Half-Yearly Financial Report 2026

Acceleration in action

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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)

	1H26	1H25	+/-
Net interest	741	729	1.7%
Dividends and other income from equity investments	129	151	-14.5%
Fees	422	389	8.4%
Trading income	(2)	15	n.m.
Operating income	1,299	1,303	-0.3%
Operating costs	(472)	(486)	-3.0%
Gross operating profit	827	817	1.3%
Loan loss provisions (LLPs)	38	44	-13.7%
Net operating profit	865	861	0.5%
Profit (loss) before tax	841	833	1.0%
Group stated net profit (loss)	735	675	8.9%
Cost/income ratio	36.3%	37.3%	-1.0 PP
Cost of risk	-12 bp	-15 bp	+3 bp

Statement of financial position and RWA

(€ million)

	30.06.2026	31.12.2025	+/-
Total assets	111,824	109,593	2.0%
Loans to customers	65,147	62,116	4.9%
Deposits from customers	69,495	70,257	-1.1%
Equity	10,812	11,038	-2.1%
Risk-weighted assets (overall)	39,189	39,455	-0.7%

Capital ratios

	30.06.2026	31.12.2025	+/-
Common Equity Tier 1 capital ratio	20.6%	20.6%	-0.0 PP
Tier 1 capital ratio	22.4%	22.4%	-0.0 PP
Total capital ratio	24.5%	24.5%	-0.0 PP
Leverage ratio	6.3%	6.6%	-0.3 PP

Staff

(Full-time equivalent)	30.06.2026	31.12.2025	+/-
Total	4,085	4,030	55

Offices

	30.06.2026	31.12.2025	+/-
BA AG - Privatkundenbank branches	105	104	1

Notes:
- The income statement of Bank Austria Group, RWA and staff figures are reclassified, corresponding to the format used for segment reporting ("Bank Austria (Managerial view)"). For these figures, recasts were done for the year 2025, mainly relating to the sale of card complete Service Bank AG
- Balance sheet figures presented in the management report are in accordance with the reclassified consolidated financial statements of Bank Austria Group
- Capital ratios pursuant to Basel 4 (2026 and 2025), based on all risks
- n.m. = not meaningful; PP = percentage point(s); bp = basis point(s)

Management Report

Economic environment – market developments

New geopolitical tensions challenged the global economy in the first half of 2026

The global economy proved resilient in the face of trade disruptions triggered by the U.S.'s protectionist tariff policies and began 2026 on a solid path to recovery. However, with the outbreak of war in Iran in late February, the economic landscape changed abruptly. The conflict in the Middle East led to a sharp spike in energy prices due to the blockade of the Strait of Hormuz, which once again fueled inflation and triggered a tightening of monetary policy in many countries. In addition to the consequences for the global economy, geopolitical tensions caused high volatility in the financial and capital markets.

After a solid start to the year, global economic momentum slowed in response to the changed conditions. Increased uncertainty began to weigh on investment willingness—with the exception of investments in artificial intelligence—and rising inflation had an adverse effect on purchasing power, which dampened consumer demand. Year-over-year, however, the U.S. achieved economic growth of just over 2 percent in the first half of 2026. As a result, growth momentum was once again significantly stronger than in the eurozone. The European economy grew only marginally—by less than ½ percent year-over-year—weighed down by a massive slump in Ireland resulting from declining pharmaceutical exports to the U.S. following record exports the previous year.

After inflation had returned to the European Central Bank's (ECB) target range at the start of the year, the rise in energy commodity prices—with Brent crude oil climbing from just over 50 euros per barrel at the start of the year to as high as 95 euros per barrel at times due to the war in Iran—triggered a significant surge in inflation beginning in March 2026. In the euro area, inflation climbed to an average of 2.5 percent in the first half of 2026. To stabilize inflation expectations and curb second-round effects, the ECB tightened monetary policy slightly. Key interest rates were raised by 25 basis points on June 17, 2026. At 2.25 percent, the deposit rate remained within the neutral range at the end of the first half of the year. In anticipation of a monetary policy response, short-term benchmark interest rates had already been rising gradually prior to that. The 3-month Euribor stood at 2.3 percent at the end of the first half of the year. In the U.S. as well, inflation rose noticeably during the first half of 2026 due to higher energy prices and the effects of tariff increases, even reaching the 4 percent mark. On average, U.S. inflation stood at 3.3 percent, above the European benchmark. Despite intense political pressure from the Trump administration to cut interest rates, the Federal Reserve adopted a wait-and-see stance. Even the change in leadership from Jerome Powell to Kevin Warsh on May 22, 2026, did not initially alter the Federal Reserve's monetary policy stance. The Fed Funds target rate has remained unchanged at 3.50 to 3.75 percent since the end of 2025.

Given the unchanged monetary policy and weakened investor confidence, long-term interest rates in the U.S. remained at high levels amid highly volatile conditions, driven primarily by the war in Iran during the first half of 2026. The yield on 10-year U.S. Treasuries stood at 4.4 percent at the end of June 2026, about 30 basis points higher than at the start of the year, when the market had expected further interest rate cuts. Long-term yields in the eurozone were noticeably lower than in the U.S. in mid-2026 and, despite the key interest rate hike, exceeded the levels from the start of the year only slightly. The 10-year Austrian government bond also traded at 3.20 percent in mid-2026, just 10 basis points above the level at the start of the year. Supported by the wide interest rate differential and the U.S. dollar's status as a safe haven, the U.S. dollar strengthened slightly against the euro: After trading at 1.18 at the start of the year, the exchange rate stood at 1.14 per euro at the end of June 2026.

The stock markets were marked by high volatility in the first half of 2026. At least early in the year, expectations of stable or even falling interest rates provided support. In addition, AI euphoria and robust corporate earnings provided a boost after geopolitical tensions and inflation concerns had temporarily triggered a sharp decline in the stock markets. The Dow Jones Index fell by as much as 6 percent after the start of the war with Iran, but ended the first half of the year up almost 9 percent from the start of the year. The Euro STOXX 50, among others, performed even better, rising by more than 9 percent. The Vienna Stock Exchange's ATX index performed even better, posting a 21 percent gain in the first half of 2026.

Management Report

Economic Situation and Market Developments in Austria

The economic recovery in Austria continued into the beginning of 2026, though the pace of recovery was significantly slower than in previous upturns. On the one hand, domestic demand gained momentum only modestly, and on the other hand, foreign trade showed little momentum due to economic policy disruptions and unresolved geopolitical issues, such as the war in Ukraine. Starting in March, the war in Iran dealt an additional blow to the Austrian economy, leaving a slight economic dip in its wake. High levels of uncertainty began to dampen domestic companies' willingness to invest, and consumer spending was weighed down by rising inflation. After inflation had fallen to 2 percent year-over-year at the start of the year, rising fuel prices led to a rapid increase well above the 3 percent mark, which eroded real purchasing power. On average, inflation in Austria stood at 3.0 percent in the first half of 2026, once again slightly higher than in the eurozone. Against this backdrop, the improving trend in the labor market did not continue. The seasonally adjusted unemployment rate rose to 7.6 percent toward the end of the first half of the year, up from a 2025 annual average of 7.4 percent. As the geopolitical situation stabilized following the start of negotiations between the U.S. and Iran, sentiment indicators regained some momentum around midyear.

Given the slight signs of recovery in the Austrian economy and favorable financing conditions, lending picked up momentum again From January through May, new lending to households rose by 9.4 percent year-over-year, while lending to businesses increased by as much as 14 percent. As a result, the nominal loan portfolio rose by just under 2 percent year-over-year, reaching 83.5 percent of GDP. The volume of loans to households has increased by 1.5 percent so far this year. Growth in consumer loans was slightly weaker than that in mortgage lending. In the first months of 2026, corporate loans saw growth at a similar rate, although demand for short-term financing increased significantly more than demand for long-term investment loans.
A slight rise in interest rates on new business contributed to an increase in deposit growth over the course of 2026, with the trend toward longer-term investments strengthening somewhat. Corporate deposits showed a stronger growth trend than those of private households.

Management Report

Business development in the first half of 2026

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	
	1H26	1H25	+/- €	+/- %	1H26	1H25	1H26	1H25
Net interest	741	729	12	1.7%	-	(2)	741	727
Dividends and other income from equity investments	129	151	(22)	-14.5%	-	-	129	151
Fees	422	389	33	8.4%	-	32	422	421
Trading income	(2)	15	(17)	n.a.	-	-	(2)	15
Other expenses/income	8	18	(10)	-56.3%	-	1	8	19
Operating income	**1,299**	**1,303**	**(4)**	**-0.3%**	**-**	**31**	**1,299**	**1,334**
HR costs	(266)	(272)	5	-2.0%	-	(19)	(266)	(291)
Non-HR costs	(188)	(196)	7	-3.8%	-	(12)	(188)	(208)
Amortisations and depreciations	(17)	(19)	2	-8.3%	-	(0)	(17)	(19)
Operating costs	**(472)**	**(486)**	**14**	**-3.0%**	**-**	**(32)**	**(472)**	**(518)**
GROSS OPERATING PROFIT (LOSS)	**827**	**817**	**10**	**1.3%**	**-**	**(1)**	**827**	**816**
Loan loss provisions (LLPs)	38	44	(6)	-13.7%	-	(0)	38	44
NET OPERATING PROFIT (LOSS)	**865**	**861**	**4**	**0.5%**	**-**	**(1)**	**865**	**860**
Other charges and provisions	(39)	(44)	5	n.m.	-	0	(39)	(44)
of which: Systemic charges	*(41)*	*(41)*	*0*	*-0.3%*	-	-	*(41)*	*(41)*
Integration costs	(22)	(11)	(12)	>100%	-	(0)	(22)	(11)
Net income from investments	37	27	11	n.m.	-	(2)	37	25
PROFIT (LOSS) BEFORE TAX	**841**	**833**	**8**	**1.0%**	**-**	**(2)**	**841**	**830**
Income taxes	(106)	(157)	51	-32.8%	-	(0)	(106)	(157)
Minorities	(0)	(0)	0	-11.8%	-	0	(0)	0
GROUP STATED NET PROFIT (LOSS)	**735**	**675**	**60**	**8.9%**	**-**	**(2)**	**735**	**673**

1) Condensed income statement of Bank Austria as presented in this table is reclassified, corresponding to the format used for segment reporting ("Bank Austria Managerial view").
2) For Bank Austria Group results, recasts were done for the first half of 2025 which mainly relate to the sale of card complete Service Bank AG:
n.m. = not meaningful

Management Report

Details of the income statement

The following commentary on Bank Austria's performance is based on the income statement structure used for segment reporting ("Bank Austria Managerial View").
The comparative figures for 2025 have been recast and mainly concern the sale of card complete Service Bank AG.

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

***Retail** covers the servicing of 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 €1,299 million in the first half of 2026 and was on the level of the previous year (€1,303 million). The result was influenced by lower dividends and trading profit, compensated by higher excellent fee income +8% and improved net interest of +2%.

Net interest increased by 2% to €741 million (prior year: €729 million) supported by growing commercial volumes and strong discipline on deposit repricing.

Dividends and other income from equity investments amounted to €129 million, which represents a decrease to the previous year's figure of €151 million (-15%), mainly driven by a positive one-off effect in the first quarter of 2025. This item primarily includes pro-rata earnings from major at equity-investments such as the 3-Banken Group and Oesterreichische Kontrollbank.

Continuing strong dynamic on **fees**, with €422 million, clearly exceeding the previous year's figure by 8% - thanks to higher investment fees (+14%) and stronger insurance business (+19%).

Trading income amounted to €-2 million, which represents a decrease vs. the previous year's figure of €15 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 2026, this resulted in a positive contribution of €8 million (compared with €18 million in the same period of the previous year), primarily due to securitization costs that had not been incurred in the comparable period of 2025.

Operating costs decreased by 3% to €472 million in the first half of 2026 (previous year: €486 million) from reductions in both, HR and non-HR costs. Thanks to the overall cost discipline, the **cost/income ratio** could be improved further by 1 percentage point to 36%.

HR costs amounted to €266 million (€5 million below previous year), driven by workforce streamlining, largely mitigating increase from the banking collective agreement.

Non-HR costs decreased by €7 million to €188 million, driven by ongoing optimization actions.

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Amortizations and depreciations decreased from €19 million to €17 million.

Gross operating profit increased by 1% to €827 million (previous year: €817 million), reflecting the developments outlined above.

In first half of 2026, a positive contribution of €38 million was reported in **loan loss provisions**, thanks to good collection results and moderate inflow in non-performing exposures.

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 -12 bp (-15 bp in the same period of the previous year) due to net releases of LLP. The following costs of risk were reported for the divisions: Retail -29 bp (previous year: 2 bp) and Corporates -7bp (previous year: -22 bp).

Net operating profit amounted to €865 million in the first half of 2026, exceeding the previous year's figure by €4 million. The individual customer business divisions achieved the following results: Retail €330 million, WM&PB €77 million and Corporates €375 million.

For the reporting period, **other charges and provisions** amounted to €-39 million (previous year: €-44 million), of which **systemic charges** amounted to €-41 million (unchanged vs. previous year).

Integration costs amounted to €-22 million (previous year: €-11 million) and were primarily due to the further increase in existing provisions for personnel costs.

A positive contribution of €37 million (previous year: €27 million) was reported in **net income from investments,** mainly driven by a write-back on the at-equity-investment in BTV Vier Länder Bank AG (a member of the 3-Banken group).

The above-mentioned items led to a **profit before tax** of €841 million (+1% compared to previous year's amount of €833 million), primarily supported by core revenues (net interest and fees) and cost savings discipline.

Income taxes amounted to €-106 million (previous year: €-157 million), positively influenced by a new tax group resulting in a lower effective tax rate since the fourth quarter of 2025.

Overall, Bank Austria generated a **group stated net profit** of €735 million in the first half of 2026, up by 9% vs. the previous year's profit of €675 million.

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Financial position and capital resources

Bank Austria Group’s balance sheet at 30 June 2026 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 more than 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 nearly two-thirds of liabilities and equity. About half consist of deposits from the Retail and Wealth Management & Private Banking divisions and constitute a solid refinancing basis for Bank Austria.
The liquidity coverage ratio (LCR) of UniCredit Bank Austria AG amounted to 149% (year-end 2025: 146%).

