

Presentation to Fixed Income Investors

Bank Austria

Vienna, May 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⁾





UniCredit Group



Our strategic imperatives and financial goals - UniCredit Unlocked



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

3 LEVERS

Largely under management control and allow us to confirm guidance on **UniCredit Unlocked** and **distribution** over 4 years

COST

47.8%

Cost / Income ratio

We continue to **manage our cost base** without impact on revenue generation and control environment

THE BANK
FOR EUROPE'S
FUTURE

CAPITAL

c. 44bps
Organic capital
generation

Higher than target and permitting us to support **healthy distributions** and **absorb shocks**

NET REVENUE

8% YoY
o/w diversified Fee
Income **+8% YoY**

Strong capital-light and **high risk-adjusted return growth** across the regions

2021

CASH DIVIDEND

1.2bn

SHARE BUY BACK: confirmed to be confirmed¹

1.6bn

1.0bn

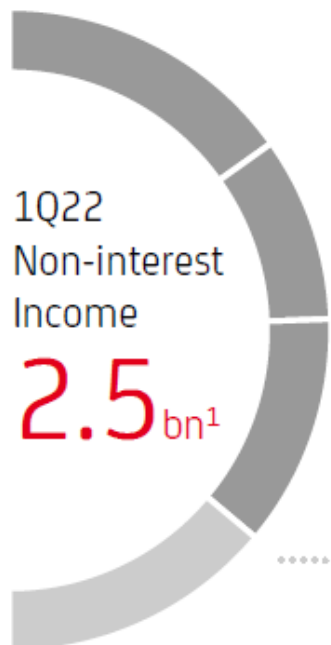
2022

Distribution in line with, or greater than 2021



The right model to deliver in a variety of market conditions

As of 1Q22



42%
of total fees

INVESTMENT FEES

- Mainly AuM through upfront and mgmt. fees
- Recurring and capital light
- Strong growth potential through Partnerships

26%
of total fees

FINANCING FEES

- Mainly loans, guarantees and CPI products
- Country specific loan growth potential with SMEs, Corporates and retail

32%
of total fees

TRANSACTIONAL FEES

- Mainly current accounts, payments, card and protection
- Reflects retail market share and product penetration

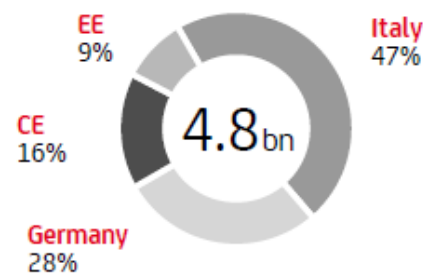
+15%
YoY

TRADING REVENUE

- Mainly client risk management such as hedging
- Reflects corporate franchise and advisory strength
- Boosted by market volatility

GEOGRAPHICAL DIVERSIFICATION

1Q22 Revenue²



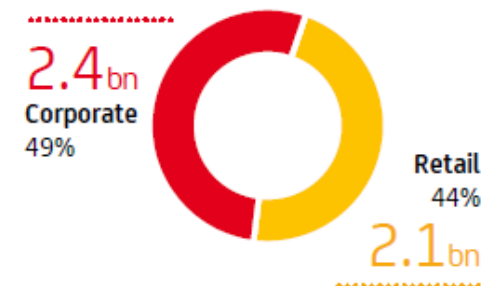
GEARED TO RISING RATES

Managerial scenario 2023

+50bps
+0.7 bn

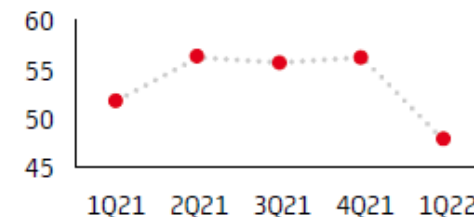
BALANCED BUSINESS MIX³

Central Functions not shown in the chart



PROVEN COST EFFICIENCY

Cost / Income Ratio



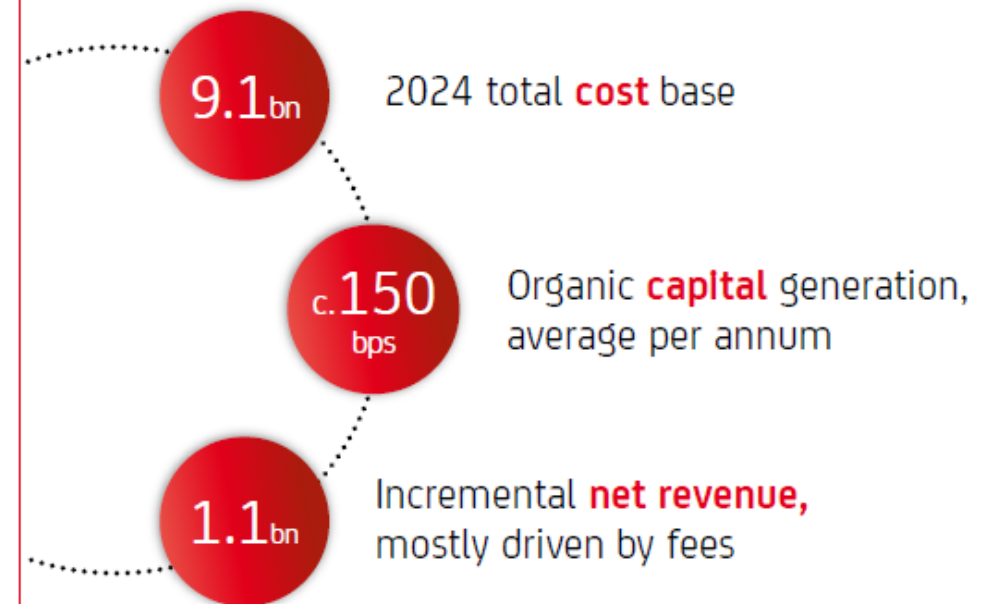
Confirming 2022 guidance and 2024 financial ambition

2022 GUIDANCE

Net revenue	c.16.0 _{bn}
Net interest ¹	In line with 2021
Costs	c.9.5 _{bn}
Cost / Income	c.55%
Net profit	>3.3 _{bn}
Cost of risk	30-35 _{bps} range
CET1r ²	12.5-13%

2024 FINANCIAL AMBITION

RoTE of c.10% by 2024



All figures related to Group excl. Russia, unless otherwise stated

1. Net of non-recurring items 2. Group including Russia





3

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

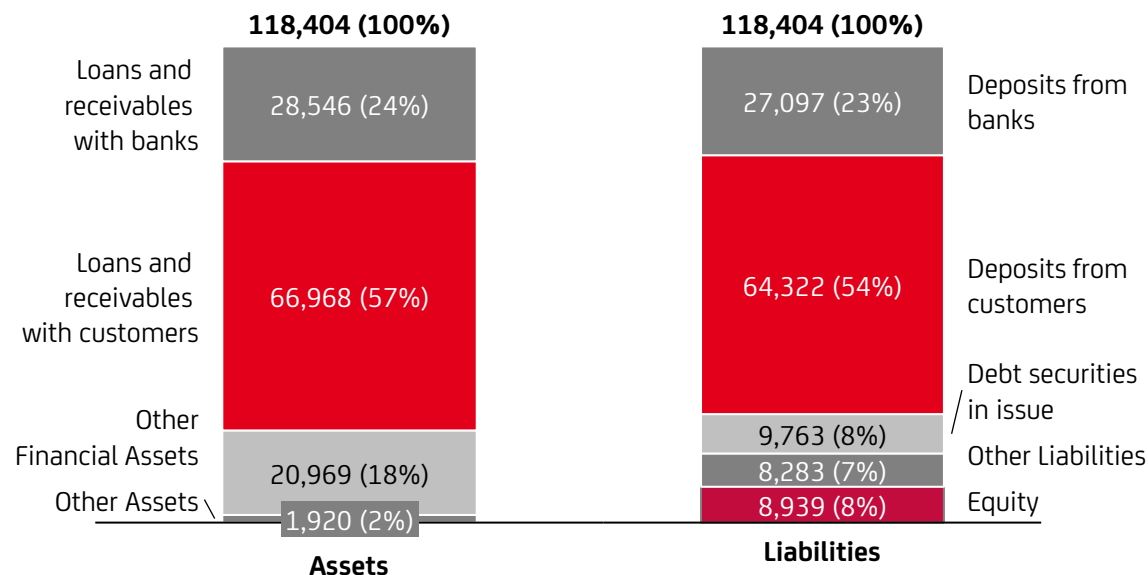
Member of UniCredit, a pan-European Commercial Bank with a unique franchise in **Italy, Germany, Central Europe/CE and Eastern Europe/EE**

