1                | -          | -       | 1       | 1          | 1                        | -          | -       | 1       | 1          |
| 1.1 Structured                     | -                | -          | -       | -       | X          | -                        | -          | -       | -       | X          |
| 1.2 Other                          | 1                | -          | -       | 1       | X          | 1                        | -          | -       | 1       | X          |
| of which:                          |                  |            |         |         |            |                          |            |         |         |            |
| - loan commitments given           | -                | X          | X       | X       | X          | -                        | X          | X       | X       | X          |
| - financial guarantees given       | -                | X          | X       | X       | X          | -                        | X          | X       | X       | X          |
| 2. Deposits from customers         | -                | -          | -       | -       | -          | -                        | -          | -       | -       | -          |
| 2.1 Structured                     | -                | -          | -       | -       | X          | -                        | -          | -       | -       | X          |
| 2.2 Other                          | -                | -          | -       | -       | X          | -                        | -          | -       | -       | X          |
| of which:                          |                  |            |         |         |            |                          |            |         |         |            |
| - loan commitments given           | -                | X          | X       | X       | X          | -                        | X          | X       | X       | X          |
| - financial guarantees given       | -                | X          | X       | X       | X          | -                        | X          | X       | X       | X          |
| 3. Debt securities                 | 60               | -          | 60      | -       | 60         | 60                       | -          | 60      | -       | 60         |
| 3.1 Structured                     | 60               | -          | 60      | -       | X          | 60                       | -          | 60      | -       | X          |
| 3.2 Other                          | -                | -          | -       | -       | X          | -                        | -          | -       | -       | X          |
| Total                              | 61               | -          | 60      | 1       | 62         | 61                       | -          | 60      | 1       | 62         |
| Total Level 1, Level 2 and Level 3 |                  | 61         |         |         |            |                          |            | 61      |         |            |

## Segment reporting

### Segment reporting - reconciliation

The table on the following pages breaks down the income statement according to controlling aspects and allows **reconciliation to the results and key figures used in segment reporting** (segment reporting in “UniCredit managerial view”).

#### Reconciliation of income statement to segment report

(€ million)

|                                                                                                                             | AS AT      |             |
|-----------------------------------------------------------------------------------------------------------------------------|------------|-------------|
|                                                                                                                             | 30.06.2024 | 30.06.2023  |
| <b>Net interest (reconciled)</b>                                                                                            | <b>805</b> | <b>757</b>  |
| Item 30. Net interest margin                                                                                                | 856        | 815         |
| less: Trading interest income (expenses) - Derivatives related to Regulatory Trading Book                                   | (1)        | (3)         |
| less: Derivatives - economic hedges - interest component                                                                    | 0          | (1)         |
| plus: Interest costs on DBO (from Item 190)                                                                                 | (50)       | (54)        |
| <b>Dividends and other income from equity investments (reconciled)</b>                                                      | <b>130</b> | <b>147</b>  |
| Item 70. Dividend income and similar revenue                                                                                | 4          | 4           |
| less: Dividends and similar revenues - on shares and other equity securities - mandatorily at FV                            | (0)        | (0)         |
| Item 250. Gains (Losses) of equity investments - of which: Profit (Loss) of equity investments valued at equity             | 126        | 144         |
| <b>Net fees and commissions (reconciled)</b>                                                                                | <b>398</b> | <b>366</b>  |
| Item 60. Net fees and commissions                                                                                           | 364        | 340         |
| Mark-up fees on client hedging activities (from Item 80)                                                                    | 33         | 27          |
| Net other expenses/income in Short P&L (from Item 60)                                                                       | 0          | -           |
| <b>Net trading, hedging and fair value income/loss (reconciled)</b>                                                         | <b>8</b>   | <b>(16)</b> |
| Item 80. Net gains (losses) on trading                                                                                      | 34         | 25          |
| Item 100. a) Gains (losses) on disposal and repurchase of financial assets at amortized cost                                | -          | (12)        |
| Item 100. b) Gains (losses) on disposal and repurchase of financial assets at fair value through other comprehensive income | 6          | (6)         |
| Gains (losses) on disposals/repurchases on securities in issue                                                              | (2)        | 1           |
| Other operating income and expenses - Gold and Precious Metals Trading                                                      | 9          | 1           |
| Trading interest income (expenses) - Derivatives related to Regulatory Trading Book                                         | 1          | 3           |
| Derivatives - economic hedges - interest component                                                                          | (0)        | 1           |
| Item 90. Net gains (losses) on hedge accounting                                                                             | 1          | 0           |
| Item 110. a) Net gains (losses) on financial assets/liabilities designated at fair value through profit and loss            | (6)        | 2           |
| Item 110. b) Net gains (losses) on other financial assets mandatorily at fair value through profit and loss                 | (2)        | (5)         |
| Dividends and similar revenues - on shares and other equity securities - mandatorily at FV                                  | 0          | 0           |
| less: Mark-up fees on client hedging activities (from Item 80)                                                              | (33)       | (27)        |

## Segment reporting

|                                                                                                           | AS AT        |              |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                           | 31.12.2023   | 30.06.2023   |
| <b>Net other expenses/income (reconciled)</b>                                                             | <b>18</b>    | <b>14</b>    |
| Item 230. Other operating expenses/income                                                                 | 39           | 27           |
| Item 60. Net other expenses/income in Short P&L                                                           | (0)          | -            |
| less: Recovery of expenses                                                                                | (0)          | (0)          |
| less: Other operating expenses and earnings - Gold and Precious Metals Trading                            | (9)          | (1)          |
| less: Other operating expenses – amortization on leasehold improvements                                   | 5            | -            |
| less: Integration cost - Amortization on leasehold improvements classified as Other assets                | -            | 5            |
| Net value adjustments/write-backs of tangible in operating lease assets (from Item 210)                   | (16)         | (17)         |
| Income from amended agreement with SIA (from Item 190. b)                                                 | 1            | -            |
| Adjustment to segmentation logic of UniCredit                                                             | (0)          | -            |
| <b>OPERATING INCOME (RECONCILED)</b>                                                                      | <b>1,359</b> | <b>1,268</b> |
| <b>Payroll costs (reconciled)</b>                                                                         | <b>(285)</b> | <b>(281)</b> |
| Item 190. a) Administrative expenses – staff costs                                                        | (335)        | (330)        |
| less: Integration/restructuring costs                                                                     | 5            | (0)          |
| less: Interest costs on DBO                                                                               | 50           | 54           |
| Adjustment to segmentation logic of UniCredit                                                             | (5)          | (5)          |
| <b>Other administrative expenses (reconciled)</b>                                                         | <b>(204)</b> | <b>(212)</b> |
| Item 190. b) Other administrative expenses                                                                | (227)        | (287)        |
| less: Integration/restructuring costs                                                                     | 2            | (0)          |
| less: Ex-ante contributions to resolution funds and deposit guarantee schemes and bank levies             | 21           | 75           |
| less: Item 190. b) Income from amended agreement with SIA                                                 | (1)          | -            |
| Other operating expenses – amortization on leasehold improvements                                         | (5)          | (5)          |
| Adjustment to segmentation logic of UniCredit                                                             | 5            | 5            |
| <b>Recovery of expenses</b>                                                                               | <b>0</b>     | <b>0</b>     |
| <b>Amortisation, depreciation and impairment losses on intangible and tangible assets (reconciled)</b>    | <b>(22)</b>  | <b>(26)</b>  |
| Item 210. Net value adjustments/write-backs on property, plant and equipment                              | (40)         | (41)         |
| less: Impairment/write-backs of right of use                                                              | 3            | 0            |
| less: Impairment on tangible and intangible assets – other operating leases                               | 16           | 17           |
| less: Impairment on tangible assets: Integration costs                                                    | -            | 0            |
| Item 220. Net value adjustments/write-backs on intangible assets                                          | (1)          | (1)          |
| Adjustment to segmentation logic of UniCredit                                                             | -            | (0)          |
| <b>OPERATING COSTS (RECONCILED)</b>                                                                       | <b>(511)</b> | <b>(518)</b> |
| <b>OPERATING PROFIT</b>                                                                                   | <b>848</b>   | <b>750</b>   |
| <b>Net write-downs on loans and provisions for guarantees and commitments (reconciled)</b>                | <b>3</b>     | <b>29</b>    |
| Item 200. a) Net provisions for risks and charges – Commitments and financial guarantees given            | 31           | 5            |
| Item 130. Net losses/recoveries on credit impairment                                                      | (27)         | 25           |
| Modification gains (losses)                                                                               | 0            | 0            |
| Adjustment to segmentation logic of UniCredit                                                             | (0)          | -            |
| <b>NET OPERATING PROFIT</b>                                                                               | <b>851</b>   | <b>780</b>   |
| <b>Provisions for risk and charges (reconciled)</b>                                                       | <b>10</b>    | <b>(1)</b>   |
| Item 200. b) Net provisions for risks and charges - Other net provisions                                  | 10           | (1)          |
| less: Integration/restructuring costs                                                                     | -            | (0)          |
| <b>Systemic charges</b>                                                                                   | <b>(21)</b>  | <b>(75)</b>  |
| Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS) and Bank Levy (from Item 190. b) | (21)         | (75)         |
| <b>Integration/restructuring costs</b>                                                                    | <b>(7)</b>   | <b>0</b>     |
| Integration/restructuring costs                                                                           | (7)          | 0            |

