

Presentation to Fixed Income Investors

Bank Austria

Vienna, August 2023

Empowering
Communities to Progress.

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

Agenda

- 1 **Opening Remarks**
- 2 **UniCredit Group**
- 3 **Overview of Bank Austria Group**
- 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 € 110 bn** (as of 30 June 2023), 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 a **CET1 ratio of 18.4%** ¹⁾





UniCredit Group



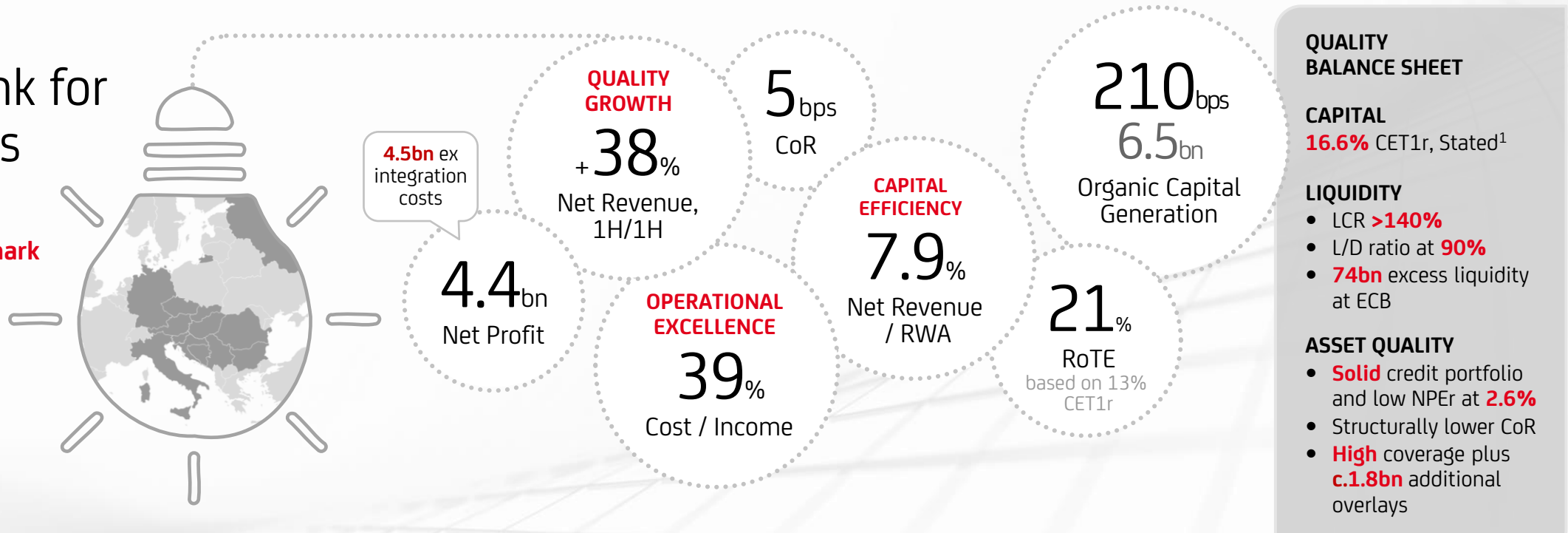
Another record-breaking set of results: best 2Q and 1H ever

Ten consecutive quarters of profitable growth

OUR VISION

The Bank for Europe's future

A new benchmark for banking



UNLOCKING OUR FRANCHISE: ALL BUSINESSES AND REGIONS PERFORMING

All figures for 1H23 and related to Group incl. Russia unless otherwise specified

1. Considering full FY22 distribution and 1H23 cash dividend accrual which for FY23 are expected to be around 0.4bn after tax and post integration costs which for FY23 are expected to be around c.0.5bn before tax

2. "Net profit" means Stated net profit adjusted for impacts from DTAs tax loss carry forward resulting from sustainability test, pre AT1 and Cashes coupons

3. Distribution subject to supervisory and shareholder approvals

2023 guidance upgraded: Net Profit² ≥7.25bn and Distribution³ ≥6.5bn. 2024 broadly in line



The Bank for Europe's future

A new benchmark for banking

A unique pan-European franchise, with 13 leading banks connecting 15m clients across Europe

CONTINUALLY STRIVING FOR EXCELLENCE

- Further improved Net Profit and Distribution guidance
- Significant potential to be unlocked
- Forward-looking management priorities

DELIVERING QUALITY PROFITABLE GROWTH

Effectively balancing three levers:

- Quality net revenue growth
- Operational excellence
- Capital excellence

Improved sustainable profitability, capital generation and distributions setting new benchmark for the banking industry



A WINNING STRATEGY

- Clients and communities at the centre
- Pan-European with leading local franchise
- Group product factories and an ecosystem of strategic partners
- Group digital, data and operations
- One unifying culture

POWERED BY ONGOING TRANSFORMATION

- Structural and cultural transformation from within
- Simplifying and streamlining to release efficiencies improve speed, agility and self-fund investments
- Investing in creating an omni-channel, full-service, employee-led, tech-powered, differentiated offering



From retrenchment to profitable growth



UniCredit Unlocked

Leveraging Group scale and Local reach



Our focus:
OUR CLIENTS AND COMMUNITIES

Empowering our 15m clients and the communities in which they operate



Served by:
PAN-EUROPEAN LOCAL FRANCHISE

13 leading banks with diverse talent, firmly rooted in our communities



Delivering:
BEST-IN-CLASS GROUP PRODUCTS

Rationalised in-house factories; ecosystem with best-in-class partners



Supported by:
DIGITAL, DATA AND OPERATIONS

Harmonised technology and operations also linking factories to network



Underpinned by:
PRINCIPLES & VALUES

Guided by a common set of principles, with our values rooted in all that we do.



POWERED BY ONGOING TRANSFORMATION

From a patchwork of 13 isolated Banks, to a unified franchise connecting Europe as one Group



Structural and cultural transformation from within



Our focus:
CLIENTS AND COMMUNITIES



Served by:
PAN-EUROPEAN LOCAL FRANCHISE



Delivering:
BEST-IN-CLASS GROUP PRODUCTS



Supported by:
DIGITAL, DATA AND OPERATIONS

GROUP SCALE LOCAL REACH

Providing clients with **best-in-class products and services** through a seamless experience

Best **understanding of our and partners clients' needs** and providing tailored services through the use of data



Best Bank¹
Italy, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, and CEE

Top Company Germany²

Revise and harmonise coverage model

1 All clients served through our 13 banks through **unified segmentation**

Empower our banks and people

c. 30 hrs **Training** per employee per annum
c. 2,000 hirings, mainly in the front-line, in Italy and Germany since 2022

Enhance omni-channel offering: Branch of the future

c. 550 Refurbished branches in Italy since 2022
New Channels as UCX program, leveraging **Buddybank'** pioneering advantage

Set-up of Group factories

2 **Group factories** already in place (Corporate and Individual) serving all our and partners' clients and a **new Payments** factory just set-up

Boost factories through investment

#1 Investment banking **fees** in core countries³
4 (down from 9) **Rationalised Insurance** partnerships with potential to further streamline and internalise

Enhance offering creating an ecosystem of partners

Azimut Allianz Mastercard onemarkets Fund

Take back control of core competencies

>700 Talents hired in technology since 2022
Reinternalisation of UCS⁴ and ICT core competencies

Optimise machine

c. €230m Integration costs in 1H23
Simplifying processes and targeting non-business efficiencies to **self-fund** transformation in digital and data

Transform to a digital and data driven organisation

New Group insurance and CRM digital platform
44% Data accessible in global **data platform**

PRINCIPLES & VALUES EMBEDDED IN EVERYTHING WE DO



1. Source: 2023 Euromoney excellence award 2. Kununu Top Company award 3. Ranking based on fees in core markets; Source: Dealogic as of July 3rd 2023 4. UniCredit Services S.C.p.A.