- 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**



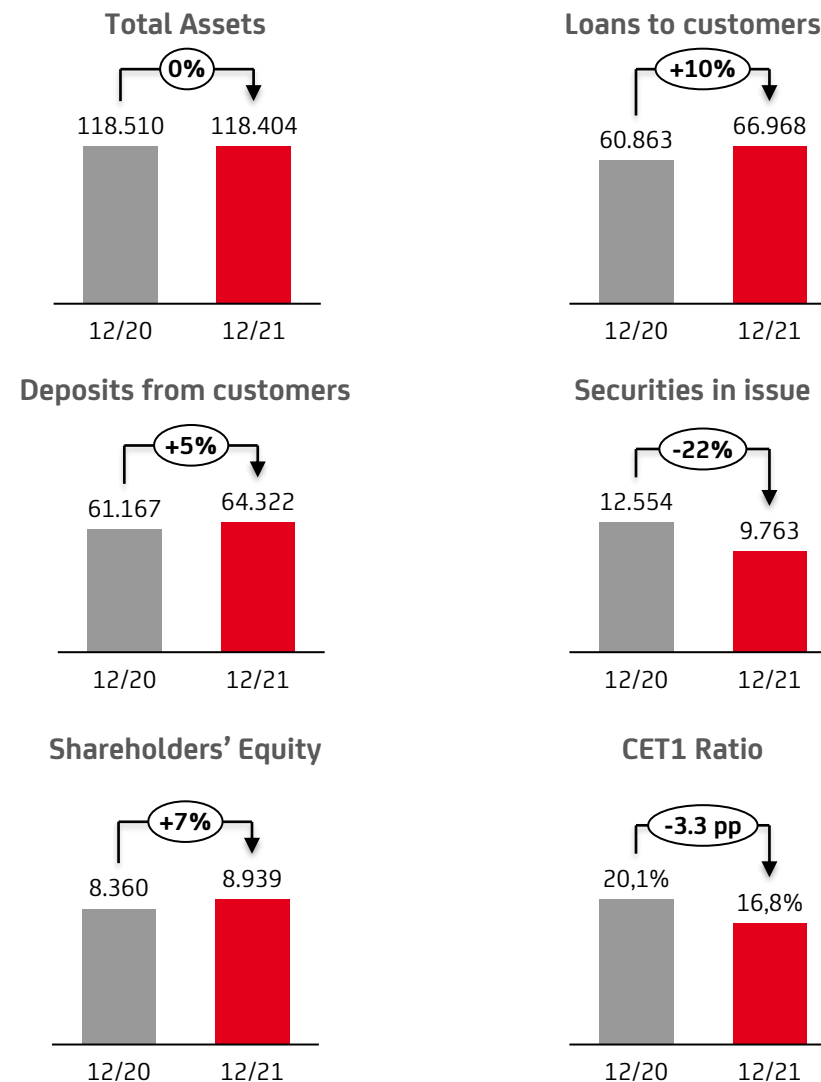
Balance Sheet structure of Bank Austria (as of 31 December 2021)

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

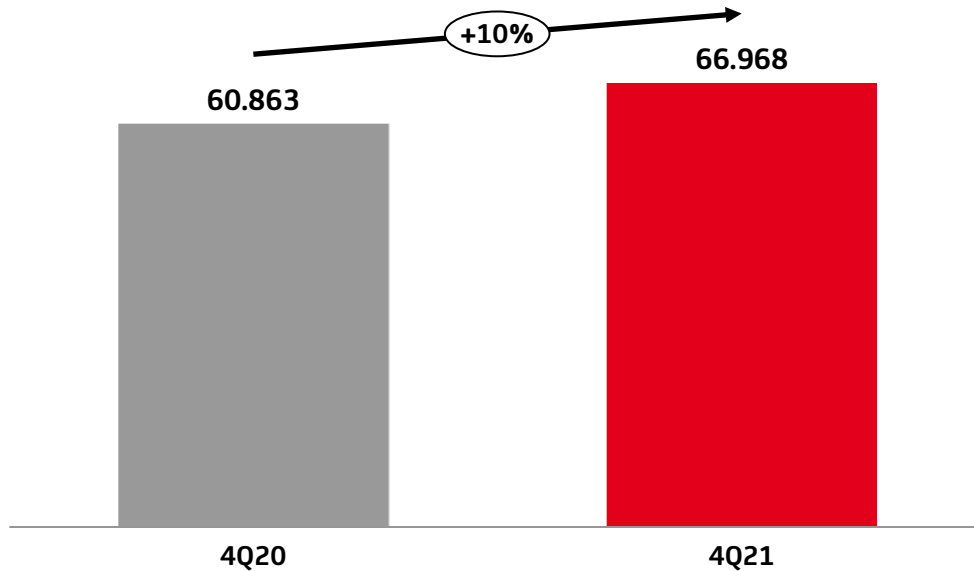
Change vs. 31 December 2020



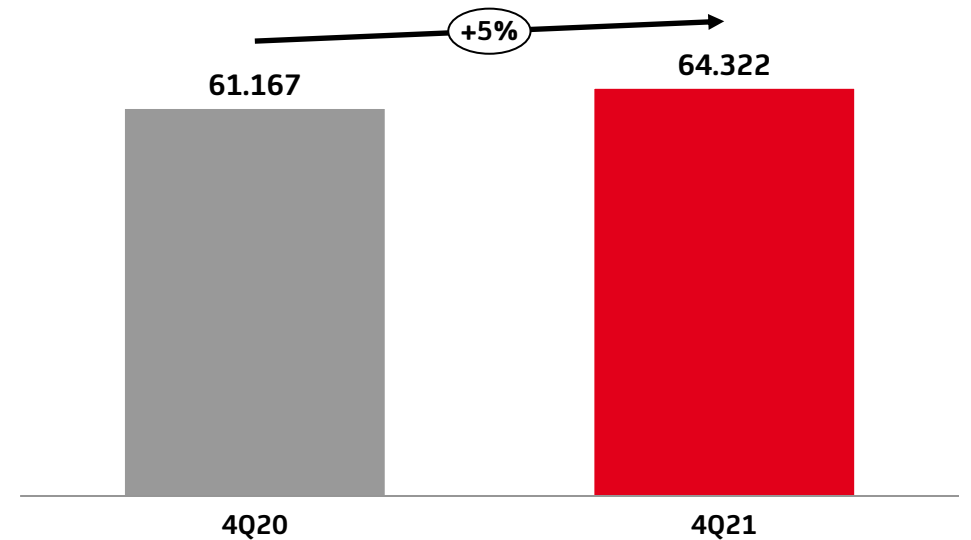
Loans and Deposit Volumes

Well-balanced development of loans and deposits

Loans to Customers (€ m)



Deposits from Customers (€ m)

