

Presentation to Fixed Income Investors

Bank Austria

Vienna, March 2022

Empowering
Communities to Progress.

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

Agenda

- 1 Opening Remarks
- 2 UniCredit Group
- 3 Overview of Bank Austria
- 4 Funding & Liquidity
- 5 Annex





Opening Remarks



Bank Austria, a leading bank in the local market

Market position

- **Leading domestic bank** in **Corporate Banking** and **Wealth Management & Private Banking**
- **High client shares** in business with corporate customers and leading institution in Private Banking

Size

- Bank Austria is **by far the largest bank in Austria** at individual institution level
- With **assets of about € 115 bn** at year-end 2021, largest Austrian bank on unconsolidated level

UniCredit Group

- Bank Austria is **part of UniCredit Group, with 13 core markets in Europe and worldwide presence**
- Bank Austria clients can use UniCredit's CEE network – UniCredit is market leader in the region

Capital

- Well-capitalized – with **CET1 ratio of 16.8%** ¹⁾





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UniCredit Group



UniCredit at a glance - UniCredit Unlocked

Our strategic imperatives and financial goals



Grow in our **regions** and develop our **client** franchise

- Quality growth both from existing and new clients
- Develop best-in-class products and services: either in-house or with external partners



Change our **business model** and how our **people** operate

- Grow capital-light business, focusing on value-added products and services for clients
- Targeted cost efficiency to fund investment and deliver operating leverage



Deliver economies of **scale** from our footprint of **banks**

- Unite our 13 banks in one integrated group
- Central steering where it adds value; local empowerment within a clear risk framework



Transform our **technology** leveraging **Digital & Data**

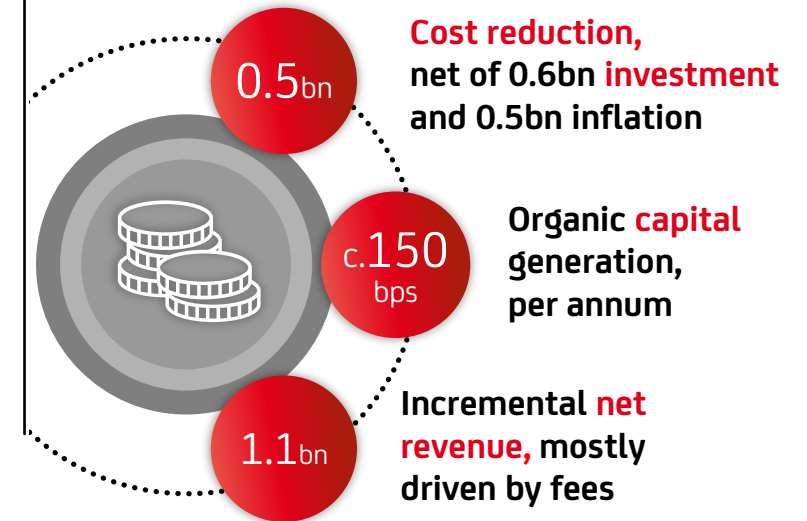
- Redesign operating model: reclaiming core competencies in-house
- New way of working: centred around clients and common platforms



Embed **sustainability** in all that we do

- Leading by example, striving for the same high standards that we seek from those we do business with
- Equipping ourselves with tools to support our clients and communities to navigate the transition

RoTE of **c.10%** by 2024 and **sustainable distribution** of at least **16bn** between 2021-24 via three interconnecting levers



Securing the foundations to deliver longer-term RoTE and distribution ambitions well beyond 2024



UniCredit Unlocked based on six pillars

Achieved or exceeded all 2021 key financial guidance

2021 figures

Organic capital generation of **6.52bn**

Proposed shareholder distribution **3.75bn** ✓

Distribute

14.13% pro-forma for 2.58bn
share buyback component

CET1 ratio: **15.03%**

Cost of Risk: **37bps**, meeting guidance ✓

Gross NPE ratio: **3.6%**

Non Core rundown completed ✓

Integration costs: **1.3bn**

Strengthen

The Bank
for Europe's
Future

Return

RoTE: **7.3%** — Underlying RoTE at 7.5%

EPS: **1.58** — Underlying EPS 1.73

Underlying Net profit at **3.9bn**, exceeding guidance ✓

Optimise

Costs: **9.8bn**, exceeding guidance ✓

Cost/Income ratio: **55%**

Operating leverage: **+5 p.p.**

Invest

Digital & Data transformation: **1.0bn**

People: business hiring commenced; talent rewarded

Grow

Net revenue **16.3bn**, +34% Y/Y

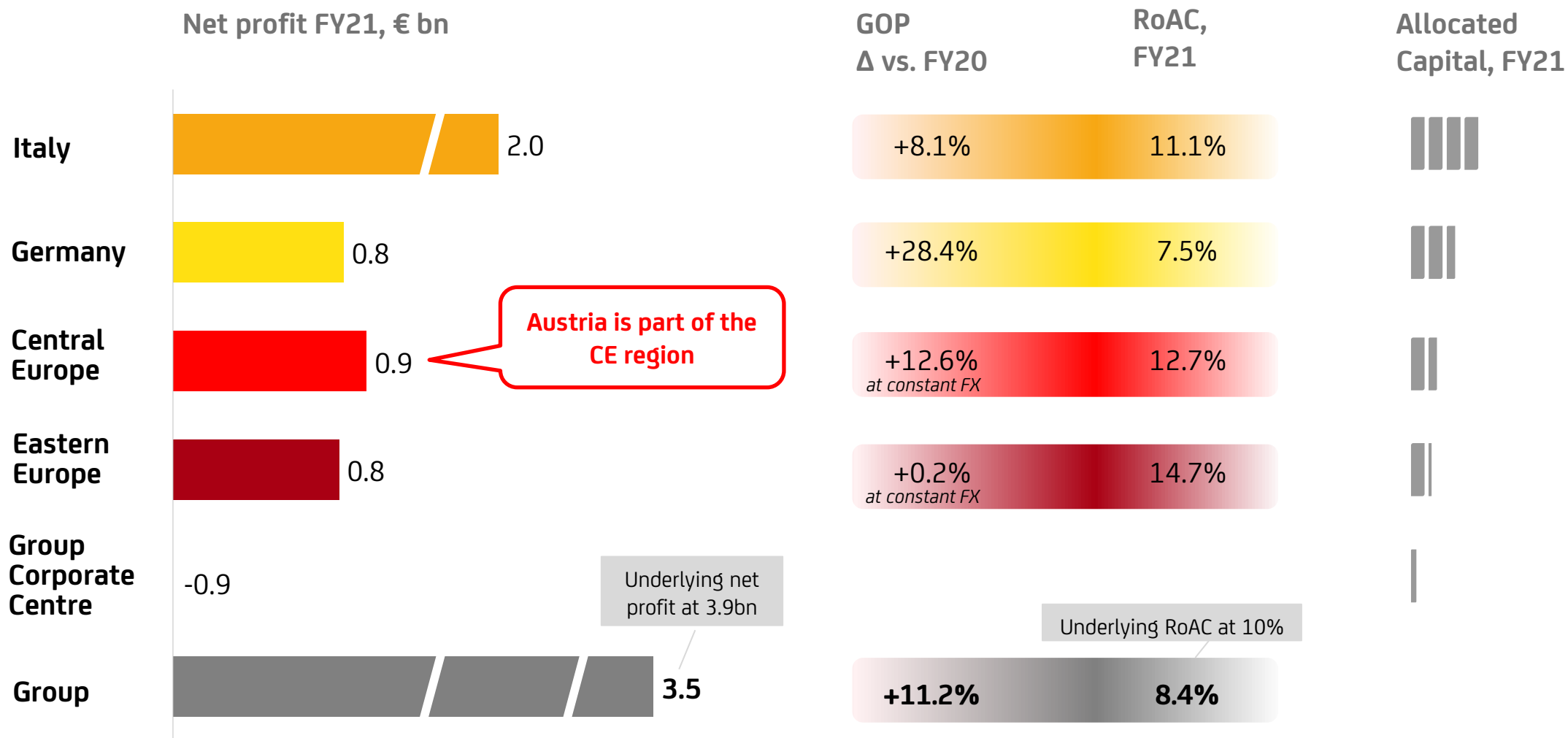
Revenue **18.0bn**, exceeding guidance ✓

o/w Fees **+12% Y/Y**



Our regions

All regions contributing to 2021 growth





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Overview of Bank Austria



Bank Austria – at a glance

Key information

- **Member of UniCredit since 2005**
- **Leading corporate bank** and **one of the largest retail banks in Austria**
- **~ 5,000 FTE and 117 branches** in Austria
- **Excellent capital base** (16.8% CET1 ratio¹⁾)
- **Stable liquidity** with a perfect balance between customer loans and direct funding
- **High market shares²⁾** in Austria (Loans: 13%, Deposits: 13%)
- Issuer/Deposit **Ratings** at Baa1/A3 (Moody's) and BBB+ (S&P); Counterparty Ratings at A2 (Moody's) and A- (S&P)

(in € billion)	Dec-21	Dec-20
Total Assets	118.4	118.5
Customer Loans	67.0	60.9
Direct Funding	74.1	73.8
Equity	8.9	8.4
(in € million)	FY21	FY20
Operating income	1,878	1,766
Operating costs	-1,165	-1,164
LLP	-166	-398
Net profit	115	20
Cost / income ratio	62.0%	65.9%
	Dec-21	Dec-20
CET1 capital ratio ¹⁾	16.8%	20.1%
Total capital ratio ¹⁾	20.5%	22.3%
Non-performing exposure ratio	3.0%	3.5%
Coverage ratio	48.4%	46.5%
Cost of risk	27 bp	63 bp



Business Model and Market Position in Austria

RETAIL

Retail Banking

- Covers **1.5m^{*)} Retail & Small Business customers** (<€ 1m turnover)
- **Broad multi-channel offer** via **physical branch network** (with a total of 117 branches), **remote advisory** (personal advisory services between 8.00 a.m. and 7.00 p.m., also via video telephony), **digital services** (internet and mobile banking) and **support by experts** in deposit business and real estate financing business

WEALTH MANAGEMENT & PRIVATE BANKING

Wealth Management & Private Banking

- **Leading Private Banking in Austria** with every fifth Austrian High Net Worth Individual (HNWI) as customer of Bank Austria
- **Successful client approach**
 - via **Private Banking Area** (15 locations all over Austria, cooperation with 11 funds),
 - **Wealth Management Area** of Schoellerbank (8 branches all over Austria and own Schoeller Invest KAG) and
 - **Tailor-made financial services** to HNWI and foundations (Wealth Planning, Special Funds Solutions, Generation Planning)

CORPORATES

Corporate coverage: Large corporates (turnover > € 1bn), **Medium corporates** (turnover > € 50m) and **Small corporates** (€ 1 – 50m turnover)

Offering the full range of investment banking products, from simple, standardized products to highly complex tailor-made structures, depending on client structure and client needs

- **Multinational corporates in Austria, Nordics & Iberia**
- **Financial Institutions, Public Sector clients and Commercial real estate clients**

Leading role as strategic financial partner in client coverage which we strive to continuously improve.