Reclassified consolidated statement of financial positions[1)]

(€ million)

	AMOUNTS AS AT		CHANGE	
ASSETS	**30.06.2026**	**31.12.2025**	**+/- € MILLION**	**+/- %**
Cash and cash balances	5,442	7,205	- 1,763	- 24.5%
Financial assets held for trading	1,172	1,159	+ 14	+ 1.2%
Loans to banks	10,687	9,371	+ 1,316	+ 14.0%
Loans to customers	65,147	62,116	+ 3,031	+ 4.9%
Other financial assets	27,220	27,417	- 197	- 0.7%
Hedging instruments	996	1,072	- 76	- 7.1%
Property, plant and equipment	692	740	- 48	- 6.5%
Other intangible assets	8	3	+ 5	n.m.
Tax assets	210	260	- 50	- 19.2%
Other assets	249	250	- 1	- 0.3%
TOTAL ASSETS	**111,824**	**109,593**	**+ 2,231**	**+ 2.0%**

(€ million)

	AMOUNTS AS AT		CHANGE	
LIABILITIES AND SHAREHOLDERS' EQUITY	**30.06.2026**	**31.12.2025**	**+/- € MILLION**	**+/- %**
Deposits from banks	11,410	9,458	+ 1,951	+ 20.6%
Deposits from customers	69,495	70,257	- 762	- 1.1%
Debt securities issued	13,596	12,373	+ 1,223	+ 9.9%
Financial liabilities held for trading	1,229	1,207	+ 21	+ 1.8%
Other financial liabilities	171	176	- 5	- 3.1%
Hedging instruments	1,125	1,156	- 31	- 2.7%
Tax liabilities	236	140	+ 96	+ 68.7%
Other liabilities	3,739	3,775	- 36	- 1.0%
of which: pensions and other post-retirement benefit obligations	*2,605*	*2,649*	*- 44*	*- 1.7%*
Minorities	12	12	- 0	- 0.4%
Group shareholders' equity	10,812	11,038	- 227	- 2.1%
of which:				
- Capital and reserves	*10,078*	*9,780*	*+ 299*	*+ 3.1%*
- Group stated net profit (loss)	*733*	*1,259*	*- 525*	*- 41.7%*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,824**	**109,593**	**+ 2,231**	**+ 2.0%**

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.
n.m. = not meaningful

Management Report

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

Consolidated financial statements

(€ million)

ASSETS	AMOUNTS AS AT 30.06.2026	AMOUNTS AS AT 31.12.2025
Cash and cash balances	**5,442**	**7,205**
Item 10. Cash and cash balances	*5,442*	*7,205*
Financial assets held for trading	**1,172**	**1,159**
Item 20. Financial assets at fair value through profit or loss: a) Financial assets held for trading	*1,172*	*1,159*
Loans to banks	**10,687**	**9,371**
Item 40. Financial assets at amortised cost: a) Loans and advances to banks	*12,621*	*11,243*
less: Debt securities	*(1,934)*	*(1,872)*
Loans to customers	**65,147**	**62,116**
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	*69,004*	*66,022*
less: Debt securities	*(4,123)*	*(4,165)*
less: Leasing assets IFRS16	*(34)*	*(35)*
+ Loans (from Item 20 c)	*299*	*295*
Other financial assets	**27,220**	**27,417**
Item 20. Financial assets at fair value through profit or loss: b) Financial assets designated at fair value	*163*	*141*
Item 20. Financial assets at fair value through profit or loss: c) Other financial assets mandatorily at fair value	*417*	*363*
less: Loans (to Loans to customers)	*(299)*	*(295)*
Item 30. Financial assets at fair value through other comprehensive income	*17,265*	*17,650*
Item 70. Equity investments	*3,584*	*3,485*
+ Debt securities (from Item 40 a)	*1,934*	*1,872*
+ Debt securities (from Item 40 b)	*4,123*	4,165
+ Leasing assets IFRS16 (from Item 40 b)	*34*	*35*
Hedging instruments	**996**	**1,072**
Item 50. Hedging derivatives	*2,173*	*2,332*
Item 60. Changes in fair value of portfolio hedged items (+/-)	*(1,177)*	*(1,260)*
Property, plant and equipment	**692**	**740**
Item 90. Property, plant and equipment	*692*	*740*
Other intangible assets	**8**	**3**
Item 100. Intangible assets net of goodwill	*8*	*3*
Tax assets	**210**	**260**
Item 110. Tax assets	*210*	*260*
Other assets	**249**	**250**
Item 130. Other assets	*249*	*250*
TOTAL ASSETS	**111,824**	**109,593**

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continued: Consolidated financial statements

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2026	AMOUNTS AS AT 31.12.2025
Deposits from banks	**11,410**	**9,458**
Item 10. Financial liabilities at amortised cost: a) Deposits from banks	*11,410*	*9,458*
Deposits from customers	**69,495**	**70,257**
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	*69,656*	*70,423*
less: Leasing liabilities IFRS16	*(161)*	*(166)*
Debt securities issued	**13,596**	**12,373**
Item 10. Financial liabilities at amortised cost: c) Debt securities in issue	*13,596*	*12,373*
Financial liabilities held for trading	**1,229**	**1,207**
Item 20. Financial liabilities held for trading	*1,229*	*1,207*
Other financial liabilities	**171**	**176**
Item 30. Financial liabilities designated at fair value	*10*	*10*
+ Leasing liabilities IFRS16 (from Item 10 b)	*161*	*166*
Hedging instruments	**1,125**	**1,156**
Item 40. Hedging derivatives	*1,953*	*2,029*
Item 50. Value adjustment of hedged financial liabilities (+/-)	*(829)*	*(874)*
Tax liabilities	**236**	**140**
Item 60. Tax liabilities	*236*	*140*
Other liabilities	**3,739**	**3,775**
Item 80. Other liabilities	*661*	*663*
Item 100. Provisions for risks and charges	*3,078*	*3,112*
of which: pensions and other post-retirement benefit obligations	*2,605*	*2,649*
Minorities	**12**	**12**
Item 190. Minority shareholders' equity (+/-)	*12*	*12*
Group shareholders' equity:	**10,812**	**11,038**
- Capital and reserves	10,078	9,780
Item 120. Valuation reserves	*(1,911)*	*(1,910)*
Item 140. Equity instruments	*600*	*600*
Item 150. Reserves	*5,573*	*5,271*
Item 160. Share premium	*4,135*	*4,137*
Item 170. Share capital	*1,681*	*1,681*
- Group stated net profit (loss)	733	1,259
Item 200. Group stated net profit (loss) (+/-)	*733*	*1,259*
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,824**	**109,593**

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 2026 increased by €2.2 billion compared to 31 December 2025, reaching €111.8bn. **Cash and cash balances** declined by €-1.8 billion to €5.4 billion vs. year-end 2025, while **Loans to banks** rose significantly to €10.7 billion (€+1.3 billion vs. year-end 2025).

Loans to customers increased even more strongly by €+3.0 billion to €65.1 billion (compared to €62.1 billion at year-end 2025).
Gross non-performing loans decreased by €0.1 billion to €2.0 billion compared to year-end 2025. Therefore, the gross NPL ratio (3.1%) also improved slightly compared to year-end 2025 (3.2%), while the net NPL ratio also was better at 2.1% (after 2.2% at year-end 2025).

Other financial assets decreased slightly by €-0.2 billion to €27.2 billion.

Deposits from banks showed a significant increase of €2.0 billion compared to year-end 2025, reaching €11.4 billion.

Deposits from customers declined by €-0.8 billion to €69.5 billion (including repos) during the reporting period, due to decreases in the Retail and Corporates business segments, partially offset by an increase in the Wealth Management & Private Banking segment.

Debt securities issued increased by €+1.2 billion to €13.6 billion by the end of the reporting period (compared to €12.4 billion at year-end 2025), primarily driven by the successful issuance of two covered bonds of €750 million each (one public-sector covered bond in February 2026 and one mortgage covered bond in June 2026).

As of mid-year 2026, **Commercial Total Financial Assets** (**Comm. TFA**, the sum of all customer investments) amounted to €96.1 billion (+€2.9 billion year-over-year, with increases in Wealth Management & Private Banking and in Retail), of which €22.0 billion in **Assets under Management** (**AuM**, fund and asset management products), €4.7 billion in **Assets under Advisory** (**AuA**), €18.2 billion in **Assets under Custody** (**AuC**, direct investments in the capital market/securities custody business), €48.8 billion in **deposits from customers** (incl. building society savings, balances with severance funds) and €2.4 billion in life insurance products.
Comm. TFA figures relate to volumes from the (sub-) segments Retail, Wealth Management & Private Banking (WM&PB) and SME (Small & Medium-sized Enterprises). Large Corporates and central functions (Corporate Center) are not included.

Management Report

Provisions (included in **Other liabilities)** as at half-year 2026 remained at the level of year-end 2025 at €3.1 billion.
The most significant item here is provisions for pensions and similar obligations, which also remained unchanged at €2.6 billion.
As at 30 June 2026, the discount rate for social capital was 4.10%, which represents an increase of 5 basis points compared to the year-end 2025 figure of 4.05%.

Equity of €10.8 billion was reported as at 30 June 2026, a decrease of €0.2 billion compared to year-end 2025. This was primarily driven by the 2025 dividend payment of €946 million and the half-year profit 2026 of €733 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 (Finalization of Basel 3) in the European Union. Under the Austrian CRR Supplementary Regulation and ECB Regulation 2016/445 on the exercise of options and discretions available in EU law, these provisions were not yet fully applicable but will be gradually introduced over several years.

From 1 January 2025, all of the regulatory provisions of CRR including all subsequent amendments (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. The implementation of CRD VI is still ongoing in Austria.

Bank Austria Group calculated its consolidated regulatory capital and consolidated regulatory capital requirements on an IFRS basis.

Bank Austria Group's **Total Own Funds** slightly decreased as of 30 June 2026 by €0.1 billion to €8.3 billion compared to year-end 2025.
The Additional Tier 1 (AT1) capital remained stable at €0.6 billion compared with year-end 2025.

Common Equity Tier 1 capital (CET1) overall remained stable at €7.0 billion (year-end 2025: €7.0 billion).

Compared with year-end 2025, **total risk-weighted assets (RWA)** decreased from €34.1 billion to €33.9 billion.
The €0.2 billion decrease in credit risk was largely driven by rating improvements, model update, replenishment of securitizations partially offset by new exposure with banks and corporates.

Operational risk remained stable at the level of €4.7 billion.
Market risk slightly decreased by €0.1 billion to €0.3 billion during the period under review.

The **capital ratios** therefore remained stable at the level of year-end 2025. The ratios continue to significantly exceed the legal requirements.

Capital ratios (based on all risks)

	30.06.2026	31.12.2025
Common Equity Tier 1 (CET1) capital ratio	20.6%	20.6%
Tier 1 capital ratio	22.4%	22.4%
Total capital ratio	24.5%	24.5%

The **leverage ratio** pursuant to the Delegated Regulation (EU) 2015/62, based on the current status of transitional arrangements, was 6.3% as at 30 June 2026.

Permanent establishments

There are no significant permanent establishments.

Management Report

Development of business segments

Retail

(€ million)

	1H26	1H25 [1]	CHANGE +/- € MILLION	CHANGE +/- %
Operating income	526	470	56	11.9%
Operating costs	(221)	(229)	8	-3.5%
Gross operating profit	305	241	64	26.5%
Loan loss provisions (LLPs)	25	(2)	27	n.m.
Net operating profit	330	239	91	38.0%
Profit (loss) before tax	**318**	**217**	**101**	**46.7%**
Commercial Total Financial Assets [2]	43,185	42,120	1,065	2.5%
Loans to customers	17,242	17,335	(92)	-0.5%
Deposits from customers	27,335	27,661	(325)	-1.2%
Risk-weighted assets (RWA, end of period) [3]	8,204	8,140	64	0.8%
ROAC [4]	46.9%	31.5%	+15.3 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) Risk-weighted assets (all risks) according to Basel 4 (2026 and 2025)
4) Allocated capital calculated at 13% (2026 and 2025) common equity tier 1 (CET1) target ratio
n.m. = not meaningful
PP = percentage points

Gross operating profit
The Retail segment achieved an excellent operating profit of €305 million in the first half of 2026 (+26% year-over-year), driven by both net interest income and net fee and commission income, each of which recorded double-digit growth compared with the previous year.

Net interest income rose by 11% or €+33.8 million to €340 million, significantly exceeding the prior-year level. This development was attributable both to the higher interest rate environment as well as to price adjustments for savings products. The main drivers behind the almost 15% increase in net fee and commission income which amounted to €175 million were strong demand for investment and insurance products combined with growth in the credit card business and payment services.

Operating costs decreased by 3.5% to €221 million.

Loan loss provisions
The positive contribution from loan loss provisions of €25 million (compared to €-2 million a year ago) was primarily due to net releases of provisions within the performing loan portfolio.

Profit (loss) before tax
The combination of strong operating profit growth, lower operating costs, and the positive contribution from loan loss provisions led to an increase in profit before tax to €318 million. This represents an exceptional increase of 47% compared to the same period of the previous year.

Loans to customers/deposits from customers
The slight decrease of loans to customers (-0.5%) to €17.2 billion was mainly attributable to the ongoing repayment of legacy CHF-denominated residential mortgage loans. During the same period, customer deposits decreased by €0.3 billion to €27.3 billion, primarily due to a volume decline in saving deposits.

Management Report

The **Retail segment** serves private customers with investable assets of up to €1 million through its branch network and alternative channels, as well as self-employed professionals and business customers with annual revenues of up to €1 million.

The trend towards digital banking services continued throughout the year. This was particularly evident in the adoption of mobile banking, where Bank Austria recorded an increase of more than 9% in active mobile banking usage among primary customers.

In this context, digital customer journeys were further optimized across both service and sales processes to enhance accessibility to the bank's broad range of digital products and services. With more than 55% of product sales completed through remote channels, "fully digital" and "remotely assisted" interactions have become firmly established as integral sales and service channels. In the area of digital sales, Bank Austria significantly outperformed the Austrian market, particularly in its core products of savings accounts, consumer loans, and insurance products. Customers can purchase all major products independently through digital channels, receive personal remote advice by telephone or, if preferred, via video consultation, or meet face-to-face with an advisor at a branch. Appointments for branch consultations can also be conveniently scheduled in advance through the mobile app.

The Retail segment further strengthened its market presence and customer service capabilities during the first half of 2026. The opening of an additional branch location and the recruitment of around 150 new employees dedicated primarily to the branch network as well as the remote sales and advisory unit underline Bank Austria's commitment to customer proximity and advisory excellence. By continuing to invest in its people and distribution footprint, the Bank enhanced its capacity to serve customers and support future business growth.

In the securities business, Bank Austria responded to evolving customer preferences by introducing ETF savings plans in the middle of the year, complementing its comprehensive range of securities savings plans and enabling the bank to fully meet growing customer demand in this segment.

In mid-year, Bank Austria launched *Bank Austria MyHome*, a modern advisory center that brings together a wide range of key services under one roof, including real estate search, financing solutions, insurance services, and notarial support. This integrated approach enables Bank Austria to provide customers with comprehensive and professional guidance throughout every stage of their homeownership journey.

For the past year, Bank Austria customers have been benefiting from the successful switch to the Mastercard **credit card portfolio**. This innovation was a decisive step towards continuously improving the offering and providing customers with services such as ApplePay or GooglePay. To date, **around 250,000 customers have already benefited from the advantages of the new credit cards**, which now include a new travel interruption insurance as part of the cover and, from the Mastercard Platinum level upwards, also offer worldwide access to around 1,800 exclusive airport lounges.

In the **ESG (Environmental, Social & Governance)** area, our position on **sustainability** is based in no small part on our account offerings. Since 2020, four Bank Austria account products have been successfully certified with the Austrian Ecolabel.
Three of these products — the *GoGreen Account*, the *MegaCard GoGreen Account*, and the *GoGreen Student Account* — are exclusively for private customers, while the *GoGreen Business Account* is designed for business customers. With this broad product range, our customers can actively contribute to sustainability throughout their entire lifecycle, starting at the age of 7.

The positive momentum in insurance business continued in 2026. Following the enhancement of the product portfolio and the launch of the Plus and Premium packages at the end of 2025, the Just-in-Case Cyber Risk Insurance solution has maintained strong customer demand.
The high quality of the insurance offering, combined with the strong advisory expertise across the network, continues to support business growth and sustain positive sales performance.

Management Report

Wealth Management & Private Banking (WM & PB)

(€ million)

	1H26	1H25 [1]	CHANGE +/- € MILLION	CHANGE +/- %
Operating income	139	125	14	11.3%
Operating costs	(61)	(59)	(3)	4.5%
Gross operating profit	77	66	11	17.4%
Loan loss provisions (LLPs)	(1)	(1)	(0)	12.0%
Net operating profit	77	65	11	17.4%
Profit (loss) before tax	**76**	**64**	**12**	**19.1%**
Commercial Total Financial Assets [2]	29,472	26,616	2,855	10.7%
Loans to customers	577	539	38	7.0%
Deposits from customers	7,418	7,248	170	2.3%
Risk-weighted assets (RWA, end of period) [3]	855	779	76	9.8%
ROAC [4]	115.0%	99.6%	+15.5 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) 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) Risk-weighted assets (all risks) according to Basel 4 (2026 and 2025)
4) Allocated capital calculated at 13% (2026 and 2025) common equity tier 1 (CET1) target ratio
n.m. = not meaningful
PP = percentage points

Gross operating profit
Wealth Management & Private Banking (WM & PB) generated an operating income of €139 million in the first half of 2026, representing an outstanding 11% increase compared to the same period of the previous year. This development was driven both by higher net interest income, attributable to increased customer deposit volumes, and by a significant 10% increase in net fee and commission income year-on-year.
Key contributors to this performance were the very strong results in the investment business, supported by solid new business generation and the positive development of international financial markets.

Operating costs were €3 million higher than in the previous year, primarily due to increased personnel costs, new hirings and IT expenses.

Profit (loss) before tax
Operating costs were €3 million higher than a year ago, primarily due to increased staff and IT expenses.