## Segment reporting

|                                                                                                                                                                   | AS AT      |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                                                   | 30.06.2024 | 30.06.2023 |
| <b>Net income from investments (reconciled)</b>                                                                                                                   | <b>(1)</b> | <b>(1)</b> |
| Item 250. Gains (losses) on equity investments                                                                                                                    | 126        | 146        |
| less: Profits (losses) of joint ventures and associates                                                                                                           | (126)      | (144)      |
| Item 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value                                                        | 2          | (3)        |
| Item 280. Gains (losses) on disposals of investments                                                                                                              | (0)        | 0          |
| Net losses/recoveries on impairment relating to: of which: a) financial assets at amortised cost - debt securities (from Item 130)                                | 0          | 0          |
| Net losses/recoveries on impairment relating to: of which: b) financial assets at fair value through other comprehensive income - debt securities (from Item 130) | (0)        | (0)        |
| Impairment/write-backs of right of use                                                                                                                            | (3)        | (0)        |
| <b>PROFIT (LOSS) BEFORE TAX</b>                                                                                                                                   | <b>833</b> | <b>704</b> |
| Income tax for the period                                                                                                                                         | (141)      | (140)      |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                                                                                                                               | <b>691</b> | <b>564</b> |
| Non-controlling interests                                                                                                                                         | 0          | 1          |
| <b>NET PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>                                                                                                | <b>692</b> | <b>565</b> |

### Reconciliation of loans to customers and deposits from customers to segment report

(€ million)

|                                                                                                                     | 30.06.2024    | 31.12.2023    |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Loans to customers</b>                                                                                           | <b>62,100</b> | <b>63,997</b> |
| Item 40. Financial assets at amortised cost: b) Loans and advances to customers                                     | 63,715        | 65,611        |
| less: Reclassification of debt securities in Other financial assets                                                 | (1,977)       | (2,036)       |
| less: Reclassification of leasing assets IFRS16 in Other financial assets                                           | (36)          | (14)          |
| Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value | 469           | 509           |
| less: Reclassification of debt securities in Other financial assets                                                 | (70)          | (74)          |
| <b>Deposits from customers</b>                                                                                      | <b>59,743</b> | <b>59,549</b> |
| Item 10. Financial liabilities at amortised cost: b) Deposits from customers                                        | 60,038        | 59,834        |
| less: Reclassification of leasing liabilities IFRS16 in Other financial liabilities                                 | (295)         | (285)         |

### Reconciliation principles followed for the reclassified consolidated income statement

The **main reclassifications**, whose amounts are provided analytically in the tables enclosed with this report, involve:

- the inclusion in “**Dividends and other income from equity investments**” of “**Gains (Losses) of equity investments**” and the exclusion of (i) “Dividends from held for trading equity instruments” and (ii) “Dividends on equity investments, shares and equity instruments mandatorily at fair value” which are included in “Trading income”;
- the inclusion in the “**Net other expenses/income**” of “**Other operating expenses/income**”, excluding “Recovery of expenses” which is classified under its own item, the exclusion of the costs for “Net value adjustments/write-backs on leasehold improvements” classified among “Other administrative expenses”, the inclusion of result of industrial companies and of gains/losses on disposal and repurchase of financial assets at amortised cost represented by performing loans;



## Segment reporting

- presentation of “**Net other expenses/income**”, “**Payroll costs**”, “**Other administrative expenses**”, “**Amortisation, depreciation and impairment losses on intangible and tangible assets**” and “**Provisions for risks and charges**” net of any “Integration costs” relating to the reorganisation operations, classified as a separate item;
- the exclusion from the “Other administrative expenses” of the Contributions to the Resolution Funds (SRF), the Deposit Guarantee Schemes (DGS) and the Bank Levy reclassified in item “**Systemic charges**”;
- the exclusion from “Amortisation, depreciation and impairment losses on intangible and tangible assets” of impairment/writebacks related to (i) inventories assets (IAS2) obtained from recovery procedures of NPE and (ii) rights of use of land and buildings used in the business (both classified in item “**Net income from investments**”) and (iii) tangible in operating lease assets (classified in item “**Other expenses/income**”);
- in “**Net write-downs of loans and provisions for guarantees and commitments**”, the inclusion of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, of the “Net provisions for risks and charges” related to commitments and financial guarantees given;
- the inclusion in “**Net income from investments**” of net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, of gains (losses) on tangible and intangible assets measured at fair value as well as gains (losses) of equity investments and on disposal on investments, including impacts from revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment consolidated line by line and at net equity method not presented to item “Profit (Loss) after tax from discontinued operations”;
- the inclusion in “**Net trading, hedging and fair value income/loss**” (i) of the net gains (losses) on trading, (ii) of the net gains (losses) on hedge accounting, (iii) of the net gains/losses on other financial assets/liabilities at fair value through profit or loss, (iv) of the gains/losses on disposal or repurchase of financial assets at fair value through other comprehensive income, (v) of gains/losses on disposal and repurchase of financial assets at amortised cost represented by debt securities, (vi) of gains/losses on disposal and repurchase of financial liabilities at amortised cost and (vii) of the interest income and expenses deriving from Trading Book instruments, excluded the economical hedging or funding banking book positions;
- the inclusion in the “**Net fees and commissions**” (i) of the Structuring and mandate fees on certificates, and the connected derivatives, issued or placed by the Group (ii) of Mark-up fees on client hedging activities;
- the inclusion in the “**Net interest**” of interest rate component of the DBO (Defined Benefit Obligation) deriving from HR costs;
- the inclusion in “**Provisions for risks and charges**” of other commitments not yet paid.

## Segment reporting

### Description of segment reporting

The segment reporting format is based on the internal reporting structure of business segments, which reflects management responsibilities in the Bank Austria Group. The business segments are presented as independent units with responsibility for their own results. The definition of business segments is primarily based on organisational responsibility for customers.

As of 2023, Bank Austria Group has adapted its segment reporting to the "UniCredit Managerial View" of UniCredit Group, which differs slightly from the previous internal Bank Austria view. Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts for the first half of 2023 (update of internal transfer pricing) only had an impact at segment level, but not at the level of the Bank Austria Group's overall results.

In the segment reporting presented here, an associated company of the German UniCredit Bank AG ("HVB") is included on a pro-rata basis, as it is partly attributable to Bank Austria in economic terms.

Bank Austria Group therefore corresponds to the "Austria" subsegment within the Central Europe (CE) Division of UniCredit Group. As a result, the segment reporting information of Bank Austria Group is compatible with the information communicated by UniCredit Group to the capital market.

Segment reporting covers the following business segments:

#### Retail

The Retail Division includes the customer segments Mass Market, Affluent and Microbusiness (professional and business customers with annual revenues of up to €1 million). Furthermore, the subsidiaries operating in the credit card business are the responsibility of this division. Until April 2023, when the business of Bank Austria Finanzservice (BAF) was transferred to Bank Austria, BAF was also allocated to the Retail Division.

#### Wealth Management & Private Banking

Wealth Management & Private Banking (WM & PB) includes Bank Austria's private banking activities for all clients with total assets of €1 million or more, and wealth management, which is concentrated in Schoellerbank.

#### Corporates

Corporates includes the activities of Small Corporates (with annual revenues of €1–50 million), Medium-Size Corporates (€50–1,000 million) and Large Corporates (over €1 billion).

Moreover, also financial institutions including banks, asset managers, institutional customers and insurance companies are being serviced. When viewed by product segment, this division offers its clients Advisory, Capital Markets & Specialised Lending (classic and structured credit business as well as capital market consulting), Trade Solution & Payment Solutions (payment transactions, trade finance, cash management) and the services of client-related trading and risk management for our clients in the area of Client Risk Management. The product specialists also support the commercial banking activities of the bank's other business segments.

The division also includes the "Real Estate Customers" segment, the "Public Sector" customer segment, the leasing business including subsidiaries as well as FactorBank, Bank Austria Wohnbaubank and Bank Austria Real-Invest Group.

#### Corporate Centre

The Corporate Centre comprises all equity interests that are not assigned to a business segment, in addition to current expenses relating to governance and administrative costs for the entire bank. Funding costs relating to consolidated subsidiaries are also assigned to the Corporate Centre. Also included are inter-segment eliminations and other items.

## Segment reporting

## Segment Reporting 1 - 6 2024 / 1 - 6 2023

(€ million)