For most of the Austrian Large Corporates, we are the **main banking connection** with a wide range of product offering among all product lines

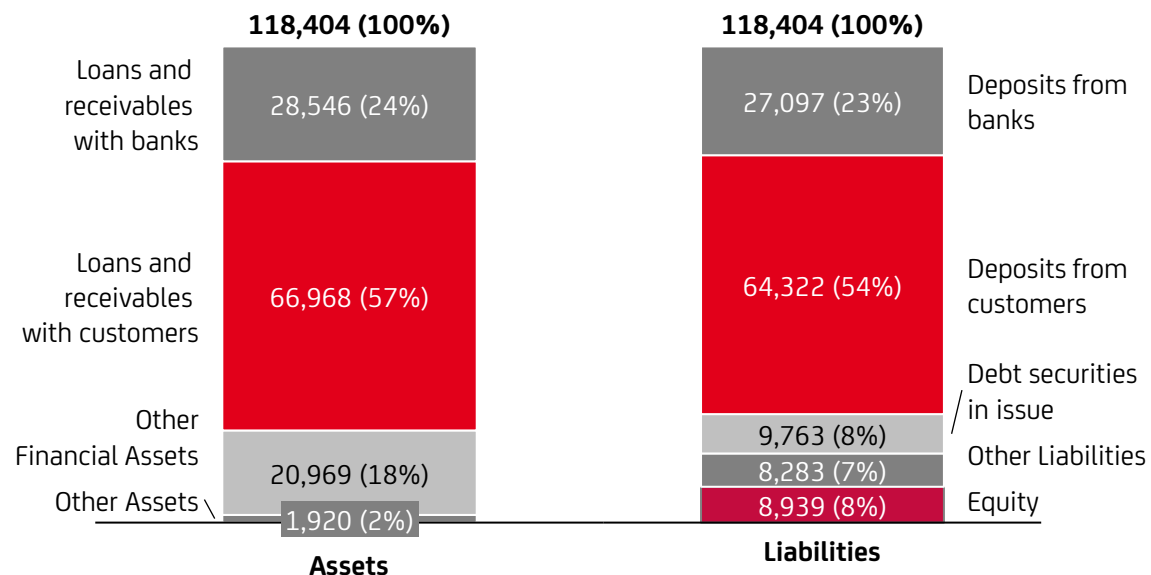
Member of UniCredit, a pan-European Commercial Bank with a unique franchise in **Italy, Germany, Central Europe/CE and Eastern Europe/EE**

- Unparalleled access to market leading products and services in **13 core markets** through our European banking network
- Leveraging on an international network of representative offices and branches, UniCredit serves clients in **another 15 countries worldwide**



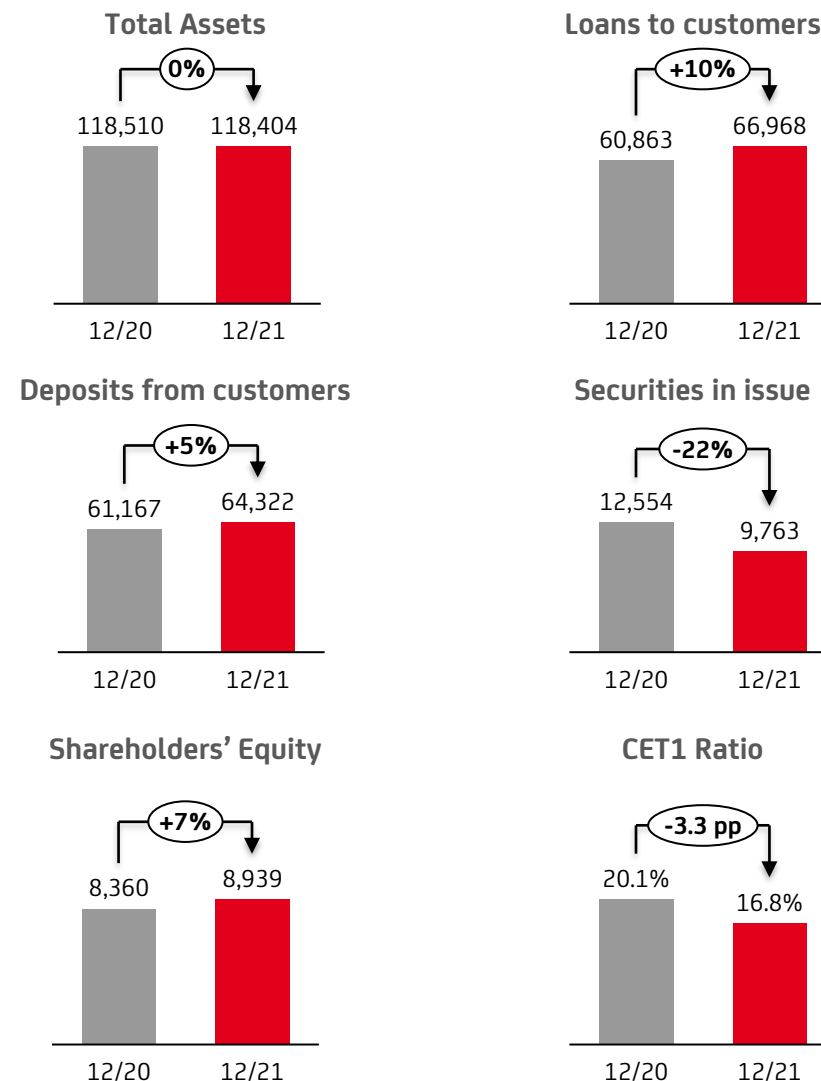
Balance Sheet structure of Bank Austria (as of 31 December 2021)

Balance Sheet (€ m)



- **Balance sheet** reflects a **classical commercial bank**, with large shares of loans and deposits (see next page)
- **Total assets** flat vs. YE20 (€ -0.1bn), with strong increase of loans to customers (+10%), mainly due to liquidity needs of corporates; strong increase in deposits from customers (+7%, driven by all business segments); decrease of securities in issue (€ +2.8bn), due to maturities and repayments
- **Higher capital base** with net equity up at **€ 8.9bn**, mainly due to issuance of € 600m Additional Tier 1

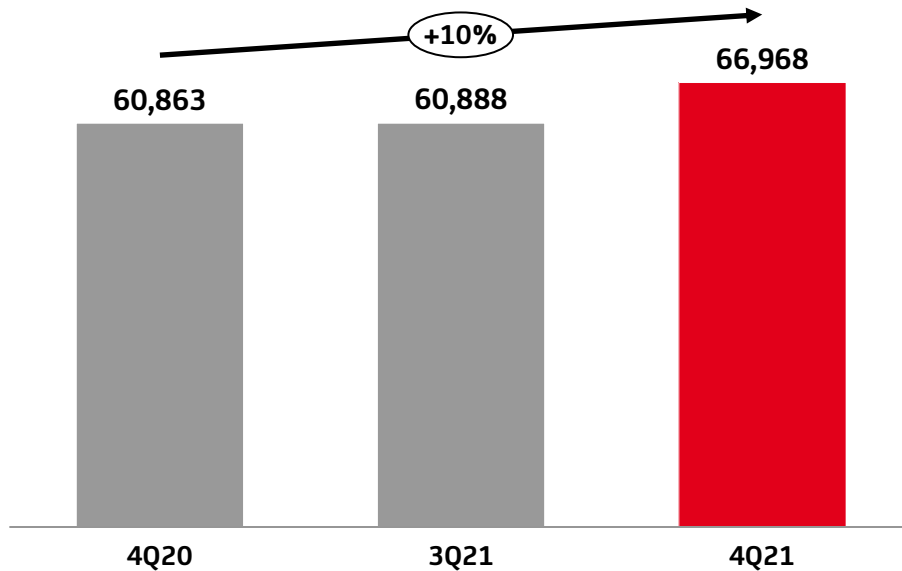
Change vs. 31 December 2020



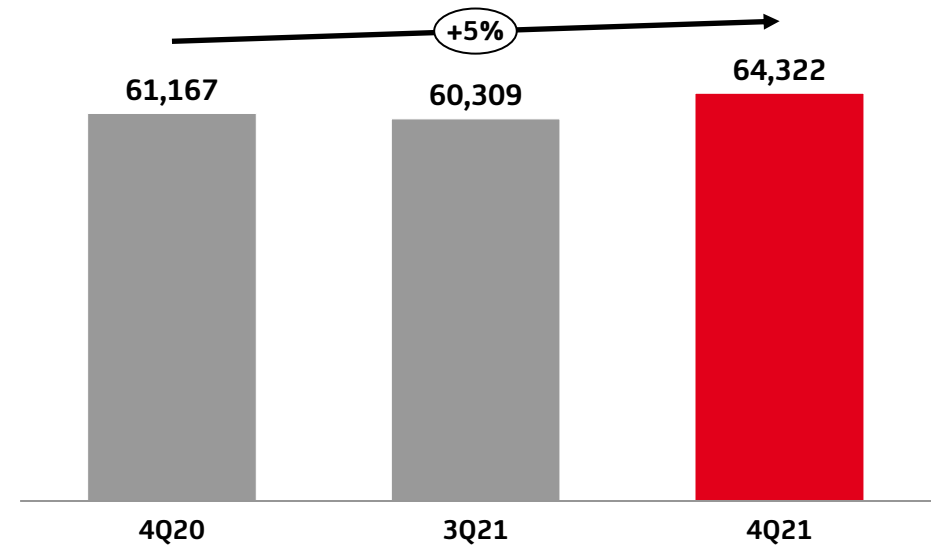
Loans and Deposit Volumes

Well-balanced development of loans and deposits

Loans to Customers (€ m)