Loans to customers/deposits from customers
At the end of the first half of the year, loans to customers amounted to €577 million, slightly above the previous year's level.
Customer deposits increased by €0.2 billion to €7.4 billion.

The strategic focus of Wealth Management & Private Banking remains on the sustainable growth of **Commercial Total Financial Assets (Comm. TFA)**. Compared with the previous year, Comm. TFA increased by almost 11% or €+2.9 billion, reaching €29.5 billion. This growth was driven in particular by increases in Assets under Advisory (AuA) and Assets under Management (AuM).

The **Wealth Management & Private Banking** segment serves and supports affluent and high-net-worth clients, focusing on tailored investment solutions and intergenerational wealth management.

Management Report

The **Wealth Management** segment is concentrated within **Schoellerbank**, recognized as a specialist in sophisticated asset management and financial planning. For more than three decades, its core competency has been portfolio management – always guided by the principle "Investing rather than speculating." At Schoellerbank, wealth management means far more than pure asset allocation. The experts see themselves as "architects" of client relationships, placing the needs of their clients – who currently entrust the bank with Commercial Total Financial Assets of €14.9 billion – at the center of holistic wealth management. Within this comprehensive advisory approach, solutions such as financial and liquidity planning, succession and retirement planning, support with real estate transactions, and foundation expertise are offered.

Decades of experience and expertise have earned this traditional institution, founded in 1833, not only many satisfied and loyal clients but also numerous prestigious awards within the financial industry. Schoellerbank has consistently been **Austria's most awarded private bank** in independent international industry tests, reaffirming 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 nationwide presence in Austria.

With **Schoellerbank Invest**, Schoellerbank also has an in-house asset management company with a strong ESG focus. It offers both retail funds and tailor-made special funds designed for particularly high investment requirements. These funds are also made available to Bank Austria's clients. The volume of Schoellerbank Invest funds in the retail funds category increased by +14.8% in the first half of 2026 (compared to year-end 2025), primarily driven by new distribution channels.

The **Private Banking** segment focuses on affluent private clients, as well as churches and foundations, as the core clientele of UniCredit Bank Austria AG. Currently, more than 11,900 clients are served, with Comm. TFA of approximately €14.5 billion.

Our clients receive advisory services nationwide across 15 Private Banking locations in Austria. A specialized advisory team is dedicated to serving churches and foundations. A distinctive feature of Bank Austria Private Banking is its individualized 360-degree advisory approach, covering the full spectrum of banking services and products – from investment financing and real estate loans to premium investment solutions.

The experts within Private Banking Asset Management are responsible for market assessments and their implementation portfolio management solutions. In addition, our Credit Advisory and Wealth Planning specialists support Private Banking advisors with complex financing matters as well as holistic financial and succession planning.

Management Report

Corporates

(€ million)

	1H26	1H25 [1]	CHANGE +/- € MILLION	CHANGE +/- %
Operating income	538	550	(11)	-2.1%
Operating costs	(178)	(185)	7	-4.0%
Gross operating profit	360	364	(4)	-1.1%
Loan loss provisions (LLPs)	14	46	(32)	-68.8%
Net operating profit	375	411	(36)	-8.7%
Profit (loss) before tax	**361**	**425**	**(63)**	**-14.9%**
Loans to customers	45,187	41,860	3,326	7.9%
Deposits from customers	25,363	23,124	2,239	9.7%
Risk-weighted assets (RWA, end of period) [2]	19,813	19,767	47	0.2%
ROAC [3]	23.8%	26.2%	-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) Risk-weighted assets (all risks) according to Basel 4 (2026 and 2025)
3) Allocated capital calculated at 13% (2026 and 2025) common equity tier 1 (CET1) target ratio
n.m. = not meaningful
PP = percentage points

Gross operating profit

Operating income amounted to €538 million in the first half of 2026, i.e. €11 million below the previous year. The decline in net interest income of €3 million (-1%) was primarily driven by market interest rate developments and their impact on deposit-related income. This decline was compensated by an increase in net fee and commission income of €3 million (+2%), mainly supported by financing and securities-related business activities. Other operating income and expenses decreased by €9 million to €2 million compared to the first half of 2025, largely due to costs related to the securitization of receivables, which had not been incurred in the comparable period of 2025.
Operating costs amounted to €178 million, representing a decrease of -4% year-on-year, mainly driven by lower staff and administrative expenses. As a result, gross operating profit reached €360 million, down by 1% compared with the first half of 2025.

Loan loss provisions

In the first half of 2026, net releases of loan loss provisions amounted to €14 million (also positive at €46 million a year ago).

Profit (loss) before tax

Profit before tax amounted to €361 million in 2026, a decrease of €63 million compared to 2025. This development was mainly attributable to the lower net releases of LLP and a one-off gain from the transfer of Iberia clients included in the first half of 2025. Consequently, the decrease in profit before tax was more pronounced than the decline of the net operating profit.
At 23.8%, ROAC remained at a strong level, although it declined slightly year-on-year due to the lower profit before tax and higher average RWAs.

Loans to customers/deposits from customers

Customer loans amounted to €45.2 billion at mid-year (end of June 2025: €41.9 billion), representing an increase of €3.3 billion or +8%. Growth was primarily achieved with investment-grade large corporates and well-positioned mid-sized companies. Despite a still selective market environment characterized by geopolitical uncertainty, subdued long-term investment demand and intense pricing competition for high-quality transactions, the corporate banking business continued to expand without compromising overall profitability or the quality of the loan portfolio. The comparatively moderate average RWA growth of +3%, relative to loan growth, reflects the focus on high-credit-quality clients, capital-efficient growth and successful securitization initiatives.

Corporate customer deposits increased by approximately €2.2 billion (+10%) to €25.4 billion (June 2025: €23.1 billion). During the ongoing market rate easing cycle, the balance between volumes and pricing across short- and longer-term deposits was actively managed in all customer segments. This approach helped maintain a stable funding structure, preserve attractive customer offerings and limit adverse effects on deposit-related net interest income.

Management Report

UniCredit Bank Austria is the **leading corporate bank in Austria** and holds an established and leading position in corporate financing, ESG loans, as well as structured syndicated and real estate financing. This is also reflected in its leading position in the Austrian syndicated loan league table for the first half of 2026. In addition, the bank was named "**Best Trade Finance Bank in Austria**" in the *Euromoney Trade Finance Survey* and was also awarded "**Best Bank in Austria"** at the *33rd Annual Global Finance Awards* – a clear confirmation of our strength and performance in the Austrian market.

In the first half of 2026, the Austrian corporate banking business continued to be shaped by mixed economic signals. While the overall economic environment remained subdued, Bank Austria's Corporate Banking segment achieved solid progress in loan growth thanks to a highly disciplined risk approach and targeted growth initiatives. In addition, it made gains in acquiring new customers in the small corporates segment.

ESG focus: Sustainability aspects have become an integral part of the credit risk analysis of our corporate clients. Demand for ESG data, as well as information on climate, environmental, and transformation measures, remains a key component of client dialogue and supports the assessment of the long-term resilience of business models in the face of environmental and societal change. Our focus is on supporting corporate clients as trusted partners on their transformation journey and providing them with appropriate sustainable financing solutions. We view our strategic goal of sustainable development not only as an environmental objective, but also as a social responsibility towards our clients and society as a whole.

The market environment for our **Large Corporate clients, including financial institutions and the public sector**, remained shaped by economic uncertainty, geopolitical tensions, and a cautious investment climate in the first half of 2026. Accordingly, demand for financing remained subdued. At the same time, companies with solid business models were presented with attractive growth and transformation opportunities, which Bank Austria supported with tailored solutions across advisory, financing, and capital markets.
Bank Austria maintained its leading position in Austria, particularly in structured financing, transaction banking, and corporate treasury solutions. The support of selected international clients in the Nordics region also continued to develop successfully. For the second half of 2026, we expect that further stabilization of the economic environment could lead to a gradual recovery in business activity.

Our **Public Sector** business continued to benefit from our long-standing expertise and strong market position as the leading public sector partner in Austria. Due to higher public spending in healthcare and education, as well as increased financing costs, demand for financing solutions from public authorities rose slightly in the first half of 2026. The public sector maintained its high market shares (>20%), primarily through strategically relevant transactions. In addition to traditional financing products, we also continued providing advisory services to municipalities, with a particular focus on ESG-compliant financing structures.

In the **Commercial & Subsidized Real Estate** segment, the first half of 2026 continued to be characterized by market consolidation and correction, particularly affecting commercial property developers, especially in privately financed residential construction. Investor sentiment in the Austrian real estate market remained cautious. Thanks to Bank Austria's strong market position and the solid quality of its real estate portfolio, we were nevertheless able to continue focusing on financing new, large, and complex projects and supporting our existing clients as a reliable financing partner. However, the current market environment remains challenging for developers, with recovery progressing only slowly, although there are signs of slightly increased interest from foreign investors.

Business development in the **Small and Medium-sized Enterprise (SME) segment** remained robust despite weak economic momentum in Austria. A specific customer group - the industrial sector - continues to face persistent economic challenges, particularly in production. Nevertheless, consistent implementation of a strong sales strategy and attractive financing solutions enabled loan growth. Additional supporting measures included optimizing the service model, significantly accelerating credit decisions, and launching a broad-based new customer initiative that made our offering accessible to more businesses.

Management Report

Across all segments, **digitalization and data-driven solutions** are playing an increasingly important role in boosting efficiency and improving the customer experience. Through the consistent implementation of our new service model and targeted optimization of lending processes, we are further improving transaction speed and service quality for all our corporate clients.

With its comprehensive product range, close market proximity, and proven expertise, Bank Austria remains THE strategic financial partner for Austrian corporate clients.

Management Report

Outlook

Conflict in the Gulf region continues to take its toll

The framework agreement signed in mid-June between the U.S. and Iran to end the Iran War has eased the de facto blockade of the Strait of Hormuz and, by easing pressure on international supply chains and raw material prices, has led to a temporary improvement in the overall conditions for the global economy. A final agreement within 60 days - that is, by mid-August - should create the conditions for a permanent end to geopolitical uncertainties, which would have contributed significantly to more favorable growth prospects for the global economy in the second half of 2026. We assume that the recent tensions between the U.S. and Iran, involving mutual attacks, represent a limited and temporary escalation and that the conflict will come to a definitive end within the foreseeable future. Given the sufficient supply of crude oil on the market - taking into account the economically driven weaker demand and existing reserves - there should be no immediate supply shock with excessive price increases, despite the transit problems through the Strait of Hormuz. The rise in inflation in the first half of the year has triggered tighter monetary policy in many countries, which will weigh on consumption and investment activity. In addition, trade policy uncertainties triggered by U.S. tariff policies remain high. Growth is expected to be supported by investments in artificial intelligence, particularly in the U.S. and Asia. The global economy is likely to gradually recover from the pressures caused by the energy price and supply chain shocks triggered by the Iran war and regain momentum in the coming months; however, the consequences will continue to be felt for some time in the form of subdued growth. We anticipate global economic growth will slow to 3.1 percent in 2026, down from 3.2 percent the previous year. The slowdown is likely to hit less developed countries as well as industrialized nations dependent on raw material imports harder. Despite a slight dip in private consumption due to a decline in purchasing power resulting from higher energy prices, the U.S. economy—supported by strong investment activity, particularly in AI, expansionary fiscal policy, and the delayed effect of the 2025 interest rate cuts—is expected to achieve a GDP growth rate of 2.2 percent, which is even slightly higher than the previous year’s rate. Growth in the euro area economy will once again lag behind that of the U.S. economy in 2026, at just 0.3 percent, despite a slight upturn in the second half of the year. Greater dependence on energy imports is weighing on the growth of private consumption. While fiscal policy in most European countries is likely to continue supporting growth—though the announced investments in infrastructure and defense are mostly getting off to a slow start—monetary policy is not expected to provide any positive impetus. Furthermore, foreign trade growth is being held back by U.S. tariff policies and weak competitiveness.

Following the sharp rise caused by the energy price shock, global inflation is expected to slow again in the coming months as the geopolitical situation stabilizes. Energy prices have already begun to trend downward. We anticipate that the price of crude oil will fall to $75 per barrel and the price of natural gas to around 40 euros per MWh by the end of 2026. However, energy prices are still expected to remain above their levels at the start of the year. In addition to the stabilization of energy prices, the waning impact of import tariffs, weaker employment growth, lower wage pressure, and the Federal Reserve’s relatively restrictive monetary policy will also dampen inflationary pressures in the coming months. Nevertheless, inflation - averaging 3.6 percent in 2026 - will be significantly higher than in the previous year and well above the Federal Reserve’s target. Given the high inflation, a cut in the federal funds rate in the U.S. appears off the table for the time being, even under the new Fed Chair Warsh. We expect the Fed to keep the federal funds target rate within the current range of 3.50 to 3.75 percent at least through the end of 2026. This means that interest rates in the U.S. will remain significantly higher than those in the euro area. After the European Central Bank raised interest rates by 25 basis points in the first half of the year to anchor inflation expectations in the eurozone, we anticipate that the rate-hiking cycle will come to an end soon. We expect a final increase in the deposit rate to 2.50 percent in September. However, this move could be skipped if inflation trends favorably. Weak economic growth and the slight strengthening of the euro are likely to push headline inflation back toward the ECB’s 2 percent target by at least 2027, potentially eliminating the need for further monetary policy measures in 2026. Despite the interest rate differential, the euro should resume its upward trend against the U.S. dollar by year-end, as concerns about U.S. debt and the U.S. dollar’s dominant position as the world’s reserve currency will once again take precedence. It is unlikely that the EUR/USD exchange rate will exceed 1.17 by the end of 2026.

Management Report

The Outlook for Austria

Following the economic setback caused by the fallout from the war in Iran, the underlying trend toward recovery should reassert itself in the second half of the year as the geopolitical situation stabilizes, paving the way for moderate growth rates in the Austrian economy. Economic sentiment was already showing a slight upward trend again by mid-year. We expect GDP to rise by 0.8 percent for 2026 as a whole, though with downside risks, in view of the renewed escalation of the conflict between the US and Iran.

A swift recovery from the economic dip should allow for a gradual easing of labor market conditions, at least toward the end of 2026. On an annual average for 2026, we expect a slight increase in the unemployment rate to 7.5 percent, up from 7.4 percent in 2025. The war in Iran and the resulting sharp rise in fuel prices have caused inflation in Austria to rise significantly. While pressure on energy prices has since eased, initial second-round effects have led to steeper increases in service prices. Despite the now-possible end of the war in Iran, we still expect year-over-year higher energy prices for some time to come, along with corresponding knock-on effects on other product and service prices. Inflation is not expected to peak until toward the end of the year, at nearly 4 percent ( ). The annual average inflation rate for 2026 is projected to be 3.2 percent - lower than the 2025 figure of 3.6 percent, but once again above expectations for the eurozone.

Due to the ECB’s slight tightening of monetary policy in the first half of 2026 and a possible further interest rate hike in the fall to stabilize inflation expectations, financing conditions for the Austrian economy are expected to be somewhat less favorable in the second half of the year. On the other hand, the economic climate is improving due to easing geopolitical tensions, which should lead to a pickup in consumer and investment demand. The recovery in lending activity should therefore continue at a moderate pace, supported by stronger demand for liquidity. For household loans, we expect slightly stronger growth than for corporate loans, driven by increased momentum in residential mortgage financing, whereas corporate loans are being held back by hesitant investment sentiment in light of the subdued economic outlook.

Despite the growing trend toward investment in stock and bond markets, slightly higher interest rates will support growth in household deposits, especially since the high propensity to save—driven by uncertainty—is likely to continue to decline only slowly. At around 3 percent, growth in household deposits will be roughly on par with that of 2025. At around 3 percent as well, growth in corporate deposits will be on par with that of households, but is likely to be significantly lower than in the previous year given the economic challenges. In 2025, corporate deposits grew by 5.4 percent year-over-year.

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, strong fee evolution and disciplined focus on cost management and capital efficiency. These factors, together with the permanent 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 expecting a strong return on allocated capital (ROAC) which amounted to over 26% in the first half of the year 2026 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.

Management Report

Sustainability in customer business

Bank Austria has set itself the goal of supporting the transformation of the economy towards climate neutrality focusing on gradual decarbonization of its loan portfolio.