|                                                                           |             | RETAIL        | WEALTH<br>MANAGE-<br>MENT &<br>PRIVATE<br>BANKING | CORPORATES    | CORPORATE<br>CENTER | BANK<br>AUSTRIA<br>GROUP<br>(RECAST) <sup>1)</sup> | RECASTING<br>DIFFERENCES <sup>2)</sup> | BANK<br>AUSTRIA<br>GROUP <sup>3)</sup> |
|---------------------------------------------------------------------------|-------------|---------------|---------------------------------------------------|---------------|---------------------|----------------------------------------------------|----------------------------------------|----------------------------------------|
| Net interest                                                              | 1H24        | 346           | 63                                                | 407           | (11)                | 805                                                | -                                      | 805                                    |
|                                                                           | 1H23        | 372           | 67                                                | 435           | (118)               | 757                                                | -                                      | 757                                    |
| Dividends and other income<br>from equity investments                     | 1H24        | 4             | 0                                                 | 15            | 111                 | 130                                                | -                                      | 130                                    |
|                                                                           | 1H23        | 3             | 0                                                 | 18            | 126                 | 147                                                | -                                      | 147                                    |
| Net fees and commissions                                                  | 1H24        | 172           | 67                                                | 161           | (3)                 | 398                                                | -                                      | 398                                    |
|                                                                           | 1H23        | 158           | 63                                                | 149           | (4)                 | 366                                                | -                                      | 366                                    |
| Net trading, hedging and<br>fair value income/loss                        | 1H24        | 1             | 0                                                 | 5             | 2                   | 8                                                  | -                                      | 8                                      |
|                                                                           | 1H23        | (0)           | 0                                                 | (0)           | (16)                | (16)                                               | -                                      | (16)                                   |
| Net other expenses/income                                                 | 1H24        | 1             | (1)                                               | 15            | 2                   | 18                                                 | -                                      | 18                                     |
|                                                                           | 1H23        | (0)           | (1)                                               | 9             | 6                   | 14                                                 | -                                      | 14                                     |
| <b>OPERATING INCOME</b>                                                   | <b>1H24</b> | <b>524</b>    | <b>130</b>                                        | <b>604</b>    | <b>101</b>          | <b>1,359</b>                                       | -                                      | <b>1,359</b>                           |
|                                                                           | <b>1H23</b> | <b>533</b>    | <b>130</b>                                        | <b>612</b>    | <b>(7)</b>          | <b>1,268</b>                                       | -                                      | <b>1,268</b>                           |
| <b>OPERATING COSTS</b>                                                    | <b>1H24</b> | <b>(261)</b>  | <b>(58)</b>                                       | <b>(179)</b>  | <b>(13)</b>         | <b>(511)</b>                                       | -                                      | <b>(511)</b>                           |
|                                                                           | <b>1H23</b> | <b>(270)</b>  | <b>(59)</b>                                       | <b>(172)</b>  | <b>(17)</b>         | <b>(518)</b>                                       | -                                      | <b>(518)</b>                           |
| <b>OPERATING PROFIT</b>                                                   | <b>1H24</b> | <b>264</b>    | <b>72</b>                                         | <b>425</b>    | <b>88</b>           | <b>848</b>                                         | -                                      | <b>848</b>                             |
|                                                                           | <b>1H23</b> | <b>263</b>    | <b>71</b>                                         | <b>440</b>    | <b>(24)</b>         | <b>750</b>                                         | -                                      | <b>750</b>                             |
| Net write-downs of loans and provisions<br>for guarantees and commitments | 1H24        | 4             | (1)                                               | 1             | (1)                 | 3                                                  | -                                      | 3                                      |
|                                                                           | 1H23        | 10            | 2                                                 | 17            | 0                   | 29                                                 | -                                      | 29                                     |
| <b>NET OPERATING PROFIT</b>                                               | <b>1H24</b> | <b>268</b>    | <b>71</b>                                         | <b>426</b>    | <b>86</b>           | <b>851</b>                                         | -                                      | <b>851</b>                             |
|                                                                           | <b>1H23</b> | <b>273</b>    | <b>73</b>                                         | <b>457</b>    | <b>(23)</b>         | <b>780</b>                                         | -                                      | <b>780</b>                             |
| Provisions for risk and charges                                           | 1H24        | 2             | (1)                                               | 9             | 0                   | 10                                                 | -                                      | 10                                     |
|                                                                           | 1H23        | (2)           | 0                                                 | 3             | (1)                 | (1)                                                | -                                      | (1)                                    |
| Systemic charges                                                          | 1H24        | (11)          | (1)                                               | (6)           | (3)                 | (21)                                               | -                                      | (21)                                   |
|                                                                           | 1H23        | (19)          | (6)                                               | (32)          | (17)                | (75)                                               | -                                      | (75)                                   |
| Integration/restructuring costs                                           | 1H24        | (2)           | -                                                 | -             | (5)                 | (7)                                                | -                                      | (7)                                    |
|                                                                           | 1H23        | (0)           | -                                                 | -             | 1                   | 0                                                  | -                                      | 0                                      |
| Net income from investments                                               | 1H24        | -             | 0                                                 | 3             | (4)                 | (1)                                                | -                                      | (1)                                    |
|                                                                           | 1H23        | (0)           | (1)                                               | 1             | (0)                 | (1)                                                | -                                      | (1)                                    |
| <b>PROFIT BEFORE TAX</b>                                                  | <b>1H24</b> | <b>257</b>    | <b>69</b>                                         | <b>431</b>    | <b>75</b>           | <b>833</b>                                         | -                                      | <b>833</b>                             |
|                                                                           | <b>1H23</b> | <b>251</b>    | <b>67</b>                                         | <b>428</b>    | <b>(42)</b>         | <b>704</b>                                         | -                                      | <b>704</b>                             |
| Income tax for the period                                                 | 1H24        | (58)          | (16)                                              | (96)          | 29                  | (141)                                              | -                                      | (141)                                  |
|                                                                           | 1H23        | (60)          | (16)                                              | (98)          | 34                  | (140)                                              | -                                      | (140)                                  |
| Total profit or loss after tax from<br>discontinued operations            | 1H24        | -             | -                                                 | -             | -                   | -                                                  | -                                      | -                                      |
|                                                                           | 1H23        | -             | -                                                 | -             | -                   | -                                                  | -                                      | -                                      |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                                       | <b>1H24</b> | <b>199</b>    | <b>54</b>                                         | <b>336</b>    | <b>104</b>          | <b>691</b>                                         | -                                      | <b>691</b>                             |
|                                                                           | <b>1H23</b> | <b>192</b>    | <b>51</b>                                         | <b>329</b>    | <b>(8)</b>          | <b>564</b>                                         | -                                      | <b>564</b>                             |
| Non-controlling interests                                                 | 1H24        | 1             | (0)                                               | (0)           | (0)                 | 0                                                  | -                                      | 0                                      |
|                                                                           | 1H23        | 1             | (0)                                               | (0)           | (0)                 | 1                                                  | -                                      | 1                                      |
| <b>NET PROFIT ATTRIBUTABLE TO THE<br/>OWNERS OF THE PARENT COMPANY</b>    | <b>1H24</b> | <b>199</b>    | <b>54</b>                                         | <b>335</b>    | <b>104</b>          | <b>692</b>                                         | -                                      | <b>692</b>                             |
|                                                                           | <b>1H23</b> | <b>193</b>    | <b>51</b>                                         | <b>329</b>    | <b>(8)</b>          | <b>565</b>                                         | -                                      | <b>565</b>                             |
| <b>Risk-weighted assets (RWA) (avg.)</b>                                  | <b>1H24</b> | <b>9,028</b>  | <b>637</b>                                        | <b>18,012</b> | <b>10,417</b>       | <b>38,094</b>                                      | -                                      | <b>38,094</b>                          |
|                                                                           | <b>1H23</b> | <b>10,214</b> | <b>700</b>                                        | <b>18,487</b> | <b>9,926</b>        | <b>39,326</b>                                      | -                                      | <b>39,326</b>                          |
| <b>Loans to customers (end of period)</b>                                 | <b>1H24</b> | <b>18,537</b> | <b>648</b>                                        | <b>42,785</b> | <b>130</b>          | <b>62,100</b>                                      | -                                      | <b>62,100</b>                          |
|                                                                           | <b>1H23</b> | <b>19,362</b> | <b>872</b>                                        | <b>44,848</b> | <b>630</b>          | <b>65,712</b>                                      | -                                      | <b>65,712</b>                          |
| <b>Deposits from customers (end of period)</b>                            | <b>1H24</b> | <b>27,150</b> | <b>7,267</b>                                      | <b>24,067</b> | <b>1,259</b>        | <b>59,743</b>                                      | -                                      | <b>59,743</b>                          |
|                                                                           | <b>1H23</b> | <b>27,701</b> | <b>7,312</b>                                      | <b>22,875</b> | <b>1,080</b>        | <b>58,969</b>                                      | -                                      | <b>58,969</b>                          |
| <b>Cost/income ratio in %</b>                                             | <b>1H24</b> | <b>49.7</b>   | <b>44.9</b>                                       | <b>29.7</b>   | <b>n.m.</b>         | <b>37.6</b>                                        | <b>n.m.</b>                            | <b>37.6</b>                            |
|                                                                           | <b>1H23</b> | <b>50.7</b>   | <b>45.3</b>                                       | <b>28.1</b>   | <b>n.m.</b>         | <b>40.9</b>                                        | <b>n.m.</b>                            | <b>40.9</b>                            |

1) Segment reporting is shown in "UniCredit managerial view".

2) Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts for the first half of 2023 (update of internal transfer pricing) only had an impact at segment level, but not at the level of the Bank Austria Group's overall results.

3) Previous year's figures as published (not recast).

n.m. = not meaningful

# Risk report

## Credit risks

The economic recovery is slowly gaining momentum, supported by declining inflation and falling interest rates. Credit growth should increase slightly in the course of 2024, however, growth in housing loans, consumer and corporate financing will remain below the growth rates seen before 2023. Bank Austria achieved an excellent risk result with decreasing nonperforming volume in the first half of 2024, due to customers migrating back to performing, strong repayments and low inflows.

Further developments are closely monitored, for both geopolitical and macro-economic risks, with the portfolio being under full control.

## Assessment of the loss potential as a result of scenario and methodological adjustments

### Scenarios

In line with the IFRS9 standard and group internal regulation, the IFRS9 parameters have been calibrated considering updated macro-economic scenarios as of second quarter 2024.

As in the previous year, UniCredit Bank Austria AG selected two macroeconomic scenarios to determine the forward-looking component of expected credit losses (ECL):

- Baseline scenario represents the reference central scenario with the highest probability of occurrence (60%)
- Adverse scenario ("Recession") represents a possible alternative in terms of macro-economic evolution with a lower probability of occurrence vis-à-vis the baseline (40%)

Weights are proposed by UniCredit Research and approved group wide. Weights have not been changed since year-end 2022.

Compared to year-end 2023, the reduction of Austrian GDP was more pronounced than originally expected. This is also the main reason for the now lower growth estimate for 2024. Consequently, the macroeconomic forecast Q2-2024 shows a lower Austrian GDP compared to the previous one of year-end 2023. The Forecast worsened particularly for the year 2024 (currently 0,3% vs 0,9% in the previous estimate). The expected growth weakening is a lot less pronounced in the years 2025 and 2026 (-0,2 percentage points). Regarding short term interest rates, we continue to expect a moderately falling rates (i.e., EURIBOR being still slightly above 2% by the end of 2026). Inflation expectations assume a steady decline, with Austrian inflation lying more than a percentage point above the Eurozone inflation at the beginning, whereas both perimeters are expected to fall slightly below the 2% mark by the end of 2026.

Besides the update of macroeconomic scenarios, the default rates and recovery rates - underlying IFRS9 PD and LGD point-in-time re-calibration - have been updated accordingly, in line with the ordinary process. This had no material impact on the level of expected credit loss (ECL).