Deposits from Customers (€ m)

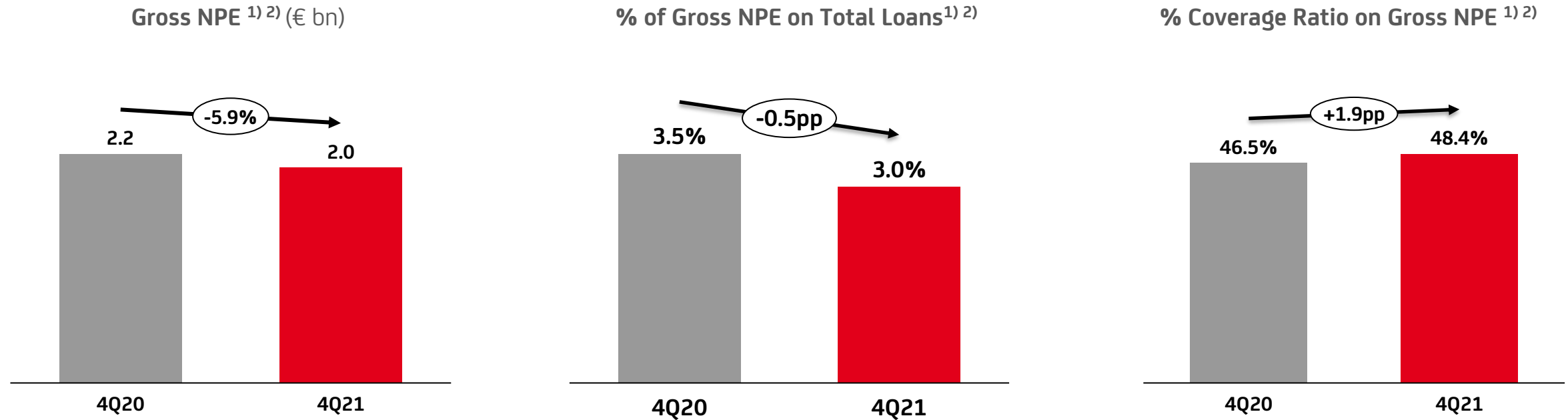


- **Loans to customers** increased y/y by 10%, driven by all business divisions
- **Deposits from customers** increased y/y by 5%, also due to growth in all business divisions



Asset Quality

Improving asset quality KPIs in 2021, despite COVID-19

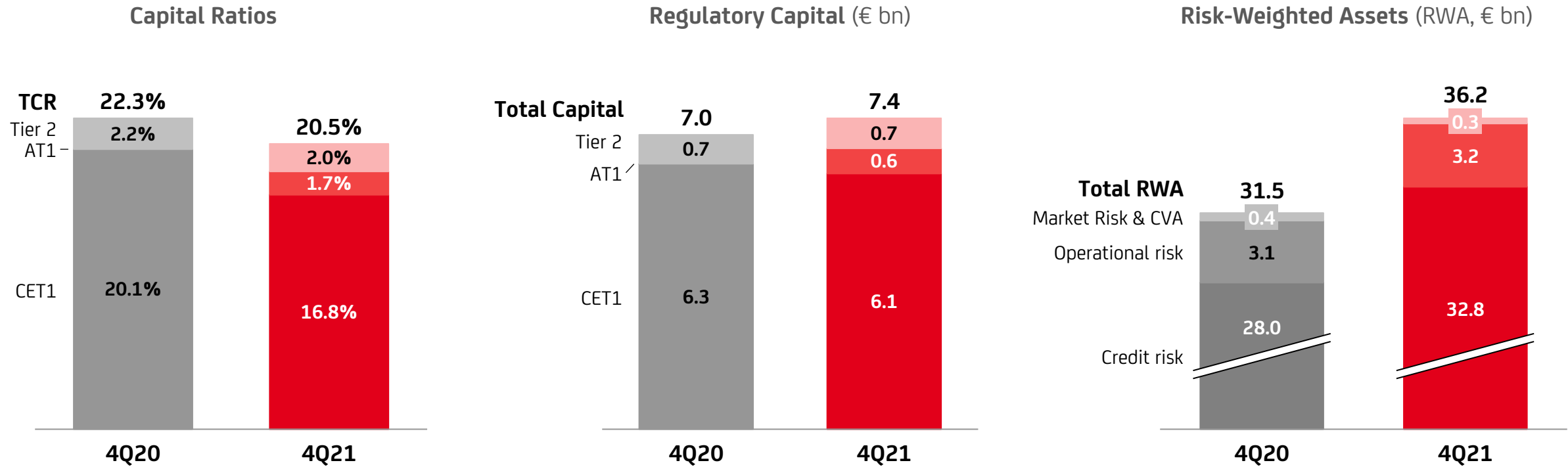


- **NPE portfolio** (gross impaired loans) decreased by nearly 6% to € 2bn since year-end 2020, due to strong collection and low NPE inflow
- **NPE Ratio** (gross impaired loans in % of total loans) **down to 3.0%**, due to reduction of NPE and increase of total loan volume; COVID-19 crisis had only limited impact on asset quality and defaults in 2021
- **Coverage Ratio** improved (up by 1.9pp **at 48.4%**)



Capital and RWA – Bank Austria Group, according to IFRS

Excellent capital ratios



- **CET1 Ratio at 16.8%**, clearly above regulatory requirements
- **Total Capital Ratio at excellent 20.5%**, decrease vs. 4Q20 due to higher RWA (see below), partly compensated by AT1 issuance (€ 0.6bn)
- **Total regulatory capital increased by € 0.4bn to € 7.4bn**, mainly driven by the mentioned AT1 issuance
- **Total RWA increased by 4.7bn to € 36.2bn**, mainly due to implementation of new IRB risk models
- **Leverage Ratio at strong 6.5%**



P&L of Bank Austria Group

Solid profitability, based on a robust operative performance

Profit & Loss Development

- **Operating income** more than 6% above last year, with increases in almost all income positions and a decrease only in net interest in the current environment impacted by extremely low interest rates
- **Operating costs** stable y/y, continued strong cost discipline and further FTE reduction
- **Net write-downs of loans** at € -166m (FY20: € -398m), significantly below prior year. FY21 LLP largely due to regulatory-driven model adjustments and changes in calibration; € -31m refer to NPLs
- **Non-operating items** of €-454m: mainly restructuring expenses of € -355m re/ strategic plan UniCredit Unlocked (write-offs regarding IT and real estate and also necessary HR costs for voluntary bridging and early retirement models) and systemic charges (€ -89m); the amount in the previous year was impacted by impairments regarding some at-equity participations (3-Banken Group)

Bank Austria Group

(€ million)

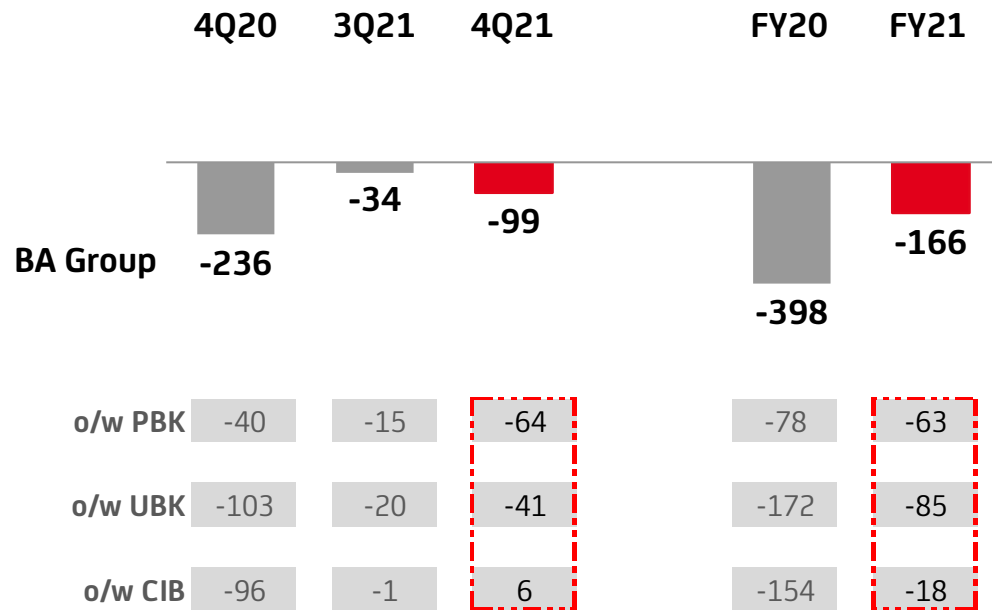
	1-12 2021	1-12 2020	y/y	4Q21	3Q21	4Q20	q/q	y/y
Operating income	1,878	1,766	6.4%	475	474	461	0.2%	3.2%
Operating costs	-1,165	-1,164	0.0%	-297	-290	-298	2.2%	-0.4%
Operating profit	713	602	18.6%	179	184	163	-3.0%	9.8%
Net write-downs of loans	-166	-398	-58.4%	-99	-34	-236	>100%	-57.9%
Net operating profit	548	203	>100%	79	150	-74	-47.0%	>-100%
Non-operating items	-454	-235	93.3%	-382	-4	-53	>100%	>100%
Profit (loss) before tax	93	-32	>-100%	-303	145	-127	>-100%	>100%
Other positions	22	52	-58.4%	75	-21	69	>-100%	8.4%
Group Net Profit	115	20	>100%	-228	124	-57	>-100%	>100%
Cost/income ratio	62.0%	65.9%	-392 bp	62.4%	61.2%	64.6%	123 bp	-227 bp