A transformed Bank with sustainable competitive advantages

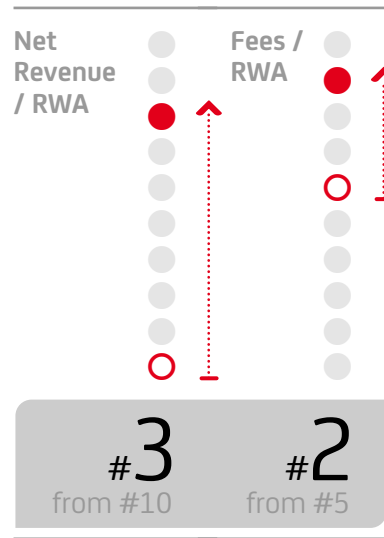


Our industrial transformation moved us from laggards to leaders and more is yet to come

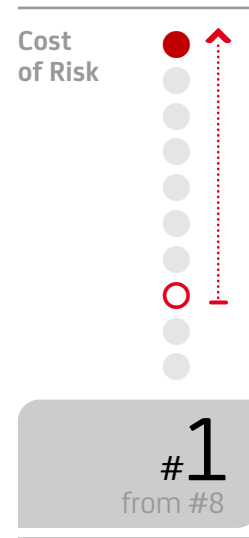
» COST LEADERSHIP



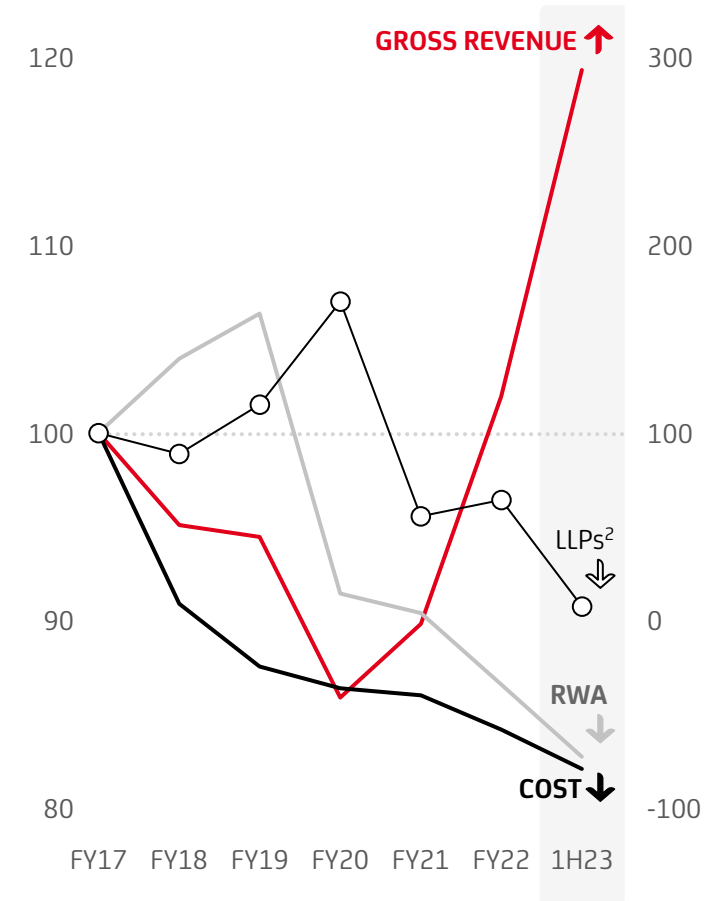
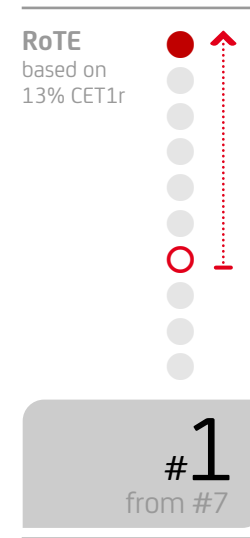
» QUALITY REVENUE GROWTH



» STRUCTURALLY LOWER COR



» CAPITAL EXCELLENCE



1. Ranking from average 17-20 to 1Q23 (RoTE based on 13% CET1r from FY21 due to limited data availability) based on publicly available data collected of our peer group: BBVA, BNP Paribas, Commerzbank, Credit Agricole S.A, Deutsche bank, ING, Intesa Sanpaolo, Santander, Société Générale 2. Stated LLPs scaled at RHS axis



A transformed Bank with sustainable competitive advantages

» COST LEADERSHIP

Absolute cost reduction

Proactively addressing rather than reacting to inflationary pressures we stand out in the industry

Leading operational excellence

Best-in-class cost/income by reducing non-business costs, streamlining processes and removing bureaucracy without affecting but actually propelling revenues

Funding Investments

Continue boosting current and future profitability

» QUALITY REVENUE GROWTH

Quality NII

Prioritising quality growth rather than just volumes, thus creating more sustainable base for the future

Sustainable approach

Quality focus and investments in factories and alternative revenue sources protect top line in any macro

Capital light focus

Fees on revenues now aligned with best-in-class peers with still outstanding growth potential

» STRUCTURALLY LOWER COR

Proven structurally lower CoR

Underlying CoR below 20bps¹ since 1Q21, better than peers' and sustainable in the future thanks to:

- **Quality credit portfolio** with sound coverage and proactive staging
- **Low Gross NPE** at 2.6% with improved mix Y/Y; **net NPE 1.4%**
- Focus on **high-quality origination:** EL of 27bps on New Business and stable 33bps on Stock²

» CAPITAL EXCELLENCE

Deployed capital **above CoE** (77% of RWAs associated to sEVA positive clients³)

Continue progressive and gradual **securitisation program**

Focus on **capital-light** products

Increasing efficiency of **loan back book** as it rolls, currently limiting revenue growth but serves as a **solid base to increase volumes in the future**

1. Average CoR (annualized) 1Q21 – 2Q23 for Group excluding Russia net of overlays

2. Figures refer to 2Q23 ex. Russia, EL on stock at 40bps when including Russia

3. Related to corporate clients

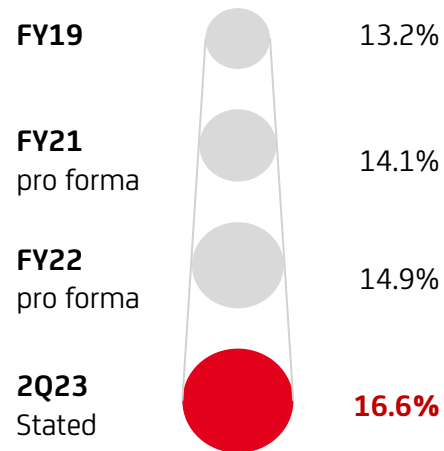


Delivering quality profitable growth: a trusted organisation

A trusted and reliable organisation, with a robust balance sheet

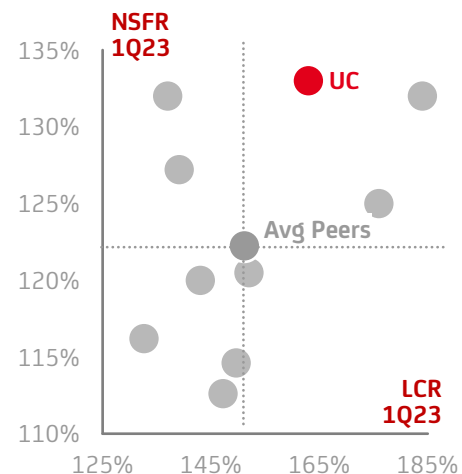
BEST-IN-CLASS CAPITAL POSITION

Continuously growing CET1r while distributing thanks to outsized organic capital generation



STRONG LIQUIDITY RATIOS

Better liquidity ratios than peers¹ and a self-funded balance sheet with **LTD at 90%**



HIGH QUALITY CREDIT PORTFOLIO

Strong credit portfolio with proactive staging

- » **Covered** more than peers² even excluding **overlays** stock of **c.1.8bn**
- » **c.80%** Investment grade exposure³ and only **c.1%** exposure to high-risk sectors³
- » **0.8%** default rate, lowest in recent years even before Covid

