Setting the benchmark for excellence

Half-Yearly Financial Report 2025

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Bank Austria
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Content

Management Report

Bank Austria at a glance

Income statement figures and performance ratios

(€ million)

	1H25	1H24	+/-
Net interest	727	794	-8.5%
Dividends and other income from equity investments	151	130	16.3%
Fees	421	394	6.9%
Trading income	15	8	82.9%
Operating income	1,334	1,346	-0.9%
Operating costs	(518)	(511)	1.3%
Gross operating profit	816	835	-2.3%
Loan loss provisions (LLPs)	44	4	>100%
Net operating profit	860	839	2.5%
Profit (loss) before tax	830	820	1.2%
Group stated net profit (loss)	673	682	-1.3%
Cost/income ratio	38.8%	38.0%	+0.8 PP
Cost of risk	-15 bp	-1 bp	-13 bp

Statement of financial position and RWA

(€ million)

	30.06.2025	31.12.2024	+/-
Total assets	111,183	105,253	5.6%
Loans to customers	60,007	60,165	-0.3%
Deposits from customers	59,093	60,536	-2.4%
Equity	10,465	10,789	-3.0%
Risk-weighted assets (overall)	39,225	38,952	0.7%

Capital ratios

	30.06.2025	31.12.2024	+/-
Common Equity Tier 1 capital ratio	19.3%	19.3%	-0.0 PP
Tier 1 capital ratio	21.1%	21.1%	-0.0 PP
Total capital ratio	23.2%	23.2%	-0.0 PP
Leverage ratio	6.0%	6.3%	-0.3 PP

Staff

(Full-time equivalent)	30.06.2025	31.12.2024	+/-
Total	4,448	4,483	(34)

Offices

	30.06.2025	31.12.2024	+/-
BA AG - Privatkundenbank branches	104	102	2

Notes:
- The income statement of Bank Austria Group, RWA and staff figures are reclassified, corresponding to the format used for segment reporting and reflecting UniCredit's Segment Austria. For Bank Austria Group results, recasts were done for the first half of 2024, mainly relating to the transfer of Iberian portfolio to the German UniCredit Bank GmbH.
- 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 pursuant to Basel 4 (1H25) and Basel 3 (2024)
- Capital ratios pursuant to Basel 4 (1H25) and Basel 3 (2024) and based on all risks
- n. m = not meaningful; PP = percentage point(s); bp = basis point(s)

Management Report

Economic environment – market developments

Global economy in new turbulence

At the beginning of 2025, the global economy continued to stabilize, enabling global economic growth of 3.2% despite difficult conditions caused by a number of geopolitical uncertainties, such as the war in Ukraine and the conflict in the Middle East. However, when the new US administration took office at the end of January, the framework conditions for the global economy changed abruptly. In addition to new security policy priorities, which led to an intensification of geopolitical challenges and thus increased uncertainty among companies and consumers, the change in US customs and trade policy caused the USA to turn away from globalization, with far-reaching consequences for the global economy and turbulence on the financial and capital markets.

Global economic momentum weakened in the first half of the year. Following an even more favorable development in the first quarter, which was overshadowed by a shift in trade activities ahead of the announced US tariffs and therefore caused a decline in GDP in the US due to high imports, while there was a positive growth effect in export-oriented markets such as the eurozone, led by Germany, and also in China, the available economic data points to a stronger global economic slowdown in the second quarter. The pull-forward effects from the first quarter were reversed, with correspondingly opposing spillover effects on the economies of the countries affected. The increased uncertainty began to have a greater impact on consumer and investment confidence over the course of the year. In a year-on-year comparison, the US nevertheless achieved economic growth of just under 2% in the first half of 2025, following GDP growth of 2.8% in 2024. This means that growth was once again stronger than in the eurozone. However, the European economy was also able to achieve growth of over 1%, supported by the end of the recession in Germany and above-average growth in the southern countries of the European Union.

After averaging 2.4% in 2024, inflation in the eurozone fell further to 2.2% in the first half of 2025, with individual monthly figures below the 2% mark. The further convergence of inflation towards the European Central Bank's target was supported by the subdued economy in the eurozone. Lower energy prices and a stronger euro also eased the pressure on prices. The ECB was therefore able to maintain a high pace of monetary easing in the first half of the year. Key interest rates have been reduced by 100 basis points in a total of four steps since the beginning of the year. The deposit rate stood at 2% at the end of June 2025. As a result, the 3-month Euribor also fell to around 2 percent by mid-2025. The US government's tariff announcements and their potential inflation-increasing effects prompted the US Federal Reserve to adopt a wait-and-see monetary policy stance. Key interest rates have not been changed since the beginning of the year, meaning that the Fed funds target rate remained unchanged at 4.25% to 4.50% in mid-2025, well above inflation of just over 2%.

In view of the unchanged monetary policy and declining investor confidence in the US, long-term interest rates in the US remained at a high level in the first half of 2025 amid highly volatile developments caused by the tariff announcements. The yield on 10-year US Treasuries stood at 4.3% at the end of June 2025, only slightly below the figure of 4.6% at the start of the year. Long-term yields in Europe were significantly lower than in the US in mid-2025 but exceeded the levels at the beginning of the year, driven by expectations of higher public financing requirements as a result of the investment programs announced by the EU and Germany in particular. The 10-year Austrian government bond was also quoted at almost 3% in mid-2025, around 20 basis points higher than at the start of the year. Despite the high interest rate differential, the increasing loss of confidence in the US market led to a redirection of capital flows, which was reflected in a strengthening of the euro against the US dollar. After 1.03 at the start of the year, the US dollar exchange rate stood at 1.17 to the euro at the end of June 2025.

The stock markets were characterized by great volatility in the first half of 2025. Expectations of tax relief gave the US stock market a strong start to the year, but the tariff increases led to disillusionment with a massive slump in the Dow Jones index, which however was offset by the middle of the year. Compared to the beginning of the year, the Dow Jones Index increased by 3.5%. Most European stock markets performed more favorably. The Euro-STOXX 50 rose by 8 percent over the course of the year, despite equally high volatility, and the DAX by as much as 20 percent. The Vienna Stock Exchange index ATX performed even better, rising by 21% in the first half of the year.

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Economic situation and market development in Austria

Although the Austrian economy was able to overcome the recession at the beginning of the year, it was characterized by only very subdued economic development on the verge of stagnation in the first half of 2025. Despite the slight increase in GDP during the year, real economic output remained slightly below the previous year's result. Domestic industry developed positively despite reduced international competitiveness following high wage and energy cost increases. In addition, the erratic tariff announcements by the US government caused uncertainty in the industry. The ECB's significant interest rate cuts were therefore unable to noticeably increase willingness to invest. The services sector also helped to stabilize the economy in the first half of 2025, supported by an upturn in private consumption. However, consumption momentum was very subdued despite the significant increase in real purchasing power. The uncertainty caused by the protracted process of forming a government in Austria and the debate surrounding an austerity package dampened the willingness to spend and once again resulted in a high savings ratio. The deteriorating situation on the labor market also had a negative impact. The unemployment rate rose from an annual average of 7.0% in 2024 to a seasonally adjusted 7.5% in the middle of the year. The downward inflation trend of the previous year did not continue in the first half of 2025. Inflation rose to an average of 3.1%, fueled primarily by the expiry of the electricity price brake.

In view of the subdued economy, lending momentum increased only slightly in the first few months of 2025 despite lower interest rates. From January to May, nominal credit growth was just under one percent 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 volume of housing loans remained below the previous year, although there was a noticeable upturn in new business. Slight growth was achieved in corporate loans in the first months of 2025, with long-term financing increasing significantly more than short-term financing.
Despite the lower interest rates, deposit growth has increased in the year to date in 2025, although the trend towards longer-term investments has clearly slowed. The trend in deposits from private households was slightly more favorable than for companies, which suffered from the weak economic development.

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Business development in the first half of 2025

Reclassified income statement of Bank Austria Group according to structure of segment reporting[1)]

(€ million)

	BANK AUSTRIA GROUP RECAST [2)]		CHANGE		RECONCILIATION		BANK AUSTRIA GROUP	
	1H25	1H24	+/- €	+/- %	1H25	1H24	1H25	1H24
Net interest	727	794	(67)	-8.5%	-	11	727	805
Dividends and other income from equity investments	151	130	21	16.3%	-	-	151	130
Fees	421	394	27	6.9%	-	4	421	398
Trading income	15	8	7	82.9%	-	(1)	15	8
Other expenses/income	19	19	(0)	-1.2%	-	(1)	19	18
Operating income	**1,334**	**1,346**	**(12)**	**-0.9%**	**-**	**13**	**1,334**	**1,359**
HR costs	(291)	(285)	(5)	1.9%	-	0	(291)	(285)
Non-HR costs	(208)	(204)	(5)	2.3%	-	(0)	(208)	(204)
Recovery of expenses	-	0	(0)	-100.0%	-	-	-	0
Amortisations and depreciations	(19)	(22)	4	-16.0%	-	-	(19)	(22)
Operating costs	**(518)**	**(511)**	**(7)**	**1.3%**	**-**	**0**	**(518)**	**(511)**
GROSS OPERATING PROFIT (LOSS)	**816**	**835**	**(19)**	**-2.3%**	**-**	**13**	**816**	**848**
Loan loss provisions (LLPs)	44	4	40	>100%	-	(1)	44	3
NET OPERATING PROFIT (LOSS)	**860**	**839**	**21**	**2.5%**	**-**	**12**	**860**	**851**
Other charges and provisions	(3)	10	(13)	n.m.	-	-	(3)	10
Systemic charges	(41)	(21)	(20)	97.9%	-	(0)	(41)	(21)
Integration costs	(11)	(7)	(4)	52.1%	-	-	(11)	(7)
Net income from investments	25	(1)	26	n.m.	-	-	25	(1)
PROFIT (LOSS) BEFORE TAX	**830**	**820**	**10**	**1.2%**	**-**	**12**	**830**	**833**
Income taxes	(157)	(138)	(19)	13.4%	-	(3)	(157)	(141)
Minorities	0	0	(0)	-71.3%	-	-	0	0
GROUP STATED NET PROFIT (LOSS)	**673**	**682**	**(9)**	**-1.3%**	**-**	**9**	**673**	**692**

1) Condensed income statement of Bank Austria as presented in this table is reclassified, corresponding to the format used for segment reporting and reflecting UniCredit's Segment Austria.
2) For Bank Austria Group results, recasts were done for the first half of 2024 which mainly relate to the transfer of the Iberian portfolio to the German UniCredit Bank GmbH.
n.m. = not meaningful

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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), freelancers and business customers (with an annual turnover of up to €1 million).*
***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.*
*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 in this division, 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 €1,334 million in the first half of 2025, a decrease of -1% compared to the previous year's figure of €1,346 million. This decrease was primarily driven by the interest rates decrease, compensated by strong fee dynamics.

Net interest decreased by -8% to €727 million (prior year of €794 million) due to interest rates decline despite sound pass- through management and stable loan volumes.

Dividends and other income from equity investments amounted to €151 million, which represents a significant increase to the previous year's figure of €130 million (+16%). This item primarily includes pro-rata earnings from major equity-investments such as the 3-Banken Group and Oesterreichische Kontrollbank.

Continuing strong dynamic on fees, with €421 million clearly exceeding the previous year's figure by 7%, with a positive trend in particular in investment and insurance products distribution and financing business.

Trading income amounted to €15 million, which represents an improvement on the previous year's figure of €8 million.

The income statement item **other expenses/income** includes items that are not allocated to the above-mentioned income items. In the first half of 2025, this resulted in a positive contribution of €19 million (same amount in the previous year).

Operating costs growing below inflation with slight increase by 1% to €518 million in the first half of 2025 (previous year: €511 million) from both, HR and non-HR cost evolution, but the overall cost discipline allowed maintaining a strong cost/income ratio below 39%.

HR costs amounted to €291 million (€+5 million vs. previous year), affected by changed seasonality of bonus accruals, while the increase in the banking collective agreement was largely mitigated by workforce streamlining.

Non-HR costs increased by €5 million to €208 million, partly driven by positive one-offs in the prior year.

Amortizations and depreciations decreased from €22 million to €19 million.

Gross operating profit decreased by 2% to €816 million (previous year: €835 million), reflecting the developments outlined above.

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In the first half of 2025, a positive contribution of €44 million was reported in **loan loss provisions.** This resulted from releases in both performing and non-performing portfolio. A main driver of the releases on the performing Corporate portfolio is the implementation of a new model update.

Cost of risk (the ratio of the loan loss provisions and the average loan volume, expressed in basis points/bp; see also the glossary of alternative key performance indicators in the Notes) amounted to -15 bp (-1 bp in the same period of the previous year). The following costs of risk were reported for the divisions: Retail 2 bp (previous year: -5 bp), Wealth Management & Private Banking 25 bp (previous year: 23 bp) and Corporates -22 bp (previous year: -1 bp).

Net operating profit amounted to €860 million in the first half of 2025, exceeding the previous year's figure of €839 million by 3%. The individual customer business divisions achieved the following results: Retail €239 million, WM&PB €66 million and Corporates €411 million.

For the reporting period, **other charges and provisions** amounted to €-3 million (previous year: €+10 million).

At €-41 million, **systemic charges** were significantly higher than in previous year (€-21 million). Of the total amount, €36 million were related to the increased bank levy 2025 (€26 million higher than in the prior period), partly compensated by a lower deposit guarantee fund contribution of €-5 million (previous year: €-10 million)

A positive contribution of €+25 million (previous year: €-1 million) was reported in **net income from investments,** mainly driven by the transfer of the Iberian portfolio to German UniCredit Bank GmbH.

The above-mentioned items led to a **profit before tax** of €830 million (+1% compared to previous year's amount of €820 million and +4% vs. prior year if excluding the bank ley increase in 2025), primarily due to the strong fee dynamics and the excellent contribution from highly sound asset quality.

Income taxes amounted to €-157 million (previous year: €-138 million).

Overall, Bank Austria generated a **group stated net profit** of €673 million in the first half of 2025, only 1% below the previous year profit of €682 million, significantly offsetting the impact from the new bank levy.

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Financial position and capital resources

Bank Austria Group's balance sheet at 30 June 2025 reflects the target structure which was to be strategically achieved through an **Austrian universal bank** focused on traditional commercial banking business with customers. **Loans to 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. Bank Austria benefits from an excellent liquidity position, with a liquidity coverage ratio of 155%.

Reclassified consolidated statement of financial positions [1)]

(€ million)

	AMOUNTS AS AT		CHANGE	
ASSETS	30.06.2025	31.12.2024	AMOUNT	%
Cash and cash balances	6,510	5,602	908	+16.2%
Financial assets held for trading	1,186	1,354	(168)	-12.4%
Loans to banks	14,206	10,409	3,797	+36.5%
Loans to customers	60,007	60,165	(158)	-0.3%
Other financial assets	26,199	24,581	1,618	+6.6%
Hedging instruments	1,306	1,428	(122)	-8.5%
Property, plant and equipment	687	739	(52)	-7.1%
Other intangible assets	3	7	(4)	-52.7%
Tax assets	254	332	(78)	-23.4%
Non-current assets and disposal groups classified as held for sale	578	338	240	+71.0%
Other assets	247	300	(52)	-17.5%
TOTAL ASSETS	**111,183**	**105,253**	**5,929**	**+5.6%**

(€ million)

	AMOUNTS AS AT		CHANGE	
LIABILITIES AND SHAREHOLDERS' EQUITY	30.06.2025	31.12.2024	AMOUNT	%
Deposits from banks	21,589	13,672	7,917	+57.9%
Deposits from customers	59,093	60,536	(1,443)	-2.4%
Debt securities issued	12,754	12,532	223	+1.8%
Financial liabilities held for trading	1,194	1,364	(170)	-12.4%
Other financial liabilities	270	286	(16)	-5.7%
Hedging instruments	1,470	1,708	(238)	-14.0%
Tax liabilities	182	77	104	>100%
Liabilities included in disposal groups classified as held for sale	373	-	373	n.m.
Other liabilities	3,792	4,288	(496)	-11.6%
o/w pensions and other post-retirement benefit obligations	*2,733*	*2,875*	*(2,875)*	*-5.0%*
Minorities	32	33	(0)	-1.4%
Group shareholders' equity	10,433	10,757	(323)	-3.0%
of which:				
- Capital and reserves	*9,761*	9,472	289	*+3.1%*
- Group stated net profit (loss)	*672*	*1,285*	*(613)*	*-47.7%*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,183**	**105,253**	**5,929**	**+5.6%**

1) see reconciliation of the reclassified balance sheet to the balance sheet items of the consolidated financial statements (on next pages). Presentation of balance sheet items expanded compared to previous reports.