Bank Austria has a clear **focus on ESG/sustainability**:
- Alignment of the business with long-term net-zero targets and climate commitments,
- 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,
- Promoting ESG awareness and ESG expertise through internal **ESG and sustainability learning initiatives** for all employees and managers, as well as regular communication on sustainability topics and an annual ESG Day for all employees and customers to actively engage with the topic of sustainability.

Digital & Data, Acceleration & Transformation in the new era of “UniCredit Unlimited”

The new era of ***UniCredit Unlimited*** represents a fundamental rethinking of the operating model at its core – with technology and AI as key enablers of this shift. The **omnichannel set-up** is one of Bank Austria’s strongest competitive advantages. We will leverage our physical, remote and digital platforms and use AI to enhance every touchpoint for our clients – improving speed, accuracy and personalisation. Bank Austria is accelerating AI adoption across client service and advisory, technology and operations - and will continue to use this to deepen relationships, improve efficiency, increase speed and unlock new value.

In addition, Bank Austria brought its **Issuing & Acquiring** business in-house last year, thereby offering a fully integrated range of services for the first time – from card issuance (**Issuing**) to payment processing and acceptance (**Acquiring**). In the **Issuing** sector, the offering encompasses the **provision and management of credit cards** for private and corporate customers. The **Acquiring** business segment was built up from scratch last year – in a highly competitive market. In doing so, **the entire infrastructure** was **rebuilt from scratch**, and state-of-the-art technology and expertise were brought into the company. Bank Austria now offers **the complete range of payment solutions**: from payment terminals and online payment solutions (e-commerce) to Soft-POS including “Tap to Pay”. Soft-POS was launched last year for Android and, since the end of February 2026, for iOS as well. The focus is on reducing complexity for customers, as they can now access Bank Austria’s full range of payment services from a single source – a real added value from the customer’s perspective.

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 30.06.2026	AS AT 30.06.2025
10. Interest income and similar revenues	1,611	1,894
of which: interest income calculated with the effective interest method	*1,438*	*1,549*
20. Interest expenses and similar charges	(820)	(1,121)
30. Net interest margin	**792**	**774**
40. Fees and commissions income	455	491
50. Fees and commissions expenses	(72)	(101)
60. Net fees and commissions	**383**	**390**
70. Dividend income and similar revenues	6	6
80. Net gains (losses) on trading	24	39
90. Net gains (losses) on hedge accounting	(4)	3
100. Gains (Losses) on disposal and repurchase of:	8	2
a) financial assets at amortised cost	2	(1)
b) financial assets at fair value through other comprehensive income	6	3
c) financial liabilities	0	0
110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss:	1	(6)
a) financial assets/liabilities designated at fair value	2	(5)
b) other financial assets mandatorily at fair value	(1)	(1)
120. Operating income	**1,210**	**1,208**
130. Net losses/recoveries on credit impairment	36	41
a) financial assets at amortised cost	36	41
b) financial assets at fair value through other comprehensive income	(1)	(0)
140. Gains/Losses from contractual changes with no cancellations	(0)	(0)
150. Net profit from financial activities	**1,246**	**1,248**
160. Net premiums	-	-
170. Other net insurance income/expenses	-	-
180. Net profit from financial and insurance activities	**1,246**	**1,248**
190. Administrative expenses:	(570)	(588)
a) staff costs	(325)	(337)
b) other administrative expenses	(244)	(252)
200. Net provisions for risks and charges:	3	(5)
a) commitments and financial guarantees given	0	4
b) other net provisions	3	(10)
210. Net value adjustments/write-backs on property, plant and equipment	(28)	(32)
220. Net value adjustments/write-backs on intangible assets	(1)	(2)
230. Other operating expenses/income	26	66
240. Operating costs	**(569)**	**(562)**
250. Gains (Losses) of equity investments	161	144
260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	1	(1)
270. Goodwill impairment	-	-
280. Gains (Losses) on disposals of investments	0	0
290. Profit (Loss) before tax from continuing operations	**839**	**829**
300. Tax expenses (income) for the period from continuing operations	(105)	(157)
310. Profit (Loss) after tax from continuing operations	**734**	**672**
320. Profit (Loss) after tax from discontinued operations	-	-
330. Profit (Loss) for the period	**734**	**672**
340. Minority profit (loss) of the year	(0)	0
350. Profit (Loss) for the period - attributable to the owners of Bank Austria	**733**	**672**

Consolidated income statement

Earnings per share

(€)

POSITIONS	AS AT 30.06.2026	AS AT 30.06.2025
Earnings per share	3.17	2.91
Diluted earnings per share	3.17	2.91

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

(€ million)

ITEMS	AS AT 30.06.2026	AS AT 30.06.2025
10. PROFIT (LOSS) FOR THE PERIOD	**734**	**672**
Other comprehensive income after tax not reclassified to profit or loss	**(6)**	**78**
20. Equity instruments designated at fair value through other comprehensive income	(17)	12
30. Financial liabilities designated at fair value through profit or loss (own creditworthiness changes)	-	-
40. Hedge accounting of equity instruments designated at fair value through other comprehensive income	-	-
50. Property, plant and equipment	(3)	1
60. Intangible assets	-	-
70. Defined-benefit plans	(2)	62
80. Non-current assets and disposal groups classified as held for sale	-	-
90. Portion of valuation reserves from investments valued at equity method	16	3
Other comprehensive income after tax reclassified to profit or loss	**8**	**27**
100. Foreign investments hedging	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedging	1	(3)
130. Hedging instruments (non-designated items)	-	-
140. Financial assets (different from equity instruments) at fair value through other comprehensive income	5	31
150. Non-current assets and disposal groups classified as held for sale	-	-
160. Part of valuation reserves from investments valued at equity method	2	0
170. Total other comprehensive income after tax	**2**	**105**
180. Comprehensive income (Item 10+170)	**736**	**777**
190. Minority profit (loss) of the year	(0)	0
200. Parent Company's consolidated comprehensive income	**736**	**777**

Consolidated statement of financial position

Consolidated balance sheet

(€ million)

	AMOUNTS AS AT	
ASSETS	30.06.2026	31.12.2025
10. Cash and cash balances	5,442	7,205
20. Financial assets at fair value through profit or loss:	1,752	1,663
a) financial assets held for trading	1,172	1,159
b) financial assets designated at fair value	163	141
c) other financial assets mandatorily at fair value	417	363
30. Financial assets at fair value through other comprehensive income	17,265	17,650
40. Financial assets at amortised cost:	81,625	77,265
a) loans and advances to banks	12,621	11,243
b) loans and advances to customers	69,004	66,022
50. Hedging derivatives	2,173	2,332
60. Changes in fair value of portfolio hedged items (+/-)	(1,177)	(1,260)
70. Equity investments	3,584	3,485
80. Insurance reserves charged to reinsurers	-	-
90. Property, plant and equipment	692	740
100. Intangible assets	8	3
of which: goodwill	-	-
110. Tax assets:	210	260
a) current	21	71
b) deferred	189	189
120. Non-current assets and disposal groups classified as held for sale	-	(0)
130. Other assets	249	250
TOTAL ASSETS	**111,824**	**109,593**

Consolidated statement of financial position

(€ million)

LIABILITIES AND SHAREHOLDERS' EQUITY	AMOUNTS AS AT 30.06.2026	31.12.2025
10. Financial liabilities at amortised cost:	94,661	92,255
a) deposits from banks	11,410	9,458
b) deposits from customers	69,656	70,423
c) debt securities in issue	13,596	12,373
20. Financial liabilities held for trading	1,229	1,207
30. Financial liabilities designated at fair value	10	10
40. Hedging derivatives	1,953	2,029
50. Value adjustment of hedged financial liabilities (+/-)	(829)	(874)
60. Tax liabilities:	236	140
a) current	210	116
b) deferred	27	24
70. Liabilities associated with assets classified as held for sale	-	(0)
80. Other liabilities	661	663
90. Provision for employee severance pay	-	-
100. Provisions for risks and charges:	3,078	3,112
a) commitments and guarantees given	207	184
b) post-retirement benefit obligations	2,605	2,649
c) other provisions for risks and charges	267	279
110. Technical reserves	-	-
120. Valuation reserves	(1,911)	(1,910)
130. Redeemable shares	-	-
140. Equity instruments	600	600
150. Reserves	5,573	5,271
160. Share premium	4,135	4,137
170. Share capital	1,681	1,681
180. Treasury shares (-)	-	-
190. Minority shareholders' equity (+/-)	12	12
200. Profit (Loss) for the period (+/-)	733	1,259
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,824**	**109,593**

Consolidated statement of changes in equity

Statement of changes in equity as at 30.06.2026

(€ million)

		CHANGES IN THE PERIOD							
		ALLOCATION OF PROFIT FROM PREVIOUS YEAR			SHAREHOLDERS' EQUITY TRANSACTIONS				
	BALANCE AS AT 31.12.2025	RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CHANGES IN SCOPE OF CONSOLIDATION	OTHER	TOTAL	OTHER COMPREHENSIVE INCOME	TOTAL SHAREHOLDERS' EQUITY AS AT 30.06.2026
Share capital:	1,681	-	-	-	-	-	-	-	1,681
a) ordinary shares	*1,681*	-	-	-	-	-	-	-	*1,681*
b) other shares	-	-	-	-	-	-	-	-	-
Share premium	4,137	-	-	-	-	(2)	(2)	-	4,135
Reserves:	5,271	1,259	(946)	(14)	3	-	3	-	5,573
a) other	*5,272*	*1,259*	*(946)*	*(14)*	*3*	-	*3*	-	*5,574*
b) foreign exchange differences	*(1)*	-	-	*0*	*0*	-	*0*	-	*(1)*
Valuation reserves	(1,910)	-	-	(3)	-	-	-	2	(1,911)
a) Cash Flow Hedge reserves	*(9)*	-	-	-	-	-	-	*1*	*(8)*
b) Revaluation Reserve FA @FVOCI	*(222)*	-	-	-	-	-	-	*(11)*	*(233)*
c) Revaluation Reserve associates and joint ventures	*53*	-	-	*0*	-	-	-	*18*	*71*
d) Revaluation Reserve tangible assets	*76*	-	-	*(3)*	-	-	-	*(3)*	*70*
e) Pension and similar liabilities IAS19	*(1,809)*	-	-	-	-	-	-	*(2)*	*(1,811)*
f) Revaluation reserve: non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-
Equity instruments	600	-	-	-	-	-	-	-	600
Profit (Loss) for the year	1,259	(1,259)	-	-	-	-	-	733	733
Group shareholders' equity	**11,038**	**-**	**(946)**	**(17)**	**3**	**(2)**	**1**	**735**	**10,812**
Minority shareholders' equity	12	-	(2)	1	1	-	1	0	12
Total shareholders' equity	**11,050**	**-**	**(947)**	**(17)**	**4**	**(2)**	**2**	**735**	**10,823**

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:	1,681	-	-	-	-	-	-	-	1,681
a) ordinary shares	*1,681*	-	-	-	-	-	-	-	*1,681*
b) other shares	-	-	-	-	-	-	-	-	-
Share premium	4,136	-	-		-	(1)	(1)	-	4,135
Reserves:	5,097	1,285	(1,082)	(18)	0	-	0	-	5,283
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 cash flows

Consolidated cash flow statement (indirect method)

(€ million)

	AS AT	
	30.06.2026	30.06.2025
A. OPERATING ACTIVITIES		
1. Non-cash items included in net profit and adjustments to reconcile net profit to cash flows from operating activities:	**215**	**60**
- profit (loss) for the period (+/-)	734	672
- gains/losses on financial assets held for trading and on the other financial assets/liabilities at fair value through profit or loss (-/+)	(4)	(21)
- gains (losses) on hedge accounting (-/+)	4	(3)
- net losses/recoveries on impairments (+/-)	34	57
- net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	27	35
- net provisions for risks and charges (incl. personnel) and other expenses/income (+/-)	(127)	(140)
- unpaid duties, taxes and tax credits (+/-)	98	148
- impairment/write-backs after tax on discontinued operations (+/-)	-	-
- other adjustments (+/-)	(551)	(688)
2. Changes in assets and liabilities arising from operating activities after corrections for non-cash positions and liquidity from interest and tax	**(1,102)**	**289**
2a. Liquidity generated/absorbed by financial assets:	**(3,964)**	**(5,301)**
- financial assets held for trading	11	26
- financial assets designated at fair value	(20)	(34)
- other financial assets mandatorily at fair value	(55)	32
- financial assets at fair value through other comprehensive income	364	(145)
- financial assets at amortised cost	(4,395)	(5,236)
- other assets	130	56
2b. Liquidity generated/absorbed by financial liabilities:	**2,195**	**4,825**
- financial liabilities at amortised cost	2,407	5,293
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	(0)	(0)
- other liabilities	(212)	(467)
2c. Liquidity generated/absorbed by interest and tax received/paid:	**668**	**764**
- interest received	1,382	1,894
- interest paid	(768)	(1,121)
- income taxes received (+)/ paid (–) from operating activities	54	(9)
Net liquidity generated/absorbed by operating activities	**(887)**	**349**

Consolidated statement of cash flows

(€ million)

	AS AT	
	30.06.2026	30.06.2025
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**96**	**96**
- sales of equity investments	-	-
- collected dividends on equity investments	78	77
- sales of property, plant and equipment	14	17
- sales of intangible assets	-	-
- sales of subsidiaries and business units (less cash disposed)	4	2
2. Liquidity absorbed by:	**(12)**	**(10)**
- purchases of equity investments	-	-
- purchases of property, plant and equipment	(6)	(9)
- purchases of intangible assets	(6)	(1)
- purchases of subsidiaries and business units (less cash disposed)	-	-
Net liquidity generated/absorbed by investment activities	**84**	**86**
C. FUNDING ACTIVITIES		
- issue/purchase of equity instruments	-	-
- payouts on equity instruments	(14)	(14)
- dividend distribution to shareholders and non-controlling interests	(946)	(1,082)
- 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	**(960)**	**473**
NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	**(1,763)**	**908**

Reconciliation

(€ million)

	AS AT	
	30.06.2026	30.06.2025
CASH AND CASH EQUIVALENTS AT END OF PREVIOUS PERIOD	**7,205**	**5,602**
Cash flows from operating activities	(887)	349
Cash flows from investment activities	84	86
Cash flows from funding activities	(960)	473
Effects of changes in scope of consolidation	-	-
Effects of exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5,442**	**6,510**

Notes to the consolidated financial statements

Basis for the preparation of the financial statements

The interim consolidated financial statements for the first half of 2026 (January 2026 to June 2026) 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 2026 are unaudited and have not been reviewed by the auditors. It comprises the balance sheet with comparative figures as of 31 December 2025, 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 2025, 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 2025.

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 2025 consolidated financial statements of Bank Austria, 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.

Application of amended and new IFRS or IAS

With the exception of the accounting policies described and amended below, the accounting principles applied are consistent with those used in the previous fiscal year.

Notes to the consolidated financial statements

Application of amended and new financial reporting standards

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 are applicable for reporting periods beginning on or after 1 January 2026.

The amendments are relevant for:
- The derecognition of financial liabilities generally takes place at the time they are extinguished. Liabilities settled through electronic transfer may be derecognized before extinguishment.
- 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.

In this regard, Bank Austria did an analysis in 2025 to assess the impact of the new requirements specifically on ESG-linked instruments, ensure compliance with the new requirements by amending its policies and processes in a consistent manner, where necessary, and prepare the required disclosures.
Following the assessment, it was concluded that the new requirements do not have any material impact on the Bank Austria.

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

Implementation of IFRS 18 Presentation and Disclosure in Financial Statements

The IASB published the introduction of the new IFRS 18 requirements on 9 April 2024, which
will replace IAS 1 and introduce three fundamental principles aimed at improving communication of financial performance in the statement of profit or loss:
- Presentation of newly defined subtotals in the statement of profit or loss,
- Disclosure of management-defined performance measures, and enhanced requirements for the grouping (aggregation and disaggregation) of information.
- With regard to the presentation of newly defined subtotals, the standard requires an entity to:
  - classify income and expenses in the statement of profit or loss into the categories operating, investing, financing, income taxes, and discontinued operations, and
  - present two new defined subtotals: operating profit and profit before financing and income taxes.
    Consequently, banks do not present the subtotal “profit before financing and income taxes.”