451_{bn⁵}

TARGETED INVESTMENTS

Investing wisely preserving long-term profitability

- ✓ **In our people, communities, and client experience:** maintaining a people-led, client-centric approach
- ✓ **In our products:** a fully-fledged offering for all our stakeholders: our clients, people and investors
- ✓ **In efficiency and our technology:** structural and cultural transformation from within

1. Publicly available data (Pillar 3) as of 1Q23; Calculated as simple average of the ratio for the following peers: BBVA, BNP Paribas, Commerzbank, Credit Agricole S.A, Deutsche bank, ING, Intesa Sanpaolo, Santander, Société Générale; UniCredit Group as of 1Q23 for comparison purposes 2. Higher coverage ratio than average peers (same group as previous note) in Stage 1, 2 and 3 as of 1Q23 (latest available) 3. Investment grade incidence based on EaD using differentiated local masterscales, computed on Group excluding Russia perimeter net of Retail and Private, Wealth Management 4. Performed assessment on selected Enterprises portfolio. See Annex for additional details. Total EaD reported including only Enterprises and Individuals segments 5. Total Net Customer Loans (incl. Repos)



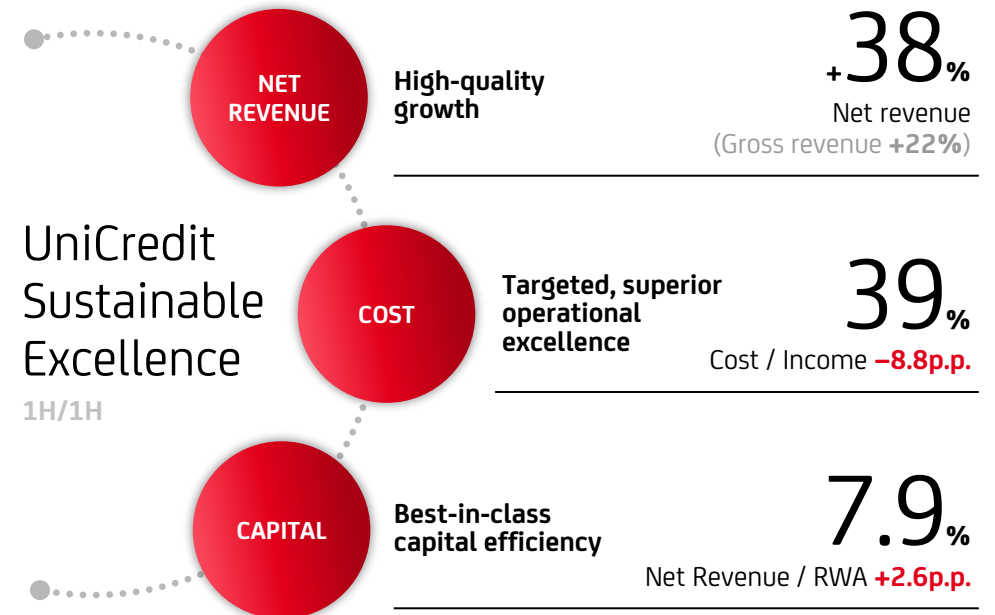
1H23 – 10th consecutive quarter of outstanding results

10th consecutive quarter of effectively balancing our three levers to deliver sustainable profitable quality growth, underpinning future distributions

KEY METRICS

In million	2Q23	Y/Y	Q/Q	1H23	1H/1H
Net Revenue	5,946	+24%	+2%	11,783	+38%
o/w NII	3,497	+41%	+6%	6,795	+42%
o/w Fees	1,905	-1% <small>+2% ex CAFR²</small>	-5% <small>-2% ex CAFR²</small>	3,901	-1% <small>Stable ex CAFR²</small>
o/w LLP	-21	n.m.	-78%	-114	-91%
Total Costs	-2,328	-1%	+0%	-4,655	-1%
GOP	3,639	+50%	+1%	7,242	+42%
Net Profit <small>2.5bn ex integration costs</small>	2,310	+15%	+12%	4,374	+92% <small>4.5bn ex integration costs</small>
C/I Ratio	39%	-10.3p.p.	-0.2p.p.	39%	-8.8p.p.
RWA EoP (bn)	295	-7%	-1%	295	-7%
RoTE based on 13% CET1r	21.3%	+4.4p.p.	+0.9p.p.	20.8%	+11.2p.p.
CET1r Stated¹	16.6%			16.6%	

1H23 HIGHLIGHTS ACROSS OUR 3 LEVERS



All figures related to Group incl. Russia unless otherwise specified

1. Considering full FY22 distribution and 1H23 Cash dividend accrual

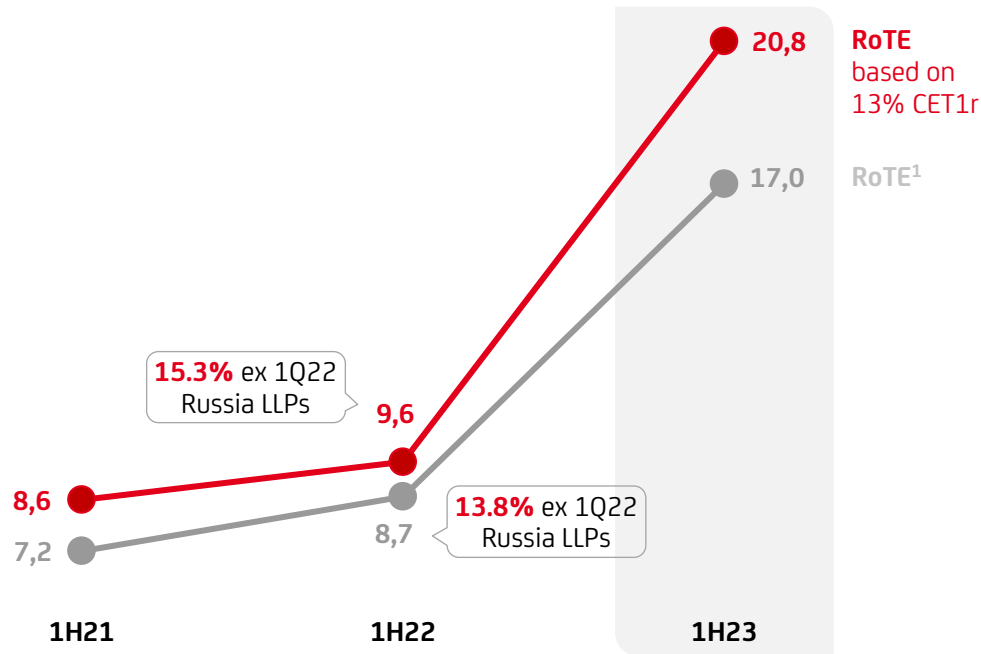
2. CAFR = Current Account Fee Reduction in Italy



Outstanding value generation for shareholders

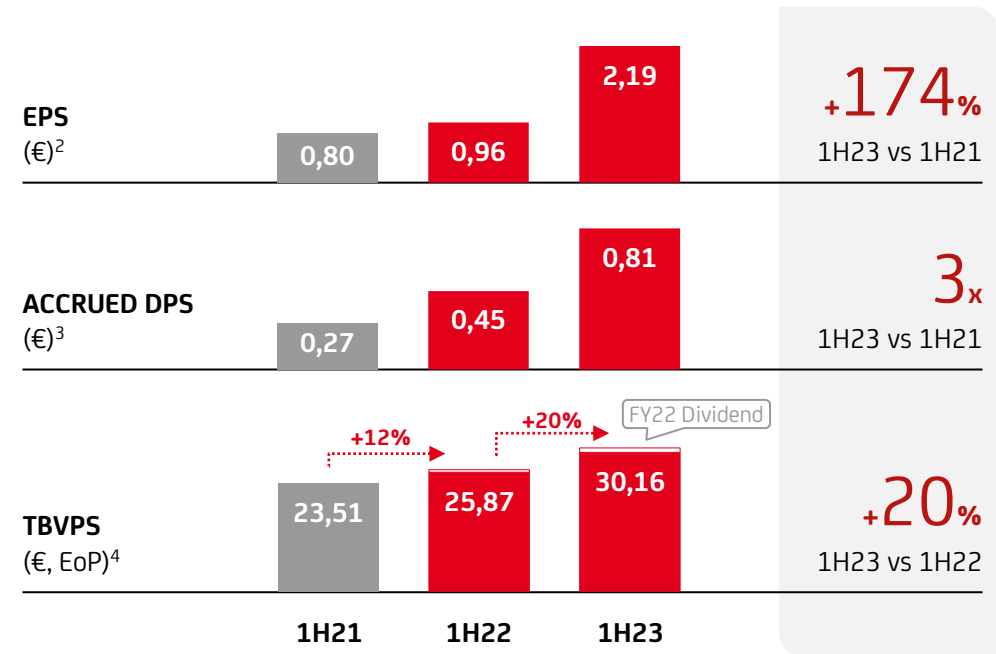
Continuing to improve our profitability

CONFIRMING STRONG ROTE TRAJECTORY AND LEAPFROGGING OUR PEERS



Delivering on our commitment

PROGRESSIVE CASH DIVIDENDS AND SHARE BUYBACKS TO INCREASE PER SHARE VALUES IN THE FUTURE



All figures related to Group incl. Russia unless otherwise specified

1. RoTE calculated with UniCredit Unlocked methodology (see end notes for details/definition) 2. Diluted EPS (see end notes for details/definition)