In the half-year 2025 figures, card complete has been classified as held for sale.

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

Consolidated financial statements

(€ million)

	AMOUNTS AS AT	
ASSETS	**30.06.2025**	**31.12.2024**
Cash and cash balances	6,510	5,602
Item 10. Cash and cash balances	*6,510*	*5,602*
Financial assets held for trading	1,186	1,354
Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading	*1,186*	*1,354*
Loans to banks	14,206	10,409
Item 40. Financial assets at amortised cost: a) Loans and advances to banks	*15,882*	*11,972*
less: Debt securities	*(1,676)*	*(1,563)*
Loans to customers	60,007	60,165
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	*63,359*	*62,279*
less: Debt securities	*(3,643)*	*(2,436)*
less: Leasing assets IFRS16	*(37)*	*(37)*
+ Loans (from Item 20 c)	*328*	*359*
Other financial assets	26,199	24,581
Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value	*144*	*115*
Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value	*398*	*431*
less: Loans (to Loans to customers)	*(328)*	*(359)*
Item 30. Financial assets at fair value through other comprehensive income	*17,422*	*17,220*
Item 70. Equity investments	*3,207*	*3,138*
+ Debt securities (from Item 40 a)	*1,676*	*1,563*
+ Debt securities (from Item 40 b)	*3,643*	*2,436*
+ Leasing assets IFRS16 (from Item 40 b)	*37*	*37*
Hedging instruments	1,306	1,428
Item 50. Hedging derivatives	*2,314*	*2,274*
Item 60. Changes in fair value of portfolio hedged items (+/-)	*(1,008)*	*(846)*
Property, plant and equipment	687	739
Item 90. Property, plant and equipment	*687*	*739*
Other intangible assets	3	7
Item 100. Intangible assets net of goodwill	*3*	*7*
Tax assets	254	332
Item 110. Tax assets	*254*	*332*
Non-current assets and disposal groups classified as held for sale	578	338
Item 120. Non-current assets and disposal groups classified as held for sale	*578*	*338*
Other assets	247	300
Item 130. Other assets	*247*	*300*
TOTAL ASSETS	**111,183**	**105,253**

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continued: Consolidated financial statements

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2025	31.12.2024
Deposits from banks	21,589	13,672
Item 10. Financial liabilities at amortised cost: a) Deposits from banks	*21,589*	*13,672*
Deposits from customers	59,093	60,536
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	*59,352*	*60,812*
less: Leasing liabilities IFRS16	*(259)*	*(275)*
Debt securities issued	12,754	12,532
Item 10. Financial liabilities at amortised cost: c) Debt securities in issue	*12,754*	*12,532*
Financial liabilities held for trading	1,194	1,364
Item 20. Financial liabilities held for trading	*1,194*	*1,364*
Other financial liabilities	270	286
Item 30. Financial liabilities designated at fair value	*11*	*11*
+ Leasing liabilities IFRS16 (from Item 10 b)	*259*	*275*
Hedging instruments	1,470	1,708
Item 40. Hedging derivatives	*2,241*	*2,549*
Item 50. Value adjustment of hedged financial liabilities (+/-)	*(771)*	*(842)*
Tax liabilities	182	77
Item 60. Tax liabilities	*182*	*77*
Liabilities included in disposal groups classified as held for sale	373	-
Item 70. Liabilities associated with assets classified as held for sale	*373*	-
Other liabilities	3,792	4,288
Item 80. Other liabilities	*670*	*979*
Item 100. Provisions for risks and charges	*3,122*	*3,309*
o/w pensions and other post-retirement benefit obligations	*2,733*	*2,875*
Minorities	32	33
Item 190. Minority shareholders' equity (+/-)	*32*	*33*
Group shareholders' equity:	10,433	10,757
- Capital and reserves	9,761	9,472
Item 120. Valuation reserves	*(1,938)*	*(2,042)*
Item 140. Equity instruments	*600*	*600*
Item 150. Reserves	*5,283*	*5,097*
Item 160. Share premium	*4,135*	*4,136*
Item 170. Share capital	*1,681*	*1,681*
- Group stated net profit (loss)	672	1,285
Item 200. Group stated net profit (loss) (+/-)	672	1,285
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,183**	**105,253**

Presentation of table amended compared to previous reports.

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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 financial 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".

Total assets as at 30 June, 2025 increased by €5.9 billion (+5.6%) to €111.2 billion compared to 31 December 2024, in particular driven by **Cash and cash balances** (6.5 billion €, +0.9 billion vs. year-end 2024) and a significant increase in **Loans to banks** (€14.2 billion, €+3.8 billion vs. year-end 2024).

Loans to customers were almost stable at €60.0 billion (€60.2 billion as at year-end 2024). If adjusted for sale of Iberia loans to UniCredit Bank GmbH and the reclassification of card complete as held for sale, loans increased by approx. €1.0 billion.
Gross non-performing loans fell by €0.1 billion to €1.8 billion compared to the end of 2024. The gross NPL ratio (3.0%) improved slightly compared to the end of 2024 (3.1%), the net NPL ratio was 2.1% (after 2.0%).

Other financial assets rose by €1.6 billion to €26.2 billion, mainly due to an increase in the securities portfolio.

Deposits from banks showed a significant increase of €7.9 billion to €21.6 billion compared to the 2024 balance sheet date.

Deposits from customers decreased by €1.4 billion to €59.1 billion compared to the end of 2024, mainly due to declines in the Corporates business division.

Debt securities issued increased slightly to €12.8 billion in the reporting period (€12.5 billion as at year-end 2024), partly driven by an intra-group Tier 2 issue of €0.6 billion.

At the end of the first half of 2025, **commercial total financial assets** (**Comm. TFA**, the sum of all customer investments) amounted to €93.8 billion, of which €20.0 billion were **assets under management** (**AuM**, fund and asset management products), €3.2 billion were **assets under advisory** (**AuA**), €17.8 billion were **assets under custody** (**AuC**, direct investments in the capital market/custody business), €49.9 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.

Management Report

Provisions (included in **Other liabilities)** amounted to around € 3.1 billion at the end of the first half of 2025, which is €-0.2 billion compared to the end of 2024. The most significant item here is provisions for pensions and similar obligations, which amounted to €2.7 billion (31.12.2024: €2.9 billion). As at 30 June 2025, the discount rate for social capital was 3.90%, which represents an increase of 0.50 percentage points compared to the year-end 2024 figure of 3.40%.

Equity of €10.5 billion was reported as at 30 June, 2025, a decrease of €0.3 billion compared to the end of 2024. This was primarily driven by the 2024 dividend payment of €1,082 million and the half-year profit 2025 of €672 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 4 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 1 January 2025, all of the regulatory provisions of Regulation (EU) 2024/1623 (CRR III in force as of 9 July 2024) are applied and were reflected in the calculation of the capital.

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. Last time application at the end of the transitional period at 31 December 2024.

Bank Austria Group's **eligible own capital** remained stable at €7.8 billion as of 30 June 2025, compared to 31 December 2024. Additional Tier 1 (AT1) capital remained also unchanged at €0.6 billion compared with year-end 2024.

Common Equity Tier 1 capital (CET1) amounted to €6.5 billion (year-end 2024: €6.5 billion).

Compared with year-end 2024, **risk-weighted assets (RWA)** decreased from €33.6 billion to €33.5 billion.
The €1.3 billion decrease in credit risk is mainly due to the updated local EAD-Models and the sale of Iberia loans to UniCredit Bank GmbH. These effects have more than compensated the Basel 4-related increase.
In contrast, operational risk increased significantly from €3.0 billion to €4.4 billion as Basel 4 came into force. Market risk decreased by €0.1 billion during the period under review.

The **capital ratios** remained stable as shown in the table below. The ratios continued to significantly exceed the legal requirements.

Capital ratios (based on all risks)

	30.06.2025	31.12.2024
Common Equity Tier 1 (CET1) capital ratio	19.3%	19.3%
Tier 1 capital ratio	21.1%	21.1%
Total capital ratio	23.2%	23.2%

The **leverage ratio** pursuant to the Delegated Regulation (EU) 2015/62, based on the current status of transitional arrangements, was 6.0% as at 30 June 2025.

Permanent establishments

There are no significant permanent establishments.

Management Report

Development of business segments

Retail

(€ million)

	1H25	1H24 [1)]	CHANGE +/- € million	CHANGE +/- %
Operating income	502	525	(23)	-4.4%
Operating costs	(261)	(261)	0	-0.1%
Gross operating profit	241	264	(23)	-8.6%
Loan loss provisions (LLPs)	(2)	4	(6)	n.m.
Net operating profit	239	268	(29)	-10.9%
Profit (loss) before tax	**215**	**257**	**(42)**	**-16.4%**
Commercial Total Financial Assets [2)]	42,500	41,891	609	1.5%
Loans to customers	17,325	18,540	(1,215)	-6.6%
Deposits from customers	27,663	27,149	515	1.9%
Ø Risk-weighted assets (RWA) [3)]	8,876	9,028	(153)	-1.7%
ROAC [4)]	28.9%	33.6%	-4.7 PP	n.m.

1) In segment reporting, the comparative figures for the previous year differed from the published figures due to a recast to reflect the current structure and methodology (see Segment Reporting section in the Notes to the consolidated financial statements)
2) Commercial total financial assets: sum of customer assets, i.e. sum of deposits from customer, assets under management (fund and asset management products) and assets under custody (direct capital market investments/custody business)
3) Average risk-weighted assets (all risks) according to Basel 4 (1H25) and Basel 3 (1H24)
4) Allocated capital calculated at 13% (2025 and 2024) common equity tier 1 (CET1) target ratio
n.m. = not meaningful
PP = percentage points

Gross operating profit
Operating income was slightly below the previous year driven by lower net interest income as a result of declining market rates. In contrast, net fees and commissions income increased year-on-year, primarily due to improved results in the investment business and increased insurance commissions. Operating costs remained stable year-on-year.

Loan loss provisions
Loan loss provisions amounted to €-2 million, resulting mainly from net write-downs in the performing portfolio, in contrast to net write-backs in the non-performing portfolio in the same period of last year.

Profit (loss) before tax
Due to the above-mentioned decline in net interest income as a result of the market environment as well as higher net write-downs of loans, the half-year result (€215 million) decreased by 16.4% compared to the prior year.

Loans to customers/deposits from customers
The lending volume in the first half of 2024 includes €0.6 billion in card complete loans, which are no longer included in loans to customer due to the reclassification to the balance sheet item "non-current assets and disposal groups classified as held for sale". This adjustment explains approximately half of the reduction, while the remainder is mainly attributable to repayments of legacy CHF mortgage financings.
Customer deposits increased by €0.5 billion to €27.7 billion during the same period, primarily in saving deposits.

In branches and via alternative channels, 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. The subsidiary operating in the credit card business also falls under the responsibility of this division.

Management Report

Bank Austria customers' **use of digital devices** significantly exceeds the market average in many areas. This is particularly true for smartphone usage at 87%, laptop usage at 64%, and tablet usage at 35%. This trend is also evident in the adoption of digital banking services, where Bank Austria has recorded above-average growth in mobile banking. While the market grew from 60% to 61%, Bank Austria outperformed with an increase from 66% to 69%. Bank Austria customers also exceed the average competitor in the use of app functionalities, with an average of 5.8 features used. This is especially notable in the use of push notifications, digital adjustment of card limits, Face ID login behavior, and payment via smartphone.

With the issuance of the **first Bank Austria credit cards**, Bank Austria reached a strategic milestone in the first half of 2025. This will provide our customers with the new generation of credit cards. All functionalities are available in the MobileBanking app; no additional apps are required. Switching to the new credit cards is very easy: Customers receive an attractive switching offer that they can accept online or by mail.

To better serve our customers, Bank Austria expanded its **digital payment product portfolio** in the first half of 2025 by introducing **Google Pay**, in addition to the already established **Apple Pay** service. Both Google Pay and Apple Pay are now available for all debit cards issued by Bank Austria, as well as Bank Austria's new generation credit cards.

Numerous **digital customer journeys were optimized** to make it even easier for customers to use the bank's services through the MobileBanking app and the 24You online banking platform – particularly with regard to purchasing products from our broad digital offering directly via the app or 24You. In addition to personal, tailored advice provided in the branches, customers also benefit from personalized consultations via centralized and decentralized remote channels. This is complemented by a wide range of savings products, loans, leasing, insurance, and securities – all of which can be accessed easily and securely in a self-driven manner.

In doing so, we place customer needs, clearly reflected in digital usage behavior, at the center. **More than 50% of product sales are conducted through remote channels** – either "fully digital" on a self-driven basis or "remotely assisted" with support from our centralized and decentralized teams.

As approximately 15% of the global population lives with some form of disability – and 2–4% with significant impairments – we have implemented the **Digital Accessibility Project**. These impairments are diverse and range from visual, auditory, motor, or cognitive limitations in individuals to entire demographic groups such as older adults with age-related vision issues. To address this and enhance the customer experience across our digital channels, we have introduced further improvements as part of the Digital Accessibility Project, optimizing aspects such as color contrast, line spacing, page layout, and font size.

In the area of **ESG (Environmental, Social & Governance)**, we were able to further strengthen our strong position in the area of **sustainability**, which in no small part is 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 pure retail products, while the *GoGreen business account* is an account product for business customers. With this broad range of products, our customers are able to actively contribute to sustainability over their entire lifecycle, starting at the age of 10.

In both, **consumer loan** and **construction and home financing**, we continue to focus on **sustainable financing**, known as **green finance**. With our mortgage loan, whether for new purchases or renovations, where, upon presentation of a corresponding energy performance certificate, our customers receive a credit of €150 to their current account, we are successfully positioning ourselves as a sustainable financing partner.

In the area of **insurance**, the positive trend from 2024 continued. The legal protection product D.A.S. Recht-2-Go insurance, newly launched in mid-2024, as well as ERGO dental maintenance insurance and ERGO dental replacement insurance, are enjoying great popularity with our customers. *SorgenfreiER GO!* residual debt insurance is also enjoying strong demand. In the first half of 2025, our customers opted to also take out residual debt insurance with every second consumer loan.

Management Report

Wealth Management & Private Banking (WM & PB)

(€ million)

	1H25	1H24 [1]	CHANGE +/- € million	CHANGE +/- %
Operating income	125	130	(5)	-3.8%
Operating costs	(59)	(58)	(0)	0.6%
Gross operating profit	66	72	(5)	-7.4%
Loan loss provisions (LLPs)	(1)	(1)	0	-2.2%
Net operating profit	66	71	(5)	-7.5%
Profit (loss) before tax	**64**	**69**	**(6)**	**-8.0%**
Commercial Total Financial Assets [2]	26,720	26,904	(184)	-0.7%
Loans to customers	564	645	(81)	-12.6%
Deposits from customers	7,269	7,259	10	0.1%
Ø Risk-weighted assets (RWA) [3]	750	637	113	17.7%
ROAC [4]	99.7%	127.9%	-28.2 PP	n.m.

1) In segment reporting, the comparative figures for the previous year differed from the published figures due to a recast to reflect the current structure and methodology (see Segment Reporting section in the Notes to the consolidated financial statements)
2) Commercial total financial assets: sum of customer assets, i.e. sum of deposits from customer, assets under management (fund and asset management products) and assets under custody (direct capital market investments/custody business)
3) Average risk-weighted assets (all risks) according to Basel 4 (1H25) and Basel 3 (1H24)
4) Allocated capital calculated at 13% (2025 and 2024) common equity tier 1 (CET1) target ratio
n.m. = not meaningful
PP = percentage points

Gross operating profit

In the first half of 2025, the operating income of the Wealth Management & Private Banking (WM & PB) at €125 million, which is €5 million below last year. This results from a decline in net interest due to the development of market rates, partially offset by higher net fee & commission income (+7.5% year over year) driven by better results in the investment business.
Operating costs increased slightly by €0.4 million and amounted to €59 million, mainly due to marketing expenses for a big sponsorship.

Loan loss provisions

Loan loss provisions amounted to -€1 million – like in the previous reporting period.

Profit (loss) before tax

The profit before tax in the first half of 2025 was €66 million, that is €5 million below the previous year's figure.

Loans to customers/deposits from customers

At the end of the first six months of the year, the loan volume was €0.6 billion which is below previous year's level due to redemptions; deposits from customers were stable at €7.3 billion.

The main focus of Wealth Management & Private Banking is on the continuous development of **Commercial TFA**. Commercial TFA declined by -0.7% year over year, mainly due to the development of the international financial markets as well as due to negative stock changes in Wealth Management with an overall strong new business production.