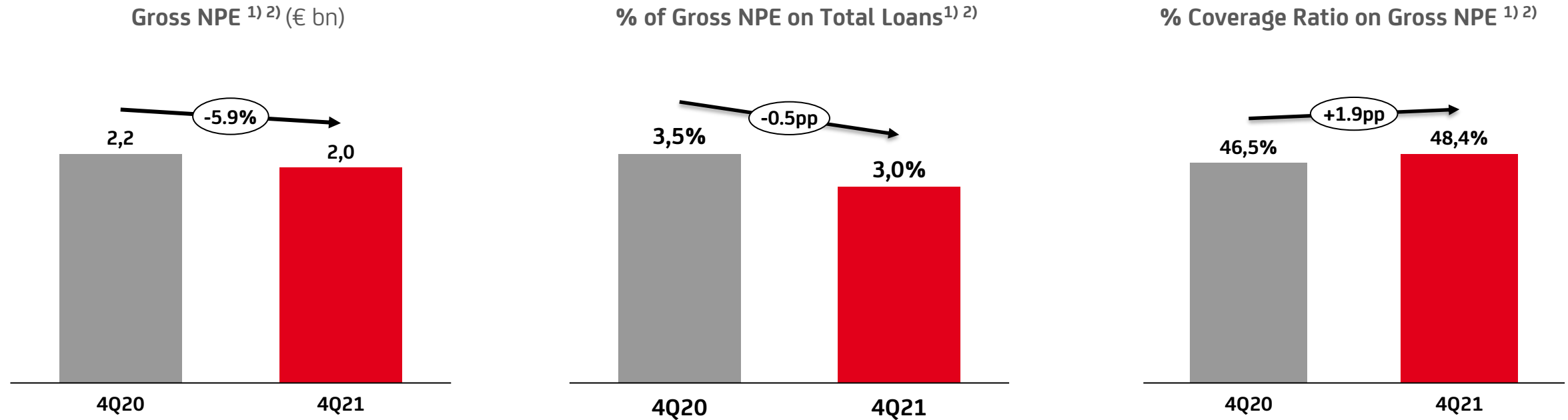


- **Loans to customers** increased y/y by 10%, driven by all business divisions
- **Deposits from customers** increased y/y by 5%, also due to growth in all business divisions



Asset Quality

Improving asset quality KPIs in 2021, despite COVID-19

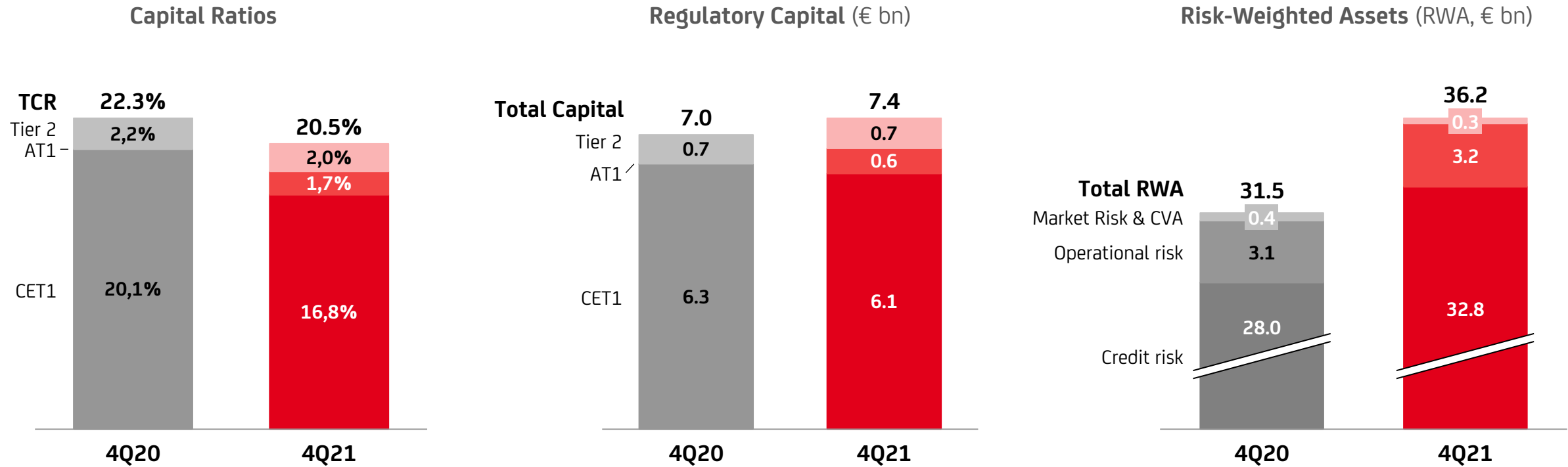


- **NPE portfolio** (gross impaired loans) decreased by nearly 6% to € 2bn since year-end 2020, due to strong collection and low NPE inflow
- **NPE Ratio** (gross impaired loans in % of total loans) **down to 3.0%**, due to reduction of NPE and increase of total loan volume; COVID-19 crisis had only 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 also impacted by impairments regarding some at-equity participations (3-Banken Group)

Bank Austria Group

(€ million)

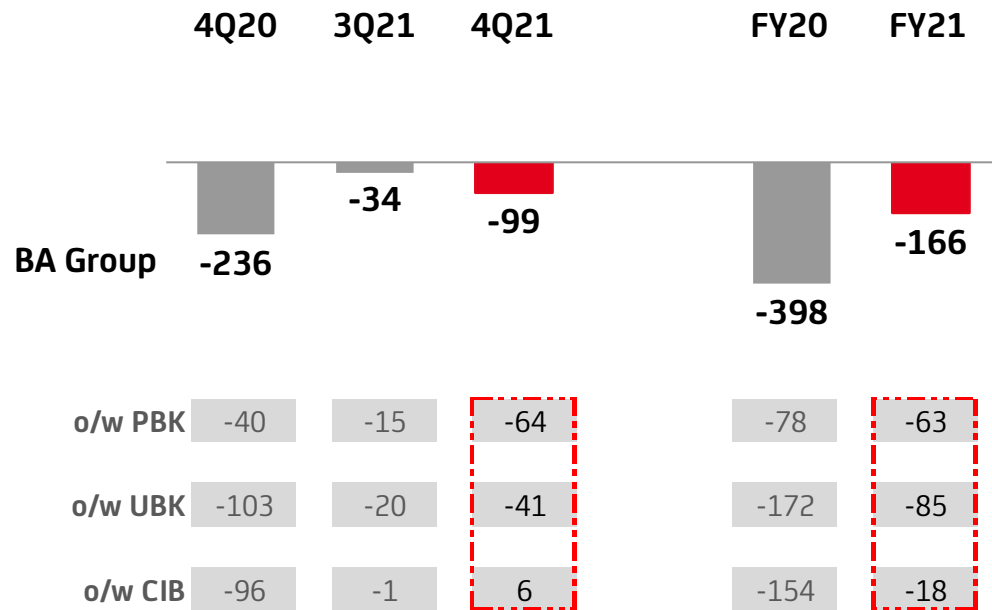
	1-12 2021	1-12 2020	y/y
Operating income	1,878	1,766	6.4%
Operating costs	-1,165	-1,164	0.0%
Operating profit	713	602	18.6%
Net write-downs of loans	-166	-398	-58.4%
Net operating profit	548	203	>100%
Non-operating items	-454	-235	93.3%
Profit (loss) before tax	93	-32	>-100%
Other positions	22	52	-58.4%
Group Net Profit	115	20	>100%
Cost/income ratio	62.0%	65.9%	-392 bp