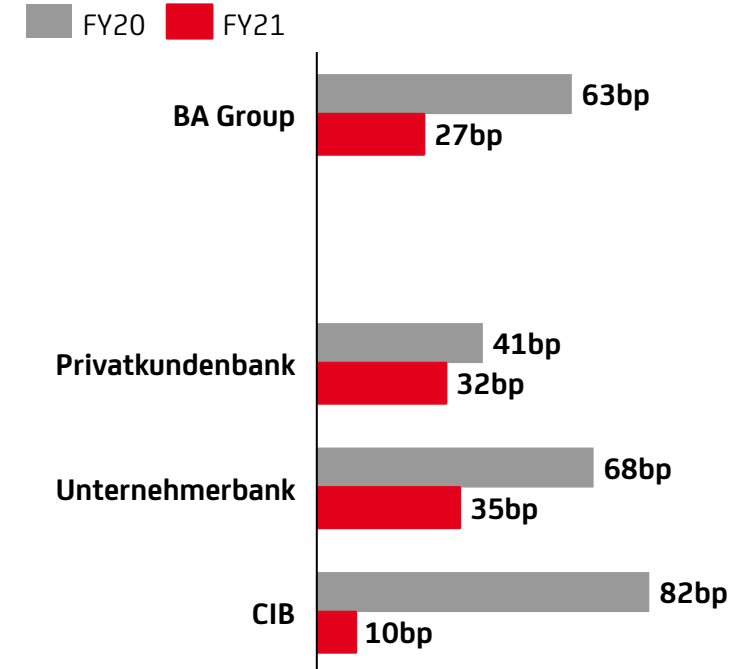
Net Write-Downs on Loans and Cost of Risk

In FY21, lower Net Write-Downs and improved Cost of Risk y/y

Total Net Write-Downs of Loans by Segment (€ m)



Cost of risk by Segment (basis points)



- **Net Write-Downs** in **FY21** significantly below previous year at **€ -166m** (FY20: € -398m); corresponding **improvement of Cost of Risk**
- **Net Write-Downs** in **FY21** largely driven by regulatory-driven model adjustments and changes in calibration; € -31m refer to NPLs





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Funding & Liquidity



Bank Austria Acts as Liquidity Reference Bank (LRB) for all Austrian Group Entities and is a Strategic Issuing Platform for UniCredit Group

UniCredit S.p.A. – Holding

- **UniCredit S.p.A.** is operating as the **Group Holding** as well as the Italian operating bank:
 - ✓ **TLAC/MREL issuer** assuming Single-Point of Entry (SPE)
 - ✓ **Coordinated Group-wide funding and liquidity management** to optimize market access and funding costs
 - ✓ **Diversified by geography and funding sources**



UniCredit Bank Austria AG

- **Mortgage- and Public Sector Pfandbriefe**
- **Senior benchmark**
- **Housing bank bonds** (Wohnbaubank-Anleihen)
- **Registered secs. (SSD, NSV*) covered/senior**
- **Private placements**
- **Network issues**

- **Bank Austria** has its **own Issuing Programs** for the respective instruments to be issued
- **Bank Austria** continues to be **present on the local and global markets**
- **Coordinated approach within UniCredit** regarding **issuing activities** on the **global markets**



Funding Strategy Bank Austria Group – Self-Sufficiency Principle

Key Pillars of Bank Austria Group Funding Strategy

- Well-diversified funding base due to Bank Austria's commercial banking model

The key pillars are

- strong client deposit base related to a variety of products (sight-, savings- and term deposits)
- complemented by medium- and long-term placements of own issues in the capital market in order to cover the medium- and long-term funding needs

The key pillars described are part of the **self sufficiency principle of Bank Austria's funding strategy**

- It ensures that the proceeds are used primarily for business development of entities of Bank Austria Group
- It enables Bank Austria to reflect its own funding costs according to its own risk profile



Liquidity and Funding Management within BA Group based on clear and strict Risk Management Principles

Clear Rules and Principles in Bank Austria for the Management of Liquidity and Funding

- **Liquidity strategy**
 - Bank Austria acting as an independent Liquidity Reference Bank (LRB) within UniCredit Group - in line with the self-funding principle of the Group Strategy
 - Bank Austria manages the liquidity development in Austria (including all Austrian Group entities)
- **Clear operative rules**
 - Active liquidity and funding management by defining short-term and structural liquidity and funding limits for all subsidiaries of BA Group
 - All national legal / regulatory constraints have to be followed on single entity level
 - Bank Austria establishes a separate Funding and Liquidity Plan for Austria as part of the Funding and Liquidity Plan of UniCredit Group
 - Bank Austria enjoys a sound counter-balancing capacity and ensuring compliance with key liquidity indicators (LCR >100%, NSFR >100%)



Pfandbriefe - Executive Summary

Public Sector Cover Pool of Bank Austria

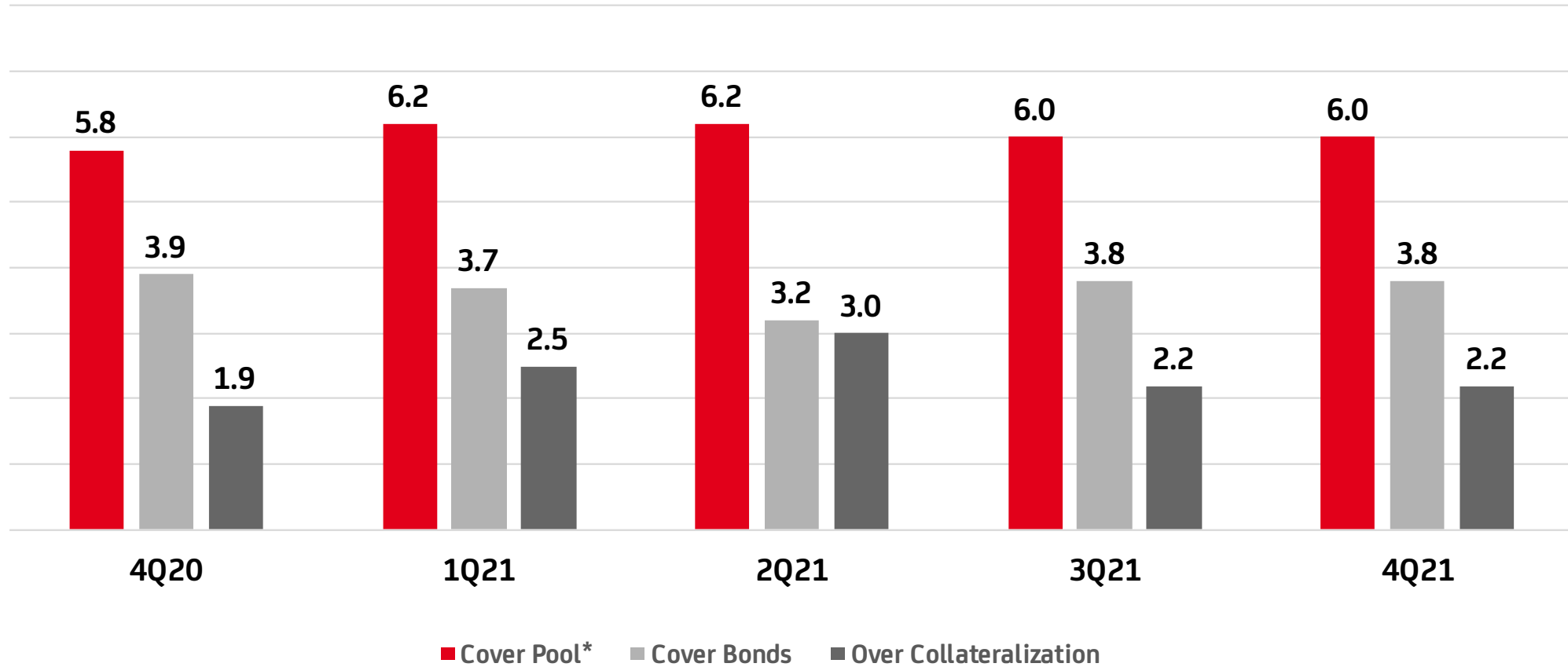
- **Aaa Rating by Moody's**
- Focus on **purely Austrian claims**
- Cover Pool Volume^{*)} as of 31 December 2021 amounts to **€ 6,022m**
- Average volume of loans is approx. **€ 1.2m**
- Average seasoning is **7.6 years**
- **ECBC Covered Bond Label** has been granted to the Public Sector Cover Pool of Bank Austria



Public Sector Cover Pool

Yearly development

(€ billion)



Public Sector Cover Pool

Parameters of Cover Pool^{*)} and Issues

Parameters of Cover Pool	4Q21
Weighted Average Life (in years incl. Amortization)	8.6
Contracted Weighted Average Life (in years)	13.3
Average Seasoning (in years)	7.6
Total Number of Loans	4,804
Total Number of Debtors	2,255
Total Number of Guarantors	309
Average Volume of Loans (in € m)	1.2
Stake of 10 Biggest Loans	18.3%
Stake of 10 Biggest Guarantors	39.6%
Stake of Bullet Loans	36.3%
Stake of Fixed Interest Loans	47.0%
Amount of Loans 90 Days Overdue (in € m)	-
Average Interest Rate	1.0%

Parameters of Issues	4Q21
Total Number	29
Average Residual Maturity (in years)	3.6
Average Volume (in € m)	131.5

- Total Value of **the Cover Pool^{*)}** as of **31 December 2021** (€-equivalent): **6,022m**
 - thereof in €: 4,914m (81.6%)
 - thereof in CHF: 119m (2.0%)
 - thereof public sector bonds (€-equivalent): 739m (12.3%)
 - thereof substitute cover in €: 250m (4.1%)
- **Moody's Rating: Aaa**