The **Wealth Management & Private Banking** division serves and supports high-net-worth and affluent customers, focusing on investment and retirement planning. With **Schoellerbank Invest**, it also has an in-house asset management company that issues both customized special funds for particularly large investment requirements and retail funds, including sustainable variants. These funds are also offered to customers of Bank Austria. The volumes of Schoellerbank Invest funds in the product category mutual funds increased year-on-year by +31%, mainly due to a strong commercial net sales.

Management Report

The **Wealth Management** segment is concentrated in **Schoellerbank**, which is considered a specialist in sophisticated investment and retirement planning. Its core competence has been asset management for more than three decades – the experts always invest their clients' 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 customer relationship and place the needs of their customers – who currently trust the bank with a total of more than €13 billion in assets – at the center of the management of all their assets. As part of the holistic advisory approach, solutions such as financial and liquidity planning, succession and pension planning, support with real estate transactions, and foundation expertise are offered.

Founded in 1833, Schoellerbank has a long tradition of experience and expertise, which has earned it not only many satisfied and loyal customers, but also numerous important awards in the financial industry: Schoellerbank has been the **most awarded private bank in Austria** for years, with frequent recognition in independent international industry tests, thus repeatedly underscoring its role as the country's leading wealth manager. With eight locations, Schoellerbank – a wholly-owned subsidiary of UniCredit Bank Austria AG – is the only private bank with a presence throughout Austria.

With **Schoellerbank Invest**, it also has an in-house asset management company that issues both customized special funds for particularly large investment requirements and retail funds, including sustainable variants. These funds are also offered to customers of Bank Austria. The volumes of Schoellerbank Invest funds in the product category mutual funds increased year-on-year by +31%, mainly due to strong commercial net sales.

The **Private Banking** segment within UniCredit Bank Austria AG focuses on wealthy private clients, churches and foundations as the clientele. Currently, more than 12,000 customers are served with commercial total financial assets of around €13.6 billion.

Our customers are advised throughout Austria at 15 private banking locations. A separate competence center in Vienna handles the financial affairs of churches and foundations. A special feature of Bank Austria Private Banking is the individualized 360-degree service approach, which encompasses the entire spectrum of banking services and products – from investment financing to construction and residential loans, to high-quality investment solutions. The experts in Private Banking Asset Management are responsible for market assessment and its implementation in the respective asset management solutions. In addition, our credit advisory and wealth planning experts support private banking advisors in special financing matters and in holistic financial and succession planning.

Management Report

Corporates

(€ million)

	1H25	1H24 [1]	CHANGE +/- € million	CHANGE +/- %
Operating income	550	589	(39)	-6.6%
Operating costs	(185)	(178)	(7)	4.1%
Gross operating profit	365	411	(46)	-11.3%
Loan loss provisions (LLPs)	46	2	44	>100%
Net operating profit	411	413	(2)	-0.5%
Profit (loss) before tax	**425**	**419**	**6**	**1.5%**
Loans to customers [2]	41,888	41,377	511	1.2%
Deposits from customers	23,101	23,886	(785)	-3.3%
Ø Risk-weighted assets (RWA) [3]	19,353	17,331	2,022	11.7%
ROAC [4]	25.1%	27.6%	-2.5 PP	n.m.

1) In segment reporting, the comparative figures for the previous year differed from the published figures due to a recast to reflect the current structure and methodology (see Segment Reporting section in the Notes to the consolidated financial statements)
2) 1H24 loans to customers were recast due to the transfer of the Iberia loans to UniCredit Bank GmbH
3) Average risk-weighted assets (all risks) according to Basel 4 (1H25) and Basel 3 (1H24)
4) Allocated capital calculated at 13% (2025 and 2024) common equity tier 1 (CET1) target ratio
n.m. = not meaningful
PP = percentage points

Gross operating profit
Operating income in the first half of 2025 was at €550 million, lower by €39 million compared to previous year . Net interest income dropping by €45 million was driven by the market rates development impacting especially deposit revenues, partially offset by net fees and commissions that increased by €12 million year on year, driven by services in the financing business and investment services.
Operating costs amounted to €185 million (€+7 million), affected by higher staff expenses (wage drift).
In total, a gross operating profit of €365 million (-11% compared to the previous year) was achieved.

Loan loss provisions
Also in the first half of 2025, net write-backs resulted in a positive contribution of €+46 million to the loan loss provisions (previous year: €+2 million), thanks to repayments in non-performing exposures and continued high overall loan portfolio quality confirmed also during implementation of updated risk models.

Profit (loss) before tax
Profit before tax for the first six months amounted to €425 million), a €6 million increase versus 2024, mainly due to a positive contribution from the transfer of the Iberian business portfolio to German UniCredit Bank GmbH, partially compensated by the negative impact of the higher bank levy.

Loans to customers/deposits from customers
As of 30 June 2025, the loan volume stood at €41.9 billion (30 June 2024: €41.4 billion), an increase of €511 million achieved in a challenging market environment. Portfolio growth – normalized for the transfer effect from Iberian loan business – was generated especially with investment grade Large Corporate clients and well positioned medium sized non-financial corporations, complemented by an increase in selected engagements with Public Sector entities. Overall, in an Austrian Market environment characterized by low demand for new Corporate lending and exceptionally strong price competition for high quality transactions, Corporates business growth was achieved without compromising on overall profitability and loan portfolio quality.

At €23.1 billion, the deposit base from Corporate customers declined by around €800 million (30 June 2024: €23.9 billion). In the phase of significant market interest rate reduction the balance of volume stock and pricing for short- and longer-term placements was actively managed across all client segments. Thus, funding structures were safeguarded, while attractive product offers for clients could be maintained and the adverse impact on Net Interest Income from deposits could be limited.

Management Report

UniCredit Bank Austria is **the leading corporate bank in Austria** and has a long-established leading position in corporate lending in general, ESG financing, structured syndicated and real estate financing. This is also evident from leading positions in the 2025 League Tables, such as in Austrian Syndicated Loans, ECM/DCM, Austrian Corporate Bonds or FIG Austria. In addition, the bank was named "**Austria's Best Bank for Large Corporates**" by the renowned Euromoney Awards for Excellence 2025, which is a clear reconfirmation of our strength and performance in Austria.

The Austrian Corporate Banking environment in the first half of 2025 has continued to be shaped by a mixed set of economic signals. While the overall macroeconomic picture remains subdued, Bank Austria's Corporate Banking Division achieved solid progress in key strategic areas, supported by a highly disciplined risk approach and targeted growth initiatives, in the areas of new client acquisition of Small Corporate clients and loan growth.

ESG focus: Sustainability considerations have become an integrated part of the credit risk analysis of our corporate clients, and the demand for ESG data and planned climate & environmental measures remains important to assess the resilience of business models. We successfully supported Austrian corporates and municipalities in navigating evolving regulatory requirements and accessing sustainable financing opportunities. We continue to focus on partnering with our clients on their journey towards transition and support them in making sustainable choices.

The market of our **Large Corporates (LC) including Financial Institutions and Public Sector,** remains challenging, marked by cautious investment behavior, persistent regulatory burdens, and subdued financing volumes. Corporate investment in organic growth remains subdued, increasing the intense competition for loan market shares. Nevertheless, the market also offers acquisition opportunities for companies with robust business models and sound financial standing.
Bank Austria was able to defend its strong positions in Austria and the Nordic region, especially in structured finance, transaction banking, and corporate treasury solutions. The increasing demand for comprehensive risk management and working capital solutions underpins our resilient customer relationships in this segment.

The **Public Sector** business continues to benefit from our long-standing expertise and strong market position as Austria's leading public sector partner. Due to higher public expenditures within healthcare, education and financing costs, the demand for financing solutions from public authorities increased slightly within the first six months. However, 2025 appears to be a challenging year, with competitors entering the market with highly aggressive pricing. Therefore, approval rates have declined compared to the previous year. Nevertheless, the Public Sector was able to maintain its high market shares (>20%), closing some large transactions. In addition to traditional financing products, we continue our advisory services for municipalities, with a particular focus on ESG-compliant financing structures.

In the **Commercial & Subsidized Real Estate** segment, the first half of 2025 was marked by continued market consolidation and -corrections, particularly among commercial project developers. Investors sentiment in the Austrian real estate market remains cautious. Nevertheless, Bank Austria's strong market position and the solid quality of our real estate portfolio enable us to stay focused on financing new large-scale, and complex projects while continuing to serve as a strong and reliable financing partner for our existing clients. Although the real estate market continues to present a challenging environment for developers, there are initial encouraging signs of a rebound and renewed interest from foreign investors.

The **Small & Medium Enterprises (SME)** segment weathers the current climate of rapidly decreasing interest rates and persistently weak economic growth well. Despite continued pressure from declining net revenues from deposits and low demand for new financing, especially in the industrial sector, which represents a very important client group for this segment, total new business generation increased in comparison to the first half of 2024. Bank Austria is determined to support the rebound to a positive economic development and has launched a comprehensive package of measures and initiatives to support its current clients as well as new Small & Medium clients. We strive to convince clients in both segments of the sustainable value contribution of our service offer that will also result in continued growth of our client base and business portfolio. Results of the first six months of 2025 already show encouraging results that reconfirm the renewal of our service model and further improvements in our credit decision processes.

Management Report

Complementing the segment-specific initiatives, also the current product suite is strengthened by the introduction of the direct **issuance of credit cards and the provision of card terminals** for POS acquiring services, which will become a core product in 2025 and beyond. Moreover, a **new Mergers & Acquisitions (M&A) deal platform** was fully introduced in 2025, creating genuine added value for Bank Austria clients aiming at enlarging and/or consolidating their business activities in Austria and abroad.

Across all segments, **digitalization and data-driven solutions** play an increasingly important role in enhancing efficiency and customer experience. Through the consistent roll-out of our new service model and targeted lending process optimizations, we further improve transaction speed and service quality for all our corporate clients.

With its comprehensive product range, market proximity, and proven expertise, Bank Austria remains **THE strategic financial partner for Austria's Corporates**.

Management Report

Outlook

US tariff announcements and geopolitical uncertainties weigh on the global economy

The global growth outlook has clouded over. The high level of political uncertainty and the significant increase in trade barriers are weighing on business and consumer sentiment. While negotiations between the Trump administration and US trading partners drag on, US tariffs of 10% are likely to be the new lower limit. Global trade growth will slow considerably under these conditions. This makes domestic demand all the more important for the development of the respective economies. The easing of monetary policy in most countries can hardly stimulate investment, as the high level of uncertainty is counteracting the willingness to invest. Only in a handful of economies will fiscal easing boost economic momentum, while in the majority of countries a more restrictive budget course to curb increased debt is weighing on the economic outlook. The downside risks for the global economy have even increased towards the middle of 2025, as the escalated Israel-Iran conflict could develop into a broader regional conflict with lasting negative consequences for commodity prices, particularly crude oil and gas.
We expect global economic growth to slow to 2.7% in 2025 after 3.2% in the previous year. The slowdown in growth is likely to be concentrated in the USA, Canada and Mexico, but also in China. We expect economic growth in the USA to fall to 1.5%, but no recession due to a partial turnaround in customs policy, the calming of the financial market turbulence and progress on a fiscal package. In the eurozone, growth will be very subdued in the second half of the year due to the trade policy turbulence. For the year as a whole, we expect GDP to rise by 1%, to which the economic policy turnaround in Germany, supported by a massive investment program, should increasingly contribute. In addition to the higher US tariffs, which will hurt the Chinese export economy, domestic demand is also likely to remain weak due to the ongoing problems on the real estate market and the precautionary savings of private households. Economic growth in China will fall to around 4% in 2025.

Following a fairly uniform global disinflation trend, inflation will develop very differently in the individual economies in the coming months, partly as a result of US tariff policy, with corresponding effects on monetary policy. In the US, the higher tariffs will not be permanently offset by a reduction in corporate margins, meaning that there is a risk of a noticeable rise in inflation towards 4% in the second half of 2025. The strength of the second-round effects of higher tariffs on other prices and wages is difficult to estimate. In any case, the tightened migration policy will hardly help to ease the situation on the labor market and wage dynamics. In addition, inflation expectations could react sensitively to higher prices after the recent high inflation phase. The resilience of the labor market will only allow the Fed to decide on a change in the current monetary policy direction once there is more clarity on government policy and economic data. We assume that, despite the political pressure from the US government, the Fed will only cut interest rates by 25 basis points to a range of 4.00% to 4.25% of the Fed Funds Target Rate by the end of 2025. This means that interest rates in the US will remain significantly higher than in the eurozone. After the European Central Bank made several interest rate cuts in the first half of the year as inflation in the eurozone approached the target rate of 2%, we expect the cycle of interest rate cuts to end soon. We expect a final cut in the deposit rate to 1.75% in September for the time being. Weak economic growth, the appreciation of the euro and the risk of a redirection of Chinese trade away from the US should keep overall inflation at around 2% for the foreseeable future and therefore require no further monetary policy measures in 2025. Despite the interest rate differential, the euro should continue its upward trend towards 1.20 against the US dollar until the end of the year, as concerns about US debt and the dominant position of the US dollar as the world's reserve currency prevail.

The outlook for Austria

Although the recession in Austria has at least paused in the first half of 2025, a sustained improvement in the economy over the remainder of 2025 is not in sight, with the erratic tariff announcements by the US government and the heightened geopolitical uncertainties caused by the Israel-Iran confrontation impacting commodity prices placing a burden on the domestic economy. However, we expect the economic uncertainties to ease somewhat in the coming months. Supported by a slight upturn in domestic demand, the economy should continue to stabilize and the Austrian economy should not slide back into recession in the second half of the year. Private consumption will contribute to this thanks to the slow normalization of inflation and the easing of the high propensity to save, as well as a greater willingness to invest as a result of lower interest rates. However, only modest economic growth on the verge of stagnation is to be expected, especially as there is no budgetary leeway for fiscal policy support measures and positive dispersion effects from the European and, above all, the German Investment Program 2025 are not yet to be expected. After two consecutive years of declining GDP, the Austrian economy will at least be able to achieve slight economic growth of 0.1% in 2025.

Management Report

For the second half of the year, we expect a further but relatively moderate increase in the unemployment rate in Austria, driven by developments in the service sector and industry. Following the slightly lower figures at the beginning of the year, we expect an average unemployment rate of 7.5% in 2025, after 7.0% in 2024. The decline in inflation should continue in the second half of 2025. However, the risk of a very sluggish slowdown in inflation has now increased due to stubborn service price inflation. In 2025, inflation should reach an annual average of 2.9% – like in the previous year. This means that inflation will be significantly higher than the comparable figure in the eurozone of 2.1%.

Due to the significant easing of monetary policy by the ECB in the first half of 2025, we also expect some movement on the financing market in the coming months. However, it has so far become apparent that the interest rate cuts are only slowly finding their way into the real economy. Driven by a slight improvement in consumer and investment demand, there should be a slight upturn in the lending business by the end of the year. For the first time in two years, the household loan portfolio is unlikely to fall any further, boosted by a turnaround in real estate financing. Consumer loans are once again expected to increase slightly, meaning that the overall household loan portfolio is likely to be slightly higher at the end of 2025 than in the previous year. Only a slightly more favorable trend is expected for corporate financing, although nominal growth in 2025 as a whole is likely to be lower than in the previous year.

In view of the key interest rate cuts, deposit interest rates have become less attractive, which should tend to slow the growth of household deposits by the end of the year, although the high propensity of households to save caused by uncertainties is only slowly declining. In view of the lower interest rates and the economic challenges, the momentum of corporate deposits will also slow down. Although a slowdown in growth seems likely for both household and corporate deposits in the coming months, a slightly higher average increase is expected in 2025 than in 2024.

Business outlook

Within a challenging macroeconomic environment, Bank Austria will maintain its focus on quality growth, based on a sustainable and profitable net interest margin net of loan loss provisions, specific growth in fees & commissions, as well as a constant focus on strict cost management and capital efficiency. These factors, together with the constant attention on customer needs, the structural initiatives implemented by the bank and the investments made will ensure future growth, allowing Bank Austria to face the challenges and risks linked with the uncertainty of the current environment. This will create further value for the stakeholders of Bank Austria.

Regarding the further financial development, Bank Austria continues to expect a clear double-digit return on allocated capital (ROAC) and high-level regulatory capital ratios (especially the CET1 ratio). 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 and within the bank

Bank Austria has set itself the goal of supporting the transformation of the economy towards climate neutrality. It is involved in relevant alliances – in Austria in the Green Finance Alliance and, via UniCredit Group, in the global Net-Zero Banking Alliance – and plans to gradually decarbonize its loan portfolio.