### Geopolitical overlay and new LGD model

The level of overlays (geopolitical & CREF) has only come down slightly since year-end 2023 and hence continues to make up a relevant portion of performing loan loss provisions (they increase the stock by about one quarter) given underlying source of risks has neither realized nor faded away with reliable level of confidence.

### Overlays and Overall Loan Loss Provisions of Performing Portfolio

|                                    |                                       | (€ million) |            |           |
|------------------------------------|---------------------------------------|-------------|------------|-----------|
|                                    |                                       | 30.06.2024  | 31.12.2023 | CHANGE    |
| OVERLAYS                           | Geopolitical                          | 103         | 110        | -7        |
|                                    | Commercial Real Estate Finance (CREF) | 26          | 27         | -1        |
|                                    | <b>Total</b>                          | <b>129</b>  | <b>137</b> | <b>8</b>  |
| <b>STAGE 1 and 2 - LLP OVERALL</b> |                                       | <b>729</b>  | <b>713</b> | <b>16</b> |

## Risk report

The small reduction from €137 million to €129 million can be explained by

- A low inflow into non-performing during first half of 2024
- No significant worsening of the base scenario (which would have caused a corresponding reduction in overlays)
- And a low fluctuation of the respective loan volumes

The technical implementation of the new LGD model for IFRS9 is planned for the second half of 2024.

## Overall picture of the development of impairment losses

On-balance sheet financial assets due from customers, i.e., the volume exposed to credit risk, amounted to €77,891 million as of 30 June 2024 compared with €79,614 million at the end of 2023, of which €63,593 million is attributable to loans and advances to customers in accordance with the reclassified balance sheet for segment reporting purposes before deduction of allowances of €1,493 million (€65,528 million at year end 2023). €14,083 million (€13,884 million at year-end 2023) accounted for risk assets from securities positions.

As of year-end 2023, booked impairments for risk volumes in the performing portfolio (stages 1 and 2) amounted to €666 million and increased to €683 million as of June 2024. Provisions for non-performing assets (including financial assets with already impaired credit ratings), which amounted to €864 million at year-end 2023, totaled €810 million at the end of June 2024.

Based on loans and advances to customers, impairment losses for stages 1 and 2 increased from €664 million at year-end to an amount of €680 million as of 30 June 2024. Provisions for non-performing loans and advances (stage 3) (including financial assets with credit ratings already impaired upon initial recognition) decreased from €867 million as of year-end 2023 to €812 million as of June 2024.

## Non-Performing Loans

With an overall lower volume of on-balance sheet assets due from customers of €77,891 million compared with €79,614 million at the end of 2023, the non-performing volume (before deduction of impairment losses of €1,494 million) decreased in the first half of 2024 from €2,254 million to €1,992 million and thus to a share of 2.6% (2.8% at the end of 2023).

The share of non-performing loans in total loans and advances to customers accounted to 3.1% as of 30 June 2024 (3.4% at year-end 2023). The coverage ratio accordingly decreased to 40.7% (from 38.4% at year-end 2023).

## Development of credit risk costs

In the first half of 2024 UCBA Group showed a positive LLP result with net release of €3 million (net release of €29 million in first half 2023). The main driver was the non-performing portfolio (net release €26 million), where the Corporates segment recorded a high level of repayments and economic recoveries. The credit risk costs for the performing portfolio (€23 million) were caused by several methodological updates.

Broken down into segments, the development of impairment gains/losses for the non-performing portfolio is as follows: net releases for both Corporates and Retail at €22 million and €4 million respectively. The performing portfolio was mainly affected by Corporates segment (€21 million); Retail segment only contributed marginally with €0.6 million.

## Operational Credit risk strategy taking into account a changed macroeconomic environment

Following the outbreak of the Russia/Ukraine conflict and the resulting changes in the macroeconomic environment, proactive and forward-looking screening of local credit portfolios has become particularly important. The focus of the screening is to identify and mitigate direct and indirect effects of the crisis on loan customers. Particular importance is attached to identifying effects on our customers from macroeconomic developments such as the ECB's changed interest rate policy, inflation and changes in the real estate market, likewise the effects on our customers in connection with ESG are also gaining in importance.

These issues are taken into account in credit decisions, and in the case of automatic credit decisions, the engines used are calibrated accordingly. Customers in identified high-risk industries are monitored with special care in the course of the regular credit reviews.

## Risk report

These specific adjustments are supplemented by measures generally aimed at limiting the increase in the non-performing portfolio, such as the ongoing evaluation of the sale of non-performing loans and timely write-downs of uncollectible receivables. This is accompanied by continuous development of the general risk culture in sales, the monitoring and control mechanisms (through the implementation of specific KPIs and optimized management reporting) and the risk processes (including lending process, monitoring process including annual value verification of real estate collateral). Furthermore, the processes for granting sustainable forbearance measures and loan restructuring are continuously improved.

### Current status of the application of the internal ratings-based approach (IRB approach) for credit risk at Bank Austria

UniCredit Bank Austria AG applies the internal ratings-based approach, using its own estimates of loss given default and of conversion factors for a major part of its loan portfolio (advanced IRB approach). Simplifying and further developing local and Group-wide models and, to a lesser extent, the introduction of additional Group-wide models is taking place on an ongoing basis or according to a multi-year plan (model road map). Following the EBA's new guidelines, the amendments for all local PD models entered production in 2021. Ratings were automatically issued immediately for all retail models for use in July 2021. They were then converted for corporate models using the re-ratings of individual customers.

The revision and submission of the local EAD model was performed in 3Q23. The assessment of the EAD Model is subject to ECB onsite inspection, the implementation of the model foreseen for 1Q25.

With regard to the Group-wide models, the material changes approved by the ECB for the banking rating model were implemented in mid-2023. The recalibrated model for EAD and sovereigns (PD) were also implemented in February and November 2023, respectively.

Implementation of the advanced IRB approach has been established as a Group-wide programme. Therefore, UniCredit Group is responsible for overall planning, Group-wide issues and decisions, and specifically for the development of Group-wide models, such as for countries, banks and multinational companies. The local IRB models are modelled locally in accordance with Group-wide specifications.

Group standards have for the most part already been prepared and adopted by UniCredit Group in cooperation with the major IRB legal entities and are used as an important instrument for uniform Group-wide implementation, with a view to complying with local legal requirements — some of which differ from country to country — and safeguarding Group interests. These Group standards will continue to be gradually extended and supplemented. Group standards are integrated into business areas both in procedural and organisational terms, where local particularities and legal regulation are considered when ensuring Basel compliance.

All Austrian subsidiaries of UniCredit Bank Austria AG use the standardised approach. From a current perspective and for reasons of materiality, there are no plans to switch to one of the IRB approaches.

## CHF loan volume

The decrease of the CHF loan volume continued also in the first half of 2024. Compared to the end of 2023, the CHF loan volume (after impairments) was reduced by further €0.4 billion from to €3.2 billion to €2.8 billion. Approximately 5.3% thereof was classified as non-performing. 91% of the CHF gross loan volume is allocated to the segment Retail.

## Risk report

### Country risk and sovereign risk

Risk associated with cross-border transactions with all customer groups is reflected in country risk ("transfer and convertibility risk"; country risk includes, for example, loans to foreign corporate customers or banks). Risk associated with the state itself (e.g., the purchase of government bonds) is reflected in sovereign risk, irrespective of whether such risk is cross-border or local risk. Both risks are assessed via a UniCredit Group-wide credit process. Country limits and sovereign limits are assessed by the responsible risk management team, approved by the relevant body having approval authority and assigned to UniCredit subsidiaries according to business needs. In general, cross-border business is not limited for countries which are presumed less risky, e.g., the US, Japan, core EU countries; for all other countries, cross-border business is limited via the assigned country limit. Sovereign risk is in each case limited via counter party limits. The overall bond exposure is monitored via nominal credit risk limits and market risk limits. Impairment losses are recognised, if necessary, according to international financial reporting standards.

#### Breakdown of sovereign debt securities by country and portfolio

(€ million)

| COUNTRY/PORTFOLIO                               | 30.06.2024       |               |               | 31.12.2023       |               |               |
|-------------------------------------------------|------------------|---------------|---------------|------------------|---------------|---------------|
|                                                 | NOMINAL<br>VALUE | BOOK<br>VALUE | FAIR<br>VALUE | NOMINAL<br>VALUE | BOOK<br>VALUE | FAIR<br>VALUE |
| <b>Austria</b>                                  | <b>2,852</b>     | <b>2,607</b>  | <b>2,575</b>  | <b>2,507</b>     | <b>2,363</b>  | <b>2,334</b>  |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | 60               | 58            | 58            | 60               | 61            | 61            |
| Fair value through other comprehensive income   | 2,702            | 2,449         | 2,449         | 2,355            | 2,199         | 2,199         |
| Financial assets at amortised cost              | 90               | 100           | 69            | 91               | 102           | 73            |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |
| <b>Spain</b>                                    | <b>2,967</b>     | <b>2,821</b>  | <b>2,791</b>  | <b>3,067</b>     | <b>2,955</b>  | <b>2,920</b>  |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 2,357            | 2,200         | 2,200         | 2,457            | 2,327         | 2,327         |
| Financial assets at amortised cost              | 610              | 621           | 590           | 610              | 628           | 592           |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |
| <b>Italy</b>                                    | <b>1,605</b>     | <b>1,571</b>  | <b>1,553</b>  | <b>1,805</b>     | <b>1,804</b>  | <b>1,785</b>  |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 1,285            | 1,247         | 1,247         | 1,485            | 1,479         | 1,479         |
| Financial assets at amortised cost              | 320              | 324           | 306           | 320              | 324           | 305           |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |