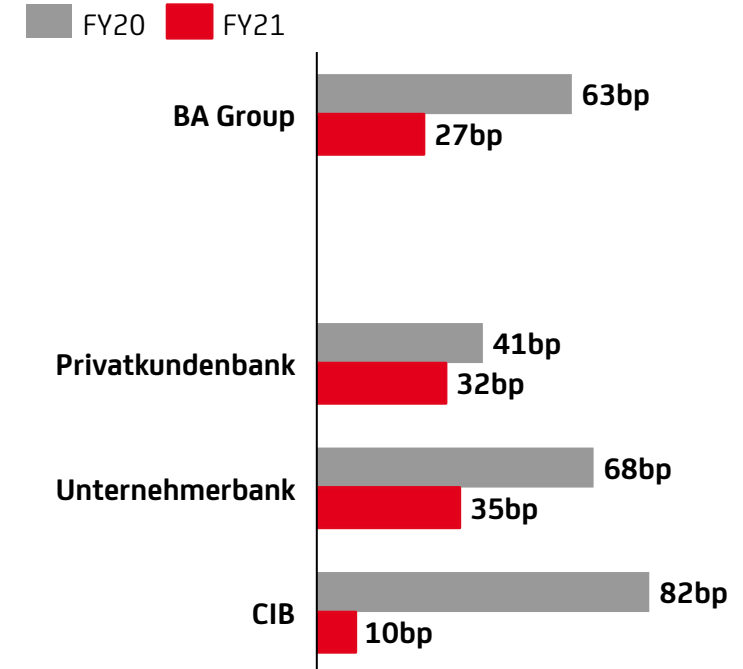
Net Write-Downs on Loans and Cost of Risk

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%)



Executive Summary

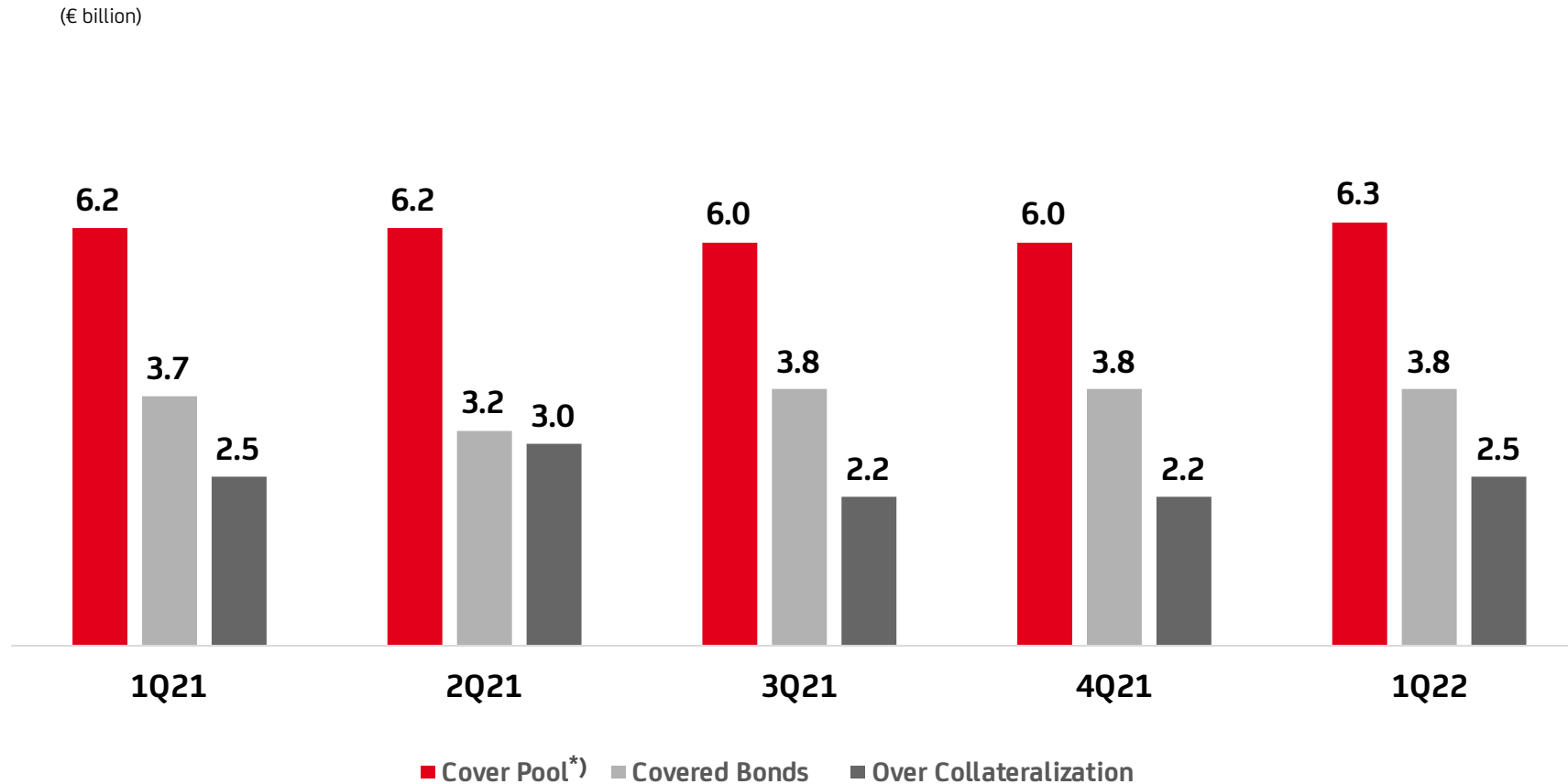
Public Sector Cover Pool of Bank Austria

- **Aaa Rating by Moody's**
- Focus on **purely Austrian claims**
- Cover Pool Volume^{*)} as of 31 March 2022 amounts to **€ 6,272m**
- Average volume of loans is approx. **€ 1.3m**
- Average seasoning is **7.2 years**
- **ECBC Covered Bond Label** has been granted to the Public Sector Cover Pool of Bank Austria



Public Sector Cover Pool

Yearly development



Public Sector Cover Pool

Parameters of Cover Pool^{*)} and Issues

Parameters of Cover Pool	1Q22
Weighted Average Life (in years incl. Amortization)	8.8
Contracted Weighted Average Life (in years)	13.6
Average Seasoning (in years)	7.2
Total Number of Loans	4,791
Total Number of Debtors	2,236
Total Number of Guarantors	308
Average Volume of Loans (in € m)	1.3
Stake of 10 Biggest Loans	21.1%
Stake of 10 Biggest Guarantors	35.8%
Stake of Bullet Loans	34.2%
Stake of Fixed Interest Loans	51.4%
Amount of Loans 90 Days Overdue (in € m)	-
Average Interest Rate	1.0%
Parameters of Issues	1Q22
Total Number	28
Average Residual Maturity (in years)	3.3
Average Volume (in € m)	135.3

- Total Value of **the Cover Pool^{*)}** as of **31 March 2022** (€-equivalent): **6,272m**
 - thereof in €: 5,207m (83.0%)
 - thereof in CHF: 119m (1.9%)
 - thereof public sector bonds (€-equivalent): 696m (11.1%)
 - thereof substitute cover in €: 250m (4.0%)
- **Moody's Rating: Aaa**

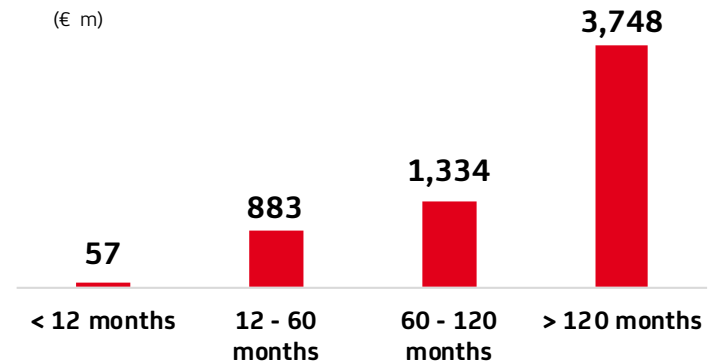


Public Sector Cover Pool

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

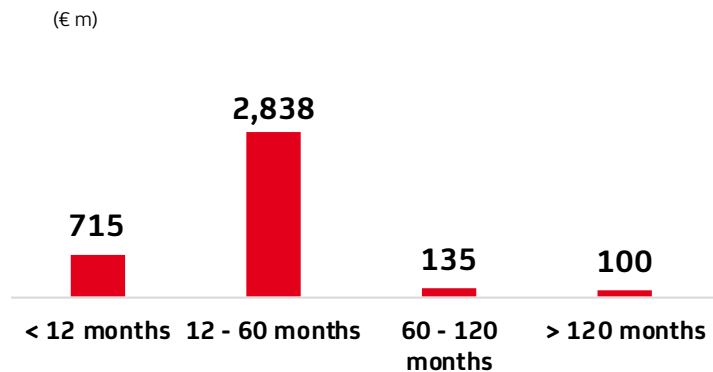
Maturity of assets in the cover pool – March 2022