Bank Austria has a clear **focus on ESG/sustainability**:
- Alignment of the business with the targets of the ***Net-Zero Banking Alliance***, which UniCredit Group joined in 2021
- Continuous expansion of its **range of green products and services, such as** ESG asset management for private banking clients
- Further strengthening of its 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*
- Comprehensive internal **ESG and sustainability training initiatives** for all employees and managers, as well as an ESG Day for all employees to actively engage with the topic of Sustainability with the aim of strengthening sustainability from within.

Digitalisation and simplification: important pillars of the "*UniCredit Unlocked*" Strategic Plan

Digitalisation and simplification are a focus of the bank in the successful implementation of the Group-wide Strategic Plan "*UniCredit Unlocked*". Bank Austria has already defined numerous relevant initiatives and continues to implement them step by step. These include, among others, further improvements to the **mobile banking app** and extensions to the **range of products that can be concluded online**. In addition, in the acquiring area, Bank Austria will offer **payment terminals and e-commerce solutions** for its corporate customers in the future.
Furthermore, a long-term cooperation with **Google Cloud** has been launched to significantly accelerate digital transformation with state-of-the-art technology, AI, and data analysis. With the introduction of the barrier-free **Mastercard Touch Card**, which can be identified by tactile indentations, the bank is also setting new standards in terms of inclusion and user-friendliness in payment transactions.

Consolidated financial statements in accordance with IFRSs

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 30.06.2025	AS AT 30.06.2024
10. Interest income and similar revenues	1,894	2,683
of which: interest income calculated with the effective interest method	*1,549*	*1,981*
20. Interest expenses and similar charges	(1,121)	(1,827)
30. Net interest margin	**774**	**856**
40. Fees and commissions income	491	469
50. Fees and commissions expenses	(101)	(105)
60. Net fees and commissions	**390**	**364**
70. Dividend income and similar revenues	6	4
80. Net gains (losses) on trading	39	34
90. Net gains (losses) on hedge accounting	3	1
100. Gains (Losses) on disposal and repurchase of:	2	3
a) financial assets at amortised cost	(1)	(1)
b) financial assets at fair value through other comprehensive income	3	6
c) financial liabilities	0	(2)
110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	(6)	(8)
a) financial assets/liabilities designated at fair value	(5)	(6)
b) other financial assets mandatorily at fair value	(1)	(2)
120. Operating income	**1,208**	**1,254**
130. Net losses/recoveries on credit impairment	41	(26)
a) financial assets at amortised cost	41	(26)
b) financial assets at fair value through other comprehensive income	(0)	(0)
140. Gains/Losses from contractual changes with no cancellations	(0)	0
150. Net profit from financial activities	**1,248**	**1,228**
160. Net premiums	-	-
170. Other net insurance income/expenses	-	-
180. Net profit from financial and insurance activities	**1,248**	**1,228**
190. Administrative expenses:	(588)	(562)
a) staff costs	(337)	(335)
b) other administrative expenses	(252)	(227)
200. Net provisions for risks and charges:	(5)	41
a) commitments and financial guarantees given	4	31
b) other net provisions	(10)	10
210. Net value adjustments/write-backs on property, plant and equipment	(32)	(40)
220. Net value adjustments/write-backs on intangible assets	(2)	(1)
230. Other operating expenses/income	66	39
240. Operating costs	**(562)**	**(524)**
250. Gains (Losses) of equity investments	144	126
260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(1)	2
270. Goodwill impairment	-	-
280. Gains (Losses) on disposals of investments	0	(0)
290. Profit (Loss) before tax from continuing operations	**829**	**832**
300. Tax expenses (income) for the period from continuing operations	(157)	(141)
310. Profit (Loss) after tax from continuing operations	**672**	**691**
320. Profit (Loss) after tax from discontinued operations	-	-
330. Profit (Loss) for the period	**672**	**691**
340. Minority profit (loss) of the year	0	0
350. Profit (Loss) for the period - attributable to the owners of Bank Austria	**672**	**691**

Consolidated statement of comprehensive income

Earnings per share (in €, basic and diluted)

(€)

POSITIONS	AS AT 30.06.2025	30.06.2024
Earnings per share from profit (loss) after taxes from continuing operations	2.91	2.99
Earnings per share from profit (loss) after taxes from discontinued operations	-	-

Consolidated statement of comprehensive income

(€ million)

ITEMS	AS AT 30.06.2025	30.06.2024
10. PROFIT (LOSS) FOR THE PERIOD	**672**	**691**
Other comprehensive income after tax not reclassified to profit or loss	**78**	**21**
20. Equity instruments designated at fair value through other comprehensive income	12	5
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	1	3
60. Intangible assets	-	-
70. Defined-benefit plans	62	7
80. Non-current assets and disposal groups classified as held for sale	-	-
90. Portion of valuation reserves from investments valued at equity method	3	6
Other comprehensive income after tax reclassified to profit or loss	**27**	**(104)**
100. Foreign investments hedging	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedging	(3)	(13)
130. Hedging instruments (non-designated items)	-	-
140. Financial assets (different from equity instruments) at fair value through other comprehensive income	31	(95)
150. Non-current assets and disposal groups classified as held for sale	-	-
160. Part of valuation reserves from investments valued at equity method	0	4
170. Total other comprehensive income after tax	**105**	**(82)**
180. Comprehensive income (Item 10+170)	**777**	**608**
190. Minority profit (loss) of the year	0	0
200. Parent Company's consolidated comprehensive income	**777**	**609**

Consolidated statement of financial position

Consolidated balance sheet

(€ million)

ASSETS	AMOUNTS AS AT 30.06.2025	AMOUNTS AS AT 31.12.2024
10. Cash and cash balances	6,510	5,602
20. Financial assets at fair value through profit or loss:	1,728	1,901
a) financial assets held for trading	1,186	1,354
b) financial assets designated at fair value	144	115
c) other financial assets mandatorily at fair value	398	431
30. Financial assets at fair value through other comprehensive income	17,422	17,220
40. Financial assets at amortised cost:	79,240	74,251
a) loans and advances to banks	15,882	11,972
b) loans and advances to customers	63,359	62,279
50. Hedging derivatives	2,314	2,274
60. Changes in fair value of portfolio hedged items (+/-)	(1,008)	(846)
70. Equity investments	3,207	3,138
80. Insurance reserves charged to reinsurers	-	-
90. Property, plant and equipment	687	739
100. Intangible assets	3	7
of which: goodwill	-	-
110. Tax assets:	254	332
a) current	15	14
b) deferred	238	318
120. Non-current assets and disposal groups classified as held for sale	578	338
130. Other assets	247	300
TOTAL ASSETS	**111,183**	**105,253**

Consolidated statement of financial position

(€ million)

	AMOUNTS AS AT	
LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2025**	**31.12.2024**
10. Financial liabilities at amortised cost:	93,695	87,015
a) deposits from banks	21,589	13,672
b) deposits from customers	59,352	60,812
c) debt securities in issue	12,754	12,532
20. Financial liabilities held for trading	1,194	1,364
30. Financial liabilities designated at fair value	11	11
40. Hedging derivatives	2,241	2,549
50. Value adjustment of hedged financial liabilities (+/-)	(771)	(842)
60. Tax liabilities:	182	77
a) current	178	73
b) deferred	4	4
70. Liabilities associated with assets classified as held for sale	373	(0)
80. Other liabilities	670	979
90. Provision for employee severance pay	-	-
100. Provisions for risks and charges:	3,122	3,309
a) commitments and guarantees given	143	157
b) post-retirement benefit obligations	2,733	2,875
c) other provisions for risks and charges	246	276
110. Technical reserves	-	-
120. Valuation reserves	(1,938)	(2,042)
130. Redeemable shares	-	-
140. Equity instruments	600	600
150. Reserves	5,283	5,097
160. Share premium	4,135	4,136
170. Share capital	1,681	1,681
180. Treasury shares (-)	-	-
190. Minority profit (loss) of the year	32	33
200. Profit (Loss) for the period (+/-)	672	1,285
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,183**	**105,253**

Consolidated statement of changes in equity

Statement of changes in Equity as at 30.06.2025

(€ million)

		ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN THE PERIOD					
					SHAREHOLDERS' EQUITY TRANSACTIONS				
	BALANCE AS AT 31.12.2024	RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CHANGES IN CONSOLIDATION SCOPE	OTHER	TOTAL	COMPREHENSIVE INCOME	SHAREHOLDERS' EQUITY GROUP AS AT 30.06.2025
Issued capital:									
a) ordinary shares	1,681	-	-	-	-	-	-	-	1,681
b) other shares	-	-	-	-	-	-	-	-	-
Share premium	4,136	-	-		-	(1)	(1)	-	4,135
Reserves:									
a) other reserve	5,098	1,285	(1,082)	(18)	0	-	0	-	5,284
b) foreign currency reserve	(1)	-	-	0	-	-	-	-	(1)
Revaluation reserves:	(2,042)	-	-	-	-	-	-	105	(1,938)
a) Cashflow Hedge Reserve	(3)	-	-	-	-	-	-	(3)	(7)
b) Revaluation Reserve FA @FVTOCI	(294)	-	-	-	-	-	-	43	(251)
c) Revaluation Reserve associates and joint ventures	49	-	-	-	-	-	-	3	52
d) Revaluation reserve tangible assets	79	-	-	-	-	-	-	1	79
e) Pension and similar liabilities IAS 19	(1,874)	-	-	(1)	-	-	-	62	(1,812)
f) Revaluation reserve: non - current assets classified held-for-sale	0	-	-	1		-	-	-	1
Equity instruments	600	-	-	-	-	-	-	-	600
Net profit or loss for the period	1,285	(1,285)	-	-	-	-	-	672	672
Shareholders' Equity Group	**10,757**	**-**	**(1,082)**	**(18)**	**0**	**(1)**	**(1)**	**777**	**10,433**
Shareholders' Equity minorities	33	-	(0)	-				(0)	32
Total Shareholders' Equity	**10,789**	**-**	**(1,082)**	**(18)**	**0**	**(1)**	**(1)**	**777**	**10,465**

Consolidated statement of changes in equity

Statement of changes in Equity as at 30.06.2024

(€ million)

	BALANCE AS AT 31.12.2023	ALLOCATION OF PROFIT FROM PREVIOUS YEAR		CHANGES IN THE PERIOD					SHAREHOLDERS' EQUITY GROUP AS AT 30.06.2024
					SHAREHOLDERS' EQUITY TRANSACTIONS				
		RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CHANGES IN CONSOLIDATION SCOPE	OTHER	TOTAL	COMPREHENSIVE INCOME	
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 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 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 cash flows

Consolidated cash flow statement (indirect method)

(€ million)

	AS AT	
	30.06.2025	30.06.2024
A. OPERATING ACTIVITIES		
1. Non-cash items included in net profit and adjustments to reconcile net profit to cash flows from operating activities:	**60**	**70**
- profit (loss) of the period (+/-)	672	691
- gains/losses on financial assets held for trading and on other financial assets/liabilities at fair value through profit or loss (-/+)	(21)	(19)
- gains (losses) on hedge accounting (-/+)	(3)	(1)
- net losses/recoveries on impairments (+/-)	57	164
- net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	35	39
- net provisions for risks and charges (incl. personnel) and other expenses/income (+/-)	(140)	(167)
- unpaid duties, taxes and tax credits (+/-)	148	135
- impairments/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	(688)	(773)
2. Changes in assets and liabilities arising from operating activities after corrections for non-cash positions	**289**	**9,215**
2a. Liquidity generated/absorbed by financial assets:	**(5,301)**	**(2,326)**
- financial assets held for trading	26	50
- financial assets designated at fair value	(34)	(34)
- other financial assets mandatorily at fair value	32	38
- financial assets at fair value through other comprehensive income	(145)	(1,064)
- financial assets at amortised cost	(5,236)	(1,542)
- other assets	56	226
2b. Liquidity generated/absorbed by financial liabilities:	**4,825**	**10,687**
- financial liabilities at amortised cost	5,293	11,121
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	(0)	(0)
- other liabilities	(467)	(434)
2c. Liquidity generated/absorbed by interest and tax received/paid:	**764**	**854**
- interest received	1,894	2,436
- interest paid	(1,121)	(1,575)
- income taxes received (+)/ paid (–) from operating activities	(9)	(6)
Net liquidity generated/absorbed by operating activities	**349**	**9,285**

Consolidated statement of cash flows

continued: Consolidated cash flow statement (indirect method)

(€ million)

	AS AT	
	30.06.2025	30.06.2024
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**96**	**84**
- sales of equity investments	-	-
- collected dividends on equity investments	77	66
- sales of property, plant and equipment	17	18
- sales of intangible assets	-	-
- sales of subsidiaries and business units (less cash disposed)	2	-
2. Liquidity absorbed by:	**(10)**	**(18)**
- purchases of equity investments	-	-
- purchases of property, plant and equipment	(9)	(17)
- purchases of intangible assets	(1)	(1)
- purchases of subsidiaries and business units (less cash acquired)	-	-
Net liquidity generated/absorbed by investment activities	**86**	**66**
C. FUNDING ACTIVITIES		
- issue/purchase of equity instruments	-	-
- payouts on equity instruments	(14)	(14)
- dividend distribution to shareholders and non-controlling interests	(1,082)	(833)
- sale/purchase of minority control	-	-
- Proceeds from issues of subordinated liabilities	1,570	-
- Payments for repayment of subordinated liabilities	-	-
Net liquidity generated/absorbed by funding activities	**473**	**(847)**
NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**908**	**8,504**
CASH AND CASH EQUIVALENTS AT THE END OF THE PREVIOUS PERIOD	**5,602**	**8,730**
Cash flows from operating activities	349	9,285
Cash flows from investment activities	86	66
Cash flows from funding activities	473	(847)
Effects of changes in scope of consolidation	-	-
Effects of exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6,510**	**17,234**

The strong decrease in the first half of 2025 mainly relates to the items “Financial assets at amortised cost” and ‘’Financial liabilities at amortised cost’’ (please refer to the respective details in the “Notes to the financial position”).

Notes to the consolidated financial statements

Basis for the preparation of the financial statements

The interim consolidated financial statements for the first half of 2025 (January 2025 to June 2025) 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).

The contents of the financial statements have been prepared in accordance with IAS 34 on 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 2025 are unaudited and have not been reviewed by the auditors. It comprises the balance sheet with comparative figures as of 31 December 2024, 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 2024, 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 2024.

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 2024, 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 are reviewed regularly and 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 2024, there were no changes to the accounting principles in the interim financial statements 2025 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

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 did not lead to any material impacts on Bank Austria.

Notes to the consolidated financial statements

New and amended financial reporting standards not yet adopted by the Group:

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
IASB published the Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to address matters identified during the post-implementation assessment of the classification and measurement requirements of Financial Instruments according to IFRS 9. The amendments will be applicable for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendments are relevant for:
- Derecognition of a financial liability settled through electronic transfer
- Classification of financial assets regarding:
  - Contractual terms that are consistent with a basic lending arrangement
  - Assets with non-recourse features
  - Contractually linked instruments
- Disclosures with regard to:
  - Investments in equity instruments designated at fair value through other comprehensive income
  - Contractual terms that could change the timing or amount of contractual cash flows

The new changes also consider amendments to IFRS 19 (Subsidiaries without Public Accountability: Disclosures) that will set a limit to disclosure requirements for qualified entities. The possible impact of these changes on Bank Austria are currently under analysis.

Implementation of IFRS 18 Presentation and Disclosure in Financial Statements
On 9 April 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 1 January 2027.
The impacts of IFRS 18 on Bank Austria have not yet been analyzed.

Implementation of IFRS 19 Subsidiaries without Public Accountability: Disclosures
IASB published the introduction of the new IFRS 19 regulation on 9 May 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.

Notes to the consolidated financial statements

Other topics

"3-Banken" impairment test

As of 30 June 2025, 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", were tested for impairment in accordance with IAS 36.

With regard to Oberbank, 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 was lower than the carrying amount.

Regarding BTV, the investment showed past impairments to be tested for reversal, therefore the impairment test was re-run.

The required impairment tests on BTV and BKS were 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 tests as of 30 June 2025 were the business plans approved by BKS and BTV management as of the end of 2024, and the published business developments as of the first quarter of 2025 were taken into account.

The increase in fair value did not give rise to a write-up of BTV, since it was assessed to be neither prolonged nor substantive. The value in use was below the carrying amount.

For BKS, the value in use was above the carrying amount.

The impairment test carried out in the first half of 2025 resulted in neither impairment nor write-up 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 2025.