## Risk report

| COUNTRY/PORTFOLIO                               | 30.06.2024       |               |               | 31.12.2023       |               |               |
|-------------------------------------------------|------------------|---------------|---------------|------------------|---------------|---------------|
|                                                 | NOMINAL<br>VALUE | BOOK<br>VALUE | FAIR<br>VALUE | NOMINAL<br>VALUE | BOOK<br>VALUE | FAIR<br>VALUE |
| <b>Japan</b>                                    | <b>304</b>       | <b>307</b>    | <b>307</b>    | <b>1,258</b>     | <b>1,259</b>  | <b>1,259</b>  |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 304              | 307           | 307           | 1,258            | 1,259         | 1,259         |
| Financial assets at amortised cost              | -                | -             | -             | -                | -             | -             |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |
| <b>Poland</b>                                   | <b>415</b>       | <b>419</b>    | <b>419</b>    | <b>449</b>       | <b>456</b>    | <b>456</b>    |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 415              | 419           | 419           | 449              | 456           | 456           |
| Financial assets at amortised cost              | -                | -             | -             | -                | -             | -             |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |
| <b>France</b>                                   | <b>1,119</b>     | <b>1,041</b>  | <b>998</b>    | <b>643</b>       | <b>635</b>    | <b>597</b>    |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 945              | 864           | 864           | 469              | 457           | 457           |
| Financial assets at amortised cost              | 174              | 177           | 134           | 174              | 178           | 140           |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |



## Risk report

| COUNTRY/PORTFOLIO                               | 30.06.2024       |               |               | 31.12.2023       |               |               |
|-------------------------------------------------|------------------|---------------|---------------|------------------|---------------|---------------|
|                                                 | NOMINAL<br>VALUE | BOOK<br>VALUE | FAIR<br>VALUE | NOMINAL<br>VALUE | BOOK<br>VALUE | FAIR<br>VALUE |
| <b>Romania</b>                                  | <b>214</b>       | <b>208</b>    | <b>208</b>    | <b>230</b>       | <b>222</b>    | <b>222</b>    |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 214              | 208           | 208           | 230              | 222           | 222           |
| Financial assets at amortised cost              | -                | -             | -             | -                | -             | -             |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |
| <b>Belgium</b>                                  | <b>320</b>       | <b>318</b>    | <b>318</b>    | <b>319</b>       | <b>328</b>    | <b>328</b>    |
| Held for trading (Net exposures)                | -                | -             | -             | -                | -             | -             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 320              | 318           | 318           | 319              | 328           | 328           |
| Financial assets at amortised cost              | -                | -             | -             | -                | -             | -             |
| Designated at fair value through profit or loss | -                | -             | -             | -                | -             | -             |
| <b>Other Countries</b>                          | <b>4,359</b>     | <b>4,054</b>  | <b>4,012</b>  | <b>3,455</b>     | <b>3,254</b>  | <b>3,216</b>  |
| Held for trading (Net exposures)                | 110              | 0             | 0             | 110              | 0             | 0             |
| Mandatorily at fair value                       | -                | -             | -             | -                | -             | -             |
| Fair value through other comprehensive income   | 3,682            | 3,542         | 3,542         | 2,832            | 2,762         | 2,762         |
| Financial assets at amortised cost              | 403              | 405           | 363           | 403              | 414           | 376           |
| Designated at fair value through profit or loss | 164              | 107           | 107           | 111              | 78            | 78            |
| <b>TOTAL</b>                                    | <b>14,154</b>    | <b>13,346</b> | <b>13,181</b> | <b>13,732</b>    | <b>13,276</b> | <b>13,117</b> |

## Risk report

## Breakdown of sovereign debt securities by portfolio

(€ million)

| 30.06.2024                         |                                        |                                                                      |                                                                                  |                                             |                                                                                    |        |
|------------------------------------|----------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------|--------|
|                                    | HELD FOR<br>TRADING (NET<br>EXPOSURES) | FINANCIAL<br>ASSETS AT FAIR<br>VALUE<br>THROUGH<br>PROFIT OR<br>LOSS | FINANCIAL<br>ASSETS AT FAIR<br>VALUE THROUGH<br>OTHER<br>COMPREHENSIVE<br>INCOME | FINANCIAL<br>ASSETS AT<br>AMORTIZED<br>COST | FINANCIAL<br>ASSETS<br>DESIGNATED AT<br>FAIR VALUE<br>THROUGH<br>PROFIT OR<br>LOSS | TOTAL  |
| Book value of sovereign portfolio  | 0                                      | 58                                                                   | 11,553                                                                           | 1,628                                       | 107                                                                                | 13,346 |
| Total portfolio of debt securities | 0                                      | 70                                                                   | 16,126                                                                           | 3,502                                       | 116                                                                                | 19,815 |
| % Portfolio                        | 100.00%                                | 82.53%                                                               | 71.64%                                                                           | 46.48%                                      | 91.91%                                                                             | 67.35% |
| 31.12.2023                         |                                        |                                                                      |                                                                                  |                                             |                                                                                    |        |
|                                    | HELD FOR<br>TRADING (NET<br>EXPOSURES) | FINANCIAL<br>ASSETS AT FAIR<br>VALUE<br>THROUGH<br>PROFIT OR<br>LOSS | FINANCIAL<br>ASSETS AT FAIR<br>VALUE THROUGH<br>OTHER<br>COMPREHENSIVE<br>INCOME | FINANCIAL<br>ASSETS AT<br>AMORTIZED<br>COST | FINANCIAL<br>ASSETS<br>DESIGNATED AT<br>FAIR VALUE<br>THROUGH<br>PROFIT OR<br>LOSS | TOTAL  |
| Book value of sovereign portfolio  | 0                                      | 61                                                                   | 11,491                                                                           | 1,646                                       | 78                                                                                 | 13,276 |
| Total portfolio of debt securities | 0                                      | 74                                                                   | 15,170                                                                           | 3,556                                       | 88                                                                                 | 18,887 |
| % Portfolio                        | 100.00%                                | 82.97%                                                               | 75.75%                                                                           | 46.29%                                      | 88.88%                                                                             | 70.29% |

Sovereign exposures are bonds issued by central banks, governments, and other public sector entities, as well as loans granted to public sector entities.

The following table shows the 10 largest sovereign loans by country:

## Breakdown of sovereign loans by country

(€ million)

| COUNTRY                      | 30.06.2024   | 31.12.2023   |
|------------------------------|--------------|--------------|
| Austria                      | 5,213        | 5,825        |
| Indonesia                    | 174          | 173          |
| Trinidad and Tobago          | 131          | 133          |
| Mongolia                     | 86           | 83           |
| Sri Lanka                    | 78           | 82           |
| Ghana                        | 68           | 71           |
| Laos                         | 68           | 72           |
| Vietnam                      | 55           | 59           |
| Angola                       | 48           | 54           |
| Gabon                        | 43           | 52           |
| Others                       | 273          | 278          |
| <b>TOTAL SOVEREIGN LOANS</b> | <b>6,237</b> | <b>6,881</b> |

## Risk report

### Legal risks

In the following, UniCredit Bank Austria AG is also referred to as "UCBA" throughout.

The method for recognition of provisions is described in the Annual Financial Statements 2023 under "A.6.7.2 - Other provisions and contingent liabilities".

#### A) Madoff

##### Background

UniCredit Bank Austria AG and some of its affiliates and indirect subsidiaries have been sued or investigated as a result of the Ponzi scheme operated by Bernard L. Madoff ("Madoff") through his company Bernard L. Madoff Investment Securities LLC ("BLMIS"), which was uncovered in December 2008.

##### Civil law procedures in Austria

Investors in the Primeo and Herald Madoff Feeder Funds have filed numerous civil suits, eight of which are still open, with a claimed amount of €4.8 million plus interest. The claims asserted in these proceedings are that the UniCredit Bank Austria AG committed certain breaches of duty in its capacity as prospectus controller. The Austrian Supreme Court issued 28 legally binding rulings with regard to the prospectus liability claims asserted in the proceedings. Regarding the proceedings concerning the Primeo Feeder funds, eighteen final decisions of the Austrian Supreme Court were taken in favor of UniCredit Bank Austria AG. In two proceedings, the Supreme Court rejected UniCredit Bank Austria AG's extraordinary appeal and therefore made the decision of the Court of Appeal, which had been issued in favor of the plaintiffs, final. With regard to the Herald Feeder Fund, the Austrian Supreme Court has ruled on the prospectus liability claims five times, twice in favor of UniCredit Bank Austria AG and three times in favor of the plaintiffs. In a prospectus liability case where investments were made in Primeo and Herald, the Supreme Court ruled in favor of UniCredit Bank Austria AG; in two further prospectus liability cases where investments were made in Primeo and Herald, the Supreme Court rejected the plaintiffs' extraordinary appeals, thereby ruling the decisions of the Court of Appeal to be legally binding in favor of UniCredit Bank Austria AG.

The impact of these decisions on the remaining procedures cannot be predicted with certainty; future decisions could be detrimental to UniCredit Bank Austria AG.

Concerning the Austrian civil proceedings pending against UniCredit Bank Austria AG in connection with Madoff's fraud, UniCredit Bank Austria AG has established provisions for risks and charges to the extent that it considers appropriate for the current risks.

##### Proceedings in the United States

##### Actions by the SIPA trustee

In December 2010, the insolvency administrator (the "SIPA Trustee") brought an action for the liquidation of BLMIS as well as other actions against dozens of defendants, including HSBC, UniCredit S.p.A., UniCredit Bank Austria AG and certain affiliates, to a United States Federal Court (the "HSBC Proceedings").