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 Bank is assessing the impacts on presentation and disclosure arising from IFRS18 and it will update its financial statements and the related notes accordingly.

IFRS 20 – Regulatory Assets and Regulatory Liabilities

IASB issued the new standard IFRS 20 “Regulatory Assets and Regulatory Liabilities” on May 27, 2026. The standard is effective for annual reporting periods beginning on or after 1 January 2029. IFRS 20 replaces the temporary guidance in IFRS 14 and introduces a comprehensive model for accounting for regulatory assets and regulatory liabilities. The objective of the standard is to reflect timing differences between revenue recognized under IFRS and the amounts permitted by the applicable regulatory framework.

The impact of the initial application on the Group’s financial position, financial performance and cash flows is being analyzed.

Notes to the consolidated financial statements

Other topics

"3-Banken" impairment test

As of 30 June 2026, the investments held by Bank Austria in Oberbank AG (Oberbank), BTV Vier Länder Bank AG (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 2026 were the business plans approved by BKS and BTV management as of the end of 2025, and the published business developments as of the first quarter of 2026 were taken into account.

The increase in fair value gave rise to a write-up of BTV, since it was assessed to be 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 2026 resulted in a write-up requirement for BTV.

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 2026.

Tax loss carryforwards

The deferred tax amount of the capitalized losses as of 30 June 2026 was €2 million (€2 million as of 31 December 2025).

Tax losses carried forward without deferred taxes amount to €49 million as of 30 June 2026 (€49 million as of 31 December 2025); they originate from companies in Austria and can be carried forward without time restriction. In Austria, the annual set-off of losses carried forward is limited to 75% of the relevant taxable profit.

Notes to the consolidated financial statements

Information on fair value

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

The determination of the fair values for the various holdings of financial instruments in the interim consolidated financial statements was disclosed in detail as at 31 December 2025 and remains valid.

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

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 30.06.2026			AMOUNTS AS AT 31.12.2025		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Financial assets at fair value through profit or loss	213	1,379	160	141	1,412	110
a) Financial assets held for trading	-	1,086	86	-	1,110	48
b) Financial assets designated at fair value	163	-	-	141	-	-
c) Financial assets mandatorily at fair value	50	293	74	-	302	61
2. Financial assets at fair value through other comprehensive income	16,241	892	132	16,497	1,024	129
3. Hedging derivatives	-	2,173	-	-	2,332	-
4. Property, plant and equipment	-	-	452	-	-	474
Total	**16,454**	**4,444**	**744**	**16,638**	**4,768**	**712**
1. Financial liabilities held for trading	-	1,189	40	-	1,199	8
2. Financial liabilities designated at fair value	-	10	-	-	10	-
3. Hedging derivatives	-	1,953	0	-	2,029	0
Total	**-**	**3,152**	**40**	**-**	**3,239**	**8**

The change in fair value Level 1 for item 1.c) Financial assets mandatorily at fair value through profit or loss results from the purchase of fund shares in the first half of 2026.

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 into 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 quotes 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 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. 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 shift in underlying volatility, 10% relative shift in underlying volatility, 1% absolute shift in underlying correlation, and 10% relative shift in underlying volatility skew;
- for foreign exchanges: 1% absolute shift 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, if Level 3 attribution for a derivative is due to counterparty classification as not performing, 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	+/-	3.55
		Foreign Exchange	+/-	0.00
		Interest Rate	+/-	0.11
	Credit Derivatives		+/-	0.01
Debt Securities and Loans				
		Corporate/ Government/Other	+/-	0.02
		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 2026

	CONSOLIDATED COMPANIES	COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD	TOTAL
Opening balance	**139**	**10**	**149**
Additions	**-**	**-**	**-**
Newly established companies	-	-	-
Acquired companies	-	-	-
Other changes	-	-	-
Changes in UniCredit Group	-	-	-
Disposals	**1**	**-**	**1**
Companies sold or liquidated	1	-	1
Mergers	-	-	-
Changes in UniCredit Group	-	-	-
CLOSING BALANCE	**138**	**10**	**148**

The change in the group of consolidated companies relates 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 30.06.2026 DEBT SECURITIES	LOANS	OTHER TRANSACTIONS	TOTAL	AS AT 30.06.2025 TOTAL
1. Financial assets at fair value through profit or loss	**2**	**4**	**112**	**118**	**152**
1.1 Financial assets held for trading	-	-	112	112	144
1.2 Financial assets designated at fair value	1	-	-	1	1
1.3 Other financial assets mandatorily at fair value	1	4	-	5	7
2. Financial assets at fair value through other comprehensive income	**234**	**-**	**X**	**234**	**217**
3. Financial assets at amortised cost	**65**	**1,139**	**X**	**1,204**	**1,331**
3.1 Loans and advances to banks	14	160	X	174	284
3.2 Loans and advances to customers	51	979	X	1,030	1,047
4. Hedging derivatives	**X**	**X**	**55**	**55**	**193**
5. Other assets	**X**	**X**	**0**	**0**	**0**
6. Financial liabilities	**X**	**X**	**X**	**0**	**0**
Total	**301**	**1,143**	**167**	**1,611**	**1,894**
of which: interest income on impaired financial assets	*-*	*18*	*-*	*18*	*17*
of which: interest income on financial lease	*X*	*29*	*X*	*29*	*35*

The change compared with the first half of 2025 is primarily attributable to the development of the average interest rate level.

1.2 Interest expenses and similar charges: breakdown

(€ million)

ITEMS/TYPES	AS AT 30.06.2026 DEBTS	SECURITIES	OTHER TRANSACTIONS	TOTAL	AS AT 30.06.2025 TOTAL
1. Financial liabilities at amortised cost	**(438)**	**(172)**	**X**	**(610)**	**(804)**
1.1 Deposits from central banks	(0)	X	X	(0)	(2)
1.2 Deposits from banks	(118)	X	X	(118)	(274)
1.3 Deposits from customers	(320)	X	X	(320)	(340)
1.4 Debt securities in issue	X	(172)	X	(172)	(189)
2. Financial liabilities held for trading	**-**	**-**	**(117)**	**(117)**	**(146)**
3. Financial liabilities designated at fair value	**-**	**(0)**	**-**	**(0)**	**(0)**
4. Other liabilities and funds	**X**	**X**	**(0)**	**(0)**	**(1)**
5. Hedging derivatives	**X**	**X**	**(93)**	**(93)**	**(169)**
6. Financial assets	**X**	**X**	**X**	**(0)**	**(0)**
Total	**(438)**	**(172)**	**(210)**	**(820)**	**(1,121)**
of which: interest expenses on lease liabilities	*(2)*	*X*	*X*	*(2)*	*(3)*

The change compared with the first half of 2025 is primarily attributable to the development of the average interest rate level.

Notes to the income statement

2.1 Fee and commission income: breakdown

(€ million)

TYPE OF SERVICES/VALUES	AS AT 30.06.2026	AS AT 30.06.2025
a) Financial Instruments	18	18
1. Placement of securities	-	-
1.1 Underwriting and/or on the basis of an irrevocable commitment	-	-
1.2 Without irrevocable commitment	-	-
2. Reception and transmission of orders	3	2
2.1 Reception and transmission of orders of financial instruments	3	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	7
1. M&A advisory	-	-
2. Treasury services	-	-
3. Other fee and commission income in relation to corporate finance activities	7	7
c) Fee based advice	14	12
d) Clearing and settlement	-	-
e) Collective portfolio management	77	73
f) Custody and administration of securities	49	46
1. Custodian Bank	-	-
2. Other fee and commission income in relation to corporate finance activities	49	46
g) Central administrative services for collective investment	-	-
h) Fiduciary transactions	-	-
i) Payment services	71	131
1. Current accounts	0	0
2. Credit cards	13	85
3. Debit cards and other card payments	16	15
4. Transfers and other payment orders	33	23
5. Other fees in relation to payment services	9	8
j) Distribution of third party services	72	55
1.Collective portfolio management	55	40
2. Insurance products	16	14
3. Other products	1	1
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Loan securitization servicing activities	-	-
m) Loan commitments given	-	-
n) Financial guarantees	20	20
of which: credit derivatives	*0*	*0*
o) Lending transactions	41	36
of which: factoring services	*1*	*1*
p) Currency trading	1	1
q) Commodities	-	-
r) Other fee income	86	91
of which: management of sharing multilateral trading facilities	-	-
of which: management of organized trading systems	-	-
Total	**456**	**491**

In 1H26, the decrease in item i) Payments services, under 2. Credit ards is mainly driven by the sale of card complete Service Bank AG. The transaction was closed on 16 September 2025.

Notes to the income statement

2.2 Fee and commission expenses: breakdown

(€ million)

SERVICES/VALUES	AS AT 30.06.2026	AS AT 30.06.2025
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	*(1)*	*(0)*
- own portfolio	(1)	(0)
- third party portfolio	-	-
b) Clearing and settlement	-	-
c) Portfolio management: collective	(11)	(10)
1. Own portfolio	(2)	(2)
2. Third party portfolio	(9)	(7)
d) Custody and Administration	(10)	(10)
e) Collection and payments services	(31)	(67)
of which: debit/credit card services and other payment cards	*(17)*	*(61)*
f) Loan securitization servicing activities	-	-
g) Loan commitments given	(9)	(8)
h) Financial guarantees received	(7)	(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)	(1)
Total	**(72)**	**(101)**

In 1H26, the decrease in item e) Collection and payments services is mainly driven by the sale of card complete Service Bank AG. The transaction was closed on 16 September 2025.

3.1 Dividend income and similar revenues

(€ million)

ITEMS/REVENUES	AS AT 30.06.2026		AS AT 30.06.2025	
	DIVIDENDS	SIMILAR REVENUES	DIVIDENDS	SIMILAR REVENUES
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily at fair value	-	-	0	-
C. Financial assets at fair value through other comprehensive income	6	-	6	-
D. Equity investments	0	-	-	-
Total	**6**	**-**	**6**	**-**
Total dividends and similar revenues	**6**		**6**	

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)**
1.1 Debt securities	-	-	-	-	-
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**	**21**
4. Derivatives	**12**	**-**	**(9)**	**-**	**3**
4.1 Financial derivatives	12	-	(9)	-	3
- On debt securities and interest rates	5	-	(10)	-	(4)
- On equity securities and share indices	7	-	-	-	7
- On currency and gold	X	X	X	X	0
- Other	0	-	0	-	1
4.2 Credit derivatives	-	-	(0)	-	(0)
of which: economic hedges linked to the fair value option	*X*	*X*	*X*	*X*	-
Total 30.06.2026	**12**	**-**	**(9)**	**(0)**	**24**
Total 30.06.2025	**28**	**0**	**(0)**	**(0)**	**39**

Notes to the income statement

5.1 Fair value adjustments in hedge accounting

(€ million)

P&L COMPONENT/VALUES	AS AT 30.06.2026	AS AT 30.06.2025
A. Gains on		
A.1 Fair value hedging instruments	103	380
A.2 Hedged financial assets (in fair value hedge relationship)	132	-
A.3 Hedged financial liabilities (in fair value hedge relationship)	15	34
A.4 Cash-flow hedging derivatives	-	-
A.5 Assets and liabilities denominated in currency	-	-
Total gains on hedging activities (A)	**250**	**414**
B. Losses on		
B.1 Fair value hedging instruments	(145)	(12)
B.2 Hedged financial assets (in fair value hedge relationship)	(61)	(271)
B.3 Hedged financial liabilities (in fair value hedge relationship)	(48)	(128)
B.4 Cash-flow hedging derivatives	-	-
B.5 Assets and liabilities denominated in currency	-	-
Total losses on hedging activities (B)	**(254)**	**(411)**
C. Net hedging result (A – B)	**(4)**	**3**
of which: net gains (losses) of hedge accounting on net positions	-	-

The development is primarily attributable to offsetting fair value changes in the hedging instruments and the related hedged items resulting from developments in the interest rate environment.

6.1 Gains (Losses) on disposal/repurchase

(€ million)

	AS AT 30.06.2026			AS AT 30.06.2025		
ITEMS/P&L ITEMS	GAINS	LOSSES	NET PROFIT	GAINS	LOSSES	NET PROFIT
A. Financial assets						
1. Financial assets at amortised cost	2	(0)	2	-	(1)	(1)
1.1 Loans and advances to banks	-	-	-	-	-	-
1.2 Loans and advances to customers	2	(0)	2	-	(1)	(1)
2. Financial assets at fair value through other comprehensive income	6	-	6	3	-	3
2.1 Debt securities	6	-	6	3	-	3
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**8**	**(0)**	**8**	**3**	**(1)**	**2**
B. Financial liabilities at amortised cost						
1. Deposits from banks	-	-	-	-	-	-
2. Deposits from customers	-	-	-	-	-	-
3. Debt securities in issue	0	-	0	0	(0)	0
Total liabilities (B)	**0**	**-**	**0**	**0**	**(0)**	**0**
Total financial assets/liabilities			**8**			**2**

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	**2**	**-**	**-**	**-**	**2**
1.1 Debt securities	2	-	-	-	2
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 30.06.2026	**2**	**-**	**-**	**-**	**2**
Total 30.06.2025	**-**	**-**	**(5)**	**(0)**	**(5)**

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	**1**	**0**	**(2)**	**(0)**	**(1)**
1.1 Debt securities	0	0	(0)	-	0
1.2 Equity securities	-	0	-	-	0
1.3 Units in investment funds	0	0	-	-	0
1.4 Loans	1	0	(2)	(0)	(1)
2. Financial assets: exchange differences	**X**	**X**	**X**	**X**	**-**
Total 30.06.2026	**1**	**0**	**(2)**	**(0)**	**(1)**
Total 30.06.2025	**2**	**0**	**(3)**	**(0)**	**(1)**

Notes to the income statement

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

(€ million)

TRANSACTIONS/INCOME ITEMS	AS AT 30.06.2026											AS AT 30.06.2025
	WRITE-DOWNS						WRITE-BACKS					
			STAGE 3		POCI ASSETS							
	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)**	**(1)**	**-**	**(0)**	**-**	**-**	**0**	**1**	**-**	**-**	**(0)**	**(0)**
- Loans	(0)	(1)	-	(0)	-	-	0	1	-	-	(0)	(0)
- Debt securities	(0)	-	-	-	-	-	0	-	-	-	0	(0)
B. Loans and advances to customers	**(27)**	**(121)**	**(5)**	**(85)**	**-**	**(1)**	**38**	**161**	**77**	**0**	**37**	**41**
- Loans	(27)	(121)	(5)	(85)	-	(1)	38	161	77	0	36	41
- Debt securities	(0)	-	-	-	-	-	0	0	-	-	0	0
Total	**(27)**	**(121)**	**(5)**	**(85)**	**-**	**(1)**	**38**	**161**	**77**	**0**	**36**	**41**

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 30.06.2026	AS AT 30.06.2025
1) Employees	**(327)**	**(334)**
a) Wages and salaries	(187)	(211)
b) Social charges	(47)	(52)
c) Severance pay	-	-
d) Social security costs	-	-
e) Allocation to employee severance pay provision	-	-
f) Provision for retirements and similar provisions	(55)	(51)
- Defined contribution	-	-
- Defined benefit	(55)	(51)
g) Payments to external pension funds	(7)	(7)
- Defined contribution	(7)	(7)
- Defined benefit	(1)	(1)
h) Costs arising from share-based payments	(3)	(3)
i) Other employee benefits	(27)	(10)
2) Other staff	**(1)**	**(5)**
3) Directors and Statutory Auditors	**(0)**	**(0)**
4) Early retirement costs	**-**	**-**
5) Recovery of payments for employees seconded to other companies	**5**	**8**
6) Refund of expenses for employees seconded to the company	**(2)**	**(4)**
Total	**(325)**	**(337)**

Notes to the income statement

10.1 Other administrative expenses

(€ million)