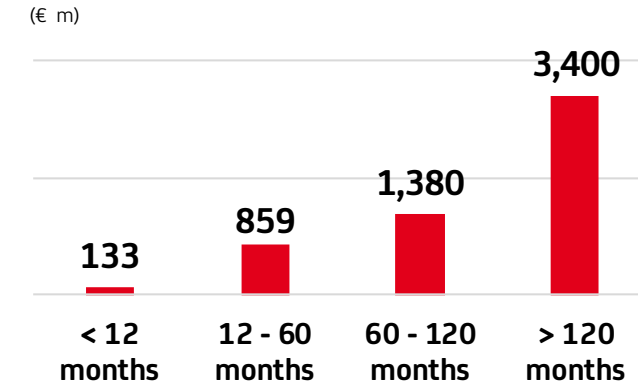


Public Sector Cover Pool

Maturity Structure of Cover Pool^{*)} and Issues

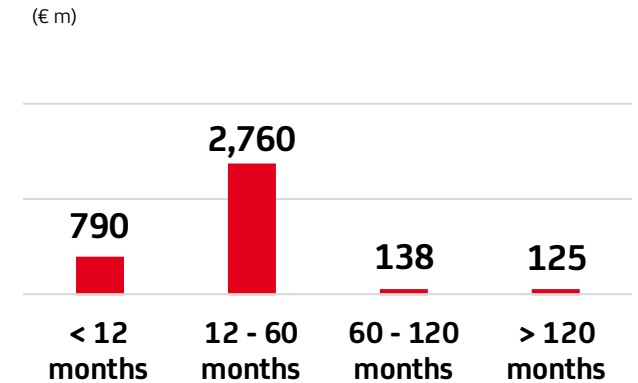
Maturity of assets in the cover pool – December 2021

Maturity of Assets in the Cover Pool**	Total	
	€ m	%
< 12 months	133	2.3%
12 - 60 months	859	14.9%
12 - 36 months	290	5.0%
36 - 60 months	569	9.9%
60 - 120 months	1,380	23.9%
> 120 months	3,400	58.9%
Total	5,772	100%



Maturity of issued covered bonds – December 2021

Parameters of Cover Pool	Total	
	€ m	%
< 12 months	790	20.7%
12 - 60 months	2,760	72.4%
12 - 36 months	555	14.6%
36 - 60 months	2,205	57.8%
60 - 120 months	138	3.6%
> 120 months	125	3.3%
Total	3,813	100%

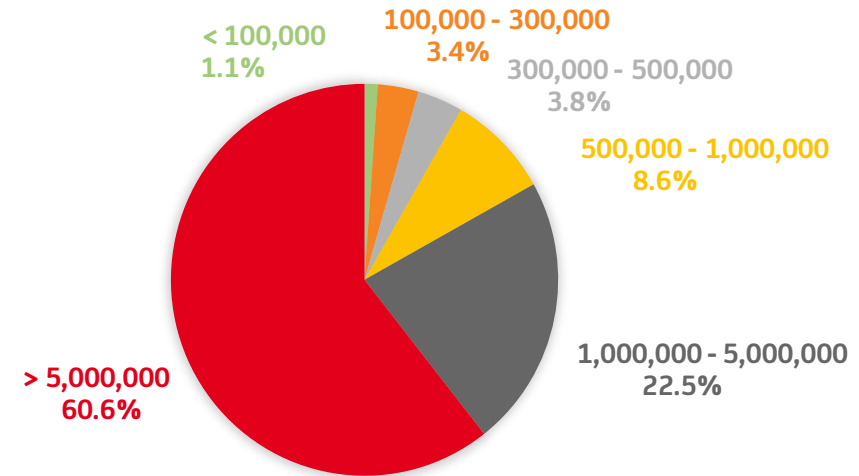


Public Sector Cover Pool

Volume^{*)} breakdown by Size of Assets

Breakdown by size of assets – December 2021

Volume Breakdown by Size of Assets	Total	
	€ m	Number
< 300,000	259	2,723
< 100,000	66	1,666
100,000 - 300,000	193	1,057
300,000 - 5,000,000	2,018	1,933
300,000 - 500,000	221	569
500,000 - 1,000,000	497	698
1,000,000 - 5,000,000	1,300	666
> 5,000,000	3,495	148
Total	5,772	4,804

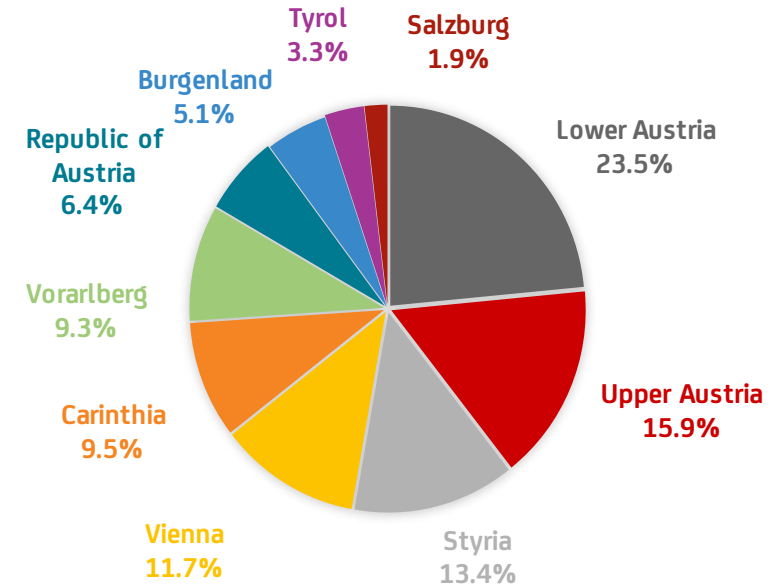


Public Sector Cover Pool

Regional Breakdown of Assets^{*)} in Austria

Regional Breakdown Austria – December 2021

Regional Breakdown Austria	Total	
	€ m	%
Lower Austria	1,356	23.5%
Upper Austria	918	15.9%
Styria	774	13.4%
Vienna	675	11.7%
Carinthia	546	9.5%
Vorarlberg	539	9.3%
Republic of Austria	372	6.4%
Burgenland	294	5.1%
Tyrol	189	3.3%
Salzburg	109	1.9%
Total Austria	5,772	100%

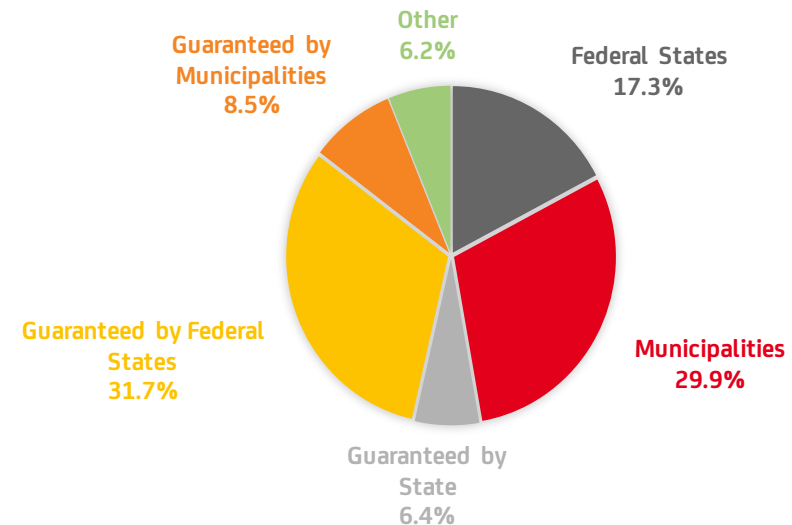


Public Sector Cover Pool

Assets Volume^{*)} Breakdown by Type of Debtor / Guarantor

Breakdown by type of debtor/guarantor – December 2021

Assets: Type of Debtor/ Guarantor	Total	
	€ m	Number
Federal States	996	22
Municipalities	1,723	2,435
Guaranteed by State	372	1,033
Guaranteed by Federal States	1,832	380
Guaranteed by Municipalities	491	463
Other	358	471
Total	5,772	4,804