## Risk report

In the HSBC Proceedings, the SIPA Trustee filed civil claims and avoidance claims (also known as “clawback claims”) worth several billion US dollars. The civil claims were dismissed in 2011 and no further appeals are pending against this decision. In 2015, the SIPA Trustee dropped the avoidance claims against UniCredit S.p.A and the Alternative Investments Division of Pioneer (“PAI”) in the HSBC proceedings, waiving the claims, as well as the avoidance claims against UniCredit Bank Austria AG, without waiving the claims; this was done following claim adjustments that did not concern UniCredit S.p.A., PAI or UniCredit Bank Austria AG and were considered by the SIPA trustee to satisfy the relevant claims. A judgement was issued by the Bankruptcy Court on 22 November 2016 which ordered the avoidance claims against BA Worldwide Fund Management Ltd (“BAWFM”) to be rejected. On 9 March 2017, the SIPA Trustee commented on the rejection of the avoidance claims against BAWFM in writing. On 16 March 2017, the SIPA Trustee appealed against the dismissal of the claims. In February 2019, the Court of Appeal annulled the decision of the Bankruptcy Court of 22 November 2016 and ruled that the SIPA trustee could recover the transfers of funds by BLMIS to BAWFM and other similar parties before their insolvency. BAWFM and other defendants requested a new hearing before the Court of Appeals by an “en banc” committee (then by all judges). The Court of Appeal rejected that request in April 2019. At the request of the defendant, the Court of Appeals shall leave the proceedings suspended so that the proceedings are not continued during the review process at the Supreme Court. BAWFM and the other defendants submitted a review on 30 August 2019. On 1 June 2020, the Supreme Court rejected this revision. The case was then referred back to the Bankruptcy Court for further proceedings.

There is no significant potential claim for damages and therefore no pronounced risk profile for the UniCredit Group. Certain current or former related persons named as defendants in the HSBC Proceedings may be granted rights to indemnification by UniCredit S.p.A. and its affiliates.

### Possible ramifications

In addition to the aforementioned proceedings and investigations against UniCredit Bank Austria AG, its affiliates and some of their employees and former employees in connection with the Madoff case, additional actions may be brought in connection with this case in the future in the United States, Austria or other countries. Such possible future actions could be brought against UniCredit Bank Austria AG, its affiliates and their employees and former employees. The pending proceedings and possible future actions may have a negative impact on UniCredit Bank Austria AG.

UniCredit Bank Austria AG and its affiliates intend to use all available means to defend themselves against the claims and allegations in connection with the Madoff case. Apart from the aforementioned issues, it is currently not possible to reliably estimate the time horizon and the outcomes of the various actions or to determine the level of responsibility – should responsibility be proven.

### B) Alpine Holding GmbH

Alpine Holding GmbH issued one bond in 2010, one in 2011 and one in 2012. In 2010 and 2011, UniCredit Bank Austria AG acted as joint lead manager together with another bank. In June/July 2013, Alpine Holding GmbH and Alpine Bau GmbH became insolvent and bankruptcy proceedings followed. Numerous bondholders then wrote to the banks involved in the bond issues to assert claims. At least as far as UniCredit Bank Austria AG is concerned, the bondholders largely based their claims on the prospectus liability of the joint lead managers and, in fewer cases, also on flawed investment advice provided by the banks that sold the bonds to their customers. Investors have filed civil proceedings, including subpoenas for three class actions by the Federal Chamber of Labour (with claims amounting to some €18.7 million), in which UniCredit Bank Austria AG is named as a defendant in addition to other banks. The significant cause of action is the prospectus liability. These civil proceedings are predominantly still pending at first instance. In December 2023, a first instance court delivered judgement on the bondholders’ prospectus liability claims. In its judgement, the court confirmed the legal position of UniCredit Bank Austria AG and the other issuing banks that the prospectuses were correct and complete and fully rejected the bondholders’ claims based on prospectus liability. The bondholders can appeal against this decision. To date, no legally binding decisions have been issued by the Supreme Court against UniCredit Bank Austria AG concerning prospectus liability. In addition to the aforementioned proceedings against UniCredit Bank Austria AG, further actions against UniCredit Bank Austria AG have been threatened in connection with Alpine bankruptcy, which could be brought in the future. Pending or future actions may negatively affect UniCredit Bank Austria AG. UniCredit Bank Austria AG intends to use all available means to defend itself against these claims. With regard to the pending civil proceedings, UniCredit Bank Austria AG has made provisions for risks and charges to the extent that is considered appropriate for the current risks. No new provisions for risks and charges were made in the last years. At present, despite the favourable development it is not possible to estimate the timing and outcome of the various proceedings or to assess UniCredit Bank Austria AG’s level of responsibility, if any.

## Risk report

### **C) Class action suit regarding various fees**

The Austrian Chamber of Labour brought a class action suit against UniCredit Bank Austria AG, alleging the inadmissibility or contractual invalidity of fees in the consumer loan sector due to violations of good manners or statutory provisions as well as non-transparent wording. The contested fees are loan processing fees, account management fees and fees for the cancellation receipt. If the fees are found to be inadmissible, they may no longer be used in business transactions with consumers in future. Invalid charged fees may be refunded to the affected consumers.

In addition to the class action suit, there are also individual proceedings with similar content. These proceedings have a total value in dispute of €196 thousand.

UniCredit Bank Austria AG, together with the mandated legal representative, analysed these clauses at the beginning of the proceedings and assessed the risk of a litigation loss to be lower than 50%, which is why no provision for damages was formed.

## Risk report

### Climate-related and environmental risks

UniCredit has developed a long-term sustainability strategy for environmental, social & governance (ESG) risks and takes ESG factors into account in its risk framework. UniCredit Bank Austria's strategy follows this framework. The aim is to achieve three goals:

- Fulfilment of regulatory requirements for the business strategy and risk management processes
- Management of climate and environmental (C&E) risks
- Identifying financing potential for customers on their way to a sustainable, low-carbon economy

The term "sustainability" refers to Articles 3 and 9 of the Taxonomy Regulation. Article 3 defines the criteria for environmentally sustainable economic activities (significant contribution to the achievement of the environmental objectives defined in Article 9, no significant harm of these environmental objectives through measures implemented, compliance with the minimum level of protection with regard to human rights and labour laws, and consideration of the technical evaluation criteria of the annexes to the Taxonomy Regulation) and Article 9 defines the corresponding environmental objectives (climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems).

The implementation of the sustainability strategy in the Group companies is carried out on a project-specific basis through the UniCredit Group, whereby the individual aspects, which include the product range, the handling of environmental issues within the bank and the ongoing monitoring of the achievement of the targets, are considered.

The development of an environmentally and/or socially acceptable product portfolio for private and corporate customers and internal industry- and sector-specific requirements that support the transformation into a CO<sub>2</sub>-free economy serve to achieve the strategic objectives.

Both internally and by taking part in industry-wide initiatives, such as the Net Zero Banking Alliance (NZBA), we are working to develop and implement a comprehensive framework for dealing with climate risks so that they can be managed across all departments. The first greenhouse gas reduction targets for Oil & Gas, Power Generation and Automotive at Group level were published on UCG level in January 2023 and for the Steel sector in January 2024. Targets for other sectors will follow until October 2024.

As recommended by the NZBA, PCAF<sup>1</sup> and other relevant industry guidance, the baseline for the financed emissions for the three priority sectors of the credit portfolio was determined, and the targets were set on group level based on the respective emissions profile (drawn amount), focusing on SME and Large Corporates. The baseline was calculated on the on-balance sheet lending drawn exposure at 31/12/2021 for the first three priority sectors and at 31/12/2022 for the Steel sector and updated for monitoring purposes on the respective reporting dates.

In 2024 further enhancements of the Risk Appetite Framework (RAF) were made, for example extending the coverage of portfolio for Transition risk and the introduction of Net Zero KPIs on UCG level for the first three priority industries considered in the Bank Net Zero Journey (Oil & Gas, Power Generation and Automotive).

The risk framework aims at ensuring that we identify the threat of negative effects of climate change and provide our Bank with the best possible protection against this.

These consequences include:

- Possibly higher defaults on loans and/or losses from the revaluation of customer exposures or assets that may be affected by physical<sup>2</sup> and/or transitory<sup>3</sup> climate risks
- Damage to reputation and claims for damages if it is not possible to respond accordingly to climate risks
- Disruptions to our business processes affecting employees, buildings, and/or processes at locations that are exposed to physical climate risks, for example, due to extreme weather events and/or longer-term rises in global temperatures.

<sup>1</sup> PCAF = Partnership for Carbon Accounting Financials

<sup>2</sup> A distinction is made here between acute physical risks (hot and dry periods, floods, storms, hailstorms, forest fires, avalanches) and chronic physical risks (long-term changes in climatic and environmental conditions such as precipitation frequency/quantities, weather uncertainty, rises in sea level, changes in ocean and airflows, over-acidification, and accumulation of waste in oceans, rising average temperatures with regional extremes).

<sup>3</sup> Transitory risks are the risks associated with the transition to a low-carbon economy (e.g., introduction of new or stricter CO<sub>2</sub> emission guidelines, enforcement of new technologies or business models, changes in market sentiment or societal preferences).

## Risk report

Also, in 2024 UniCredit Group focused on the further development of instruments, methods, and measures to integrate climate-related risks into the corresponding processes (data retrieval strategy, ESG risks integration also into credit applications for SME's, reporting, credit risk strategy, stress tests, operational risk / reputational risks, inclusion of transition and physical risks into mortgage risk framework). First initiatives to tackle the biodiversity risk have started on group level.

Acknowledging the growing importance of C&E topics, UCG is progressively and continuously developing its internal modelling approaches with the aim to properly manage new risks that may arise from climate change. As part of the development activities, the group started with physical risk on LGD side, generating a forward-looking LGD parameter which is used to calculate the IFRS9 Expected Credit Losses (ECL). The feeding of local LGD models with values of real estate collateral adjusted for physical damage to capture real estate secured exposures went live in May 2024.

As next steps the following parameters shall be developed:

- Physical risk: PD adjustments to consider impacts of extreme weather events on company financials.
- Transition risk: PD add-on based on sectoral and climate risk models to translate climate risk variables to company financials.
- Transition risk: LGD models fed with adjusted collateral values to account for differentiated EPC (energy performance certificate) levels.