3. Accrued DPS calculated on the basis of the cash dividend accrual policy of the reference period (1H21: 30% of Group Underlying Net profit; 1H22: 35% of Group excl. Russia Net profit after AT1&Cashes coupons; 1H23: 35% of Net profit after AT1&Cashes coupons; please see end notes for further details) 4. Growth rate include DPS paid in the period





3

Overview of Bank Austria Group



Bank Austria – at a glance

Key information

- **Member of UniCredit since 2005**
- **Leading corporate bank and one of the largest retail banks in Austria**
- **~ 4,900 FTE and 104 branches** in Austria
- **Excellent capital base** (18.4% CET1 ratio¹⁾)
- **Stable liquidity** with a perfect balance between customer loans and direct funding
- **High market shares²⁾** in Austria (Loans: 12%, Deposits: 12%)
- Issuer/Deposit **Ratings** at A3/A2 (Moody's) and BBB+ (S&P); Counterparty Ratings at A2 (Moody's) and A- (S&P)

(in € billion)	Jun-23	Dec-22
Total Assets	113.7	107.3
Customer Loans	65.7	66.2
Direct Funding	71.1	72.3
Equity	9.9	9.4
(in € million)	1H23	1H22
Operating income	1,268	909
Operating costs	-518	-534
LLP	29	49
Net profit	565	288
Cost / income ratio	40.9%	58.8%
	Jun-23	Dec-22
CET1 capital ratio ¹⁾	18.4%	17.4%
Total capital ratio ¹⁾	22.3%	21.1%
Non-performing exposure ratio	3.1%	3.0%
Coverage ratio	43.0%	48.4%
Cost of risk	-9 bp	-15 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 104 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

- **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**



P&L of Bank Austria Group

Excellent profitability, based on a robust operative performance

Profit & Loss Development

- **Operating income** +40% y/y, driven mainly by strong net interest, supported by rising market rates
- **Operating costs** -3% lower y/y, due to continued strong cost discipline and further FTE reduction; significant improvement of cost/income ratio to 40.9%
- **Net write-downs of loans** positive (due to releases) at € +29m (1H22: € +49m), confirming excellent asset quality
- **Non-operating items** decreased to € -76m, of which € -75m systemic charges
- **1H23 Group Net Profit** at strong € 565m (vs. € 288m in 1H22)
- **Cost/income ratio: improved significantly** by about 18 p.p. to **excellent 40.9%**
- **RoAC** also improved to outstanding **20.8%**

Bank Austria Group

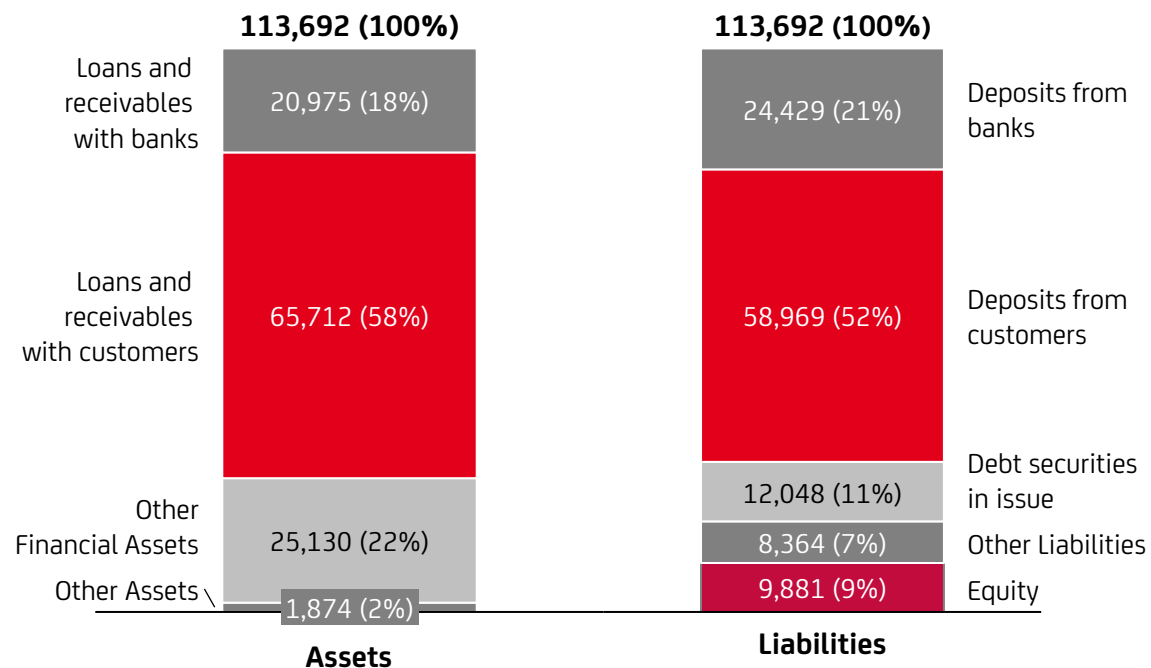
(€ million)

	1-6/ 2023	1-6/ 2022	y/y
Operating income	1,268	909	39.6%
Operating costs	-518	-534	-3.0%
Operating profit	750	374	>100%
Net write-downs of loans	29	49	-40.2%
Net operating profit	780	424	84.0%
Non-operating items	-76	-104	-27.3%
Profit (loss) before tax	704	320	>100%
Group Net Profit	565	288	95.7%
Cost/income ratio	40.9%	58.8%	-17.9 p.p.
Return on Allocated Capital (RoAC)	20.8%	10.5%	+10.3 p.p.