Executive Summary

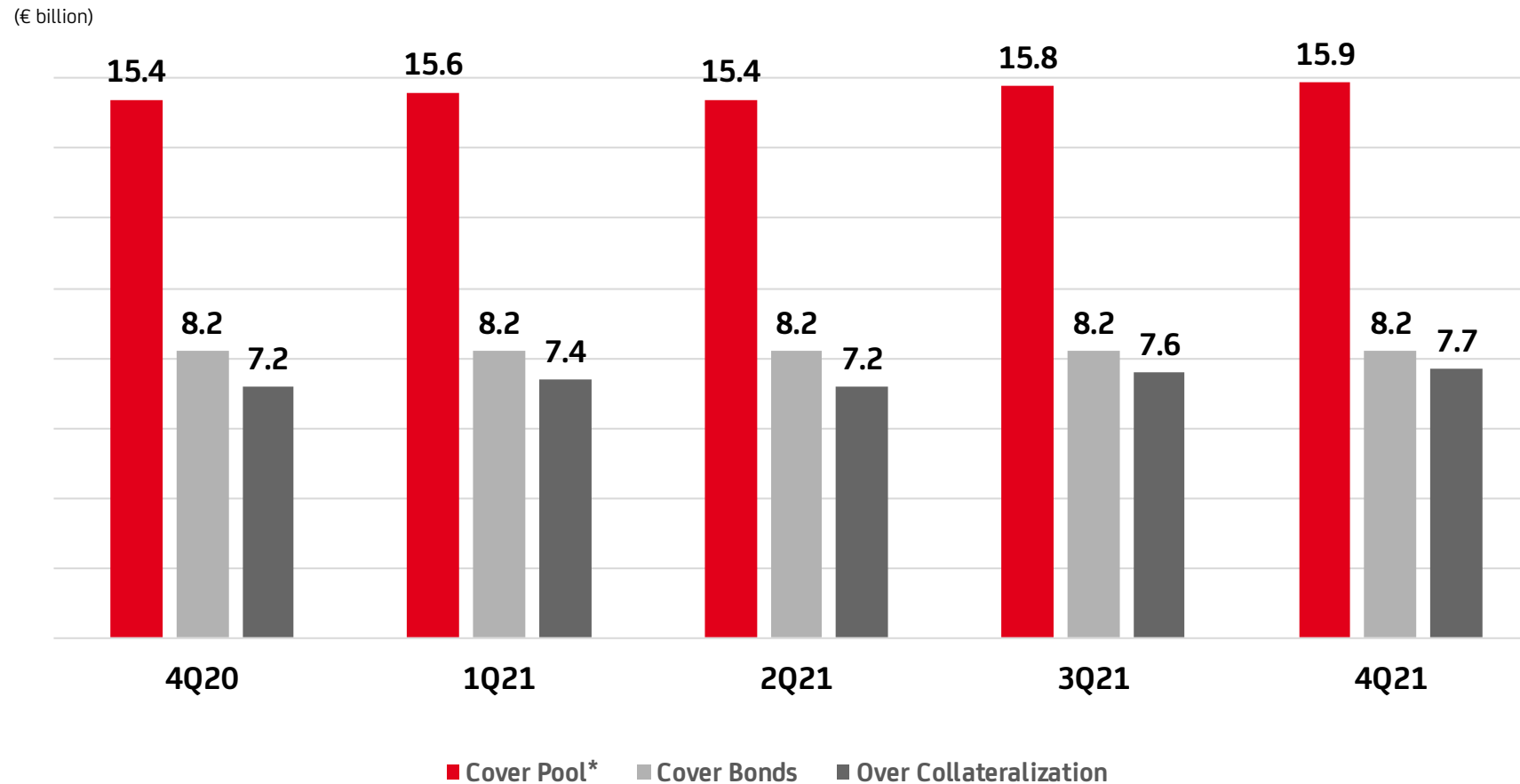
Bank Austria Mortgage Cover Pool

- **Aaa Rating by Moody's**
- The **Mortgage Cover Pool** is characterized by a **simple and transparent structure**:
 - focus on **Austrian mortgages only**
 - reporting based on the whole loan principal
- **Benefit:**
 - **pure Austrian risk offer** to our investor base
 - no blending of risk, diversification to be decided by investor
 - simple pricing logic and valuation
- **Decrease of total value of CHF cover assets** over the last six years (4Q15: € 1,644m – 4Q21: € 748m; no new CHF assets since 2010)
- Increase of the cover pool (approx. € 500m over the last 12 months), primarily by residential mortgages
- **ECBC Covered Bond Label** has been granted to the BA Mortgage Cover Pool



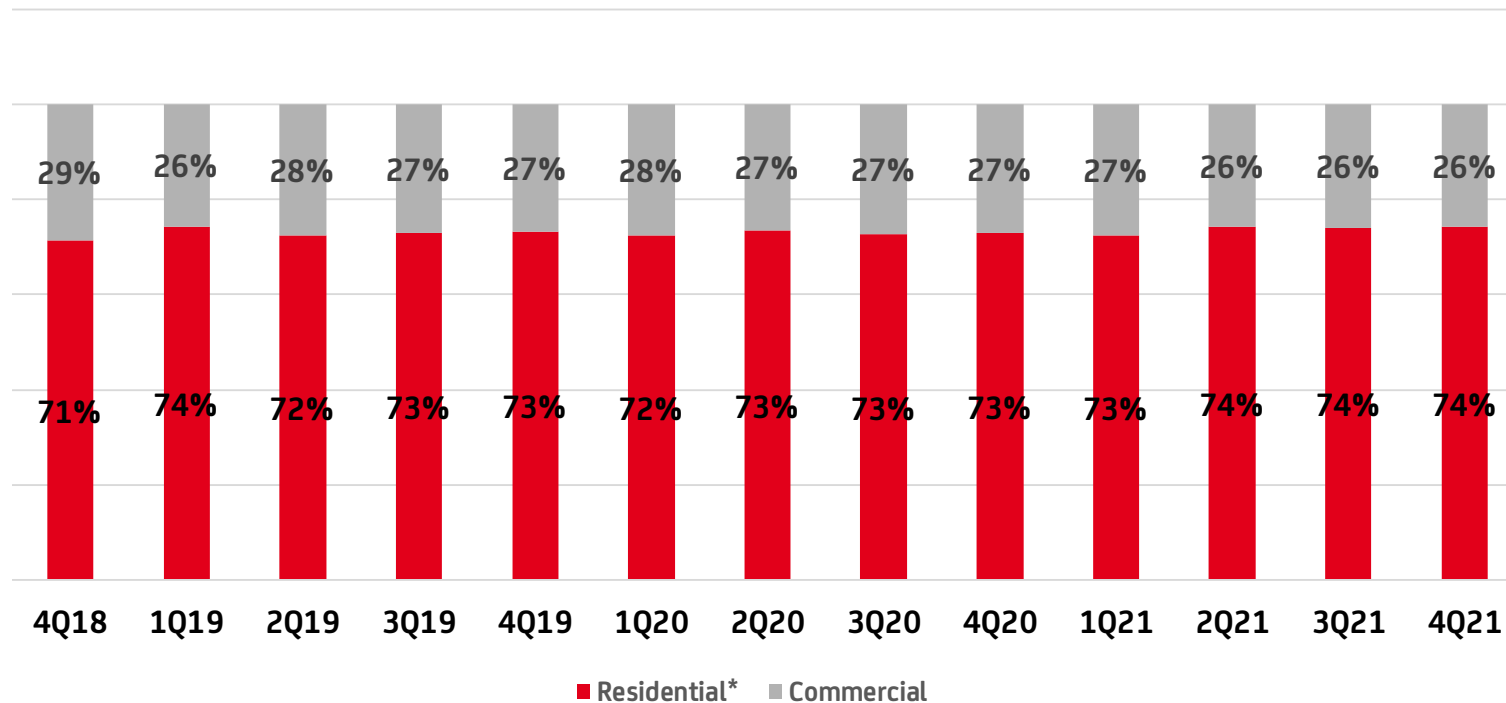
Mortgage Cover Pool

Yearly development



Mortgage Cover Pool

Breakdown by type of use - Historical trend



- The majority of the cover pool consists of residential mortgages which increased steadily during the last three years



Mortgage Cover Pool

Parameters of Cover Pool^{*)} and Issues

Parameters of Cover Pool	4Q21
Weighted Average Life (in years incl. Amortization)	9.7
Contracted Weighted Average Life (in years)	16.5
Average Seasoning (in years)	6.2
Total Number of Loans	58,695
Total Number of Debtors	50,877
Total Number of Mortgages	53,758
Average Volume of Loans (in € m)	0.3
Stake of 10 Biggest Loans	9.1%
Stake of 10 Biggest Debtors	10.0%
Stake of Bullet Loans	15.9%
Stake of Fixed Interest Loans	35.5%
Amount of Loans 90 Days Overdue (in € m)	-
Average Interest Rate	1.0%
Parameters of Issues	4Q21
Total Number	75
Average Residual Maturity (in years)	4.4
Average Volume (in € m)	109.0

- Total Value of the **Cover Pool^{*)}** as of **31 December 2021** (€-equivalent): **15,947m**
 - thereof in €: 14,849m (93.1%)
 - thereof in CHF: 748m (4.7%)
 - thereof substitute cover in €: 350m (2.2%)
- **Moody's Rating: Aaa**

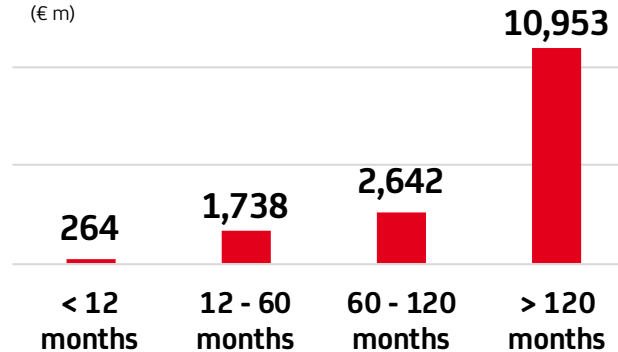


Mortgage Cover Pool

Maturity Structure of Cover Pool^{*)} and Issues

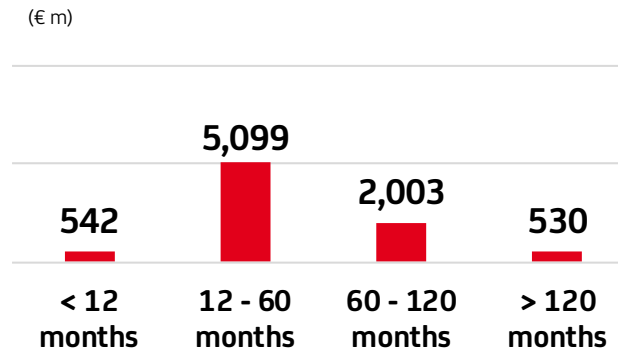
Maturity of assets in the cover pool – December 2021

Maturity of Assets in the Cover Pool ^{**}	Total		Commercial		Residential	
	€ m	%	€ m	%	€ m	%
< 12 months	264	1.7%	199	4.9%	65	0.6%
12 - 60 months	1,738	11.1%	1,208	30.0%	531	4.6%
12 - 36 months	815	5.2%	519	12.9%	296	2.6%
36 - 60 months	923	5.9%	689	17.1%	235	2.0%
60 - 120 months	2,642	16.9%	1,244	30.8%	1,398	12.1%
> 120 months	10,953	70.3%	1,387	34.3%	9,565	82.7%
Total	15,597	100%	4,038	100%	11,559	100%



Maturity of issued covered bonds – December 2021

Maturity of Issued Covered Bonds	Total	
	€ m	%
< 12 months	542	6.6%
12 - 60 months	5,099	62.4%
12 - 36 months	2,447	29.9%
36 - 60 months	2,652	32.5%
60 - 120 months	2,003	24.5%
> 120 months	530	6.5%
Total	8,175	100%