### Transition risks in the bank's internal credit process

The regulatory requirements (ECB, EBA, FMA) and the UniCredit Group's commitment to sustainable development require that climate risks are taken into account in the credit process in an appropriate way. This is associated with an analysis of the influence of environmental risks on the counterparty risk of our borrowers, the results of which must be taken into account in the credit decision.

The underlying method comprises

- the assessment of the customer's exposure to transition risks (e.g., greenhouse gas (GHG) emissions, water and energy consumption, waste management)
- the assessment of the customer's vulnerability to transition risks (e.g., level of maturity of the environmental management,
- greenhouse gas reduction targets, sustainability investments) and
- assessing the economic impact on our corporate customers (e.g., lost investments, decline in market share, increased investment costs, supply chain impacts).

The scope of application includes all corporate clients (including Real Estate) for which GTCC<sup>4</sup>/GCC<sup>5</sup> is responsible and all positions for which TCC<sup>6</sup> is responsible (local Bank Austria credit committee), with the exception of financial institutions, banks, central governments, the public sector and non-performing loans. Since 1 January 2024 the scope was extended to all customers with a multinational corporate rating and an exposure greater than €100K. From September 2024 onwards all other corporate customers with more than €3 million turnover and above €30 million exposure on single customer level will also be covered. In the Q1 2025 all corporate customers will be ESG scored without the €30 million exposure threshold.

The climate and environmental risk questionnaire must not be older than 12 months when the application is submitted. In the case of multiple applications during the year, the sales unit must check the validity of the questionnaire in relation to the information and responses of the customer. The entire process of determining climate and environmental risks as well as the transition score is the primary responsibility of sales and results in the loan application/loan approval. based on the reputation risk classification combined with the C&E score, a climate risk score is derived.

The final Transition Score specifies the "proposed" ESG strategy for the customer, which in turn determines which type of investment financing for new business/prolongations of expiring credit lines of the customer is permitted from a sustainability perspective.

If, based on the transition score and possibly taking physical risk into account (see physical risks in the bank's internal process below), the proposed ESG strategy for the customer is "Transition Support" or "Limited Support" and the sales department has information that allows a justified change to the strategy, an extension of the ESG strategy can be requested from the responsible risk manager as part of the loan application in the course of a documented detailed analysis (a so-called deep dive assessment).

<sup>4</sup> GTCC: Group Transactional Credit Committee

<sup>5</sup> GCC: Group Credit Committee

<sup>6</sup> TCC: Transactional Credit Committee

## Risk report

### Physical risks in the bank's internal processes

UniCredit Bank Austria on a quarterly basis conducts an analysis of the potential damage to the collateral in the mortgage portfolio due to acute climate-related events. A corresponding assessment of how physical risks may affect the overall fair value is carried out and the impact on the market value of the relevant mortgages is estimated.

The calculation of physical risks (flood, hail, tornado, storm) is based on the method of an external provider and is based on data on the real estate collateral in our credit portfolio.

The above-mentioned physical risk measurement was included in the Risk Appetite Framework (RAF) in order to further strengthen the integration of climate and environmental factors into the risk management framework and to improve portfolio monitoring.

To complete the customer's sustainability profile, also the physical risk assessment from an external data provider is taken into account. For companies, physical risk is assessed by analyzing the risk that physical extreme weather events (e.g., floods, droughts, storms, avalanches, mudslides) can damage company assets (headquarters, plants, warehouses, etc.) by limiting their operations and/or having a negative impact on production.

The physical risk is considered in the proposed ESG strategy as follows:

- Physical risk score very high: Sales must ask the customer whether measures have been taken to reduce the physical risk (e.g., insurance taken out):
  - if the customer has already taken measures, this must be documented in the loan application and has no impact on the proposed ESG strategy,
  - if the customer has not taken any measures and there are no plans to implement them in the short term, the proposed ESG strategy must be reconsidered and changed to a more conservative one.

### Other focal points in connection with climate risks:

- Definition of the baseline scenario for the steel and real estate sector as well as further development of our portfolios' emissions measurements in line with NZBA industry standards and coverage of the remaining industries by October 2024. In the second half of 2024 the following Net Zero topics are tackled: If the targets for a net zero sector have been set and published and financing is permitted after a reputation risk assessment, the impact of the financing on the "baseline" must be checked during the loan application process (new business and extensions). Relevant customers can be identified in the ESG IT environment using the designated "Net Zero Cluster". To determine the applicable Net Zero strategy, customers from defined Net Zero industries (as of June 2024: Oil & Gas, Energy, Automotive) are clustered based on the combination of two dimensions (static view/environmental impact and forward-looking view/evaluation of the customers transition strategy). The 3 results of the clusterization are „leaders/low impacters“, „aligning companies“ and „laggards“. Based on the customer's Net Zero Cluster certain credit strategies (maintain, decrease, increase commitment) will be applied.
- In the reporting period, Bank Austria did not carry out business in emission trading schemes and renewable energy certificates.



## Additional disclosures

### Employees

|                             | HALF YEAR 2024 | YEAR 2023    |
|-----------------------------|----------------|--------------|
| Salaried staff              | 4,565          | 4,816        |
| Other employees             | -              | -            |
| <b>TOTAL <sup>1)</sup></b>  | <b>4,565</b>   | <b>4,816</b> |
| <i>of which: in Austria</i> | <i>4,151</i>   | <i>4,394</i> |
| <i>of which: abroad</i>     | <i>414</i>     | <i>423</i>   |

1) Average full-time equivalents of staff employed at Bank Austria Group, excluding employees on unpaid sabbatical or maternity/paternity leave.

### Events after the reporting date

On 22 July 2024, UniCredit Bank Austria AG approved the transfer of the existing corporate portfolio with Iberian customers, subject to customer consent, to UniCredit Bank GmbH Munich. The portfolio is composed of 29 client groups and 72 single clients. The transaction will be finalized within 9 months from the signature of the contracts.

## Additional disclosures

### Consolidated own funds and risk-weighted assets

#### Consolidated capital resources

|                                                                                               | 30.06.2024   | 31.12.2023   |
|-----------------------------------------------------------------------------------------------|--------------|--------------|
| Paid-in capital instruments (excl. own instruments of Common Equity Tier 1)                   | 1,681        | 1,681        |
| Reserves (incl. profit) and minority interests                                                | 7,211        | 7,315        |
| Adjustments to Common Equity Tier 1 <sup>1)</sup>                                             | (2,684)      | (2,734)      |
| Transitional adjustments to Common Equity Tier 1 <sup>2)</sup>                                | 80           | 146          |
| <b>Common Equity Tier 1 (CET1)</b>                                                            | <b>6,288</b> | <b>6,408</b> |
| Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries | 602          | 602          |
| <b>Additional Tier 1 (AT1)</b>                                                                | <b>602</b>   | <b>602</b>   |
| <b>Tier 1 capital (T1=CET1+AT1)</b>                                                           | <b>6,890</b> | <b>7,010</b> |
| <b>Tier 2 capital (T2)</b>                                                                    | <b>701</b>   | <b>707</b>   |
| <b>Total regulatory capital (TC=T1+T2)</b>                                                    | <b>7,591</b> | <b>7,718</b> |

1) Since 3Q22 Debit Value Adjustment - net of tax - is considered (Corporate Tax Rate 2024: 23%, 2023: 24%)

2) In accordance with the CRR accompanying regulation of December 11, 2013, and Regulation (EU) 2020/873 of June 24, 2020, thereof transitional adjustments to common equity tier 1 capital resulting from the application of the provisions of Regulation (EU) 2020/873 to mitigate the effects of the implementation of IFRS 9 on the regulatory own funds (€80 million)

#### Total risk exposure amount

|                                                                                            | 30.06.2024    | 31.12.2023    |
|--------------------------------------------------------------------------------------------|---------------|---------------|
| a) Credit risk pursuant to standardised approach                                           | 5,087         | 5,354         |
| b) Credit risk pursuant to internal ratings-based (IRB) approach <sup>1)</sup>             | 23,812        | 24,395        |
| c) Other (securitisation and contribution to default fund of a central counterparty [CCP]) | 39            | 37            |
| Credit risk                                                                                | 28,938        | 29,786        |
| Settlement risk                                                                            | -             | -             |
| Position, foreign exchange and commodity risk                                              | 421           | 276           |
| Operational risk                                                                           | 2,985         | 3,095         |
| Risk positions for credit value adjustments (CVA)                                          | 28            | 14            |
| <b>TOTAL RWAs</b>                                                                          | <b>32,372</b> | <b>33,172</b> |

1) including RWA add-ons

#### Key performance indicators

|                                          | 30.06.2024 | 31.12.2023 |
|------------------------------------------|------------|------------|
| Common Equity Tier 1 ratio <sup>1)</sup> | 19.4%      | 19.3%      |
| Tier 1 ratio <sup>1)</sup>               | 21.3%      | 21.1%      |
| Total capital ratio <sup>1)</sup>        | 23.4%      | 23.3%      |

1) based on all risks

The calculation of consolidated regulatory capital and consolidated regulatory capital requirements as at 30 June 2024 is based, in conformity with the CRR, on International Financial Reporting Standards (IFRS).