Maturity of Assets in the Cover Pool ^{**)}	Total	
	€ m	%
< 12 months	57	0.9%
12 - 60 months	883	14.7%
12 - 36 months	280	4.7%
36 - 60 months	603	10.0%
60 - 120 months	1,334	22.2%
> 120 months	3,748	62.2%
Total	6,022	100%



Maturity of issued covered bonds – March 2022

Maturity of Issued Covered Bonds	Total	
	€ m	%
< 12 months	715	18.9%
12 - 60 months	2,838	74.9%
12 - 36 months	620	16.4%
36 - 60 months	2,218	58.5%
60 - 120 months	135	3.6%
> 120 months	100	2.6%
Total	3,788	100%



^{*)} Without substitute cover

^{**)} Without consideration of the repayment

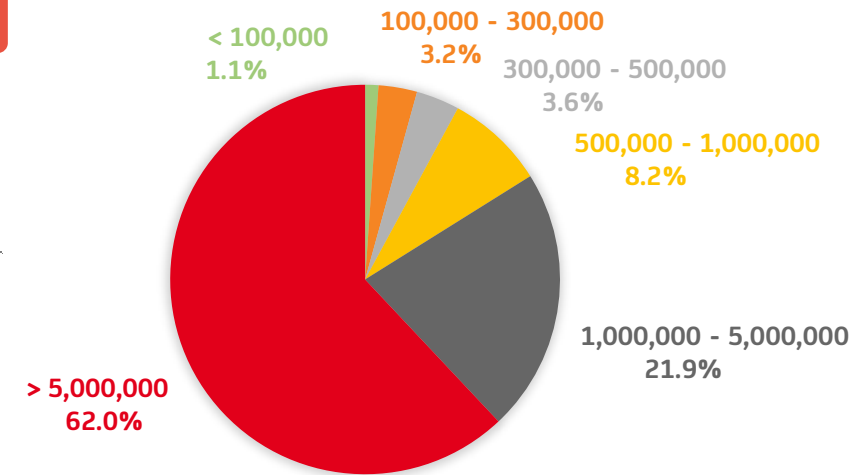


Public Sector Cover Pool

Volume^{*)} breakdown by Size of Assets

Breakdown by size of assets – March 2022

Volume Breakdown by Size of Assets	Total	
	€ m	Nr.
< 300,000	257	2,715
< 100,000	65	1,673
100,000 - 300,000	192	1,042
300,000 - 5,000,000	2,034	1,927
300,000 - 500,000	216	556
500,000 - 1,000,000	497	701
1,000,000 - 5,000,000	1,321	670
> 5,000,000	3,731	149
Total	6,022	4,791

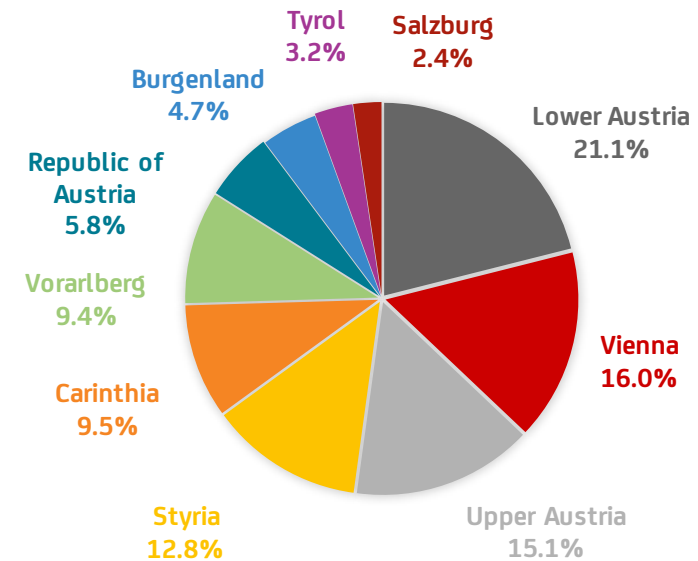


Public Sector Cover Pool

Regional Breakdown of Assets^{*)} in Austria

Regional Breakdown Austria– March 2022

Regional Breakdown Austria	Total	
	€ m	%
Lower Austria	1,264	21.1%
Vienna	965	16.0%
Upper Austria	910	15.1%
Styria	773	12.8%
Carinthia	575	9.5%
Vorarlberg	568	9.4%
Republic of Austria	350	5.8%
Burgenland	282	4.7%
Tyrol	193	3.2%
Salzburg	142	2.4%
Total Austria	6,022	100%

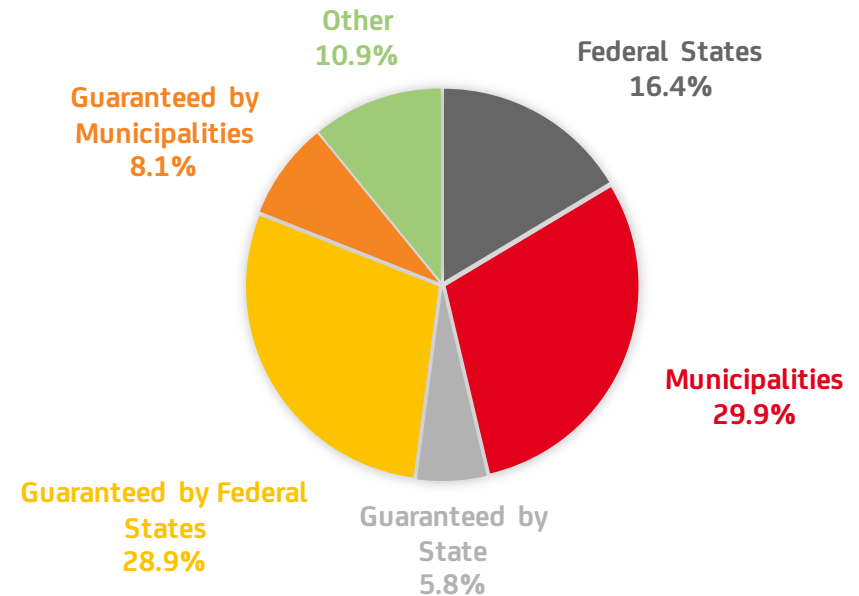


Public Sector Cover Pool

Assets Volume*) Breakdown by Type of Debtor / Guarantor

Breakdown by type of debtor/guarantor – March 2022

Assets: Type of Debtor/Guarantor	Total	
	€ m	Nr.
Federal States	985	22
Municipalities	1,801	2,442
Guaranteed by State	350	1,020
Guaranteed by Federal States	1,744	381
Guaranteed by Municipalities	488	461
Other	654	465
Total	6,022	4,791