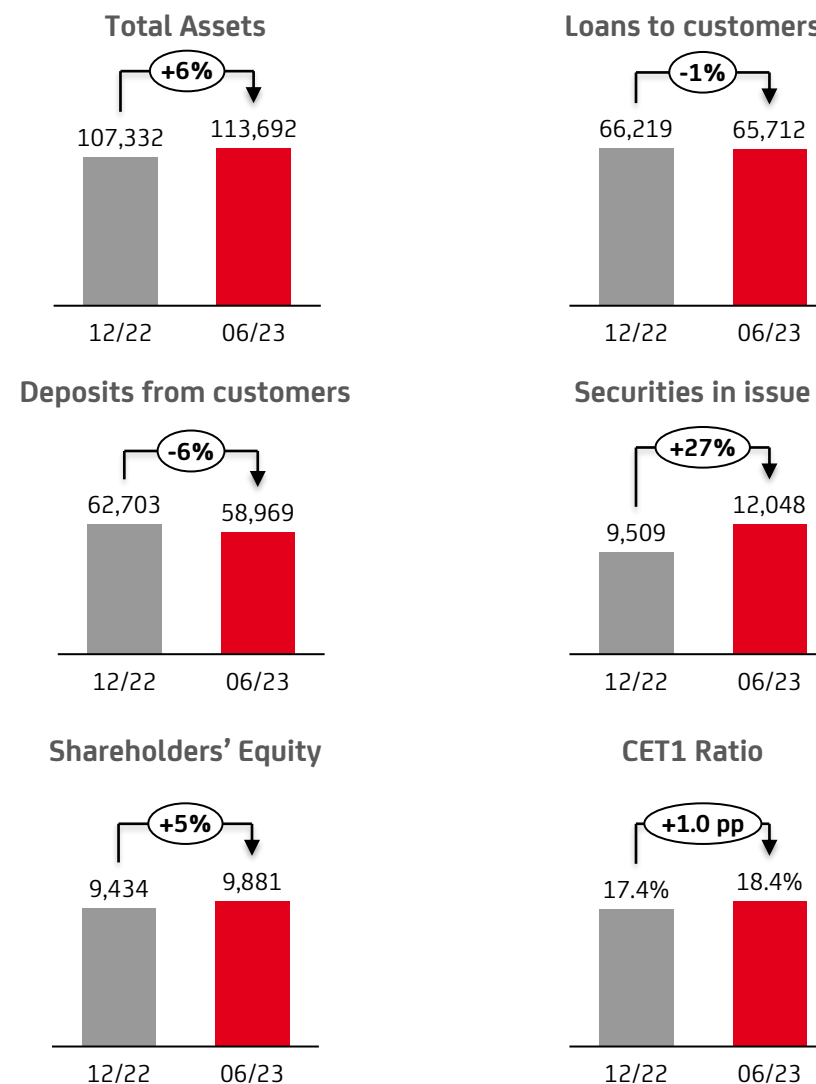
Balance Sheet structure of Bank Austria Group (as of 30 June 2023)

Balance Sheet (€ m)



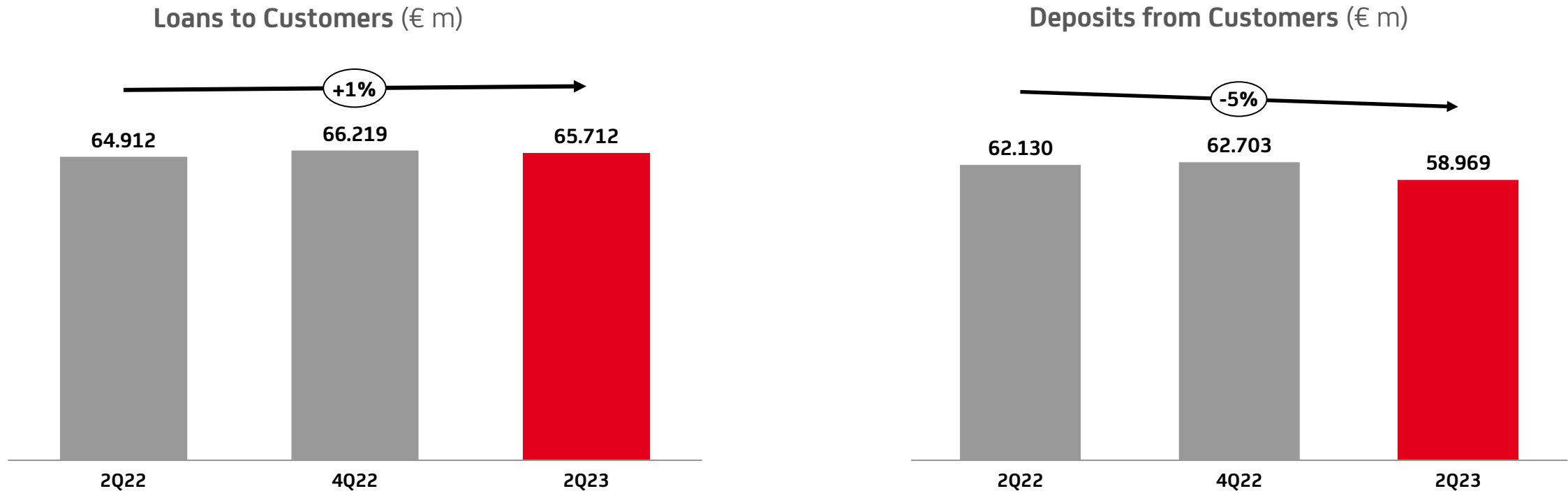
- **Balance sheet** reflects a **classical commercial bank**, with large shares of loans and deposits (details see next page)
- Further current developments include the repayment of € 5.4bn of TLTRO as well as 3 larger security issues (two covered bonds (incl. BA's second Green Bond) and a senior non-preferred bond)
- **Higher capital base** with net equity up at **€ 9.9bn**, mainly due to inclusion of 2022 profit

Change vs. 31 December 2022



Loans and Deposit Volumes – Bank Austria Group

Well-balanced development of loans and deposits



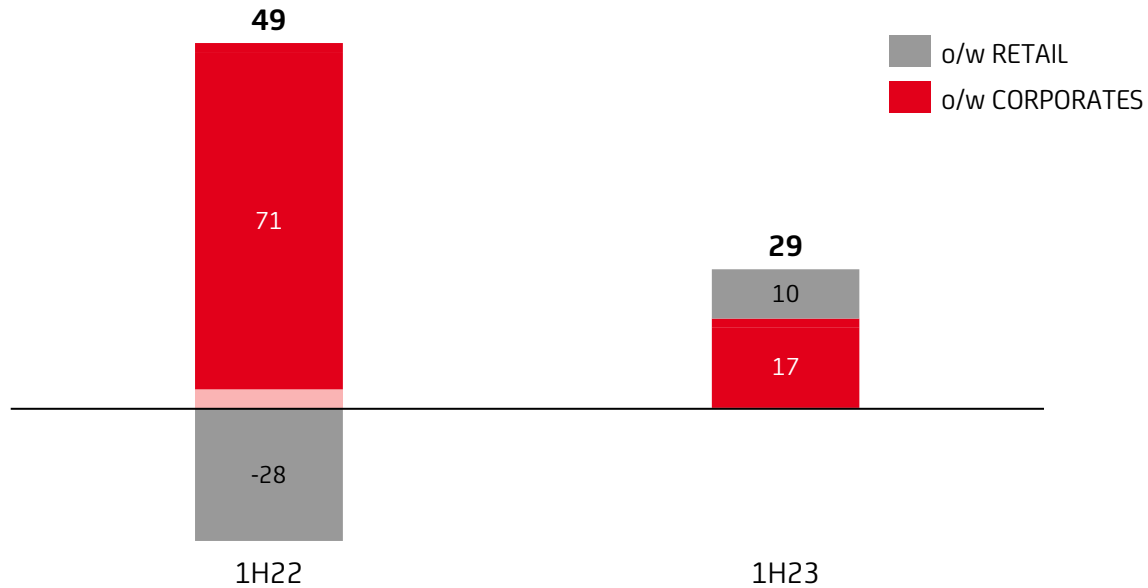
- **Loans to customers** increased y/y by 1% to € 65.7bn, mainly driven by Corporates – with Retail stock remaining relatively stable, new loans affected by macroeconomic environment and more restrictive regulation
- **Deposits from customers** decreased by 5% to € 59bn, with reductions in particular in sight deposits in Corporates



Loan Loss Provisions and Asset Quality – Bank Austria Group

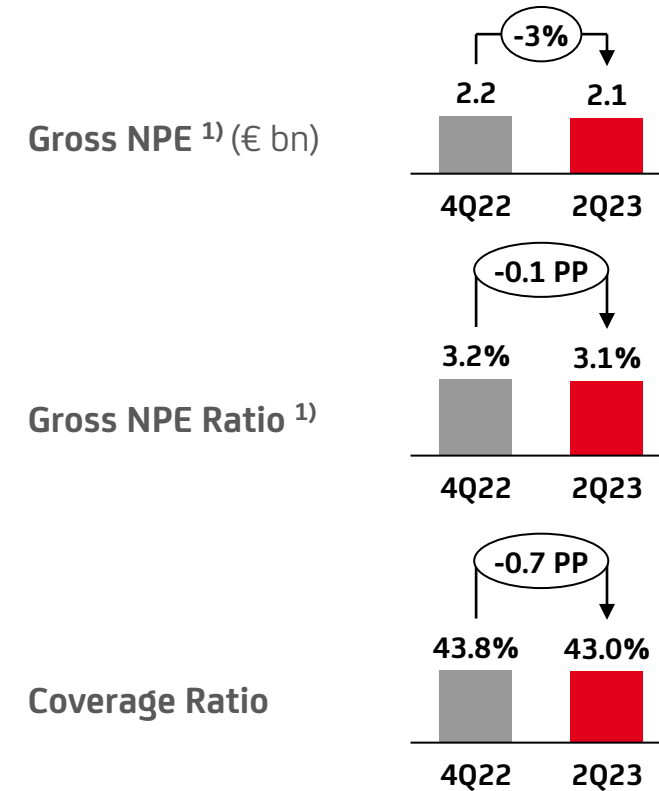
Ongoing solid asset quality, improvement of NPE Ratio vs. YE22