TYPE OF EXPENSES/SECTORS	AS AT 30.06.2026	AS AT 30.06.2025
1) Indirect taxes and duties	**(37)**	**(36)**
1a. Settled	(37)	(36)
1b. Unsettled	-	-
2) Contributions to Resolution Funds and Deposit Guarantee Schemes (DGS)	**(5)**	**(5)**
3) Guarantee fee for DTA conversion	**-**	**-**
4) Miscellaneous costs and expenses	**(203)**	**(210)**
a) Advertising marketing and communication	(11)	(9)
b) Expenses relating to credit risk	(2)	(3)
c) Indirect expenses relating to personnel	(3)	(1)
d) Information & Communication Technology expenses	(113)	(126)
Lease of ICT equipment and software	(2)	(0)
Software expenses: lease and maintenance	(2)	(3)
ICT communication systems	(3)	(3)
Services ICT in outsourcing	(101)	(114)
Financial information providers	(6)	(5)
e) Consulting and professional services	(6)	(7)
Consulting	(4)	(5)
Legal expenses	(2)	(2)
f) Real estate expenses	(18)	(18)
Rentals of premises	(1)	(1)
Utilities	(6)	(7)
Other real estate expenses	(11)	(11)
g) Operating costs	(50)	(46)
Surveillance and security services	(2)	(3)
Money counting services and transport	(3)	(3)
Printing and stationery	0	(1)
Postage and transport of documents	(7)	(8)
Administrative and logistic services	(34)	(25)
Insurance	(2)	(2)
Association dues and fees and contributions to the administrative expenses deposit guarantee funds	(6)	(6)
Other administrative expenses - other	2	1
Total (1+2+3+4)	**(244)**	**(252)**

Notes to the income statement

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

(€ million)

	AS AT 30.06.2026		
	PROVISIONS	SURPLUS REALLOCATIONS	TOTAL
Loan commitments	(33)	38	5
Financial guarantees given	(30)	24	(5)

11.1b 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

12.1 Net provisions for risks and charges: breakdown

(€ million)

	AS AT 30.06.2026			AS AT 30.06.2025
ASSETS/P&L ITEMS	PROVISIONS	REALLOCATION SURPLUS	TOTAL	TOTAL
1. Other provisions				
1.1 Legal disputes	(0)	4	3	(10)
1.2 Staff costs	-	-	-	-
1.3 Other	(0)	-	(0)	(0)
Total	**(0)**	**4**	**3**	**(10)**

13.1 Other operating expenses

(€ million)

TYPE OF EXPENSE/VALUES	AS AT 30.06.2026	AS AT 30.06.2025
Costs for operating leases	-	-
Non-deductible tax and other fiscal charges	(0)	(0)
Write-downs on leasehold improvements	(2)	(4)
Costs relating to the specific service of financial leasing	(0)	-
Other	(10)	(12)
Total of other operating expenses	**(12)**	**(15)**

13.2 Other operating income

(€ million)

TYPE OF REVENUE/VALUES	AS AT 30.06.2026	AS AT 30.06.2025
A) Recovery of costs	**1**	**1**
B) Other revenues	**37**	**80**
Revenues from administrative services	5	6
Revenues from operating leases	20	28
Recovery of miscellaneous costs paid in previous years	4	2
Revenues on financial leases activities	-	-
Other	9	45
Total of other operating income (A+B)	**38**	**81**

Other operating income in 1H25 included a gain of €29 million arising from the transfer of the corporate portfolio with Iberian customers to UniCredit Bank GmbH, Munich. The portfolio was sold in 2025.

Notes to the income statement

14.1 Profit (Loss) from equity investment

(€ million)

P&L ITEMS/VALUES	AS AT 30.06.2026	AS AT 30.06.2025
A. Income	**161**	**145**
1. Revaluations	123	145
2. Gains on disposal	-	-
3. Writebacks	38	-
4. Other gains	-	-
B. Expenses	**(0)**	**(1)**
1. Writedowns	(0)	(0)
2. Impairment losses	-	(1)
3. Losses on disposal	-	(0)
4. Other expenses	-	-
Net profit	**161**	**144**

Profit from equity investments amounted to €123 million (1H25: €145 million); this item includes pro rata profits from companies subject to significant influence, mainly the 3-Banken Group and Oesterreichische Kontrollbank. The Writebacks in the first half of 2026 related to BTV €34.6 million and WKBG €2.8 million.

15.1 Gains and losses on disposal of investments

(€ million)

P&L ITEMS/SECTORS	AS AT 30.06.2026	AS AT 30.06.2025
A. Property		
- Gains on disposal	1	-
- Losses on disposal	-	-
B. Other assets		
- Gains on disposal	0	1
- Losses on disposal	(0)	(1)
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 2026.

Notes to the statement of financial position

1.1 Financial assets held for trading: breakdown by product

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 30.06.2026			AMOUNTS AS AT 31.12.2025		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Financial assets (non-derivatives)						
1. Debt securities	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in investment funds	**-**	**-**	**0**	**-**	**-**	**0**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Reverse Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	**-**	**-**	**0**	**-**	**-**	**0**
B. Derivative instruments						
1. Financial derivatives	**-**	**1,086**	**86**	**-**	**1,110**	**48**
1.1 Trading	-	822	2	-	873	4
1.2 Linked to fair value option	-	263	84	-	237	45
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)	**-**	**1,086**	**86**	**-**	**1,110**	**48**
Total (A+B)	**-**	**1,086**	**86**	**-**	**1,110**	**48**
Total Level 1, Level 2 and Level 3			**1,172**			**1,159**

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

(€ million)

ITEMS/VALUES	AMOUNTS AS AT 30.06.2026			AMOUNTS AS AT 31.12.2025		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**-**	**65**	**3**	**-**	**65**	**3**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	65	3	-	65	3
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Units in investment funds	**50**	**-**	**0**	**-**	**-**	**0**
4. Loans	**-**	**228**	**70**	**-**	**237**	**58**
4.1 Structured	-	-	-	-	-	-
4.2 Other	-	228	70	-	237	58
Total	**50**	**293**	**74**	**-**	**302**	**61**
Total Level 1, Level 2 and Level 3			**417**			**363**

The change in Fair Value Level 1 under item 3. Units in investment funds results from the purchase of fund units in 1H26.

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 30.06.2026			AMOUNTS AS AT 31.12.2025		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	**16,241**	**846**	**-**	**16,497**	**945**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other	16,241	846	-	16,497	945	-
2. Equity instruments	**-**	**46**	**132**	**-**	**79**	**129**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**16,241**	**892**	**132**	**16,497**	**1,024**	**129**
Total Level 1, Level 2 and Level 3			**17,265**			**17,650**

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 30.06.2026			AMOUNTS AS AT 31.12.2025		
	BOOK VALUE			BOOK VALUE		
	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS
A. Loans and advances to Central Banks	**615**	**(0)**	**-**	**1,267**	**(0)**	**-**
1. Time deposits	-	-	-	-	-	-
2. Compulsory reserves	615	(0)	-	1,267	(0)	-
3. Reverse repos	-	-	-	-	-	-
4. Other	-	-	-	-	-	-
B. Loans and advances to banks	**11,993**	**14**	**-**	**9,955**	**20**	**-**
1. Loans	10,059	14	-	8,083	20	-
1.1 Current accounts	-	-	-	-	-	-
1.2 Time deposits	1,279	-	-	2,131	-	-
1.3 Other loans	8,780	14	-	5,952	20	-
- Reverse repos	8,205	-	-	5,420	-	-
- Lease Loans	-	-	-	-	-	-
- Other	575	14	-	533	20	-
2. Debt securities	1,934	-	-	1,872	-	-
2.1 Structured	-	-	-	-	-	-
2.2 Other	1,934	-	-	1,872	-	-
Total	**12,607**	**14**	**-**	**11,222**	**20**	**-**

The increase in the item “B. Loans and advances to banks - 1.3. Other loans - Reverse repos” is mainly due to new transactions in 1H26.

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 30.06.2026 BOOK VALUE			AMOUNTS AS AT 31.12.2025 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	**63,515**	**1,352**	**15**	**60,492**	**1,358**	**6**
1.1 Current accounts	2,389	57	4	2,028	63	1
1.2 Reverse repos	1,782	-	-	529	-	-
1.3 Mortgages	15,213	61	-	15,225	60	1
1.4 Credit cards and personal loans, including wage assignment	166	37	0	167	38	0
1.5 Lease loans	1,358	56	-	1,251	63	-
1.6 Factoring	2,808	8	-	2,463	5	-
1.7 Other loans	39,800	1,133	11	38,830	1,128	4
2. Debt securities	**4,123**	**-**	**-**	**4,165**	**-**	**-**
2.1 Structured securities	-	-	-	-	-	-
2.2 Other debt securities	4,123	-	-	4,165	-	-
Total	**67,638**	**1,352**	**15**	**64,658**	**1,358**	**6**

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	
	30.06.2026	31.12.2025
A. Assets held for sale		
A.1 Financial assets	-	(0)
A.2 Equity investments	-	-
A.3 Property, plant and equipment	-	-
of which: obtained by the enforcement of collateral	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	**-**	**(0)**
of which: carried at cost	-	*(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	-	-
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)
Total (B)	**-**	**(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)*
C. Liabilities associated with assets classified as held for sale		
C.1 Deposits	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	(0)
Total (C)	**-**	**(0)**
of which: carried at cost	-	*(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
There were no non-current assets held for sale reported.

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

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2026	AMOUNTS AS AT 31.12.2025
1. Deposits from central banks	**11**	**10**
2. Deposits from banks	**11,399**	**9,449**
2.1 Current accounts and demand deposits	1,923	908
2.2 Time deposits	7,039	7,967
2.3 Loans	1,349	372
2.3.1 Repos	1,349	372
2.3.2 Other	-	-
2.4 Liabilities relating to commitments to repurchase treasury shares	-	-
2.5 Lease deposits	-	-
2.6 Other deposits	1,089	201
Total	**11,410**	**9,458**

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

(€ million)

TYPE OF TRANSACTION/VALUES	AMOUNTS AS AT 30.06.2026	AMOUNTS AS AT 31.12.2025
1. Current accounts and demand deposits	46,338	48,199
2. Time deposits	14,636	13,553
3. Loans	8,502	8,465
3.1 Repos	8,502	8,465
3.2 Other	-	-
4. Liabilities relating to commitments to repurchase treasury shares	-	-
5. Lease liabilities	161	166
6. Other deposits	19	39
Total	**69,656**	**70,423**

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 30.06.2026	AMOUNTS AS AT 31.12.2025
A. Debt securities		
1. Bonds	13,596	12,373
1.1 Structured	467	377
1.2 Other	13,129	11,996
2. Other securities	-	-
2.1 Structured	-	-
2.2 Other	-	-
Total	**13,596**	**12,373**

7.1 Financial liabilities held for trading: breakdown by product

(€ million)

TYPE OF TRANSACTIONS/VALUES	AMOUNTS AS AT 30.06.2026					AMOUNTS AS AT 31.12.2025				
	NOMINAL VALUE	FAIR VALUE				NOMINAL VALUE	FAIR VALUE			
		LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE		LEVEL 1	LEVEL 2	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	-	1,189	40	X	X	-	1,199	8	X
1.1 Trading derivatives	X	-	833	5	X	X	-	879	8	X
1.2 Linked to fair value option	X	-	356	35	X	X	-	320	-	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**	**-**	**1,189**	**40**	**X**	**X**	**-**	**1,199**	**8**	**X**
Total (A+B)	**X**	**-**	**1,189**	**40**	**X**	**X**	**-**	**1,199**	**8**	**X**
Total Level 1, Level 2 and Level 3				**1,229**					**1,207**	

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 30.06.2026					AMOUNTS AS AT 31.12.2025				
	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 Structured	-	-	-	-	X	-	-	-	-	X
1.2 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*
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**	**-**	**10**	**10**	**-**	**10**	**-**	**11**
3.1 Structured	10	-	10	-	X	10	-	10	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	**10**	**-**	**10**	**-**	**10**	**10**	**-**	**10**	**-**	**11**
Total Level 1, Level 2 and Level 3				**10**					**10**	

Notes to the statement of financial position

9.1a Provisions for risks and charges: breakdown

(€ million)

ITEMS/COMPONENTS	AMOUNTS AS AT 30.06.2026	AMOUNTS AS AT 31.12.2025
1. Provisions for credit risk on commitments and financial guarantees given	207	184
2. Provisions for other commitments and other guarantees given	-	-
3. Pensions and other post-retirement benefit obligations	2,605	2,649
4. Other provisions for risks and charges	267	279
4.1 Legal and tax disputes	100	108
4.2 Staff expenses	135	137
4.3 Other	32	34
Total	**3,078**	**3,112**

9.1b Provisions for risks and charges - other provisions

(€ million)

	AMOUNTS AS AT 30.06.2026	AMOUNTS AS AT 31.12.2025
4.3 Other provisions for risks and charges - other		
Real estate risks/charges	11	12
Restructuring costs	1	3
Allowances payable to agents	-	-
Disputes regarding financial instruments and derivatives	2	2
Costs for liabilities arising from equity investment disposals	-	-
Other	17	17
Total	**32**	**34**

Segment reporting

Segment reporting - reconciliation

The table on the following pages structures the income statement according to controlling perspectives and enables **reconciliation to the results and key figures used in segment reporting**, by which the bank is managed (the "Bank Austria Managerial View").

Segment reporting

Reconciliation of income statement to segment report

€ million

	AS AT 30.06.2026	30.06.2025
Net interest	**741**	**727**
Item 30. Net interest margin	792	774
less: Reclassification net Interest contribution deriving from Trading Book instruments	1	(0)
+ Interest on DBO (from Item 190)	(52)	(47)
+ Derivatives instruments - Economic Hedges - Others - Interest component	0	0
Other adjustments	(0)	-
Dividends and other income from equity investments	**129**	**151**
Item 70. Dividend income and similar revenues	6	6
less: Dividends on equity investments, shares and equity instruments mandatorily at fair value	-	(0)
Item 250. Gains (Losses) of equity investments - of which: Profit (Loss) of equity investments valued at equity	123	145
Other adjustments	(0)	-
Fees	**422**	**421**
Item 60. Net fees and commissions	383	390
less: Settlement of specific accruals referred to previous years' operations	1	0
less: Guarantees received for securitizations and credit insurance policies	5	-
+ Structuring and mandate fees on issued or placed certificates by the Group and connected derivatives (from Item 80)	3	3
+ Mark-up fees on client hedging activities (from Item 80)	30	28
Other adjustments	(0)	-
Trading income	**(2)**	**15**
Item 80. Net gains (losses) on trading	24	39
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)	(3)
less: Mark-up fees on client hedging activities	(30)	(28)
Item 90. Net gains (losses) on hedge accounting	(4)	3
Item 100. Gains (Losses) on disposal and repurchase of: c) financial liabilities	0	0
Item 100. Gains (Losses) on disposal and repurchase of: b) financial assets at fair value through other comprehensive income	6	3
Item 110. Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	1	(6)
+ Dividends on equity investments, shares and equity instruments mandatorily at fair value (from Item 70)	-	0
+ Gain/losses on commodities held with a trading intent (from Item 230)	(1)	7
+ Reclassification net Interest contribution deriving from Trading Book instruments	(1)	0
Other adjustments	5	-
Other expenses/income	**8**	**19**
Item 230. Other operating expenses/income	26	66
less: Net value adjustments/write-backs on leasehold improvements (on non-separable assets)	2	4
less: Gain (losses) on commodities held with a trading intent	1	(7)
less: Other	-	(28)
+ Guarantees received for securitizations and credit insurance policies	(5)	-
+ Settlement of specific accruals referred to previous years' operations	(1)	(0)
less: income fees - penalties (reversal)	1	-
+ Net value adjustments/write-backs of tangible in operating lease assets (from Item 210)	(11)	(14)
+ Amounts related to credit card distribution agreements (from item 190)	(0)	(1)
Other adjustments	(4)	(0)
Operating Income	**1,299**	**1,334**