Executive Summary

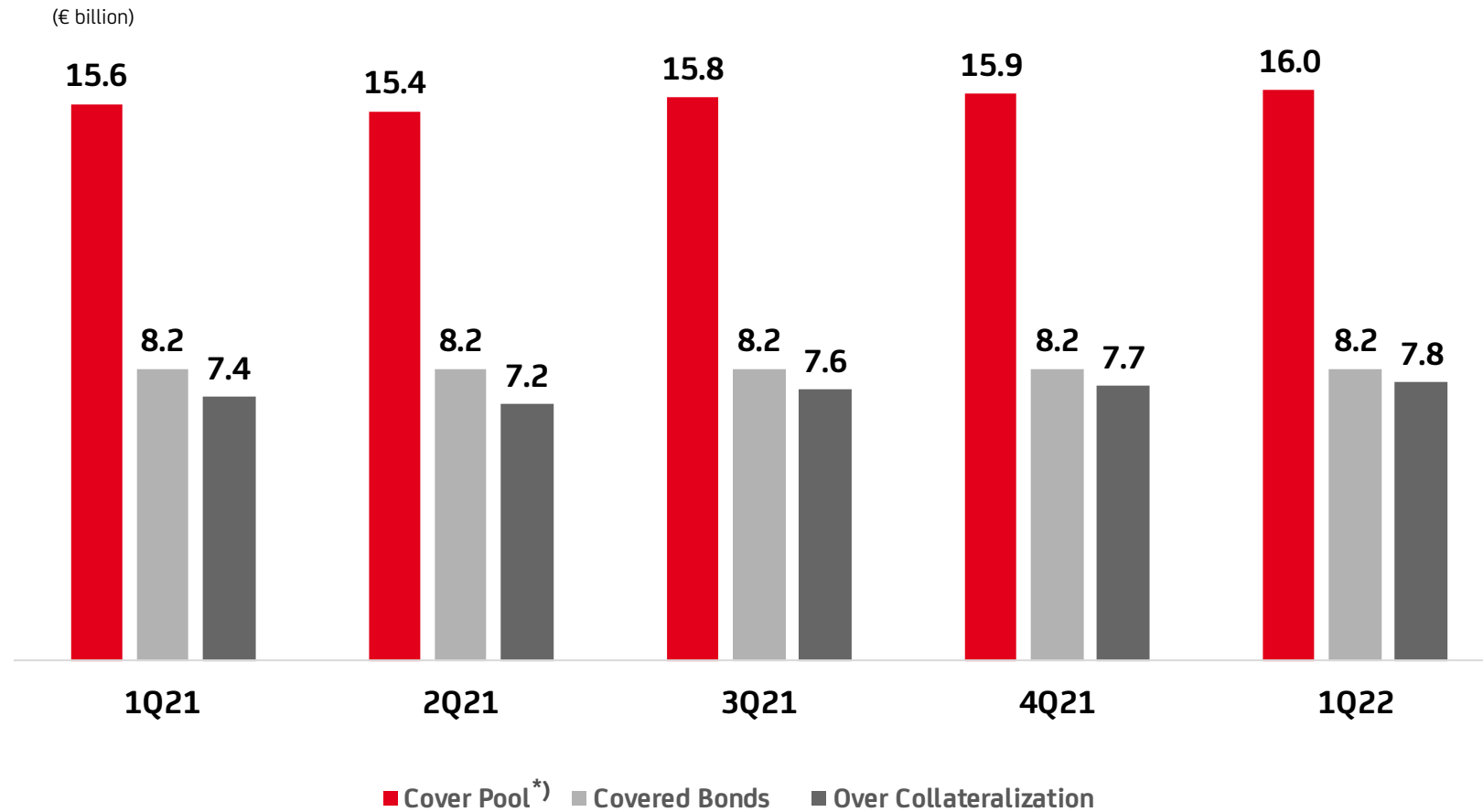
Bank Austria Mortgage Cover Pool

- **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 (1Q16: € 1,601m – 1Q22: € 718m; no new CHF assets since 2010)
- Increase of the cover pool (approx. € 400m over the last 12 months), primarily by residential mortgages
- **ECBC Covered Bond Label** has been granted to the BA Mortgage Cover Pool



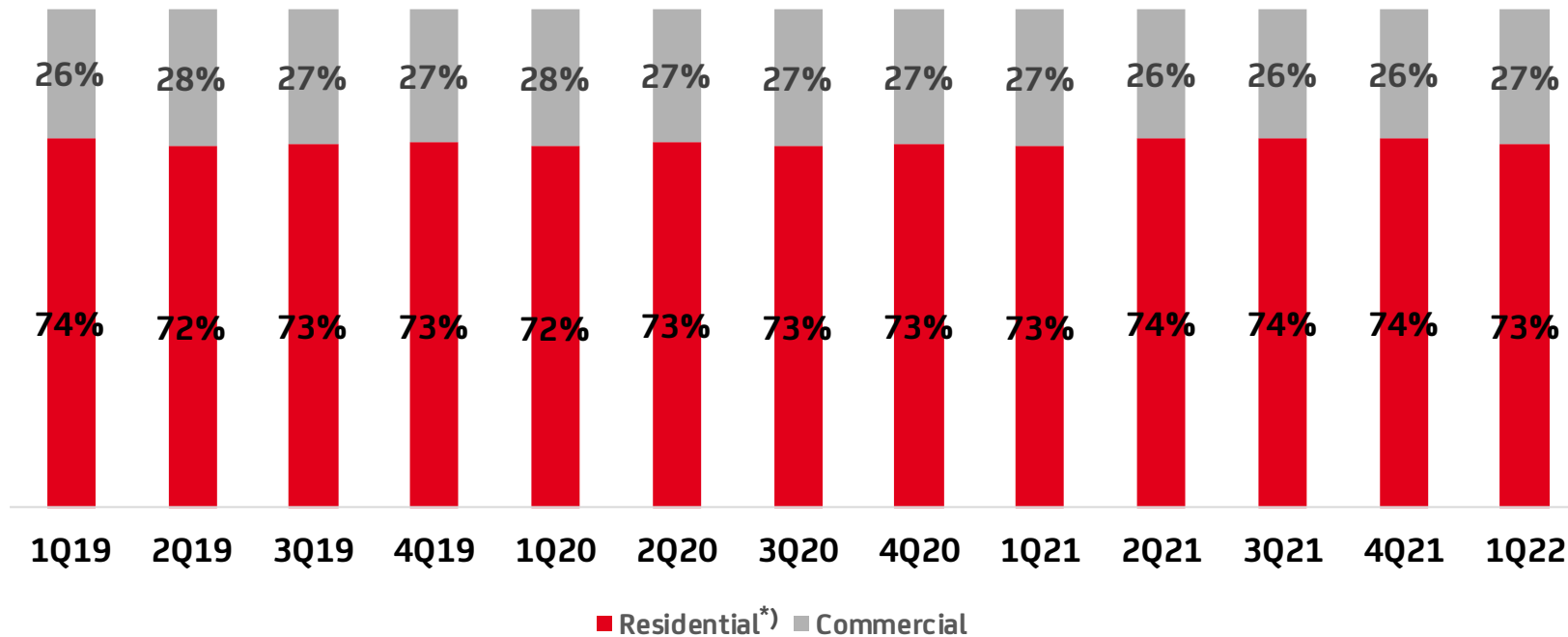
Mortgage Cover Pool

Yearly development



Mortgage Cover Pool

Breakdown by type of use - Historical trend



- The majority of the cover pool consists of residential mortgages



Mortgage Cover Pool

Parameters of Cover Pool^{*)} and Issues

Parameters of Cover Pool	1Q22
Weighted Average Life (in years incl. Amortization)	9.6
Contracted Weighted Average Life (in years)	16.5
Average Seasoning (in years)	6.3
Total Number of Loans	59,168
Total Number of Debtors	51,274
Total Number of Mortgages	54,136
Average Volume of Loans (in € m)	0.3
Stake of 10 Biggest Loans	9.5%
Stake of 10 Biggest Debtors	10.2%
Stake of Bullet Loans	16.4%
Stake of Fixed Interest Loans	36.5%
Amount of Loans 90 Days Overdue (in € m)	-
Average Interest Rate	1.0%
Parameters of Issues	1Q22
Total Number	75
Average Residual Maturity (in years)	4.2
Average Volume (in € m)	109.0

- Total Value of the **Cover Pool^{*)}** as of **31 March 2022** (€-equivalent): **16,013m**
 - thereof in €: 14,945m (93.3%)
 - thereof in CHF: 718m (4.5%)
 - thereof substitute cover in €: 350m (2.2%)
- **Moody's Rating: Aaa**