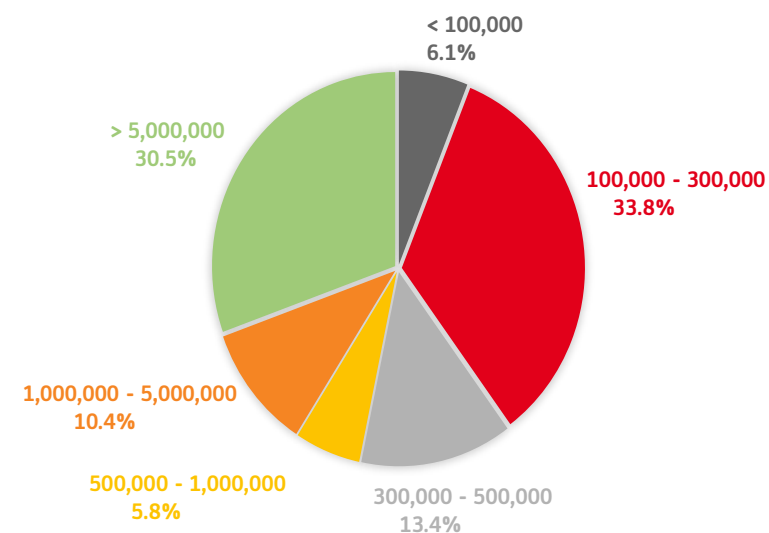


Mortgage Cover Pool

Assets Volume^{*)} Breakdown

Breakdown by size of assets – December 2021

Volume Breakdown by Size of Mortgages	Total		Commercial		Residential	
	€ m	Number	€ m	Number	€ m	Number
< 300,000	6,228	45,625	80	574	6,149	45,051
< 100,000	961	16,866	11	196	949	16,670
100,000 - 300,000	5,267	28,759	69	378	5,200	28,381
300,000 - 5,000,000	4,617	7,909	483	451	4,133	7,458
300,000 - 500,000	2,091	5,714	52	137	2,038	5,577
500,000 - 1,000,000	908	1,378	109	152	799	1,226
1,000,000 - 5,000,000	1,618	817	322	162	1,296	655
> 5,000,000	4,752	224	3,475	118	1,277	106
Total	15,597	53,758	4,038	1,143	11,559	52,615

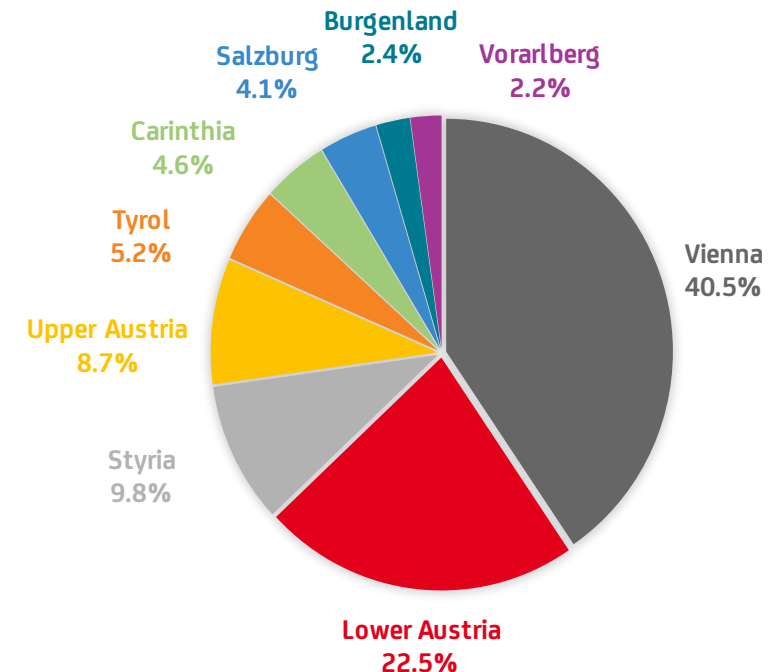


Mortgage Cover Pool

Regional Breakdown^{*)} of Mortgages in Austria

Regional Breakdown Austria – December 2021

Regional Breakdown Austria	Total	
	€ m	%
Vienna	6,313	40.5%
Lower Austria	3,515	22.5%
Styria	1,534	9.8%
Upper Austria	1,354	8.7%
Tyrol	806	5.2%
Carinthia	724	4.6%
Salzburg	640	4.1%
Burgenland	371	2.4%
Vorarlberg	341	2.2%
Total Austria	15,597	100%

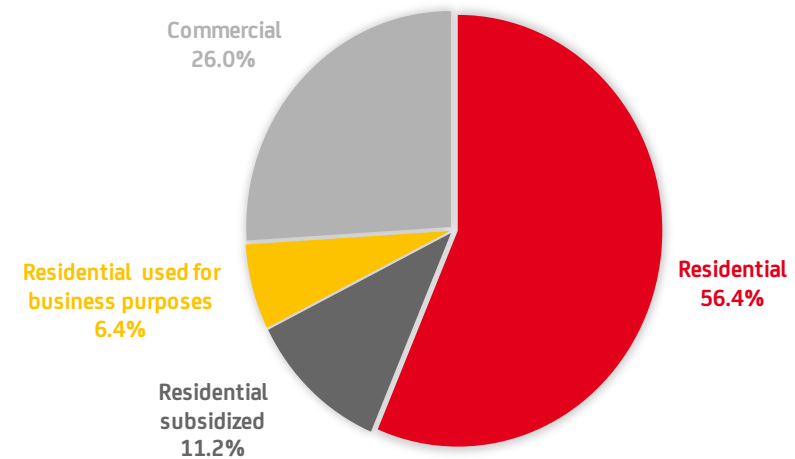


Mortgage Cover Pool

Breakdown^{*)} by Type of Use and LTV

Breakdown by type of use – December 2021

Mortgages Breakdown by Type of Use	Total	
	€ m	Number
Residential	8,804	49,508
Residential subsidized	1,754	1,983
Residential used for business purposes	1,001	1,124
Commercial	4,038	1,143
thereof Office	1,704	179
thereof Trade	1,057	61
thereof Tourism	380	144
thereof Agriculture	62	320
thereof mixed Use / Others	835	439
Total	15,597	53,758



	Residential	Commercial	Total
Total	11,559	4,038	15,597
Weighted Average LTV	48.9%	49.9%	49.1%



Mortgage Cover Pool Breakdown^{*)} by Type of Use

- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 15,597m** as of 31 December 2021 (without substitute cover)
- **All mortgages in cover pool are located in Austria**
 - The main concentration is in the City of Vienna (40.5%) and the state of Lower Austria (22.5%)
- **Breakdown of cover pool by type of use:**
 - 74.0% residential real estate (thereof 11.2% subsidized)
 - 26.0% commercial real estate, of which:
 - Office 11.0%
 - Trade 6.8%
 - Tourism 2.4%
 - Agriculture 0.4%
 - Other / Mixed use 5.4%





5

Annex

- Liquidity & Funding Transactions**
- Ratings Overview**
- Real Estate Market**
- Legal Situation – Austrian Covered Bonds**



Overview of outstanding Pfandbrief Benchmark Issues since 2019

Type of Pfandbrief	Interest rate	Due date	Volume	Date of Issuance	Mid Swap + number of basis points
Bank Austria Mortgage Pfandbrief	0.05%	21/09/2035	€ 500 mn	Sept. 2020	MS + 9bps
Bank Austria Mortgage Pfandbrief	0.25%	21/06/2030	€ 500 mn	Jan. 2020	MS + 6bps
Bank Austria Mortgage Pfandbrief	0.25%	04/06/2027	€ 500 mn	June 2019	MS + 7bps
Bank Austria Mortgage Pfandbrief	0.625%	20/03/2029	€ 500 mn	March 2019	MS + 15bps
Bank Austria Mortgage Pfandbrief	0.625%	16/01/2026	€ 500 mn	Jan. 2019	MS + 18bps