Tax loss carryforwards

The deferred tax amount of the capitalized losses as of 30 June 2025 was €2 million (€20 million as of 31 December 2024). The delta is due to releases of deferred taxes due to the use of tax loss carryforward in the first half of 2025.

For the assessment of the future use of the tax loss carryforwards an updated Multi-Year Plan "UniCredit Unlocked" for the years 2025 to 2027 was applied. For tax purposes a Monte-Carlo simulation was used based on a 10 years forward period.

The assumptions made by the assessment of the future use of the loss carryforwards could change due to changes in the economic and other conditions and could impact the future income tax treatment.

Currently, the tax losses carried forward for the BA group are in the amount of €296m.

The major part of tax losses carried forward were accumulated from Austrian companies and can be carried forward without time restriction. In Austria, an amount of up to 75% of the relevant taxable profit can be settled with loss carried forward.

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 2024, 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

(€ million)

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	AMOUNTS AS AT 30.06.2025			AMOUNTS AS AT 31.12.2024		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets at fair value through profit or loss	144	1,439	145	115	1,626	159
a) Financial assets held for trading	-	1,176	10	0	1,348	6
b) Financial assets designated at fair value	144	-	-	115	-	-
c) Financial assets mandatorily at fair value	-	263	135	-	278	153
2. Financial assets at fair value through other comprehensive income	16,231	658	534	15,410	1,258	552
3. Hedging derivatives	-	2,314	-	-	2,274	-
4. Property, plant and equipment	-	-	347	-	-	356
Total	**16,375**	**4,411**	**1,026**	**15,526**	**5,158**	**1,067**
1. Financial liabilities held for trading	-	1,174	21	-	1,355	9
2. Financial liabilities designated at fair value	-	10	1	-	10	1
3. Hedging derivatives	-	2,239	2	-	2,546	3
Total	**-**	**3,423**	**23**	**-**	**3,912**	**13**

The reduction in financial assets at fair value though other comprehensive income classified in Level 2 is mainly due to maturity of debt securities in the first half of 2025.

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;
- volatility of inflation;
- 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 represent the most significant parameters in determining the 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.

Notes to the consolidated financial statements

Growth rate

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

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: 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
Derivatives				
	Financial Instruments			
		Equity & Commodities	+/-	0.00
		Foreign Exchange	+/-	0.00
		Interest Rate	+/-	11.53
	Credit Derivatives		+/-	0.04
Debt Securities and Loans				
		Corporate/ Government/Other	+/-	0.17
		Mortgage & Asset Backed Securities	+/-	0.00
Equity Securities				
		Unlisted Equity & Holdings	+/-	0.00
Units in Investment Funds				
		Real Estate & Other Funds	+/-	0.00

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 2025

	CONSOLIDATED COMPANIES	COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	TOTAL
Opening balance	**157**	**12**	**169**
Additions	**-**	**-**	**-**
Newly established companies	-	-	-
Acquired companies	-	-	-
Other changes	-	-	-
Changes in UniCredit Group	-	-	-
Disposals	**6**	**1**	**7**
Companies sold or liquidated	1	-	5
Mergers	3	-	-
Changes in UniCredit Group	2	1	2
CLOSING BALANCE	**151**	**11**	**162**

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

(€ million)

ITEMS/TYPES	AS AT 30.06.2025 DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	AS AT 30.06.2024 TOTAL
1. Financial assets at fair value through profit or loss	**2**	**6**	**144**	**152**	**313**
1.1 Financial assets held for trading	-	-	144	144	302
1.2 Financial assets designated at fair value	1	-	-	1	1
1.3 Other financial assets mandatorily at fair value	1	6	-	7	10
2. Financial assets at fair value through other comprehensive income	**217**	**-**	**X**	**217**	**178**
3. Financial assets at amortised cost	**36**	**1,295**	**X**	**1,331**	**1,803**
3.1 Loans and advances to banks	8	276	X	284	490
3.2 Loans and advances to customers	28	1,019	X	1,047	1,314
4. Hedging derivatives	**X**	**X**	**193**	**193**	**388**
5. Other assets	**X**	**X**	**0**	**0**	**1**
6. Financial liabilities	**X**	**X**	**X**	**0**	**0**
Total	**256**	**1,301**	**337**	**1,894**	**2,683**
of which: interest income on impaired financial assets	*-*	*17*	*-*	*17*	*19*
of which: interest income on financial lease	*X*	*35*	*X*	*35*	*46*

The decline in interest income compared to June 2024 is mainly due to the decreased interest rate environment.

1.2 Interest expenses and similar charges: breakdown

(€ million)

ITEMS/TYPES	AS AT 30.06.2025 DEBTS	SECURITIES	OTHER TRANSACTIONS	TOTAL	AS AT 30.06.2024 TOTAL
1. Financial liabilities at amortised cost	**(616)**	**(189)**	**X**	**(804)**	**(1,181)**
1.1 Deposits from central banks	(2)	X	X	(2)	(15)
1.2 Deposits from banks	(274)	X	X	(274)	(442)
1.3 Deposits from customers	(340)	X	X	(340)	(525)
1.4 Debt securities in issue	X	(189)	X	(189)	(198)
2. Financial liabilities held for trading	**-**	**-**	**(146)**	**(146)**	**(304)**
3. Financial liabilities designated at fair value	**-**	**(0)**	**-**	**(0)**	**(1)**
4. Other liabilities and funds	**X**	**X**	**(1)**	**(1)**	**(0)**
5. Hedging derivatives	**X**	**X**	**(169)**	**(169)**	**(341)**
6. Financial assets	**X**	**X**	**X**	**(0)**	**(0)**
Total	**(616)**	**(189)**	**(316)**	**(1,121)**	**(1,827)**
of which: interest expenses on lease liabilities	*(3)*	*X*	*X*	*(3)*	*(3)*

The decline in interest expenses compared to June 2024 is mainly due to the decreased interest rate environment.

Notes to the income statement

2.1 Fees and commissions income: breakdown

(€ million)

TYPE OF SERVICES/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
a) Financial Instruments	18	17
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	15
of which: proprietary Trading	-	-
of which: individual portfolio management	*15*	*15*
b) Corporate Finance	7	4
1. M&A advisory	-	-
2. Treasury services	-	-
3. Other fee and commission income in relation to corporate finance activities	7	4
c) Fee based advice	12	11
d) Clearing and settlement	-	-
e) Collective portfolio management	73	72
f) Custody and administration of securities	46	43
1. Custodian Bank	-	-
2. Other fee and commission income in relation to corporate finance activities	46	43
g) Central administrative services for collective investment	-	-
h) Fiduciary transactions	-	-
i) Payment services	131	45
1. Current accounts	0	0
2. Credit cards	85	1
3. Debits cards and other card payments	15	14
4. Transfers and other payment orders	23	22
5. Other fees in relation to payment services	8	8
j) Distribution of third party services	55	44
1.Collective portfolio management	40	35
2. Insurance products	14	8
3. Other products	1	1
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Loan securitization servicing activities	-	-
m) Loan commitment given	-	-
n) Financial guarantees	20	20
of which: credit derivatives	*0*	*0*
o) Lending transaction	36	34
of which: factoring services	*1*	*1*
p) Currency trading	1	1
q) Commodities	-	-
r) Other fee income	91	179
of which: management of sharing multilateral trading facilities	-	-
of which: management of organized trading systems	-	-
Total	**491**	**469**

Starting from December 2024, fee income in connection with debit and credit card services in the amount of €85 million as of 30 June 2025 are recognised in item i) Payment services under item 2. Credit cards. The change was made for better presentation in accordance with the Group guidelines. The comparative period of the previous period has not been adjusted, therefore, this figure does not reflect this reclassification.

Notes to the income statement

2.2 Fees and commissions expenses: breakdown

(€ million)

SERVICES/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
a) Financial instruments	(2)	(2)
of which: trading in financial instruments	*(1)*	*(1)*
of which: placement of financial instruments	*(0)*	*(0)*
of which: individual Portfolio management	*(0)*	*(0)*
- own portfolio	(0)	(0)
- third party portfolio	-	-
b) Clearing and settlement	-	-
c) Portfolio management: collective	(10)	(10)
1. Own portfolio	(2)	(3)
2. Third party portfolio	(7)	(8)
d) Custody and Administration	(10)	(12)
e) Collection and payments services	(67)	(70)
of which: debit credit card service and other payment cards	*(61)*	*(64)*
f) Loan securitization servicing activities	-	-
g) Loan commitment given	(8)	(6)
h) Financial guarantees received	(2)	(2)
of which: credit derivatives	-	-
i) Off - site distribution of financial instruments, products and services	(1)	(1)
j) Currency trading	(0)	(0)
k) Other commission expenses	(1)	(2)
Total	**(101)**	**(105)**

3.1 Dividend income and similar revenues

(€ million)

	AS AT 30.06.2025		AS AT 30.06.2024	
ITEMS/REVENUES	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	6	-	4	-
D. Equity investments	-	-	0	-
Total	**6**	**-**	**4**	**-**

Total dividends and similar revenues	**6**	**4**

Notes to the income statement

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

(€ million)

TRANSACTIONS/P&L ITEMS	CAPITAL GAINS (A)	REALISED PROFITS (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A + B) + (C + D)]
1. Financial assets held for trading	**-**	**0**	**-**	**(0)**	**0**
1.1 Debt securities	-	0	-	-	0
1.2 Equity instruments	-	-	-	-	-
1.3 Units in investment funds	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	(0)	(0)
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Deposits	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**11**
4. Derivatives	**28**	**-**	**(0)**	**-**	**27**
4.1 Financial derivatives	28	-	(0)	-	27
- On debt securities and interest rates	27	-	-	-	27
- 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*	-
Total 30.06.2025	**28**	**0**	**(0)**	**(0)**	**39**
Total 30.06.2024	**27**	**0**	**(0)**	**(0)**	**34**

Notes to the income statement

5.1 Fair value adjustments in hedge accounting

(€ million)

P&L COMPONENT/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
A. Gains on		
A.1 Fair value hedging instruments	380	223
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	-	-
Total gains on hedging activities (A)	**414**	**223**
B. Losses on		
B.1 Fair value hedging instruments	(12)	-
B.2 Hedged financial assets (in fair value hedge relationship)	(271)	(23)
B.3 Hedged financial liabilities (in fair value hedge relationship)	(128)	(200)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(411)**	**(223)**
C. Net hedging result (A – B)	**3**	**1**
of which: net gains (losses) of hedge accounting on net positions	-	-

The volatility of interest rates and change of market conditions led to an increase in the fair values of hedging instruments and the compensatory fair value adjustments of the hedged items on both, the assets and liabilities side.

6.1 Gains (Losses) on disposal/repurchase

(€ million)

	AS AT 30.06.2025			AS AT 30.06.2024		
ITEMS/P&L ITEMS	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
A. Financial assets						
1. Financial assets at amortised cost	-	(1)	(1)	-	(1)	(1)
1.1 Loans and advances to banks	-	-	-	-	-	-
1.2 Loans and advances to customers	-	(1)	(1)	-	(1)	(1)
2. Financial assets at fair value through other comprehensive income	3	-	3	7	(0)	6
2.1 Debt securities	3	-	3	7	(0)	6
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**3**	**(1)**	**2**	**7**	**(2)**	**5**
B. Financial liabilities at amortised cost						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	0	(0)	0	0	(3)	(2)
Total liabilities (B)	**0**	**(0)**	**0**	**0**	**(3)**	**(2)**
Total financial assets/liabilities			**2**			**3**

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 (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A + B) + (C + D)]
1. Financial assets	**-**	**-**	**(5)**	**(0)**	**(5)**
1.1 Debt securities	-	-	(5)	(0)	(5)
1.2 Loans	-	-	-	-	-
2. Financial liabilities	**-**	**-**	**(0)**	**-**	**(0)**
2.1 Debt securities	-	-	(0)	-	(0)
2.2 Deposits from banks	-	-	-	-	-
2.3 Deposits from customers	-	-	-	-	-
3. Financial assets and liabilities in foreign currency: exchange differences	**X**	**X**	**X**	**X**	**-**
Total 30.06.2025	**-**	**-**	**(5)**	**(0)**	**(5)**
Total 30.06.2024	**0**	**-**	**(5)**	**(0)**	**(6)**

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 (B)	CAPITAL LOSSES (C)	REALISED LOSSES (D)	NET PROFIT [(A + B) + (C + D)]
1. Financial assets	**2**	**0**	**(3)**	**(0)**	**(1)**
1.1 Debt securities	0	0	(3)	-	(3)
1.2 Equity securities	-	0	-	-	0
1.3 Units in investment funds	-	-	(0)	-	(0)
1.4 Loans	2	0	(1)	(0)	1
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**-**
Total 30.06.2025	**2**	**0**	**(3)**	**(0)**	**(1)**
Total 30.06.2024	**3**	**0**	**(5)**	**(0)**	**(2)**

Notes to the income statement

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

(€ million)

	AS AT 30.06.2025											AS AT 30.06.2024
	WRITE-DOWNS						WRITE-BACKS					
			STAGE 3		POCI ASSETS							
TRANSACTIONS/INCOME ITEMS	STAGE 1	STAGE 2	WRITE-OFF	OTHER	WRITE-OFF	OTHER	STAGE 1	STAGE 2	STAGE 3	POCI ASSETS	TOTAL	TOTAL
A. Loans and advances to banks	**(0)**	**(0)**	**-**	**(1)**	**-**	**-**	**0**	**0**	**1**	**-**	**(0)**	**0**
- Loans	(0)	(0)	-	(1)	-	-	0	0	1	-	(0)	0
- Debt securities	(0)	(0)	-	-	-	-	0	-	-	-	(0)	0
B. Loans and advances to customers	**(42)**	**(165)**	**(4)**	**(96)**	**-**	**(0)**	**39**	**204**	**106**	**0**	**41**	**(26)**
- Loans	(42)	(165)	(4)	(96)	-	(0)	39	203	106	0	41	(26)
- Debt securities	(0)	-	-	-	-	-	0	0	-	-	0	0
Total	**(42)**	**(165)**	**(4)**	**(97)**	**-**	**(0)**	**39**	**204**	**107**	**0**	**41**	**(26)**

The development of provisions and write-downs on "loans and advances to customers" is presented in the risk report at the sections “Overall picture of the development of expected credit losses”, “Development of credit risk costs” and “Non-performing loans”.

9.1 Staff expenses: breakdown

(€ million)

TYPE OF EXPENSES/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
1) Employees	**(334)**	**(336)**
a) Wages and salaries	(211)	(211)
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	(51)	(52)
- Defined contribution	-	-
- Defined benefit	(51)	(52)
g) Payments to external pension funds	(7)	(7)
- Defined contribution	(7)	(7)
- Defined benefit	(1)	(1)
h) Costs arising from share-based payments	(3)	(1)
i) Other employee benefits	(10)	(11)
2) Other staff	**(5)**	**(6)**
3) Directors and Statutory Auditors	**(0)**	**(0)**
4) Early retirement costs	**-**	**-**
5) Recovery of payments for employees seconded to other companies	**8**	**12**
6) Refund of expenses for employees seconded to the company	**(4)**	**(5)**
Total	**(337)**	**(335)**

Notes to the income statement

10.1 Other administrative expenses

(€ million)

TYPE OF EXPENSES/SECTORS	AS AT 30.06.2025	AS AT 30.06.2024
1) Indirect taxes and duties	**(36)**	**(9)**
1a. Settled	(36)	(9)
1b. Unsettled	-	(0)
2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)	**(5)**	**(10)**
3) Guarantee fee for DTA conversion	**-**	**-**
4) Miscellaneous costs and expenses	**(210)**	**(207)**
a) Advertising marketing and communication	(9)	(7)
b) Expenses relating to credit risk	(3)	(3)
c) Indirect expenses relating to personnel	(1)	(3)
d) Information & Communication Technology expenses	(126)	(120)
Lease of ICT equipment and software	(0)	(0)
Software expenses: lease and maintenance	(3)	(4)
ICT communication systems	(3)	(3)
Services ICT in outsourcing	(114)	(108)
Financial information providers	(5)	(5)
e) Consulting and professional services	(7)	(9)
Consulting	(5)	(6)
Legal expenses	(2)	(2)
f) Real estate expenses	(18)	(19)
Rentals of premises	(1)	(1)
Utilities	(7)	(8)
Other real estate expenses	(11)	(11)
g) Operating costs	(46)	(45)
Surveillance and security services	(3)	(2)
Money counting services and transport	(3)	(3)
Printing and stationery	(1)	(2)
Postage and transport of documents	(8)	(7)
Administrative and logistic services	(25)	(24)
Insurance	(2)	(2)
Association dues and fees and contributions to the administrative expenses deposit guarantee funds	(6)	(6)
Other administrative expenses - other	1	0
Total (1+2+3+4)	**(252)**	**(227)**

The increase compared to June 2024 is primarily due to the higher bank levy which came into effect on 1 April 2025, with retrospective application from 1 January 2025, partly compensated by a lower deposit guarantee fund contribution.