Segment reporting

continued: Reconciliation of income statement to segment report

€ million

	AS AT 30.06.2026	30.06.2025
Operating Income	**1,299**	**1,334**
HR costs	**(266)**	**(291)**
Item 190. Administrative expenses: a) staff costs	(325)	(337)
less: Integration costs	22	3
less: Interest on DBO	52	47
Other adjustments	(14)	(4)
Non-HR-costs	**(188)**	**(208)**
Item 190. Administrative expenses: b) other administrative expenses	(244)	(252)
less: Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), and Bank Levy	41	41
less: Integration costs	1	1
less: Amounts related to credit card distribution agreements	0	1
+ Other (from Item 230)	-	(1)
+ Net value adjustments/write-backs on leasehold improvements on non-separable assets (from Item 230)	(2)	(4)
Other adjustments	16	6
Amortisations and depreciations	**(17)**	**(19)**
Item 210. Net value adjustments/write-backs on property, plant and equipment	(28)	(32)
less: Net value adjustments/write-backs of tangible in operating lease assets	11	14
less: Impairment/write backs of right of use of land and buildings used in the business	1	0
Item 220. Net value adjustments/write-backs on intangible assets	(1)	(2)
less: Impairment on intangible assets - Evaluation arising from IFRS5 non-current assets and disposal groups related to equity investment	-	2
Other adjustments	(1)	(0)
Operating costs	**(472)**	**(518)**
GROSS OPERATING PROFIT (LOSS)	**827**	**816**
Loan Loss Provisions (LLPs)	**38**	**44**
Item 100. Gains (Losses) on disposal and repurchase of: a) financial assets at amortised cost	2	(1)
Item 130. Net losses/recoveries on credit impairment relating to: a) financial assets at amortised cost	36	41
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	(1)	(0)
less: Net losses/recoveries on impairment relating to: b) Financial assets at fair value through other comprehensive income - debt securities	1	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	0	4
Other adjustments	(0)	-
NET OPERATING PROFIT (LOSS)	**865**	**860**

Segment reporting

continued: Reconciliation of income statement to segment report

€ million

	AS AT 30.06.2026	30.06.2025
NET OPERATING PROFIT (LOSS)	**865**	**860**
Other charges and provisions	**(39)**	**(44)**
Item 200. Net provisions for risks and charges: b) other net provisions	3	(10)
less: Integration costs	0	7
+ Income fees - penalties (from: other expenses/income in Short P&L)	(1)	-
+ Contributions to Resolution Funds (SRF), Deposit Guarantee Schemes (DGS), Bank Levy (from Item 190 b)	(41)	(41)
Integration costs	**(22)**	**(11)**
+ Payroll costs - Administrative expenses - of which a) staff costs - integration costs (from Item 190)	(22)	(3)
+ Other administrative expenses - Administrative expenses - of which b) other administrative expenses - integration costs (from Item 190)	(1)	(1)
+ Other charges and provisions - Net provisions for risks and charges - integration costs (from Item 200)	(0)	(7)
Other adjustments	0	-
Net income from investments	**37**	**25**
Item 250. Gains (Losses) of equity investments - of which: write-backs/impairment losses and gains/losses on disposal of associates valued at equity	38	(1)
Item 260. Net gains (losses) on property, plant and equipment and intangible assets measured at fair value	1	(1)
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)	(1)	(0)
+ Impairment losses/write backs on property owned for investment (from Item 210)	-	29
+ Revaluation arising from IFRS 5 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)	(1)	(0)
PROFIT (LOSS) BEFORE TAX	**841**	**830**
Income taxes	**(106)**	**(157)**
Item 300. Tax expenses (income) of the year from continuing operations	(105)	(157)
Other adjustments	(0)	(0)
NET PROFIT (LOSS) FOR THE PERIOD	**736**	**673**
Minorities	**(0)**	**0**
Item 340. Minority profit (loss) of the year	(0)	0
Other adjustments	(0)	-
GROUP STATED NET PROFIT (LOSS)	**735**	**673**

Previous year's figures as published (not recast) but partially adjusted to the slightly changed structure compared to the previous year's report (with different granularity in some items).
“Other adjustments” relate to a subsidiary of the German UniCredit Bank GmbH, as it is partly attributable to Bank Austria for segment reporting purposes, as well as other group activities of UniCredit Group that are allocated to Bank Austria on a pro rata basis.

Segment reporting

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

(€ million)

	30.06.2026	31.12.2025
Loans to customers	**65,147**	**62,116**
Item 40. Financial assets at amortised cost: b) Loans and advances to customers	*69,004*	*66,022*
less: Debt securities	*(4,123)*	*(4,165)*
less: Leasing assets IFRS16	*(34)*	*(35)*
+ Loans (from Item 20 c)	*299*	*295*
Deposits from customers	**69,495**	**70,257**
Item 10. Financial liabilities at amortised cost: b) Deposits from customers	*69,656*	*70,423*
less: Leasing liabilities IFRS16	*(161)*	*(166)*

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

As of the reporting date of 30 June 2026, the **difference between regulatory RWA** (€33.9 billion) **and the RWA according to Bank Austria's segment reporting** (€39.2 billion, "Bank Austria Managerial View") is mainly attributable to the following effects:

- Significant investments in financial sector entities (€+4.6 billion) – in segment reporting, these participations are recognized to a greater extent as RWA than in the local regulatory view. This is due to other levels of own funds used to determine the relevant thresholds (capital deduction vs. RWA)
- Operational risk (€+0.7 billion)

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;

Segment reporting

- 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".

The following table shows - purely for informational purposes - the reconciliation of Bank Austria's segment reporting ("Bank Austria Managerial View") to the "Segment Austria (UniCredit View)," as reported to the capital market by the parent company UniCredit S.p.A. in its group segment reporting.

In addition, the "Segment Austria (UniCredit View)" includes the following within the Corporate Center segment:
- Allocation of parts of the Group Corporate Center (GCC) costs: costs for Global Factories & Services, Client Solutions, Operations & Digital Holding,
- Attribution of the profit and loss statement as well as the risk-weighted assets (RWA) of the Client Risk Management activities related to "flow business" (hedging transactions with market counterparties for client positions).

Reconciliation of Segment Reporting of Bank Austria to "Segment Austria (UniCredit view)"

(€ million)

	1H26		
	SEGMENT REPORTING OF BANK AUSTRIA ("MANAGERIAL VIEW")	DIFFERENCE	SEGMENT AUSTRIA (UNICREDIT VIEW)
Net interest	741	-13	728
Fees	422	-3	419
Other operating income	135	39	174
OPERATING INCOME	**1,299**	**23**	**1,322**
OPERATING COSTS	**-472**	**-18**	**-489**
GROSS OPERATING PROFIT (LOSS)	**827**	**5**	**832**
Loan loss provisions (LLP)	**38**	**0**	**38**
NET OPERATING PROFIT (LOSS)	**865**	**5**	**870**
Non-operating items	**-130**	**-2**	**-131**
GROUP STATED NET PROFIT (LOSS)	**735**	**3**	**739**
RWA (Risk-weighted assets, as of end of period)	**39,189**	**255**	**39,444**

The column "Segment Austria (UniCredit View)" corresponds to the "Austria Segment" in the segment report of the parent company UniCredit S.p.A.

Segment reporting

Description of segment reporting

The format of the segment reporting of Bank Austria (“Bank Austria Managerial View”) is based on the internal reporting structure of business segments, which reflects management responsibilities in Bank Austria Group and according to which Bank Austria is managed. 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.

Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts for the first half of 2025 are shown in detail in the table at the end of this chapter and mainly relate to the sale of card complete Service Bank AG.

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

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).

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 2026 / 1 – 6 2025

(€ million)

		RETAIL	WEALTH MANAGE-MENT & PRIVATE BANKING	CORPORATES	CORPORATE CENTER	BANK AUSTRIA MANAGERIAL VIEW (RECAST)	RECASTING DIFFERENCES	BANK AUSTRIA MANAGERIAL VIEW (AS PUBLISHED)
Net interest	1H26	340	58	348	(5)	741	-	741
	1H25	306	52	351	19	729	(2)	727
Dividends and other income from at-equity participations	1H26	6	0	18	105	129	-	129
	1H25	7	0	17	127	151	-	151
Fees	1H26	175	80	171	(5)	422	-	422
	1H25	153	73	168	(4)	389	32	421
Trading income	1H26	1	0	(1)	(2)	(2)	-	(2)
	1H25	0	1	3	12	15	-	15
Other expenses/income	1H26	4	0	2	2	8	-	8
	1H25	3	(1)	11	5	18	1	19
OPERATING INCOME	**1H26**	**526**	**139**	**538**	**96**	**1,299**	**-**	**1,299**
	1H25	**470**	**125**	**550**	**158**	**1,303**	**31**	**1,334**
OPERATING COSTS	**1H26**	**(221)**	**(61)**	**(178)**	**(12)**	**(472)**	**-**	**(472)**
	1H25	**(229)**	**(59)**	**(185)**	**(13)**	**(486)**	**(32)**	**(518)**
GROSS OPERATING PROFIT (LOSS)	**1H26**	**305**	**77**	**360**	**84**	**827**	**-**	**827**
	1H25	**241**	**66**	**364**	**145**	**817**	**(1)**	**816**
Loan loss provisions (LLPs)	1H26	25	(1)	14	(0)	38	-	38
	1H25	(2)	(1)	46	1	44	(0)	44
NET OPERATING PROFIT (LOSS)	**1H26**	**330**	**77**	**375**	**83**	**865**	**-**	**865**
	1H25	**239**	**65**	**411**	**146**	**861**	**(1)**	**860**
Other charges and provisions	1H26	(12)	(2)	(17)	(8)	(39)	-	(39)
	1H25	(22)	(2)	(15)	(5)	(44)	0	(44)
Integration costs	1H26	-	-	-	(22)	(22)	-	(22)
	1H25	-	-	-	(11)	(11)	(0)	(11)
Net income from investments	1H26	-	1	4	33	37	-	37
	1H25	-	0	29	(3)	27	(2)	25
PROFIT (LOSS) BEFORE TAX	**1H26**	**318**	**76**	**361**	**86**	**841**	**-**	**841**
	1H25	**217**	**64**	**425**	**128**	**833**	**(2)**	**830**
Income taxes	1H26	(47)	(11)	(52)	4	(106)	-	(106)
	1H25	(48)	(15)	(94)	(1)	(157)	(0)	(157)
NET PROFIT (LOSS) FOR THE PERIOD	**1H26**	**271**	**64**	**310**	**90**	**736**	**-**	**736**
	1H25	**169**	**49**	**331**	**127**	**676**	**(2)**	**673**
Minorities	1H26	(0)	(0)	(0)	(0)	(0)	-	(0)
	1H25	(0)	(0)	(0)	(0)	(0)	0	0
GROUP STATED NET PROFIT (LOSS)	**1H26**	**271**	**64**	**310**	**90**	**735**	**-**	**735**
	1H25	**169**	**49**	**330**	**127**	**675**	**(2)**	**673**
Risk-weighted assets (RWA) (end of period)	**1H26**	**8,204**	**855**	**19,813**	**10,316**	**39,189**	**-**	**39,189**
	1H25	**8,140**	**779**	**19,767**	**9,875**	**38,562**	**664**	**39,225**
Loans to customers (end of period)	**1H26**	**17,242**	**577**	**45,187**	**2,141**	**65,147**	**-**	**65,147**
	1H25	**17,335**	**539**	**41,860**	**440**	**60,173**	**(166)**	**60,007**
Deposits from customers (end of period)	**1H26**	**27,335**	**7,418**	**25,363**	**9,378**	**69,495**	**-**	**69,495**
	1H25	**27,661**	**7,248**	**23,124**	**1,065**	**59,098**	**(5)**	**59,093**
Cost/income ratio in %	**1H26**	**42.0**	**44.2**	**33.0**	**n.m.**	**36.3**	**n.m.**	**36.3**
	1H25	**48.6**	**47.1**	**33.7**	**n.m.**	**37.3**	**n.m.**	**38.8**

Notes:
- The structure of the above table was slightly amended compared to previous year's report.
- Comparative figures for the previous year were recast to reflect the current structure and methodology. These recasts mainly relate to the sale of card complete Service Bank AG.
- n.m. = not meaningful

Risk report

Credit risks

Despite moderate signs of stabilization, the economic environment in Austria remains challenging. Geopolitical uncertainties, subdued international economic growth, and persistent trade policy tensions continue to weigh on the outlook. Inflation has eased significantly from the peaks recorded in previous years but remains at an elevated level.

Against this backdrop, Bank Austria recorded a positive risk result in the first half of 2026, while the volume of non-performing exposures continued to decline as a result of active portfolio reduction measures. Supported by proactive risk management, the continuous enhancement of risk analytics, and the timely identification of relevant trends through its early warning framework, the Bank remains focused on active measures aimed at further reducing non-performing exposures and stabilizing overall portfolio quality.

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 2026.

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 with the year-end 2025 outlook, the Austrian macroeconomic forecast 2Q26 continues to indicate a moderate recovery overall. GDP growth is expected at 0.8% in 2026 and 1.2% in 2027, before strengthening to 1.5% in 2028. With regard to short-term interest rates, three-month EURIBOR is expected to stand at 2.6% at year-end 2026 and remain at this level through 2028. Inflation is forecasted to remain elevated at 3.0% in 2026 and 2.6% in 2027, before declining to 2.1% in 2028. Austrian inflation is therefore expected to remain below the Eurozone rate in 2026, but above in 2027; both are projected to converge to around the 2% target by the end of the forecast horizon.

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. The cumulative effect of these adjustments resulted in an increase of total expected credit loss (ECL) impact of €29 million (compared with an increase of €2 million in 2025).

Risk report

Geopolitical overlay and resegmentation of private individual PD estimation

The level of geopolitical overlay has decreased since year-end 2025 but continues to represent a relevant portion of performing loan loss provisions given the underlying source of risks has neither realized nor faded away with reliable level of confidence. The overlay is quantified using a sector-based approach. The reduction in 2Q26 was primarily driven by the update of IFRS9 macro-economic scenario (whose worsening has led to absorption of part of the overlay). The update also included an update of sector-based forward-looking risk assumptions, which led to a release in the less risky part (e.g. less risky stage 1 loans) of one sector portfolio having a comparatively lower risk profile.

1.1 Overlay

(€ million)

		30.06.2026	31.12.2025	CHANGE
OVERLAY	Geopolitical	**137**	156	(19)
STAGE 1&2 - LLP OVERALL		**476**	526	(51)

Furthermore, ECL decreased by €32 million following the introduction of separate PD estimation for private individuals' mortgage and other product portfolios, in addition to the private individual segment of foreign currency loans. This methodological enhancement improves the IFRS 9 ECL calculation framework by better aligning it with the underlying IRB model segmentation and the macroeconomic scenario inputs used in the estimation process, resulting in more accurate and appropriate provisioning estimates.

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 €83,135 million as of 30 June 2026 before impairment allowances of €1,051 million compared to €80,680 million before impairment allowances of 1,168 million as of 31 December 2025.
Of this amount, €16,906 million relates to risk assets arising from securities positions (€17,248 million at year-end 2025).

The impairment allowances recognized for performing exposures (Stage 1 and stage 2) decreased from €484 million at year-end 2025 to €429 million as of June 2026. Provisions for Stage 3 exposures (including financial assets with already impaired credit ratings) decreased from €684 million at year-end 2025 to €622 million at the end of June 2026. The net release of loan loss provisions was primarily driven by model refinements, release of geopolitical overlay and favorable PD developments in the performing portfolio as well as recoveries and collection of non-performing loans. These positive effects were partly offset by write-downs recognized for newly defaulted exposures.

Non-Performing Loans

Despite an increase in credit risk-exposed volumes, the non-performing portfolio slightly decreased in the first half of 2026 from €2,048 million to €2,022 million. The ratio of non-performing exposures to total customer credit risk exposures declined to 2.4% (31 December 2025: 2.5%).

The NPL coverage ratio decreased to 30.8%, compared with 33.4% at year-end 2025. The decrease in the coverage ratio is mainly driven by the restructuring of two significant NPE exposures, combined with recoveries from collection activities and individual write-offs.

Risk report

Changes in overall impairments and provisions

The total stock of loan loss allowances and provisions for loan commitments and financial guarantees decreased from €1,358 million at year end 2025 to € 1,264 million as of 30 June 2026. The movements in the first half of 2026 were primarily driven by reversals different from write-offs amounting to €69 million (1H 2025: €75 million), cash recoveries of €68 million (1H25: €145 million), and net releases of impairment allowances of €35 million (1H25: €55 million). An increase of €70 million driven by volume changes in acquired or originated financial assets (compared to €83 million as of June 2025) only partially offsets the trend.