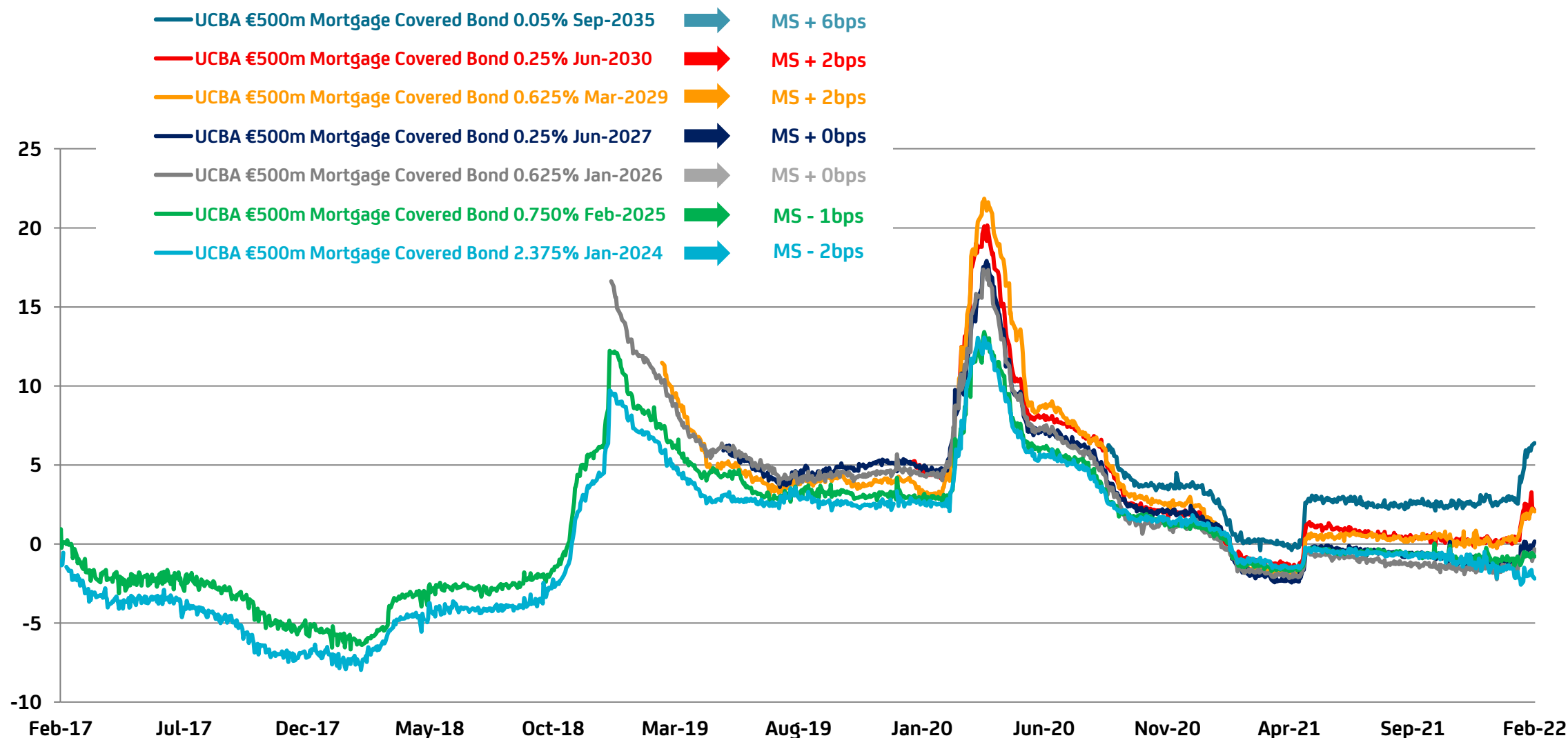


Overview of outstanding Pfandbrief Benchmark Issues until 2015

Type of Pfandbrief	Interest rate	Due date	Volume	Date of Issuance	Mid Swap + number of basis points
Bank Austria Mortgage Pfandbrief	0.75%	08/09/2022	€ 500 mn	Sept. 2015	MS + 5bps
Bank Austria Mortgage Pfandbrief	0.75%	25/02/2025	€ 500 mn	Feb. 2015	MS + 3bps
Bank Austria Mortgage Pfandbrief	2.375%	22/01/2024	€ 500 mn	Jan. 2014	MS + 35bps



UniCredit Bank Austria Covered Bond Spread Comparison



Rating Overview

	Moody's					S&P				Fitch		
	Long-Term Deposits	Long-Term Senior Unsecured	Short-Term	Subordinated ¹⁾	Counterparty Risk	Long-Term	Short-Term	Subordinated ¹⁾	Counterparty Risk	Long-Term	Short-Term	Subordinated ¹⁾
Bank Austria ²⁾	A3	Baa1 Stable	P-2	Baa3	A2 / P-1	BBB+ Negative	A-2	BBB-	A-	-	-	-
Public Sector Covered Bond	Aaa					-				-		
Mortgage Covered Bond	Aaa					-				-		
UniCredit S.p.A.	Baa1	Baa1 Stable	P-2	Baa3	Baa1 / P-2	BBB Positive	A-2	BB+	BBB+	BBB Stable	F2	BB+

(as of 30 March 2022)

¹⁾ Subordinated (Lower Tier II)

42 ²⁾ Securities issued before 31 Dec. 2001 which benefit from a secondary liability by the City of Vienna (grandfathered debt) are exclusively subordinated and are also rated as shown above by Standard & Poor's, while by Moody's the corresponding subordinated securities are rated Baa2



Austrian Real Estate Market Overview

- **2021** was an exceptional year for commercial real estate investments in Austria due to the pandemic. The investment volume increased by +20% compared to the first year of the pandemic to a **total volume of approx. € 4.0 billion**. The first quarter of 2022 started robustly as some transactions could not be completed in 2021. The forecast for 2022 is over € 4.5 billion.
Residential real estate was also in 2021 the most popular asset class with around 36% of the total investment volume, followed by Logistics & Industry with 26% and office properties, which are again attractive, at around 25%. The continuing high demand - with limited supply - led to significant price increases for residential real estate and differentiated yields for office properties
- The Austrian real estate market has the **well-earned reputation as a relatively stable market**.
Real estate analyst IPD/MSCI annually analyses an Austrian portfolio consisting of office, retail, residential, logistics and other properties. Though **annual total return** has never achieved double digit growth since the beginning of the analysis, it has also never dropped into negative growth. Even in the crisis years 2008/2009, annual total return amounted to **around 4%**
- Residential property prices have risen significantly in 2021. Across Austria, they rose by **around + 11% in 2021** as a whole compared to 2020. This was mainly due to increases in the prices of condominiums. In Vienna, apartment prices rose by **an average of +10.80%**.
Price development in Austria excluding Vienna was varied, with apartment prices rising significantly more than house prices. Construction prices increased almost abruptly by around +13% compared to 2020
- The **further development** of real estate prices in 2022 must be viewed differently due to the COVID-19 pandemic and the current wartime activities. Residential real estate seems to remain unaffected, office real estate will come under adaptive pressure in the medium term. Most affected by high vacancies is the city hotel segment

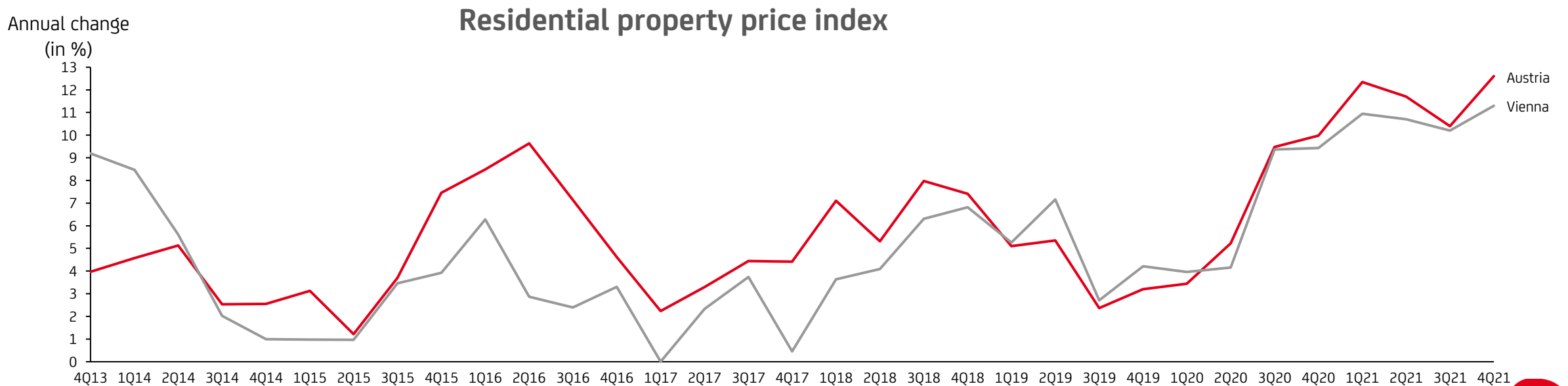


Austrian Real Estate Market

Prices for residential real estate

- After an increase in prices of around +7% in 2020, the price curve rose sharply into the 10%-plus region by the end of 2021. Professional forecasters predict a further price increase until year-end 2022. Mostly affected by sharply rising construction prices at a rate of approx. 13% within one year. The shortage of building land is also an urgent issue.
- Residential property prices in Austria (excluding Vienna) developed slightly stronger in the second year of the pandemic, 2021, at around +12,80% p.a. compared to Vienna at around +10.80%

Source: OeNB, Technical University Vienna, Department für Raumplanung



Source: OeNB, DataScience Service GmbH (DSS), TU-Wien, Prof. Feilmayr



Austrian Real Estate Market

Investment Property Databank (IPD)

- Real estate remains attractive for investors looking for yield
- As long as property investments offer higher yields than alternatives such as government bonds, demand for real estate will remain high

Top yields for real estate investments vs. yields for Austrian government bonds

- | | |
|---|--------|
| • Office top yield in 2021 | 3.25% |
| • Yield for Austrian Government Bonds (10Y) | -0.04% |
| • Spread | 3.21% |



Austrian Legal Framework

Mortgage and Public Sector Pfandbriefe

Austrian Covered Bonds

Pfandbriefe

Fundierte Schuldverschreibungen

Hypothekbankgesetz
(Mortgage Banking Act 1899)

Pfandbriefgesetz
(Pfandbrief Law 1938)

Law of 1905

Bank Austria

Outlook: The existing national laws are being harmonized in terms of content and replaced by a uniform Covered Bond Act (*Pfandbriefgesetz*). The new Pfandbrief Act was adopted by the Austrian Parliament on 19 November 2021 and will enter into force on 8 July 2022. The 3 current laws (*HypBG*, *PfandBG* und *FBSchVG* – shown above) will expire on 7 July 2022.

The underlying EU requirements (EU Directive 2019/2162 and EU Regulation amending CRR 2019/2160) were published in the Official Journal of the EU in December 2019.



Comparison Austria vs. Germany

Criteria of Pfandbrief law / Hypothekendarlehenbankgesetz	Austria	Germany
Pfandbrief law in place	YES	YES
Mortgage and public sector collateral assets in separate pools	YES	YES
Cover register	YES	YES
Collateral assets limited to Europe	YES	X
Legally required minimum over- collateralization	YES	YES
Cover pool monitoring (Trustee)	YES	YES
Special proceedings in case of insolvency	YES	YES
Pfandbriefe remain outstanding in case of issuer's bankruptcy	YES	YES
NPV matching	YES ^{*)}	YES

- Austrian „Hypothekendarlehenbankgesetz“ was initially based on the German legislation
- Important changes to the German "Pfandbrief" - legislation were followed by the Austrian "Hypothekendarlehenbankgesetz", which continues to reflect the principal features of the German "Pfandbriefgesetz"
- Main differences in the current version are:
 - German law also allows collateral assets from non-European countries
 - German law includes compulsory NPV-matching, whereas in Austria a voluntary commitment is foreseen to be stipulated in the articles of association. Bank Austria, accordingly, included such a clause in its articles of association



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CFO Division

UniCredit Bank Austria AG, Vienna
as of March 31, 2022

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