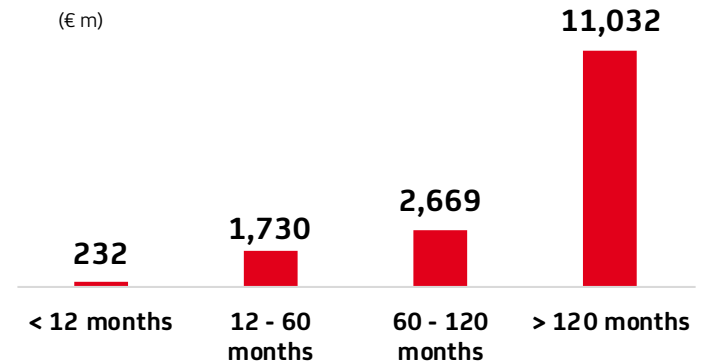


Mortgage Cover Pool

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

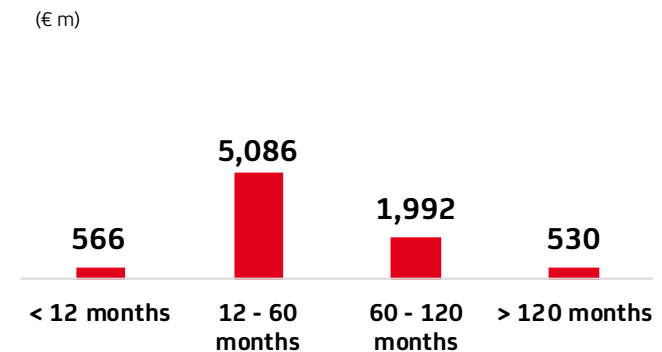
Maturity of assets in the cover pool – March 2022

Maturity of Assets in the Cover Pool ^{**)}	Total		Commercial		Residential	
	€ m	%	€ m	%	€ m	%
< 12 months	232	1.5%	175	4.2%	57	0.5%
12 - 60 months	1,730	11.0%	1,253	30.0%	476	4.2%
12 - 36 months	881	5.6%	640	15.3%	241	2.1%
36 - 60 months	849	5.4%	613	14.7%	235	2.1%
60 - 120 months	2,669	17.0%	1,306	31.2%	1,364	11.9%
> 120 months	11,032	70.5%	1,451	34.6%	9,581	83.4%
Total	15,663	100%	4,185	100%	11,478	100%



Maturity of issued covered bonds – March 2022

Maturity of Issued Covered Bonds	Total	
	€ m	%
< 12 months	566	6.9%
12 - 60 months	5,086	62.2%
12 - 36 months	4,434	54.2%
36 - 60 months	652	8.0%
60 - 120 months	1,992	24.4%
> 120 months	530	6.5%
Total	8,175	100%

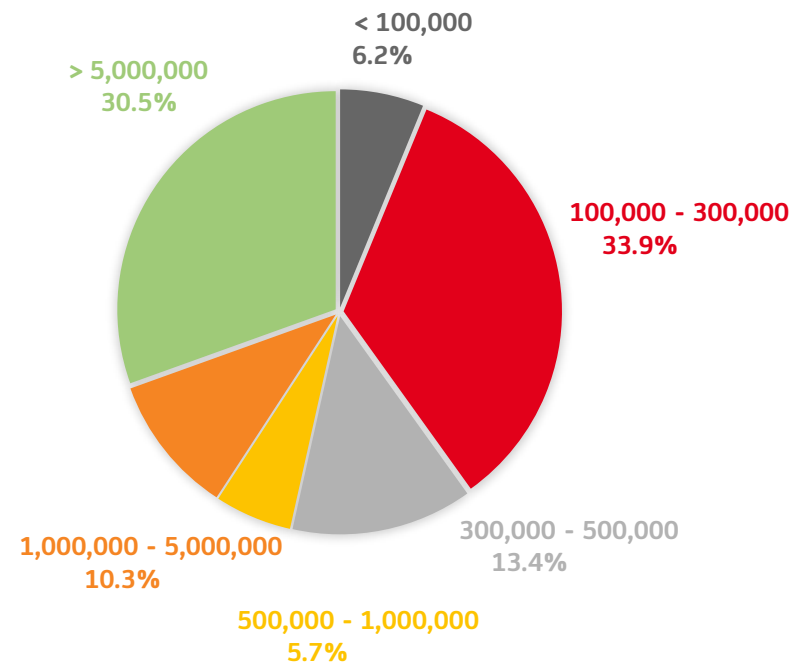


Mortgage Cover Pool

Assets Volume*) Breakdown

Breakdown by size of assets – March 2022

Volume Breakdown by Size of Mortgages	Total		Commercial		Residential	
	€ m	Nr.	€ m	Nr.	€ m	Nr.
< 300,000	6,274	45,982	82	592	6,191	45,390
< 100,000	967	17,019	13	216	954	16,803
100,000 - 300,000	5,307	28,963	69	376	5,237	28,587
300,000 - 5,000,000	4,610	7,927	466	411	4,144	7,516
300,000 - 500,000	2,105	5,760	50	131	2,055	5,629
500,000 - 1,000,000	888	1,356	86	121	802	1,235
1,000,000 - 5,000,000	1,617	811	330	159	1,287	652
> 5,000,000	4,779	227	3,637	125	1,143	102
Total	15,663	54,136	4,185	1,128	11,478	53,008

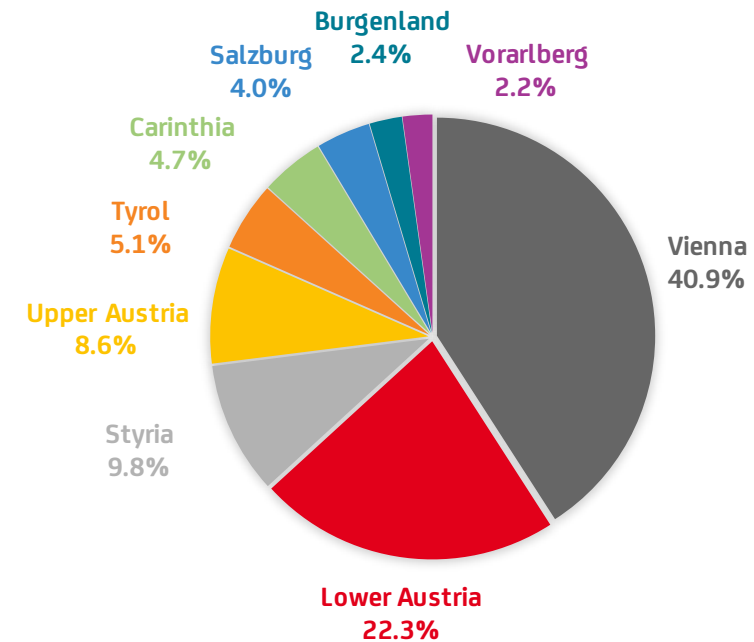


Mortgage Cover Pool

Regional Breakdown^{*)} of Mortgages in Austria

Regional Breakdown Austria– March 2022

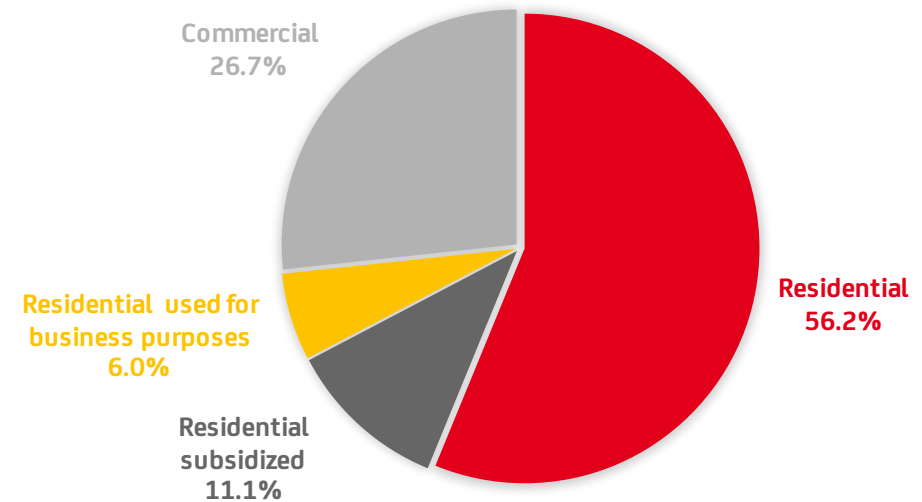
Regional Breakdown Austria	Total	
	€ m	%
Vienna	6,393	40.9%
Lower Austria	3,499	22.3%
Styria	1,537	9.8%
Upper Austria	1,355	8.6%
Tyrol	801	5.1%
Carinthia	732	4.7%
Salzburg	633	4.0%
Burgenland	371	2.4%
Vorarlberg	342	2.2%
Total Austria	15,663	100%