Notes to the income statement

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

(€ million)

	AS AT 30.06.2025		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Loan commitments	(28)	30	**2**
Financial guarantees given	(19)	22	**3**

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

(€ million)

	AS AT 30.06.2024		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Loan commitments	(26)	45	**19**
Financial guarantees given	(14)	25	**11**

12.1 Net provisions for risks and charges: breakdown

(€ million)

	AS AT 30.06.2025			AS AT 30.06.2024
ASSETS/P&L ITEMS	PROVISIONS	REALLOCATION SURPLUS	TOTAL	TOTAL
1. Other provisions				
1.1 Legal disputes	(18)	9	(10)	10
1.2 Staff costs	-	-	-	-
1.3 Other	(0)	0	(0)	0
Total	**(18)**	**9**	**(10)**	**10**

13.1 Other operating expenses

(€ million)

TYPE OF EXPENSE/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
Costs for operating leases	-	-
Non-deductible tax and other fiscal charges	(0)	(0)
Write-downs on leasehold improvements	(4)	(5)
Costs relating to the specific service of financial leasing	-	-
Other	(12)	(15)
Total of other operating expenses	**(15)**	**(19)**

13.2 Other operating income

(€ million)

TYPE OF REVENUE/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
A) Recovery of costs	**1**	**0**
B) Other revenues	**80**	**58**
Revenues from administrative services	6	5
Revenues from operating leases	28	31
Recovery of miscellaneous costs paid in previous years	2	5
Revenues on financial leases activities	-	-
Other	45	17
Total of other operating income (A+B)	**81**	**58**

Under other operating income profits of €29 million (1H24: €0 million) are recorded, realized from the transfer of the existing corporate portfolio with Iberian customers to UniCredit Bank GmbH, Munich. The transfer was approved on 22 July 2024 and the execution is still ongoing.

Notes to the income statement

14.1 Profit (Loss) from equity investment

(€ million)

P&L ITEMS/VALUES	AS AT 30.06.2025	AS AT 30.06.2024
A. Income	**145**	**126**
1. Revaluations	145	126
2. Gains on disposal	-	0
3. Writebacks	-	0
4. Other gains	-	-
B. Expenses	**(1)**	**(0)**
1. Writedowns	(0)	(0)
2. Impairment losses	(1)	(0)
3. Losses on disposal	(0)	-
4. Other expenses	-	-
Net profit	**144**	**126**

Profit from equity investments amounted to €145 million (1H24: €126 million); this item includes pro rata profits from companies subject to significant influence, mainly the 3-Banken Group and Oesterreichische Kontrollbank.

15.1 Gains and losses on disposal of investments

(€ million)

P&L ITEMS/SECTORS	AS AT 30.06.2025	AS AT 30.06.2024
A. Property		
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets		
- Gains on disposal	1	0
- Losses on disposal	(1)	(0)
Net profit	**0**	**(0)**

16.1 Profit (Loss) after tax from discontinued operations

As in the previous year, there were no discontinued operations in the first half of 2025. Therefore, no data is 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 30.06.2025 LEVEL 1	LEVEL 2	LEVEL 3	AMOUNTS AS AT 31.12.2024 LEVEL 1	LEVEL 2	LEVEL 3
A. Financial assets (non-derivatives)						
1. Debt securities	**-**	**-**	**-**	**-**	**0**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	0	-
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in investment funds	**-**	**-**	**0**	**0**	**-**	**0**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Reverse Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**-**	**-**	**0**	**0**	**0**	**0**
B. Derivative instruments						
1. Financial derivatives	**-**	**1,176**	**10**	**-**	**1,348**	**6**
1.1 Trading	-	1,032	10	-	1,256	6
1.2 Linked to fair value option	-	143	-	-	91	-
1.3 Other	-	-	-	-	-	-
2. Credit derivatives	**-**	**0**	**-**	**-**	**-**	**0**
2.1 Trading	-	-	-	-	-	-
2.2 Linked to fair value option	-	0	-	-	-	0
2.3 Other	-	-	-	-	-	-
Total (B)	**-**	**1,176**	**10**	**-**	**1,348**	**6**
Total (A+B)	**-**	**1,176**	**10**	**0**	**1,348**	**6**
Total Level 1, Level 2 and Level 3			**1,186**			**1,354**

The change in fair value level 2 in item B.1. Financial derivatives results from the change in market interest rates in the first half of 2025.

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

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 30.06.2025 LEVEL 1	LEVEL 2	LEVEL 3	AMOUNTS AS AT 31.12.2024 LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**-**	**10**	**59**	**-**	**10**	**63**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	10	59	-	10	63
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in investment funds	**-**	**-**	**0**	**-**	**-**	**0**
4. Loans	**-**	**254**	**75**	**-**	**269**	**90**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	254	75	-	269	90
Total	**-**	**263**	**135**	**-**	**278**	**153**
Total Level 1, Level 2 and Level 3			**398**			**431**

Notes to the statement of financial position

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

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 30.06.2025 LEVEL 1	LEVEL 2	LEVEL 3	AMOUNTS AS AT 31.12.2024 LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**16,231**	**586**	**415**	**15,410**	**1,198**	**436**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	16,231	586	415	15,410	1,198	436
2. Equity instruments	**-**	**72**	**119**	**-**	**60**	**115**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**16,231**	**658**	**534**	**15,410**	**1,258**	**552**
Total Level 1, Level 2 and Level 3			**17,422**			**17,220**

The decrease in debt securities classified as fair value hierarchy level 2 is primarily due to maturities of positions during the first half of the year 2025.

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

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025 BOOK VALUE STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	AMOUNTS AS AT 31.12.2024 BOOK VALUE STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS
A. Loans and advances to Central Banks	**488**	**(0)**	**-**	**213**	**(0)**	**-**
1. Time deposits	-	-	-	-	-	-
2. Compulsory reserves	488	(0)	-	213	(0)	-
3. Reverse repos	-	-	-	-	-	-
4. Other	-	-	-	-	-	-
B. Loans and advances to banks	**15,367**	**27**	**-**	**11,725**	**34**	**-**
1. Loans	13,691	27	-	10,161	34	-
1.1 Current accounts	-	-	-	-	-	-
1.2 Time deposits	3,490	-	-	3,639	-	-
1.3 Other loans	10,200	27	-	6,522	34	-
- Reverse repos	9,658	-	-	6,052	-	-
- Lease Loans	-	-	-	-	-	-
- Other	543	27	-	470	34	-
2. Debt securities	1,676	-	-	1,563	-	-
2.1 Structured	-	-	-	-	-	-
2.2 Other	1,676	-	-	1,563	-	-
Total	**15,854**	**27**	**-**	**11,938**	**34**	**-**

The increase in the item “B. Loans and advances to banks - 1.3. Other loans - Reverse repos” is mainly due to new transactions with European banks in the amount of €3.6 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 30.06.2025 BOOK VALUE			AMOUNTS AS AT 31.12.2024 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
1. Loans	**58,479**	**1,229**	**8**	**58,634**	**1,201**	**8**
1.1 Current accounts	3,213	77	4	4,674	123	4
1.2 Reverse repos	50	-	-	-	-	-
1.3 Mortgages	14,537	58	1	14,583	54	1
1.4 Credit cards and personal loans, including wage assignment	129	39	0	668	47	0
1.5 Lease loans	1,338	92	-	1,399	89	-
1.6 Factoring	2,358	7	-	2,269	4	-
1.7 Other loans	36,855	955	3	35,041	884	3
2. Debt securities	**3,643**	**-**	**-**	**2,436**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-
2.2 Other debt securities	3,643	-	-	2,436	-	-
Total	**62,122**	**1,229**	**8**	**61,070**	**1,201**	**8**

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	
	30.06.2025	31.12.2024
A. Assets held for sale		
A.1 Financial assets	528	337
A.2 Equity investments	0	-
A.3 Property, plant and equipment	10	1
of which: obtained by the enforcement of collateral	-	-
A.4 Intangible assets	2	-
A.5 Other non-current assets	38	-
Total (A)	**578**	**338**
of which: carried at cost	*575*	*337*
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	*2*	*0*
of which: designated at fair value - level 3	*1*	*0*
B. Discontinued operations		
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	-	-
of which: obtained by the enforcement of collateral	-	-
B.6 Intangible assets	-	-
B.7 Other assets	(0)	(0)
Total (B)	**(0)**	**(0)**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	*(0)*	*(0)*
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	182	-
C.2 Securities	-	-
C.3 Other liabilities	191	(0)
Total (C)	**373**	**(0)**
of which: carried at cost	*373*	*(0)*
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	-	-
D. Liabilities associated with discontinued operations		
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	-	-
Total (D)	**-**	**-**
of which: carried at cost	-	-
of which: designated at fair value - level 1	-	-
of which: designated at fair value - level 2	-	-
of which: designated at fair value - level 3	-	-

Notes to the statement of financial position

Discontinued operations
There were no discontinued operations reported.

Non-current assets held for sale
The item mainly includes the assets held for sale of card complete Service Bank AG which have been reclassified in February 2025, after the management of UniCredit Bank Austria AG approved to dispose its stake in card complete Service Bank AG and signed a Share Purchase Agreement to that effect.

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

(€ million)

	AMOUNTS AS AT	
TYPE OF TRANSACTIONS/VALUES	30.06.2025	31.12.2024
1. Deposits from central banks	**215**	**17**
2. Deposits from banks	**21,374**	**13,655**
2.1 Current accounts and demand deposits	2,491	1,458
2.2 Time deposits	7,037	6,444
2.3 Loans	10,730	5,687
2.3.1 Repos	10,730	5,687
2.3.2 Other	-	-
2.4 Liabilities relating to commitments to repurchase treasury shares	-	-
2.5 Lease deposits	-	-
2.6 Other deposits	1,116	66
Total	**21,589**	**13,672**

The increase in the item "2.3.1 Repos" is mainly due to an increase in the volume of transactions compared to the previous period.

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

(€ million)

	AMOUNTS AS AT	
TYPE OF TRANSACTION/VALUES	30.06.2025	31.12.2024
1. Current accounts and demand deposits	45,489	47,044
2. Time deposits	13,370	13,441
3. Loans	188	2
3.1 Repos	188	-
3.2 Other	-	2
4. Liabilities relating to commitments to repurchase treasury shares	-	-
5. Lease liabilities	259	275
6. Other deposits	46	50
Total	**59,352**	**60,812**

Notes to the statement of financial position

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

(€ million)

TYPE OF SECURITIES/VALUES	AMOUNTS AS AT 30.06.2025	AMOUNTS AS AT 31.12.2024
A. Debt securities		
1. Bonds	12,754	12,532
1.1 Structured	193	239
1.2 Other	12,561	12,292
2. Other securities	-	-
2.1 Structured	-	-
2.2 Other	-	-
Total	**12,754**	**12,532**

7.1 Financial liabilities held for trading: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025					AMOUNTS AS AT 31.12.2024				
	NOMINAL VALUE	FAIR VALUE LEVEL 1	FAIR VALUE LEVEL 2	FAIR VALUE LEVEL 3	FAIR VALUE	NOMINAL VALUE	FAIR VALUE LEVEL 1	FAIR VALUE LEVEL 2	FAIR VALUE LEVEL 3	FAIR VALUE
A. Cash liabilities										
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
Total (A)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives instruments										
1. Financial derivatives	X	-	1,174	21	X	X	-	1,355	9	X
1.1 Trading derivatives	X	-	1,032	21	X	X	-	1,275	9	X
1.2 Linked to fair value option	X	-	142	-	X	X	-	80	-	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
Total (B)	**X**	**-**	**1,174**	**21**	**X**	**X**	**-**	**1,355**	**9**	**X**
Total (A+B)	**X**	**-**	**1,174**	**21**	**X**	**X**	**-**	**1,355**	**9**	**X**
Total Level 1, Level 2 and Level 3				**1,194**					**1,364**	

Notes to the statement of financial position

8.1 Financial liabilities designated at fair value: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2025					AMOUNTS AS AT 31.12.2024				
	NOMINAL VALUE	FAIR VALUE			FAIR VALUE	NOMINAL 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	**10**	**-**	**10**	**-**	**11**	**10**	**-**	**10**	**-**	**10**
3.1 Structured	10	-	10	-	X	10	-	10	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**11**	**-**	**10**	**1**	**12**	**11**	**-**	**10**	**1**	**11**
Total Level 1, Level 2 and Level 3				**11**					**11**	

Notes to the statement of financial position

9.1a Provisions for risks and charges: breakdown

(€ million)

ITEMS/COMPONENTS	AMOUNTS AS AT 30.06.2025	31.12.2024
1. Provisions for credit risk on commitments and financial guarantees given	143	157
2. Provisions for other commitments and other guarantees given	-	-
3. Pensions and other post-retirement benefit obligations	2,733	2,875
4. Other provisions for risks and charges	246	276
4.1 Legal and tax disputes	87	79
4.2 Staff expenses	129	150
4.3 Other	31	48
Total	**3,122**	**3,309**

The item “4. Other provisions for risks and charges” includes amounts, excluding discounting impacts, related to the updated “*UniCredit Unlocked*” strategic plan.

9.1b Provisions for risks and charges - other provisions

(€ million)

	AMOUNTS AS AT 30.06.2025	31.12.2024
4.3 Other provisions for risks and charges - other		
Real estate risks/charges	8	9
Restructuring costs	4	5
Allowances payable to agents	-	-
Disputes regarding financial instruments and derivatives	2	3
Costs for liabilities arising from equity investment disposals	-	14
Other	16	18
Total	**31**	**48**

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** (this segment reporting corresponds to UniCredit's Segment Austria).

Reconciliation of income statement to segment report

(€ million)

	AS AT 30.06.2025	30.06.2024
Net interest	**727**	**805**
Item 30. Net interest margin	774	856
less: Reclassification net Interest contribution deriving from Trading Book instruments	(0)	(1)
+ Interest on DBO (from Item 190)	(47)	(50)
+ Derivatives instruments - Economic Hedges - Others - Interest component	0	0
Dividends and other income from equity investments	**151**	**130**
Item 70. Dividend income and similar revenues	6	4
less: Dividends on equity investments, shares and equity instruments mandatorily at fair value	(0)	(0)
Item 250. Gains (Losses) of equity investments - of which: Profit (Loss) of equity investments valued at equity	145	126
Fees	**421**	**398**
Item 60. Net fees and commissions	390	364
less: Settlement of specific accruals referred to previous years operations	0	0
+ Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives (from Item 80)	3	-
+ Mark-up fees on client hedging activities (from Item 80)	28	33
Trading income	**15**	**8**
Item 80. Net gains (losses) on trading	39	34
less: Derivatives instruments - Economic Hedges - Others - Interest component	(0)	(0)
less: Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives	(3)	-
less: Mark-up fees on client hedging activities	(28)	(33)
Item 90. Net gains (losses) on hedge accounting	3	1
Item 100. Gains (Losses) on disposal and repurchase of: c) financial liabilities	0	(2)
Item 100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income	3	6
Item 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	(6)	(8)
+ Dividends on equity investments, shares and equity instruments mandatorily at fair value (from Item 70)	0	0
+ Gain/losses on commodities held with a trading intent (from Item 230)	7	9
+ Reclassification net Interest contribution deriving from Trading Book instruments	0	1
Other expenses/income	**19**	**18**
Item 230. Other operating expenses/income	66	39
less: Recovery of expenses excluded amounts related to credit card distribution agreements	-	(0)
less: Net value adjustments/write-backs on leasehold improvements (on non-separable assets)	4	5
less: Gain (losses) on commodities held with a trading intent	(7)	(9)
less: Other	(28)	1
+ Settlement of specific accruals referred to previous years operations	(0)	(0)
+ Net value adjustments/write-backs of tangible in operating lease assets (from Item 210)	(14)	(16)
+ Amounts related to credit card distribution agreements (from item 190)	(1)	-
Adjustment to segmentation logic of UniCredit	(0)	-
Operating Income	**1,334**	**1,359**

Segment reporting

continued: Reconciliation of income statement to segment report

(€ million)