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



- With €+29m, positive contribution from LLPs, mainly due to net write-backs both in Corporates (€+17m) and in Retail (€+10m)

Asset Quality



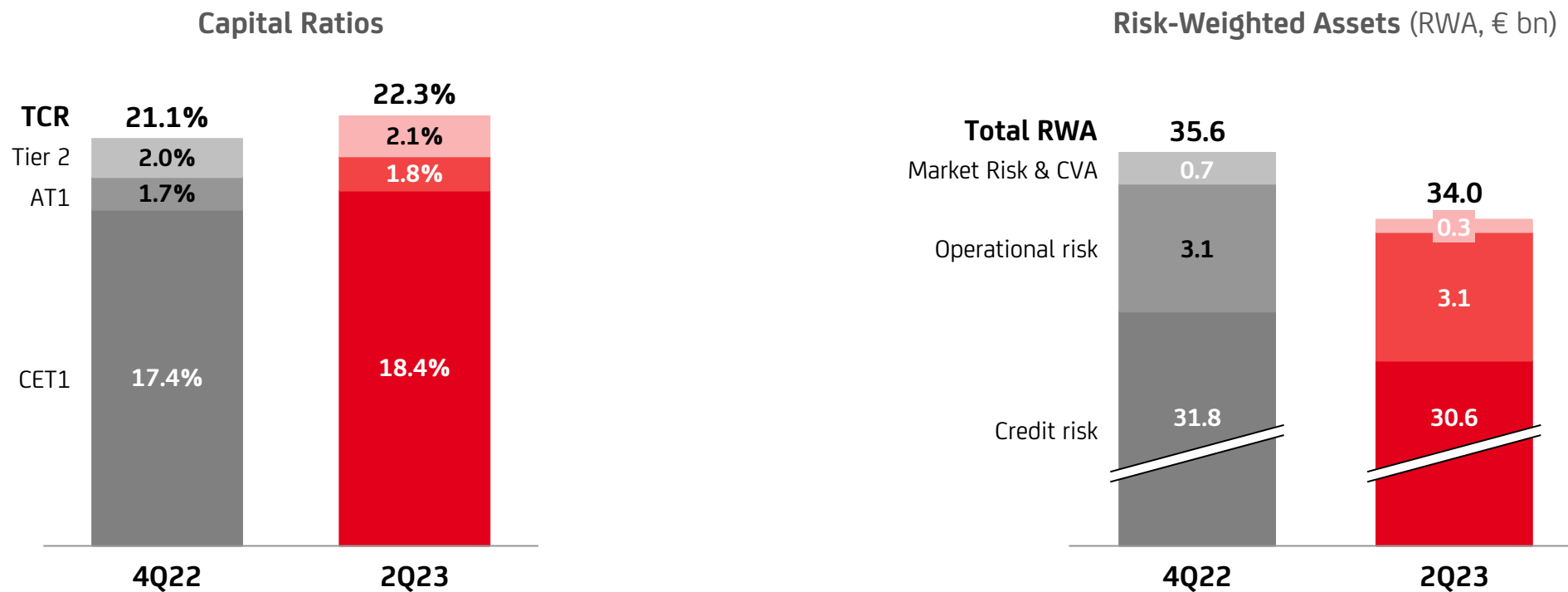
- **Gross NPE volume:** slight in 1H23, due to low inflow and strong repayments, resulting in an improvement of the **NPE Ratio to 3.1%**
- **Coverage Ratio:** slight reduction partially driven by new NPE, partly fully collateralized

¹⁾ NPE = Non-Performing Exposure; on-balance volumes (non-banks) only



Capital Ratios and RWA – Bank Austria Group

Further improved capital ratios



- **CET1 (Common Equity Tier 1) Ratio increased clearly to 18.4%**, well above regulatory requirements
- **Total Capital Ratio** at excellent **22.3%**, increase vs. 4Q22 due to lower RWA (see below)
- **Total RWA** decreased by € 1.6bn to **€ 34.0bn**, mainly due to lower credit risk, driven by the implementation of capital efficiency measures, rating improvements in the customer business, and the use of the modified local LGD models
- **Leverage Ratio** at strong **5.7%**; also significantly above regulatory requirements





4

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%)



Mortgage Cover Pool

Overview and Yearly development

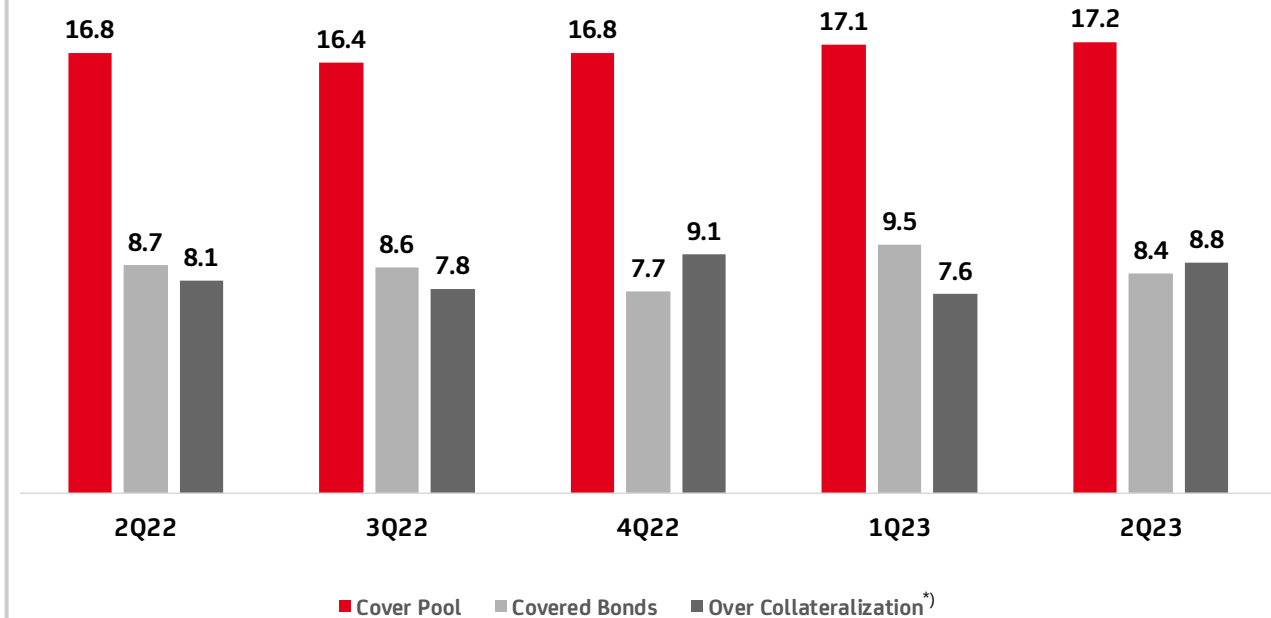
Total Value of the Cover Pool (Primary Coverage)

as of 30 June 2023: **17,187 million**

- of which Loans: 17,168 million
- of which Bonds: 19 million

- Focus on **Austrian mortgages**
- **Moody's-Rating: Aaa**
- **ECBC Covered Bond Label**)**
- **No foreign currency risk (only EUR exposures in the cover pool)**

(€ billion)