In the first half of 2026, releases of impairment allowances for loans and advances to customers exceeded new provisions by €55 million (1H 2025: €51 million). Net additions to Stage 3 allowances (including purchased or originated credit-impaired financial assets) amounted to €7 million (1H 2025: net releases of €25 million), while net releases amounted to EUR 20 million in Stage 1 (1H 2025: €13 million) and €42 million in Stage 2 (1H 2025: €12 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 are essential parts of the operational credit risk strategy.
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 adapted 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 for a major part of its loan portfolio, whereby, dependent on the regulation, own estimates of loss given default and of conversion factors are used (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 May 2026.

The revision and submission of the local EAD model was performed in 3Q23 and after approval by ECB implemented in 1Q25. With May 2026 a recalibration of the local EAD model was notified to the ECB and is currently in the approval process.

The revision of the local LGD model was notified to the ECB as a material model change in June 2025 and is currently in the approval process.

Regarding the Group-wide models, a recalibration of the PD-model for Banks was introduced in 2Q25. In addition, after the approval by ECB, the Group-wide Multinational Corporate Rating (MNC) material model change was put into production in 3Q25. Furthermore, in the second quarter of the current year 2026, following approval by the ECB, a material model change for Global Project Finance (GPF) was implemented.

Risk report

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.
Additionally, to the low default risk portfolio, the following customers are treated under the F-IRB approach starting from 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 been prepared and adopted by UniCredit Group in cooperation with the major IRB legal entities and are used as an 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 organizational terms, where local particularities and legal regulations are considered when ensuring Basel compliance.

All Austrian subsidiaries of UniCredit Bank Austria AG use the standardized 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 in the CHF loan volume continued also in the first half of 2026. Compared to the end of 2025, the CHF loan volume (after impairments) was reduced by further €0.1 billion from 2.2 billion to €2.1 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)

	30.06.2026			31.12.2025		
COUNTRY/PORTFOLIO	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Austria	**3,544**	**3,347**	**3,324**	**3,668**	**3,470**	**3,444**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	60	55	55	60	55	55
Fair value through other comprehensive income	2,505	2,298	2,298	2,704	2,492	2,492
Financial assets at amortised cost	979	994	971	905	923	897
Designated at fair value through profit or loss	-	-	-	-	-	-
Spain	**2,637**	**2,562**	**2,558**	**2,533**	**2,446**	**2,441**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	2,376	2,302	2,302	2,273	2,188	2,188
Financial assets at amortised cost	260	260	256	260	258	253
Designated at fair value through profit or loss	-	-	-	-	-	-
France	**2,179**	**2,074**	**2,040**	**2,050**	**1,940**	**1,904**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	1,695	1,593	1,593	1,618	1,507	1,507
Financial assets at amortised cost	484	481	447	431	433	397
Designated at fair value through profit or loss	-	-	-	-	-	-

Risk report

COUNTRY/PORTFOLIO	30.06.2026			31.12.2025		
	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Italy	**1,475**	**1,480**	**1,482**	**1,585**	**1,596**	**1,597**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	1,230	1,235	1,235	1,165	1,175	1,175
Financial assets at amortised cost	245	245	247	420	420	422
Designated at fair value through profit or loss	-	-	-	-	-	-
Slovakia	**513**	**505**	**505**	**520**	**514**	**514**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	513	505	505	520	514	514
Financial assets at amortised cost	-	-	-	-	-	-
Designated at fair value through profit or loss	-	-	-	-	-	-
Belgium	**428**	**420**	**421**	**398**	**395**	**396**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	305	299	299	275	273	273
Financial assets at amortised cost	123	121	122	123	122	123
Designated at fair value through profit or loss	-	-	-	-	-	-

Risk report

COUNTRY/PORTFOLIO	30.06.2026			31.12.2025		
	NOMINAL VALUE	BOOK VALUE	FAIR VALUE	NOMINAL VALUE	BOOK VALUE	FAIR VALUE
Poland	**399**	**403**	**403**	**441**	**452**	**452**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	339	343	343	381	390	390
Financial assets at amortised cost	60	60	61	60	62	62
Designated at fair value through profit or loss	-	-	-	-	-	-
Germany	**345**	**333**	**335**	**370**	**360**	**360**
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	295	297	331	322	321
Designated at fair value through profit or loss	-	-	-	-	-	-
Czech Republic	**301**	**295**	**295**	**362**	**353**	**353**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	279	274	274	340	332	332
Financial assets at amortised cost	22	21	21	22	21	21
Designated at fair value through profit or loss	-	-	-	-	-	-
Other Countries	**4,802**	**4,683**	**4,660**	**5,071**	**4,931**	**4,906**
Held for trading (Net exposures)	-	-	-	-	-	-
Mandatorily at fair value	-	-	-	-	-	-
Fair value through other comprehensive income	3,261	3,185	3,185	3,609	3,515	3,515
Financial assets at amortised cost	1,334	1,335	1,312	1,274	1,275	1,250
Designated at fair value through profit or loss	208	163	163	188	141	141
TOTAL	**16,622**	**16,103**	**16,023**	**16,998**	**16,457**	**16,368**

The most significant items within category “Other Countries” are Portugal (with a notional amount of €160 million, YE 2025: €260 million) and Slovenia (€148 million, YE 2025 €148 million). Furthermore, “Other Countries” includes debt securities issued by International Organizations in a notional of €3,960 million (YE 2025: €3,895 million).

Risk report

Breakdown of sovereign debt securities by portfolio

(€ million)

	30.06.2026					
	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	-	55	12,071	3,813	163	16,103
Total portfolio of debt securities	-	68	17,087	6,057	163	23,374
% Portfolio	100.0%	81.5%	70.6%	63.0%	100.0%	68.9%
	31.12.2025					
	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	-	55	12,425	3,836	141	16,457
Total portfolio of debt securities	-	68	17,442	6,037	141	23,689
% Portfolio	100.0%	81.5%	71.2%	63.5%	100.0%	69.5%

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	30.06.2026	31.12.2025
Austria	6,601	6,391
Germany	336	331
Indonesia	218	184
Trinidad and Tobago	94	103
Mongolia	91	91
Sri Lanka	61	66
Ghana	55	58
Laos	50	54
Vietnam	43	46
Angola	27	31
Others	263	278
TOTAL SOVEREIGN LOANS	**7,839**	**7,633**

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 2025 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, all of which have been resolved meanwhile. The claims asserted in these proceedings were that the UniCredit Bank Austria AG committed certain breaches of duty in its capacity as prospectus controller and, in a minority of cases, also as investment advisor. The Austrian Supreme Court issued 28 legally binding rulings with regard to the prospectus liability claims asserted in the proceedings. Regarding the proceedings concerning the Primeo Feeder funds, eighteen final decisions of the Austrian Supreme Court were taken in favor of UniCredit Bank Austria AG. In two proceedings, the Supreme Court rejected UniCredit Bank Austria AG's extraordinary appeal and therefore made the decision of the Court of Appeal, which had been issued in favor of the plaintiffs, final. With regard to the Herald Feeder Fund, the Austrian Supreme Court has ruled on the prospectus liability claims five times, twice in favor of UniCredit Bank Austria AG and three times in favor of the plaintiffs. In a prospectus liability case where investments were made in Primeo and Herald, the Supreme Court ruled in favor of UniCredit Bank Austria AG; in two further prospectus liability cases where investments were made in Primeo and Herald, the Supreme Court rejected the plaintiffs' extraordinary appeals, thereby ruling the decisions of the Court of Appeal to be legally binding in favor of UniCredit Bank Austria AG. In 2025, There were no new developments in 2025, and during the first half of 2026 the remaining proceedings were settled, while one proceeding could no longer be continued within the applicable time limits.

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").

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).

Risk report

The Court of Appeal rejected that request in April 2019. At the Supreme Court BAWFM and the other defendants requested a review on 30 August 2019 On June 1, 2020, the Supreme Court rejected this petition. The case was therefore remanded to the Bankruptcy Court for further proceedings. On December 27, 2023, the Trustee filed a second amended complaint in the HSBC Proceedings, which does not name Bank Austria or BAWFM as defendants.

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 or contribution by UniCredit S.p.A. and its affiliates.

There were no new developments in these proceedings in 2026.

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 with a total claims volume of €18.3 million, including subpoenas for three class actions by the Federal Chamber of Labor, 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 July 2025, the Austrian Supreme Court confirmed the legal position of UniCredit Bank Austria AG and the other issuing banks that the prospectuses were correct and complete and fully rejected the bondholders' claims based on prospectus liability. Based on that landmark decision favorable for UniCredit Bank Austria AG and on the subsequent settlements, the total claims volume reduced from €18.3 million to some €10.3 million, the largest portion thereof based on the prospectus liability.

In addition to the pending court claims, 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. 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 remaining court 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 had filed a class action lawsuit under the Consumer Protection Act against UniCredit Bank Austria AG, in which it asserted 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 were 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.

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 a decision of the Supreme Court regarding a similar class action against another Austrian bank and decided that the loan processing fee should also be considered inadmissible if it grossly exceeds the bank's costs.

In the meantime, the Austrian Supreme Court rendered its decision in case 7 Ob 111/25m concerning the representative action. The Court held that the loan processing fee at issue was valid, finding it both transparent and not grossly disproportionate to the costs incurred. The Supreme Court also dismissed the claim regarding the account maintenance fee.
With regard to the remaining five challenged fees - default interest, reminder fees, mortgage release confirmation costs, fees for additional confirmations, and fees for special services - the Court upheld the claim. UniCredit Bank Austria AG may therefore no longer use the clauses underlying these five fees, or clauses with equivalent effect, in its business dealings with consumers. Nor may it continue to rely on such clauses in existing contracts with consumers.
As a result of the invalidity of these five fees, it must be assumed that affected consumers may seek reimbursement of the amounts charged. In individual cases, however, UniCredit Bank Austria AG may have specific defenses available against such claims.

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 proceedings are pending at an early stage in first instance. The risk arising from these proceedings is being continuously assessed, taking into account the case law on loan processing fees that has been issued in the meantime and the assessment criteria derived therefrom.

In addition to the lawsuits mentioned above, there are also proceedings by individual consumers against UniCredit Bank Austria AG with similar subject matter ("individual proceedings"). The case law concerning loan processing fees has become more clearly established in the meantime. However, the duration and outcome of the pending individual proceedings continue to depend on the specific circumstances of each individual case and therefore cannot be reliably predicted.

A provision with regard to the loan processing fees and other fees challenged was set up in June 2025 and will be reassessed as necessary.

Risk report

Climate-related and environmental risks

UniCredit has developed a long-term sustainability strategy for environmental, social & governance (ESG) risks and takes ESG factors into account in its risk framework. UniCredit Bank Austria 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 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 of properly managing new risks that may arise from climate change. As part of this further development physical and transition risks are taken into account in the ECL calculation under IFRS 9. 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 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 the 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 considered 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 taken into consideration.

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 considered in the credit decision.
In order to also include natural risks in the bank's lending process, four additional indicators were added to the existing climate and environmental risk questionnaire in January 2026, covering the topics of biodiversity, pollution, water consumption and waste management.

[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

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 transition risk scope of application refers to all corporate clients (including Real Estate) for which GTCC[3]/GCC[4] or 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 C&E 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 if 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).

Net Zero (NZ) perimeter
Based on recommendations from the Net Zero Banking Alliance Guidelines the UniCredit Group has defined decarbonization targets for specific sectors (Oil & Gas, Power generation, Automotive, Steel, Shipping, Commercial Real Estate (CRE)). Top priority was given to those sectors that are particularly greenhouse gas-intensive and simultaneously most relevant to UniCredit's portfolio. For these sectors, a baseline was estimated, and targets were set based on the emissions profile of the loan portfolio.
Once the targets for a sector have been defined and published, and financing is approved following a Reputational Risk assessment, the impact of the financing on the Bank Austria baseline, compliance with the targets, and application of the Net Zero strategies must be reviewed during the loan application process (new business and renewals). Relevant clients can be identified in the ESG Cockpit by their designated Net Zero Cluster (exception: Net Zero Commercial Real Estate clients do not have Net Zero Clusters).
For clients within the NZ perimeter, both the NZ cluster (leader, aligning, laggard) and the corresponding NZ strategy (financing allowed, hold or reduction) must be specified in the loan application. Since for CRE the applicable NZ strategy relates to the asset and not the client, there are no NZ clusters for CRE NZ clients, and the process differs from that for other sectors.

GHG reduction targets in the RAF on BA-Group level were set for the industry sectors Oil & Gas, Power generation, Automotive and CRE.

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 considers data on the real estate collateral in our credit portfolio.
The above-mentioned physical risk measurement is included in the Risk Appetite Framework (RAF) in order to strengthen the integration of climate and environmental factors into the risk management framework and to improve portfolio monitoring.

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

Risk report

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.

Additional disclosures

Bank Austria Group employed the following average number of staff (full-time equivalents, FTE) in the reporting period:

Employees

	HALF YEAR 2026	YEAR 2025
Salaried staff	3,527	4,234
Other employees	-	-
TOTAL [1)]	**3,527**	**4,234**
of which: in Austria	*3,527*	*3,820*
of which: abroad	*-*	*414*

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

The average FTE in 2025 include card complete Service Bank AG which was sold in September 2025.

The 2025 FTE abroad were related to the permanent establishments in Poland and Romania which were transferred to UniCredit S.p.A. on 1 January 2026.

Events after the reporting date

There are no events after the reporting date.

Additional disclosures

Consolidated own funds and risk-weighted assets

Consolidated capital resources

(€ million)

	30.06.2026	31.12.2025
Paid-in capital instruments (excl. own instruments of Common Equity Tier	1,681	1,681
Reserves (incl. profit) and minority interests	7,797	7,812
Adjustments to Common Equity Tier 1 [1)]	(2,504)	(2,457)
Common Equity Tier 1 (CET1)	**6,974**	**7,036**
Additional Tier 1 capital and qualifying Additional Tier 1 instruments issued by subsidiaries	600	600
Additional Tier 1 (AT1)	**600**	**600**
Tier 1 capital (T1=CET1+AT1)	**7,574**	**7,636**
Tier 2 capital (T2)	**731**	**731**
Total regulatory capital (TC=T1+T2)	**8,305**	**8,367**

1) since 3Q22, the netted debit value adjustment has been included in the deduction after taking tax effects into account (23% income tax rate)

Total risk exposure amount

(€ million)

	30.06.2026	31.12.2025
a) Credit risk pursuant to standardised approach	5,779	5,320
b) Credit risk pursuant to internal ratings-based (IRB) approach [1)]	22,729	23,448
c) Other (securitisation and contribution to default fund of a central counterparty [CCP])	303	280
Credit risk	28,810	29,048
Position, foreign exchange and commodity risk	329	369
Operational risk	4,722	4,664
Risk positions for credit value adjustments (CVA)	14	13
TOTAL RWAs	**33,876**	**34,094**

1) including RWA add-ons of €854m as of 30 June 2026 and €1,317m as of 31 December 2025.

Key performance indicators

	30.06.2026	31.12.2025
Common Equity Tier 1 ratio [1)]	20.6%	20.6%
Tier 1 ratio [1)]	22.4%	22.4%
Total capital ratio [1)]	24.5%	24.5%

1) based on all risks

The calculation of consolidated regulatory capital and consolidated regulatory capital requirements as at 30 June 2026 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, 28 July 2026

The Management Board

Ivan Vlaho
CEO – Chief Executive Officer
(Chairperson)

Albert Angersbach
CRO – Chief Risk Officer

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

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

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

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

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

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

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

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

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

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

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

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

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

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 (2026 and 2025). 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

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Ratings

	LONG-TERM / DEPOSITS	LONG-TERM / SENIOR UNSECURED	SHORT-TERM	COUNTERPARTY RISK RATING
Moody's [1]	Aa3	A2	P-1	Aa3 / 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*):

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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), Albert Angersbach, Daniela Barco, Hélène Buffin, Dieter Hengl, Emilio Manca, Marion Morales Albiñana-Rosner, Svetlana Pančenko.

Supervisory Board of media owner:
Gianfranco Bisagni (Chairperson of the Supervisory Board), Aurelio Maccario (Deputy Chairperson), 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.