	AS AT 30.06.2025	30.06.2024
Operating Income	**1,334**	**1,359**
HR costs	**(291)**	**(285)**
Item 190. Administrative expenses: a) staff costs	(337)	(335)
less: Integration costs	3	5
less: Interest on DBO	47	50
Adjustment to segmentation logic of UniCredit	(4)	(5)
Non-HR-costs	**(208)**	**(204)**
Item 190. Administrative expenses: b) other administrative expenses	(252)	(227)
less: Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), and Bank Levy	41	21
less: Integration costs	1	2
less: Other administration costs	-	(1)
less: Amounts related to credit card distribution agreements	1	-
+ Tax recovery (from Item 230)	-	0
+ Other (from Item 230)	(1)	-
+ Net value adjustments/write-backs on leasehold improvements on non-separable assets (from Item 230)	(4)	(5)
Adjustment to segmentation logic of UniCredit	6	5
Recovery of expenses	**-**	**0**
+ Recovery of expenses excluded amounts related to credit card distribution agreements and Tax recovery (from Item 230)	-	0
Amortisations and depreciations	**(19)**	**(22)**
Item 210. Net value adjustments/write-backs on property, plant and equipment	(32)	(40)
less: Net value adjustments/write-backs of tangible in operating lease assets	14	16
less: Impairment/write backs of right of use of land and buildings used in the business	0	3
Item 220. Net value adjustments/write-backs on intangible assets	(2)	(1)
less: Impairment on intangible assets - Evaluation arising from IFRS5 non-current assets and disposal groups related to equity investment	2	-
Adjustment to segmentation logic of UniCredit	(0)	-
Operating costs	**(518)**	**(511)**
GROSS OPERATING PROFIT (LOSS)	**816**	**848**
Loan Loss Provisions (LLPs)	**44**	**3**
Item 100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost	(1)	(1)
Item 130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost	41	(26)
less: Net losses/recoveries on impairment relating to: a) financial assets at amortised cost - debt securities	(0)	(0)
Item 130. Net losses/recoveries on credit impairment relating to: b) Financial assets at fair value through other comprehensive income	(0)	(0)
less: Net losses/recoveries on impairment relating to: b) Financial assets at fair value through other comprehensive income - debt securities	0	0
Item 140. Gains/Losses from contractual changes with no cancellations	(0)	0
Item 200. Net provisions for risks and charges: a) commitments and financial guarantees given	4	31
NET OPERATING PROFIT (LOSS)	**860**	**851**

Segment reporting

continued: Reconciliation of income statement to segment report

(€ million)

	AS AT 30.06.2025	30.06.2024
NET OPERATING PROFIT (LOSS)	**860**	**851**
Other charges and provisions	**(44)**	**(11)**
Item 200. Net provisions for risks and charges: b) other net provisions	(10)	10
less: Integration costs	7	-
+ Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy (from Item 190 b)	(41)	(21)
Integration costs	**(11)**	**(7)**
+ Payroll costs - Administrative expenses - of which a) staff costs - integration costs (from Item 190)	(3)	(5)
+ Other administrative expenses - Administrative expenses - of which b) other administrative expenses - integration costs (from Item 190)	(1)	(2)
+ Other charges and provisions - Net provisions for risks and charges - integration costs (from Item 200)	(7)	-
Net income from investments	**25**	**(1)**
Item 250. Gains (Losses) of equity investments - of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	(1)	0
Item 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	(1)	2
Item 280. Gains (Losses) on disposals on 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 losses/write backs on property owned for investment (from Item 210)	29	-
+ Revaluation arising from IFRS5 non-current assets and disposal groups related to equity investment	(2)	-
+ Impairment/write backs of right of use of land and buildings used in the business (from Item 210)	(0)	(3)
PROFIT (LOSS) BEFORE TAX	**830**	**833**
Income taxes	**(157)**	**(141)**
Item 300. Tax expenses (income) of the year from continuing operations	(157)	(141)
Adjustment to segmentation logic of UniCredit	(0)	-
NET PROFIT (LOSS) FOR THE PERIOD	**673**	**691**
Minorities	0	0
Item 340. Minority profit (loss) of the year	0	0
GROUP STATED NET PROFIT (LOSS)	**673**	**692**

Notes:
- Previous year as published
- Structure of above table amended compared to previous reports

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

(€ million)

	30.06.2025	31.12.2024
Loans to customers	**60,007**	**60,165**
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	63,359	62,279
less: Debt securities	(3,643)	(2,436)
less: Leasing assets IFRS16	(37)	(37)
+ Loans (from Item 20 c)	328	359
Deposits from customers	**59,093**	**60,536**
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	59,352	60,812
less: Leasing liabilities IFRS16	(259)	(275)

2024 loans to customers not considering €0.3bn loans referring to Iberia transaction, classified as held-for-sale at the end of the year.

Segment reporting

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 the “**Net interest**” of interest rate component of the DBO (Defined Benefit Obligation) and Jubilee deriving from HR costs;
- the inclusion in “**Dividends and other income from equity investments**” of “**Gains (Losses) of equity investments**” (of which: “Profit (Loss) of equity investments valued at equity”) and the exclusion of “Dividends on equity investments, shares and equity instruments mandatorily at fair value” which are included in “Trading income”;
- the inclusion in the “**Fees**” (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 “**Trading income**” (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, (viii) of the gain/losses on commodities held with a trading intent from “Other operating expenses/income” and (ix) dividends on equity investments, shares and equity instruments mandatorily at fair value;
- the inclusion in the “**Other expenses/income**” of “**Other operating expenses/income**”, (i) excluding recovery of expenses related to credit card distribution agreements, (ii) the exclusion of the costs for “Net value adjustments/write-backs on leasehold improvements (on non-separable assets)” classified among “Other administrative expenses”, (iii) excluding gain (losses) on commodities held with a trading intent;
  and inclusion of (i) result of industrial companies, (ii) net value adjustments/write-backs of tangible in operating lease assets, and (iii) amounts related to credit card distribution agreements;
- presentation of “**Other expenses/income**”, “**HR costs**”, “**Non-HR costs**”, “**Amortisations and depreciations**” and “**Other charges and provisions**” net of any “Integration costs” relating to the reorganisation operations, classified as a separate item;
- in “**Loans loss provisions (LLPs)**”, the inclusion of (i) net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income net of debt securities, (ii) of the gains (losses) on disposal and repurchase of financial assets at amortised cost net of debt securities and of performing loans, (iii) of the net provisions for risks and charges related to commitments and financial guarantees given;
- 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**”);
- the inclusion in “**Net income from investments**” of (i) net losses/recoveries on financial assets at amortised cost and at fair value through other comprehensive income - debt securities, (ii) gains (losses) on tangible and intangible assets measured at fair value, (iii) 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”.

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 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 the organisational responsibility for customers.

Bank Austria Group shows its segment reporting according to the presentation of the Segment "Austria" by UniCredit Group, which differs slightly from the 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 2024 mainly relate to the transfer of the Iberian portfolio to German UniCredit Bank GmbH, impacting Bank Austria Group's overall P&L, loans to customers and deposits from customers, risk-weighted assets (RWA) and full-time equivalents (FTE).

The segment reporting presented here includes a subsidiary of the German UniCredit Bank GmbH, as it is partly attributable to Bank Austria in economic terms, as well as other group activities of UniCredit Group that are allocated to Bank Austria on a pro rata basis.

Bank Austria Group therefore corresponds to the segment "Austria" in the presentation of the results 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.

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 services, 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 2025 / 1 - 6 2024

(€ million)

		RETAIL	WEALTH MANAGE-MENT & PRIVATE BANKING	CORPORATES	CORPORATE CENTER	BANK AUSTRIA GROUP (RECAST)[1)]	RECASTING DIFFERENCES[2)]	BANK AUSTRIA GROUP[3)]
Net interest	1H25	304	52	351	19	727	-	727
	1H24	346	63	396	(11)	794	11	805
Dividends and other income from equity investments	1H25	7	0	17	127	151	-	151
	1H24	4	0	15	111	130	-	130
Fees	1H25	185	73	168	(4)	421	-	421
	1H24	173	68	157	(3)	394	4	398
Trading income	1H25	0	1	3	12	15	-	15
	1H24	1	0	6	2	8	(1)	8
Other expenses/income	1H25	5	(1)	11	4	19	-	19
	1H24	1	(1)	15	4	19	(1)	18
OPERATING INCOME	**1H25**	**502**	**125**	**550**	**157**	**1,334**	**-**	**1,334**
	1H24	**525**	**130**	**589**	**102**	**1,346**	**13**	**1,359**
OPERATING COSTS	**1H25**	**(261)**	**(59)**	**(185)**	**(13)**	**(518)**	**-**	**(518)**
	1H24	**(261)**	**(58)**	**(178)**	**(14)**	**(511)**	**0**	**(511)**
GROSS OPERATING PROFIT (LOSS)	**1H25**	**241**	**66**	**365**	**144**	**816**	**-**	**816**
	1H24	**264**	**72**	**411**	**88**	**835**	**13**	**848**
Loan loss provisions (LLPs)	1H25	(2)	(1)	46	1	44	-	44
	1H24	4	(1)	2	(1)	4	(1)	3
NET OPERATING PROFIT (LOSS)	**1H25**	**239**	**66**	**411**	**145**	**860**	**-**	**860**
	1H24	**268**	**71**	**413**	**87**	**839**	**12**	**851**
Other charges and provisions	1H25	(10)	(0)	2	6	(3)	-	(3)
	1H24	2	(1)	9	0	10	-	10
Systemic charges	1H25	(12)	(1)	(17)	(10)	(41)	-	(41)
	1H24	(11)	(1)	(5)	(3)	(21)	(0)	(21)
Integration costs	1H25	(0)	-	-	(11)	(11)	-	(11)
	1H24	(2)	-	-	(5)	(7)	-	(7)
Net income from investments	1H25	(2)	0	29	(3)	25	-	25
	1H24	-	0	3	(4)	(1)	-	(1)
PROFIT (LOSS) BEFORE TAX	**1H25**	**215**	**64**	**425**	**127**	**830**	**-**	**830**
	1H24	**257**	**69**	**419**	**76**	**820**	**12**	**833**
Income taxes	1H25	(48)	(15)	(94)	(1)	(157)	-	(157)
	1H24	(58)	(16)	(93)	29	(138)	(3)	(141)
Total profit or loss after tax from discontinued operations	1H25	-	-	-	-	-	-	-
	1H24	-	-	-	-	-	-	-
NET PROFIT (LOSS) FOR THE PERIOD	**1H25**	**167**	**49**	**331**	**126**	**673**	**-**	**673**
	1H24	**198**	**53**	**326**	**104**	**682**	**9**	**691**
Minorities	1H25	0	(0)	(0)	0	0	-	0
	1H24	1	(0)	(0)	(0)	0	-	0
GROUP STATED NET PROFIT (LOSS)	**1H25**	**167**	**49**	**331**	**126**	**673**	**-**	**673**
	1H24	**199**	**53**	**325**	**104**	**682**	**9**	**692**
Risk-weighted assets (RWA) (avg.)	**1H25**	**8,876**	**750**	**19,353**	**10,754**	**39,733**	**-**	**39,733**
	1H24	**9,028**	**637**	**17,331**	**10,417**	**37,414**	**680**	**38,094**
Loans to customers (end of period)	**1H25**	**17,310**	**564**	**41,854**	**280**	**60,007**	**-**	**60,007**
	1H24	**18,540**	**645**	**41,377**	**130**	**60,692**	**1,408**	**62,100**
Deposits from customers (end of period)	**1H25**	**27,663**	**7,269**	**23,101**	**1,061**	**59,093**	**-**	**59,093**
	1H24	**27,149**	**7,259**	**23,886**	**1,259**	**59,552**	**190**	**59,743**
Cost/income ratio in %	**1H25**	**52.0**	**47.0**	**33.7**	**n.m.**	**38.8**	**n.m.**	**38.8**
	1H24	**49.8**	**44.9**	**30.2**	**n.m.**	**38.0**	**n.m.**	**37.6**

Notes:
- Segment reporting reflects the presentation of UniCredit's Segment Austria
- Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts mainly relate to the transfer of the Iberian portfolio to the German UniCredit Bank GmbH.
- n.m. = not meaningful

Risk report

Credit risks

Despite the slight upward trend, the economic situation in Austria remains very challenging, burdened by the protectionist trade policy of the USA and new geopolitical risks. The rise in inflation slowed in the first months of 2025, but reached its highest level in more than a year in June 2025. Falling interest rates should help to improve sentiment.

In this environment, Bank Austria recorded a positive risk result with a declining non-performing volume in the first half of 2025. Supported by proactive risk management, a comprehensive understanding of risk drivers and continuous further development of the early warning system, a high level of attention will continue to be paid to active measures to reduce the non-performing portfolio.

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 2025.

Since 4Q24, UniCredit Bank Austria AG has been using three macroeconomic scenarios to determine the forward-looking component of expected credit losses (ECL):
- 60% for the baseline scenario
- 35% for the adverse scenario
- 5% for the positive scenario

Weights are proposed by UniCredit Research and approved group wide.

Compared to year-end 2024, the reduction of Austrian GDP was more pronounced than originally expected. Compared to the outlook at the end of 2024, the Austrian macroeconomic forecast 2Q25 has seen a slight overall improvement. For the year 2025, we expect GDP to weaken less (currently -0.2% vs. the previous estimate of -0.5%). For the subsequent years, 2026 and 2027, moderate GDP growth is expected, at 1.1% and 1.5%, respectively. With regard to short-term interest rates, moderate reductions are still anticipated, with the EURIBOR expected to stand at around 2% by the end of 2027. Expectations for inflation trends suggest a decrease, with inflation in Austria initially forecast to remain approximately half a percentage point above that of the Eurozone. However, by the end of 2027, both are projected to decline to the 2% target.

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).

Risk report

Geopolitical overlay

The level of geopolitical overlay has only come down slightly since year-end 2024 and hence continues to make up a relevant portion of performing loan loss provisions (it increases the stock by about one sixth) given the underlying source of risks has neither realized nor faded away with reliable level of confidence.

E.2.15a Overlay

(€ million)

		30.06.2025	31.12.2024	CHANGE
OVERLAY	Geopolitical	**93**	98	(5)
STAGE 1&2 - LLP OVERALL		**619**	653	(33)

The slight reduction from €98 million to €93 million is mainly explained by a small fluctuation in the credit volumes of the perimeter.

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 €78,515 million as of 30 June 2025 compared with €77,251 million at the end of 2024, of which €61,165 million, before deduction of allowances of €1,158 million, is attributable to loans and advances to customers in accordance with the reclassified balance sheet for segment reporting purposes (€61,840 million before deduction of impairments of €1,338 million at year end 2024).
€16,652 million (€15,225 million at year-end 2024) accounted for risk assets from securities positions.

As of year-end 2024, booked impairments for risk volumes in the performing portfolio (stages 1 and 2) amounted to €608 million and decreased to €570 million as of June 2025. Provisions for non-performing assets (including financial assets with already impaired credit ratings), which amounted to €730 million at year-end 2024, totaled €592 million at the end of June 2025.

Based on loans and advances to customers, impairment losses for stages 1 and 2 decreased from €606 million at year-end to an amount of €567 million as of 30 June 2025. Provisions for non-performing loans and advances (stage 3) (including financial assets with credit ratings already impaired upon initial recognition) decreased from €732 million as of year-end 2024 to €590 million as of June 2025.

Non-Performing Loans

With an overall higher volume of on-balance sheet assets due from customers of €78,515 million compared with €77,251 million at the end of 2024, the non-performing volume (before deduction of impairment losses of €1,162 million) decreased in the first half of 2025 from €1,941 million to €1,833 million and thus to a share of 2.3% (2.5% at the end of 2024).

The share of non-performing loans in total loans and advances to customers accounted to 3.0% as of 30 June 2025 (3.1% at year-end 2024). The coverage ratio decreased to 32.3% (from 37.7% at year-end 2024).
The drop in the coverage ratio is solely attributable to a partial write-off of a big restructuring ticket and a new default of a single big ticket with low LLP due to high collateral coverage.

Risk report

Development of credit risk costs

In the first half of 2025 UCBA Group achieved a positive LLP result with net release of €44 million (net release of €3 million as published for the first half of 2024). The main driver was the non-performing portfolio (net release of €26 million), where write-backs resulting from repayments more than compensated write-downs from new defaults. The net release in the performing portfolio (€18 million) were caused by updated PD models and volume reductions.

Broken down by segment, the development of impairment gains/losses for the non-performing portfolio is as follows: net releases in both the Corporates and Retail segments, at €14 million and €11 million respectively. The performing portfolio was primarily driven by the Corporate segment (€32 million); the Retail segment recorded net increases €14 million.