^{*)} Contains 2% legal overcollateralisation of the notional amount of the covered bonds, the remaining part is not bound

^{**)} <https://www.coveredbondlabel.com/issuer/60-unicredit-bank-austria-ag>



Mortgage Cover Pool

Parameters of Cover Pool and Issues

Parameters of Cover Pool^{*)}

Weighted Average Life (in years including Amortization)	10.6
Contracted Weighted Average Life (in years)	17.5
Average Seasoning (in years)	5.7
Total Number of Loans	64,644
Total Number of Debtors	56,079
Total Number of Properties	48,079
Average Volume of Loans (€ million)	0.3
Stake of 10 Biggest Loans	9.0%
Stake of 10 Biggest Debtors	10.1%
Stake of Bullet Loans	18.2%
Stake of Fixed Interest Loans	46.0%
Average Interest Rate	3.1%
Average Loan-to-Value	45.2%
Stake of Defaulted Loans	0.0%
Stake of Loans 90 Days Overdue	0.0%

Liquidity buffer

Covered Liquidity buffer requirement (€ million)	0.0
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Parameters of Issues

Total Number	68
Average Residual Maturity (in years)	4.1

^{*)} Without bonds

LTV = Loan-to-Value

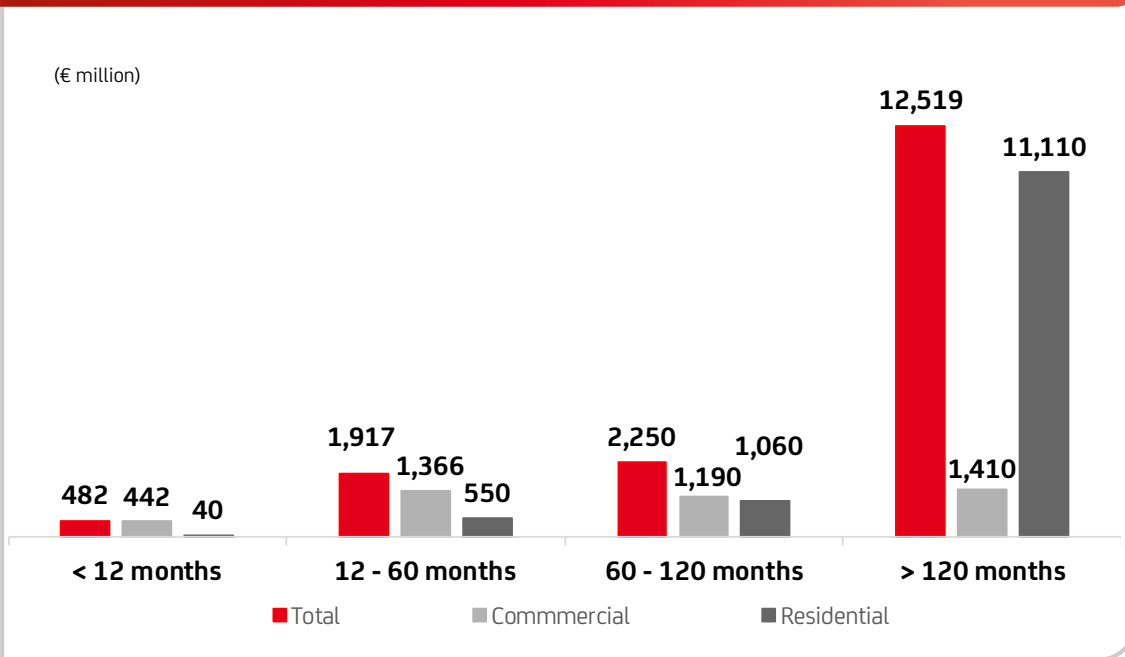
The valuation method for the cover assets is in accordance with § 6 (4) PfandBG



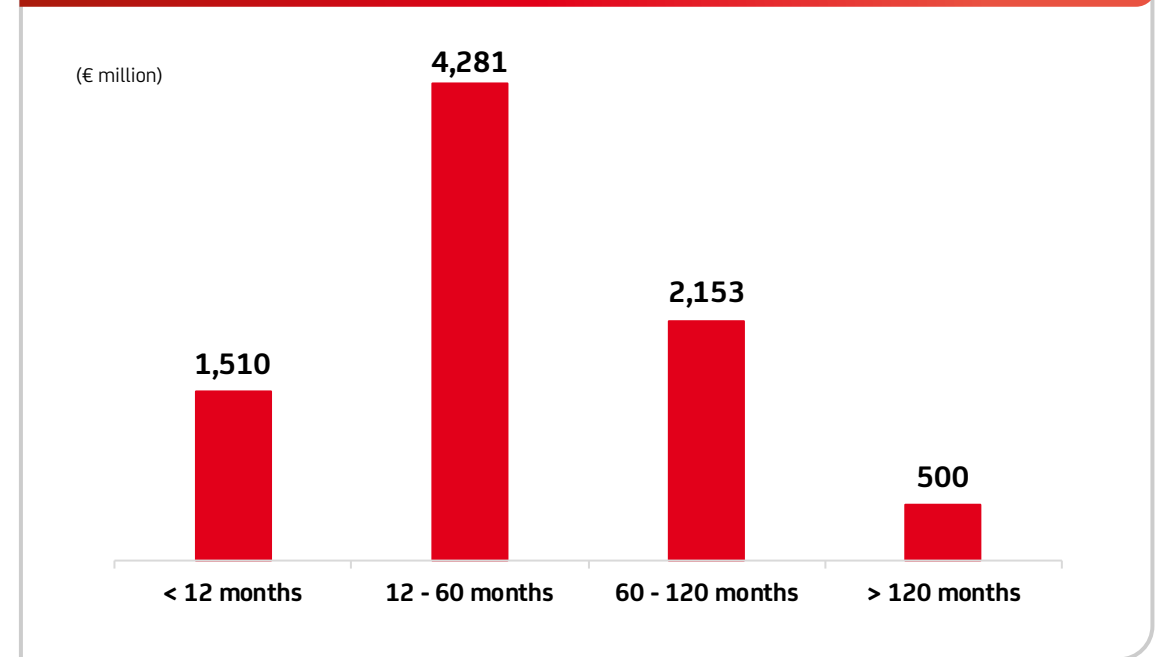
Mortgage Cover Pool

Maturity Structure of Cover Pool and Issues

Maturity of assets in the cover pool^{*)}



Maturity of issued covered bonds^{**)}



^{*)} Without consideration of the repayment and without bonds

^{**)} A list of Pfandbriefe and covered bonds of UniCredit Bank Austria AG (including the ISINs of all issues and information on the soft/hard bullet structure) can be found on the Covered Bond Label website (<https://www.coveredbondlabel.com/issuer/60-unicredit-bank-austria-ag>).

The base prospectus for the EMTN program, including the conditions of a potential postponement of maturity, is available on the UniCredit Bank Austria website (<https://www.bankaustria.at/en/about-us/issues-under-base-prospectuses-base-prospectuses.jsp>).

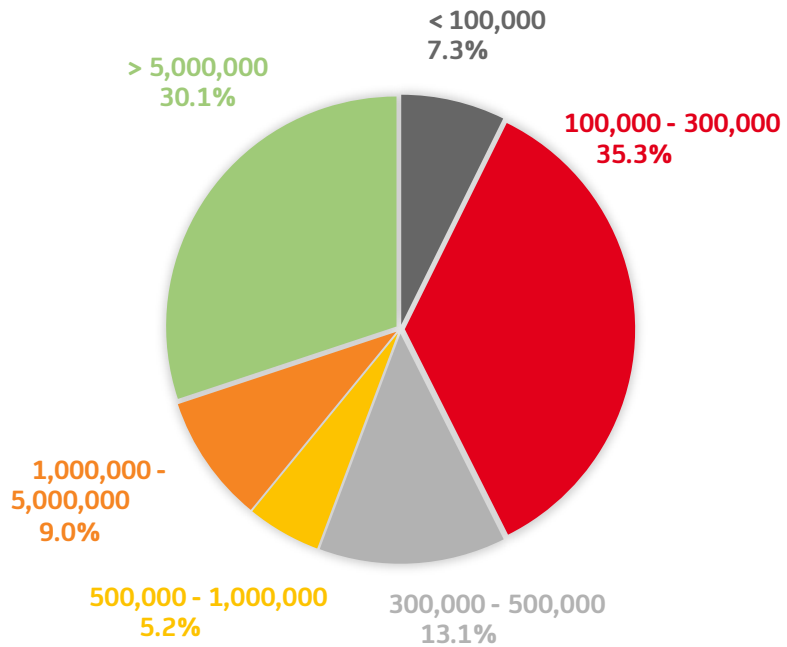
A list of covered bonds with the designation "European Covered Bonds (Premium)" can be found on the website of the Austrian Financial Market Authority (<https://www.fma.gv.at/en/banks/fma-disclosure/other-disclosure-items/>).