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

Breakdown by type of use – March 2022

Mortgages Breakdown by Type of Use	Total	
	€ m	Nr.
Residential	8,807	49,927
Residential subsidized	1,731	1,976
Residential used for business purposes	940	1,105
Commercial	4,185	1,128
thereof Office	1,877	177
thereof Trade	1,072	58
thereof Tourism	402	150
thereof Agriculture	65	334
thereof mixed Use / Others	769	409
Total	15,663	54,136



	Residential	Commercial	Total
Total	11,478	4,185	15,663
Weighted Average LTV	48.4%	50.4%	48.9%



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

- Bank Austria's Mortgage **Cover Pool Value** accounts for **€ 15,663m** as of 31 March 2022 (without substitute cover)
- **All mortgages in cover pool are located in Austria**
 - The main concentration is in the City of Vienna (40.9%) and the state of Lower Austria (22.3%)
- **Breakdown of cover pool by type of use:**
 - 73.3% residential real estate (thereof 11.1% subsidized)
 - 26.7% commercial real estate, of which:
 - Office 12.0%
 - Trade 6.8%
 - Tourism 2.6%
 - Agriculture 0.4%
 - Other / Mixed use 4.9%





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

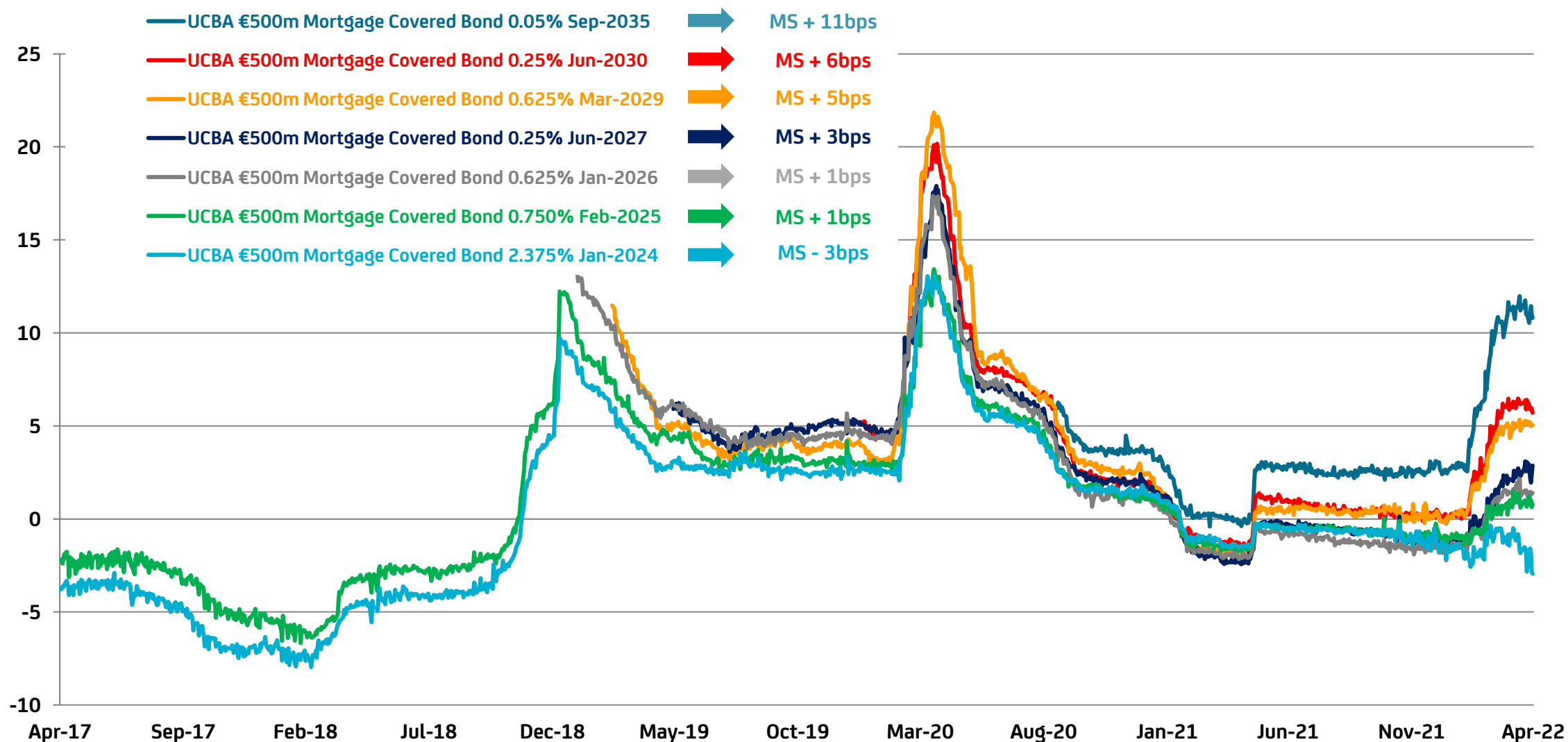


Overview of outstanding Pfandbrief Benchmark Issues until 2015

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

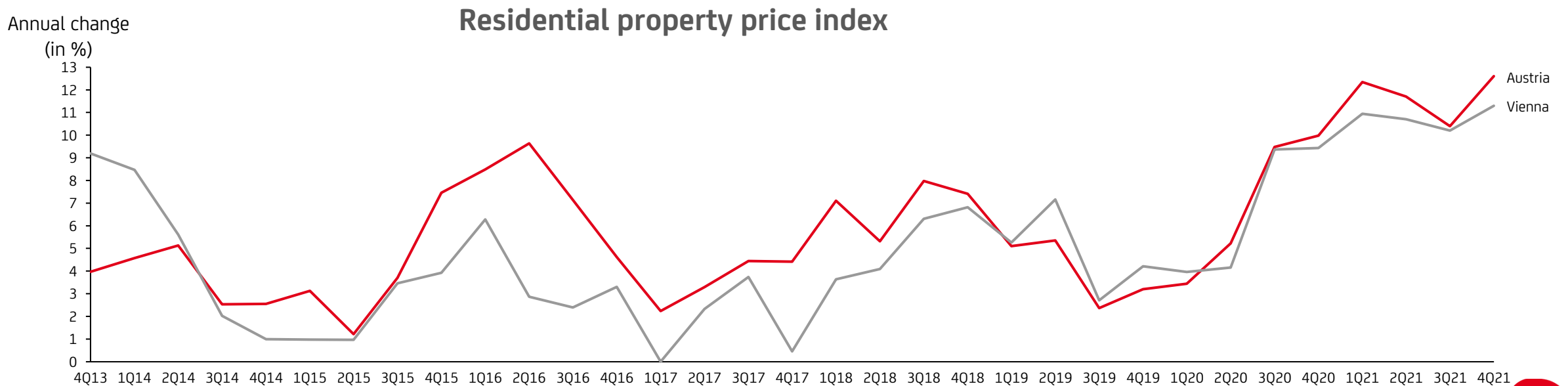


Austrian Real Estate Market

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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