Operational credit risk strategy taking into account a changed macroeconomic environment

The impact of geopolitical events and changes in the macroeconomic environment is reflected within credit processes by applying an active and forward-looking screening of the credit portfolios and early adaptation of credit risk strategies and measures. The Screening focuses on identifying and containing the direct and indirect effects of the crisis on credit customers. The correct determination of effects on our customers e.g., due to the change in interest rate development, inflation, geopolitical effects, and changes in the real estate market is of particular importance; furthermore, ESG related effects gain more importance.
These topics and effects are reflected within the credit decision process, in case of automatic credit decisions the credit decision engines are calibrated accordingly. Customers operating in identified high-risk industries are analyzed with particular care.

These specific adjustments were complemented by measures generally aimed at preventing and limiting the increase in the non-performing portfolio at an early stage. Furthermore, the sale of non-performing loans is continuously evaluated, and non-recoverable receivables are written-off timely. At the same time, there was a continuous development of the general risk culture in the bank, monitoring, and control mechanisms (through the implementation of specific KPIs and optimized management reporting) and risk processes (e.g., lending, regular market-value monitoring of real-estate collateral). In addition, the processes for providing viable forbearance measures and credit restructuring were continuously improved and standardized.

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). According to a multi-year plan (model road map) adjustments of the model landscape are done, on one side, refining and further developing local and Group-wide models and, to a lesser extent, the introduction of additional Group-wide models is taking place, and, on the other side, a reverting to a lesser sophisticated approach (Foundation IRB) as well as applications for the use of the permanent partial use are done in alignment with the regulator. Following the guidelines of the EBA, the material model changes to all local PD models were put into production in 2021. The latest recalibration of all local PD models was implemented in November 2024. Additionally, a recalibration of the Group-wide PD-model for Banks was introduced in 2Q25.

After the approval of the local LGD model in the first quarter of 2023, it was put into production in 1Q23.

The revision and submission of the local EAD model was performed in 3Q23 and after approval implemented in 1Q25.

With the entry into force of Regulation (EU) 2024/1623 of 31 May 2024 (CRRIII), the switch back to the IRB Foundation approach (F-IRB) for all group-wide models applicable to portfolios with low default risk (multinational corporations and banks) took place in 1Q25.

Risk report

Additionally, to the low default risk portfolio, the following customers are treated under the F-IRB approach as of 1Q25:
- Real Estate customers with a turnover above €500 million
- Financial Entities belonging to Corporate Asset Class
- Customers in the local segments such Mid Corporate, Small Business and Real Estate which are rating recipients consolidated under Sponsor groups of group wide multinationals, or RECR customers with a turnover above €500 million

Implementation of the 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 2025. Compared to the end of 2024, the CHF loan volume (after impairments) was reduced by further €0.2 billion from to €2.6 billion to €2.4 billion. Approximately 5.1% 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)

	30.06.2025			31.12.2024		
COUNTRY/PORTFOLIO	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Austria	**3,025**	**2,840**	**2,809**	**2,899**	**2,736**	**2,707**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	60	57	57	60	60	60
Fair value through other comprehensive income	2,550	2,352	2,352	2,772	2,600	2,600
Financial assets at amortised cost	416	432	401	67	76	47
Designated at fair value through profit or loss	-	-	-	-	-	-
Spain	**2,818**	**2,751**	**2,741**	**3,118**	**3,039**	**3,022**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	2,323	2,248	2,248	2,508	2,424	2,424
Financial assets at amortised cost	495	503	494	610	615	598
Designated at fair value through profit or loss	-	-	-	-	-	-
France	**1,749**	**1,671**	**1,634**	**1,379**	**1,307**	**1,267**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	1,467	1,385	1,385	1,205	1,129	1,129
Financial assets at amortised cost	281	286	249	174	177	138
Designated at fair value through profit or loss	-	-	-	-	-	-

Risk report

COUNTRY/PORTFOLIO	30.06.2025			31.12.2024		
	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Italy	**1,610**	**1,628**	**1,625**	**1,610**	**1,615**	**1,607**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	1,190	1,206	1,206	1,190	1,192	1,192
Financial assets at amortised cost	420	422	420	420	423	415
Designated at fair value through profit or loss	-	-	-	-	-	-
Poland	**504**	**511**	**511**	**373**	**377**	**377**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	444	450	450	373	377	377
Financial assets at amortised cost	60	62	62	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Slovakia	**480**	**470**	**470**	**425**	**415**	**415**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	480	470	470	425	415	415
Financial assets at amortised cost	-	-	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-

Risk report

COUNTRY/PORTFOLIO	30.06.2025			31.12.2024		
	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Belgium	**398**	**395**	**396**	**268**	**271**	**271**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	275	273	273	268	271	271
Financial assets at amortised cost	123	123	123	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Germany	**345**	**342**	**338**	**345**	**355**	**337**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	39	38	38	39	39	39
Financial assets at amortised cost	306	304	300	306	317	298
Designated at fair value through profit or loss	-	-	-	-	-	-
Czech Republic	**345**	**340**	**340**	**351**	**349**	**349**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	323	319	319	351	349	349
Financial assets at amortised cost	22	21	21	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Other Countries	**5,118**	**5,007**	**4,973**	**4,227**	**4,030**	**3,990**
Held for trading (Net exposures)	-	-	-	104	0	0
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	3,728	3,657	3,657	3,528	3,474	3,474
Financial assets at amortised cost	1,202	1,214	1,180	438	450	410
Designated at fair value through profit or loss	188	135	135	156	106	106
TOTAL	**16,391**	**15,957**	**15,838**	**14,994**	**14,494**	**14,343**

The most significant items within category “Other Countries” are Portugal (with a notional amount of €285 million, YE 2024: €205 million) and Romania (€197 million, YE 2024 €197 million). Furthermore, “Other Countries” includes debt securities issued by International Organizations in a notional of €3,759 million (YE 2024: €2,867 million).

Risk report

Breakdown of sovereign debt securities by portfolio

(€ million)

	30.06.2025					
	HELD FOR TRADING (NET EXPOSURES)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Book value of sovereign portfolio	-	57	12,398	3,367	135	15,957
Total portfolio of debt securities	-	69	17,231	5,319	144	22,763
% Portfolio	-	81.9%	72.0%	63.3%	93.6%	70.1%
	31.12.2024					
	HELD FOR TRADING (NET EXPOSURES)	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FINANCIAL ASSETS AT AMORTIZED COST	FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Book value of sovereign portfolio	0	60	12,270	2,059	106	14,494
Total portfolio of debt securities	0	72	17,045	3,999	115	21,232
% Portfolio	100.0%	82.9%	72.0%	51.5%	91.6%	68.3%

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	30.06.2025	31.12.2024
Austria	5,831	5,318
Germany	347	351
Indonesia	177	171
Trinidad and Tobago	112	122
Mongolia	89	88
Sri Lanka	71	74
Ghana	62	65
Laos	60	63
Vietnam	49	52
Angola	36	42
Others	287	285
TOTAL SOVEREIGN LOANS	**7,121**	**6,630**

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 2024 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 in which investments were made in Primeo and Herald, the Supreme Court ruled in favor of UniCredit Bank Austria AG; in two further prospectus liability cases in which 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 labor (with claims amounting to some €18.3 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.

In proceedings first and second instance courts 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. 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 favorable 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 Federal Chamber of Labor has filed a class action lawsuit under the Consumer Protection Act against UniCredit Bank Austria AG, in which it asserts the inadmissibility or contractual invalidity of fees for consumer loans due to violations of good morals or statutory provisions, due to gross disadvantage to the customer, as well as due to non-transparent wording (“class action”). The fees in question are loan processing fees and six other fees: default interest, dunning charges, account maintenance fees, costs for deletion receipts, fees for additional confirmations and for special services.

If the fees are found to be inadmissible, they may no longer be agreed upon or charged in business transactions with consumers in the future. There is a risk that fees that were invalidly agreed upon may have to be refunded. However, in certain individual cases, UniCredit Bank Austria AG may have individual defenses available.

In first instance, the lawsuit was dismissed with regard to the loan processing fee and the account maintenance but was upheld with respect to the five other fees. In second instance, the court followed the most recent decision of the Supreme Court regarding a similar class action against another Austrian bank and decided that the loan processing fee is also inadmissible if it grossly exceeds the bank’s costs.

The class action is currently pending before the Supreme Court. In line with the currently assessed risk of an unfavorable decision, an appropriate provision has been made.

Another class action asking for an injunction regarding loan processing fees was filed in June 2025 by the VSV (Verbraucherschutzverein; “Consumer Protection Association”), a private consumer protection organization and Qualified Entity per the Statute on Qualified Entities. The risk from these proceedings is currently being assessed. It is generally considered to be similar to that of the aforementioned class action by the Federal Chamber of Labor.

In addition to the lawsuits mentioned above, there are also proceedings bv individual consumers against UniCredit Bank Austria AG with similar subject matter (“individual proceedings”). As of 30 June 2025, the current total amount in dispute for those proceedings amounts to €0,33 million. The court decisions in these individual proceedings regarding loan processing fees to date continue to show a slightly positive trend for UniCredit Bank Austria AG in both, the first and second instances. The impact of the above-mentioned, most recent decision of the Supreme Court regarding a (similar) class lawsuit (similar to the one against UniCredit Bank Austria AG) on the case law of the lower courts remains to be seen.

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 risks
- Identifying financing potential for customers on their way to a sustainable, low-carbon economy

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.

Possible consequences of the climate change can be:
- Possibly higher defaults on loans and/or losses from the revaluation of customer exposures or assets that may be affected by physical[1] and/or transitory[2] 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.

Acknowledging the growing importance of C&E topics, UCG is progressively and continuously developing its internal modelling capabilities with the aim to properly manage new risks that may arise from climate change. As part of this further development, starting from 2024, physical and transition risks have been taken into account in the ECL calculation under IFRS 9, supported by an external provider. Both internal and external data sources were used for the methods described below.

The LGD for physical risks is estimated for real estate collateral by first identifying the geographical location and the characteristics of each asset (e.g., property type such as a single-family house). Subsequently, the hazard level under various climate scenarios and time horizons is analyzed to determine the expected damage function under different scenarios, and the resulting potential loss in value is calculated from the expected reduction in the property’s value over time.

The LGD adjustment for transition risks is based on data from Energy Performance Certificates (EPC), which are collected as part of real estate valuations. To quantify the risk depending on the climate scenario, forecasts of the house price index and anticipated future retrofitting costs are used to adjust the expected market value of the property for transition risks.

The PD adjustment for physical risks is determined by linking climate scenario data and hazard projections with company-specific financial and geoinformation to forecast potential impacts of physical risks on repayment capacity.

The PD for transition risks follows a comparable methodology, focusing on a long-term perspective. Macroeconomic industry sector forecasts, energy price forecasts, greenhouse gas emissions data, and financial reports are incorporated to forecast the company’s financial development and the impact on its probability of default.

In the ECL calculation process, the LGD and PD for physical risks and transition risks are considered. The method used has not been changed since December 2024, so there were no material changes to the ECL in the first half of the year.

Both physical and transition risks were assessed as not material in the financial materiality assessment but based on the importance of the climate change the bank will regularly monitor these risks and reassess the materiality aspect according to the analysis results.

[1] 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).
[2] Transitory risks are the risks associated with the transition to a low-carbon economy (e.g. introduction of new or stricter CO_2 emission guidelines, enforcement of new technologies or business models, changes in market sentiment or societal preferences).

Risk report

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[3]/GCC[4] is responsible and all positions for which TCC[5] is responsible (local Bank Austria credit committee), with the exception of financial institutions, banks, central governments, the public sector and non-performing loans. The scope considers all customers with a multinational corporate rating and an exposure greater than €100 thousand and all other corporate customers with more than €3 million turnover and above €30 million exposure. Since 1 April 2025 all corporate customers are subject to an ESG scoring, independently from the €30 million exposure threshold previously applied. 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 and the determination of 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 Risk Score (low, medium, high, and very high) specifies the proposed ESG strategy (full support, support with regard to transition financing and limited support) for the customer, which in turn determines which type of investment financing for new business or prolongations of expiring credit lines of the customer is permitted from a sustainability perspective.
If, based on the transition risk 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).

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 the real estate collateral shows how physical risks may affect their market value.

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.

Other **focal points in connection with climate risks**:
- CRE GHG reduction targets for 2025 were also included in the RAF for Bank Austria.
- In the reporting period, Bank Austria did not carry out business in emission trading schemes and renewable energy certificates.

[3] GTCC: Group Transactional Credit Committee
[4] GCC: Group Credit Committee
[5] TCC: Transactional Credit Committee

Additional disclosures

Employees

	HALF YEAR 2025	YEAR 2024
Salaried staff	4,368	4,518
Other employees	-	-
TOTAL [1)]	**4,368**	**4,518**
of which: in Austria	*3,946*	*4,096*
of which: abroad	*422*	*422*

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

Events after the reporting date

On 23 July 2025, the Purchaser received the regulatory approvals from the competent governmental authorities to acquire the 50.1% share held by UniCredit Bank Austria AG in card complete Service Bank AG.
UniCredit Bank Austria AG is working to finalize the transaction in the next weeks.

Additional disclosures

Consolidated own funds and risk-weighted assets

Consolidated capital resources

(€ million)

	30.06.2025	31.12.2024
Paid-in capital instruments (excl. own instruments of Common Equity Tier 1)	1,681	1,681
Reserves (incl. profit) and minority interests	7,495	7,404
Adjustments to Common Equity Tier 1	(2,717)	(2,650)
Transitional adjustments to Common Equity Tier 1 [1]	-	62
Common Equity Tier 1 (CET1)	**6,459**	**6,497**
Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries	603	602
Additional Tier 1 (AT1)	**603**	**602**
Tier 1 capital (T1=CET1+AT1)	**7,062**	**7,099**
Tier 2 capital (T2)	**734**	**711**
Total regulatory capital (TC=T1+T2)	**7,796**	**7,810**

1) In accordance with the CRR accompanying regulation of 11 December 2013, and Regulation (EU) 2020/873 of 24 June 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 (€62 million) for the last time as of 31 December 2024.
From 1 January 2025, all of the regulatory provisions of Regulation (EU) 2024/1623 (CRR III in force as of 9 July 2024) are applied.

Total risk exposure amount

(€ million)

	30.06.2025	31.12.2024
a) Credit risk pursuant to standardised approach	5,520	5,079
b) Credit risk pursuant to internal ratings-based (IRB) approach [1]	23,184	24,969
c) Other (securitisation and contribution to default fund of a central counterparty [CCP])	29	30
Credit risk	28,733	30,078
Settlement risk	-	-
Position, foreign exchange and commodity risk	417	521
Operational risk	4,378	2,983
Risk positions for credit value adjustments (CVA)	3	11
TOTAL RWAs	**33,531**	**33,593**

1) including RWA add-ons of €853m as of 30 June 2025 and €2,290m as of 31 December 2024. From 1 January 2025, all of the regulatory provisions of Regulation (EU) 2024/1623 (CRR III in force as of 9 July 2024) are applied.

Key performance indicators

	30.06.2025	31.12.2024
Common Equity Tier 1 ratio [1]	19.3%	19.3%
Tier 1 ratio [1]	21.1%	21.1%
Total capital ratio [1]	23.2%	23.2%

1) based on all risks

The calculation of consolidated regulatory capital and consolidated regulatory capital requirements as at 30 June 2025 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, 29 July 2025

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

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, Leasing and central functions (Corporate Center)

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

Cost of risk: loan loss provisions measured against loans to 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, loan loss provisions 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(al), 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 loans to customers (numerator) and deposits from customers (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 loan loss provisions.

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 unlikeliness, without actions such as realization 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.

Glossary of alternative performance measures

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 (2025 and 2024). If the return on allocated capital is calculated for a period of less than a full year, net profit is annualized.

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 / Investor Relations

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Ratings

	LONG-TERM / DEPOSITS	LONG-TERM / SENIOR UNSECURED	SHORT-TERM	COUNTERPARTY RISK RATING
Moody's [1)]	A2	A3	P-1	A1 / P-1
Standard & Poor's [1)]	A-	A-	A-2	A / A-1

Public-sector covered bonds and mortgage bonds of Bank Austria are rated Aaa by Moody's.
[1)] 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 Aa3 by Moody's and BBB by Standard & Poor's.

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

Publisher and media owner:
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Austrian bank routing code: 12000
Company register: FN 150714p
LEI: D1HEB8VEU6D9M8ZUXG17
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This Half-Yearly Financial Report was produced by UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna (publisher and media owner).

Editor:
Financial & Regulatory Disclosure

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, Tamara Haas, 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.

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