## Statement by management

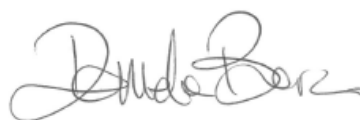
We confirm to the best of our knowledge that the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the half-yearly management report of the group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

Vienna, 30 July 2024

The Management Board



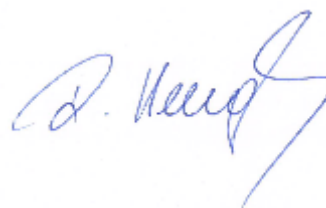
Ivan Vlaho  
CEO – Chief Executive Officer  
(Chairperson)



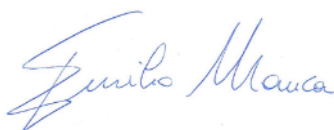
Daniela Barco  
Retail



Hélène Buffin  
CFO – Chief Financial Officer



Dieter Hengl  
Corporates



Emilio Manca  
COO – Chief Operating Officer



Marion Morales Albiñana-Rosner  
Wealth Management & Private Banking



Svetlana Pančenko  
People & Culture



Wolfgang Schilk  
CRO – Chief Risk Officer



# Additional information

|                                              |    |
|----------------------------------------------|----|
| Glossary of alternative performance measures | 86 |
| Investor relations, ratings, imprint, notes  | 88 |

# Glossary of alternative performance measures

## Glossary of alternative performance measures

*The following list contains definitions of key financial indicators (alternative performance measures, APMs) used in addition to the applicable financial reporting framework as well as other terms used in this report.*

**Commercial Total Financial Assets (Comm. TFA):** sum of total commercial financial assets held by customers, i.e. sum of deposits from customers (including deposits with building societies and balances with severance funds) + assets under management (AuM, i.e. fund and asset management products) + assets under advisory (AuA) + deposits with life insurances + assets under custody (AuC, i.e. direct investments on the capital market/safe-custody business) - of the (sub-) segments Retail, Wealth Management & Private Banking and SME.  
Not included: Large Corporates and central functions (Corporate Center)

**Cost/income ratio:** operating costs divided by operating income.

**Cost of risk:** net write-downs of loans and provisions for guarantees and commitments measured against loans and receivables with customers (average for the period), usually expressed in basis points (1bp = 1/100% = 0.01%). If the cost of risk is calculated for a period of less than a full year, net write-downs of loans and provisions for guarantees and commitments are annualized.

**Coverage ratio:** specific write-downs of loans on non-performing exposures, measured as a percentage of total gross non-performing exposures at the reference date.

**Credit Value Adjustments (CVA):** adjustment to the valuation of a portfolio of transactions reflecting the counterparties' credit risk, which is the risk that the counterparty to a transaction involving financial instruments might default prior to completing all agreed cash-flow exchanges.

**Effective tax rate:** income tax in the consolidated income statement measured against profit before tax.

**ESG (E, S & G):** Environment, Social & Governance

**FTE (full-time equivalent):** number of full-time employees, with part-time employees being counted on the weighted basis of effective working hours.

**Funding Value Adjustments (FuVA)** cover the funding cost / benefit stemming from hedging the market risk of OTC derivatives.

**Loan/deposit ratio:** The loan/deposit ratio is a liquidity ratio and is expressed as the division of customer loans (numerator) and customer deposits (denominator). It shows the risk content of a bank's refinancing by indicating the extent to which a bank can cover its lending volume to customers with deposits from customers.

**Net operating profit:** operating profit less net write-downs of loans and provisions for guarantees and commitments.

**Non-performing exposures (NPE)/Non-performing loans (NPL)** include (1) "bad loans", i.e. credit exposures, formally considered uncollectible, to insolvent borrowers, even if insolvency has not been judicially ascertained; (2) "unlikely to pay", i.e. on-balance sheet and off-balance sheet exposures which do not meet the conditions to be classified as "bad loans". The classification as "unlikely to pay" derives from the assessment of the debtor's unlikelihood, without actions such as realisation of collateral, to fully repay the credit obligation (principal and / or interest); (3) "past due": on-balance sheet exposures other than those classified among "bad loans" or "unlikely to pay", which at the reference date have amounts that are more than 90 days past due or over limits.

**NPE ratio/NPL ratio:** non-performing exposures (non-performing loans) as a percentage of loans to customers before deduction of loan loss provisions (NPE ratio in gross terms) and after deduction of loan loss provisions (loans to customers as reflected in the IFRS statement of financial position; NPE ratio in net terms) at the reference date.

**Period averages:** quarterly averages based on figures at reference dates are calculated as the mean value of the figure at the end of the preceding quarter and the figure at the end of the reporting period. The calculation of averages for longer reporting periods (half year or full year) is based on the averages for the quarters included in the reporting period.

**ROAC (return on allocated capital):** net profit measured against allocated capital (allocated capital being calculated based on risk-weighted assets and the CET1 target ratio as defined by UniCredit for the different parts of the group: 13% of Risk-Weighted Assets (2024 and 2023). If the return on allocated capital is calculated for a period of less than a full year, net profit is annualized.

## Glossary of alternative performance measures

**Systemic charges:** bank levies and other systemic charges, including contributions to bank resolution funds and deposit guarantee schemes established on the basis of European or local regulations.

**Total Financial Assets (TFA):** see Commercial Total Financial Assets

**XVA:** collective term for valuation adjustments on derivative contracts. The most important of these are CVA (Credit Value Adjustment), DVA (Debit Value Adjustment) and FuVA (Funding Value Adjustment).

# Investor relations

## Investor relations, ratings, imprint, notes

### UniCredit Bank Austria AG / Corporate Relations

|                                                                                                       |                                                                                   |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Rothschildplatz 1, 1020 Vienna, Austria                                                               |                                                                                   |
| Phone: +43 (0)5 05 05-57232                                                                           | Fax: +43 (0)5 05 05-8957232                                                       |
| Email: <a href="mailto:investor.relations@unicreditgroup.at">investor.relations@unicreditgroup.at</a> | Internet: <a href="https://ir-en.bankaustria.at">https://ir-en.bankaustria.at</a> |
| Günther Stromenger, phone: +43 (0)5 05 05-57232                                                       |                                                                                   |
| Andreas Petzl, phone: +43 (0)5 05 05-54999                                                            |                                                                                   |

### Ratings

|                                 | LONG-TERM /<br>DEPOSITS | LONG-TERM / SENIOR<br>UNSECURED | SHORT-TERM | COUNTERPARTY<br>RISK RATING |
|---------------------------------|-------------------------|---------------------------------|------------|-----------------------------|
| Moody's <sup>1)</sup>           | A2                      | A3                              | P-1        | A1 / P-1                    |
| Standard & Poor's <sup>1)</sup> | A- / BBB+ <sup>2)</sup> | BBB+                            | A-2        | A-                          |

Public-sector covered bonds and mortgage bonds of Bank Austria are rated Aaa by Moody's.

<sup>1)</sup> Securities issued before 31 December 2001 and therefore benefiting from the deficiency guarantee by the City of Vienna ("grandfathered debt" – exclusively subordinated debt), are rated Baa1 by Moody's and BBB- by Standard & Poor's.

<sup>2)</sup> A- for insured deposits under the Austrian deposit guarantee scheme

### Information and disclosure pursuant to Sections 24 and 25 of the Austrian Media Act (Mediengesetz):

#### Publisher and media owner:

UniCredit Bank Austria AG  
Rothschildplatz 1, A-1020 Vienna  
Phone: + 43 (0)5 05 05-0  
Internet: [www.bankaustria.at](http://www.bankaustria.at)  
e-Mail: [info@unicreditgroup.at](mailto:info@unicreditgroup.at)  
BIC: BKAUATWW  
Austrian bank routing code: 12000  
Company register: FN 150714p  
LEI: D1HEB8VEU6D9M8ZUXG17  
Data Processing Register Number: 0030066  
VAT Number: ATU 51507409

This Half-Yearly Financial Report was produced by UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna (publisher and media owner).

#### Editor:

Accounting & Regulatory Reporting

#### Business objective:

Credit institution pursuant to Section 1 (1) of the Austrian Banking Act (Bankwesengesetz)

#### Persons (Management Board) authorised to represent the media owner:

Ivan Vlaho (Chairperson), Daniela Barco, Hélène Buffin, Dieter Hengl, Emilio Manca, Marion Morales Albiñana-Rosner, Svetlana Pančenko, Wolfgang Schilk.

#### Supervisory Board of media owner:

Gianfranco Bisagni (Chairperson of the Supervisory Board), Aurelio Maccario (Deputy Chairperson), Livia Aliberti Amidani, Christoph Bures, Richard Burton, Adolf Lehner, Judith Maro, Herbert Pichler, Eveline Steinberger, Doris Tomanek, Roman Zeller.

### Interests held in the media owner pursuant to Section 25 of the Austrian Media Act:

UniCredit S.p.A. holds 99.996 % of the shares in the media owner (information on the shareholder structure of UniCredit S.p.A. is available at <https://www.unicreditgroup.eu/en/governance/shareholder-structure.html>).

"Betriebsratsfonds des Betriebsrats der Angestellten der UniCredit Bank Austria AG, Region Wien" (the Employees' Council Fund of the Employees' Council of employees of UniCredit Bank Austria AG in the Vienna area) and "AVZ Privatstiftung zur Verwaltung von Anteilsrechten" (a private foundation under Austrian law; founder: Anteilsverwaltung-Zentralsparkasse; beneficiary: WWTF – Wiener Wissenschafts-, Forschungs- und Technologiefonds) have a combined interest of 0.004 % in the media owner.

#### Notes:

This report contains forward-looking statements relating to the future performance of Bank Austria. These statements reflect estimates which we have made on the basis of all information available to us at present. Should the assumptions underlying forward-looking statements prove incorrect or should risks – such as those mentioned in this report – materialise to an extent not anticipated, actual results may vary from those expected at present. Market share data are based on the most recent information available at the editorial close of this report.

"Bank Austria" as used in this report refers to the group of consolidated companies. "UniCredit Bank Austria AG" as used in this report refers to the parent company.

In adding up rounded figures and calculating the percentage rates of changes, slight differences may result compared with totals and rates arrived at by adding up component figures which have not been rounded off.

#### Disclaimer:

This edition of our Half-Yearly Financial Report is prepared for the convenience of our English-speaking readers. It is based on the German original, which is the authentic version and takes precedence in all legal respects.





Empowering  
Communities to Progress.

[www.bankaustria.at](http://www.bankaustria.at)

 **Bank Austria**  
Member of  **UniCredit**