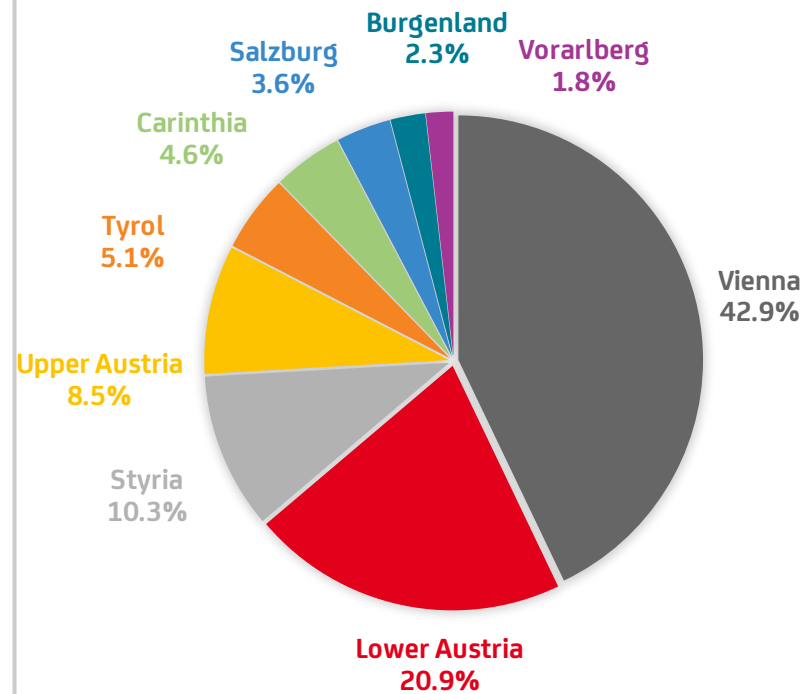
Mortgage Cover Pool

Breakdown of Mortgages by Size, Region and Type of Use^{*)}

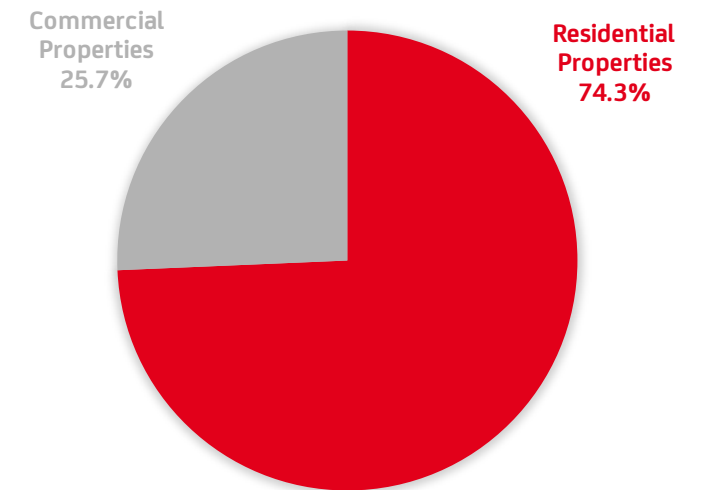
Breakdown by size of assets



Regional Breakdown Austria



Breakdown by type of use



^{*)} Without bonds



Public Sector Cover Pool

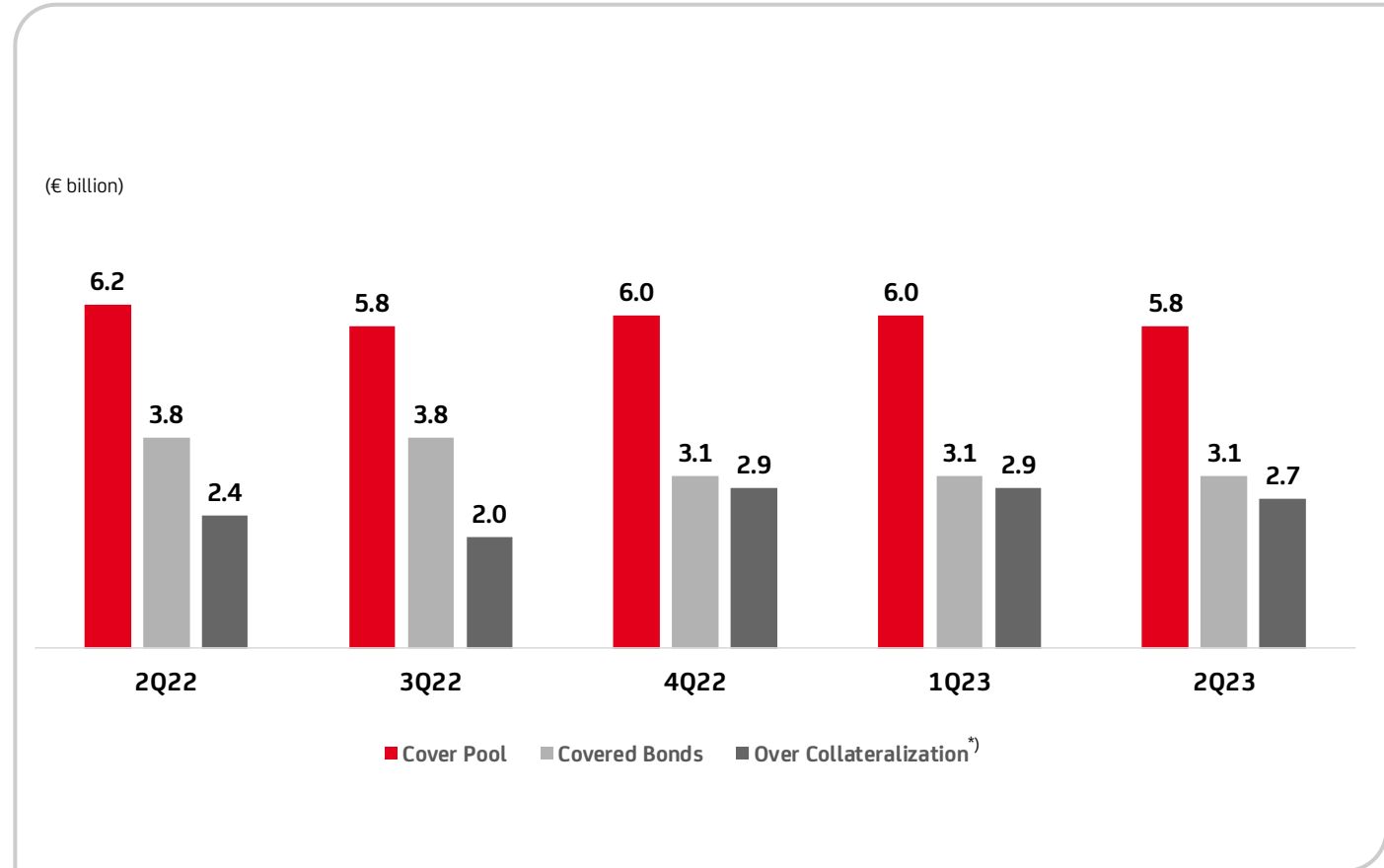
Overview and Yearly Development

Total Value of the Cover Pool (Primary Coverage)

as of 30 June 2023: **5,820 million**

- of which Loans: 5,256 million
- of which Bonds: 564 million

- Focus on **purely Austrian claims**
- **Moody's-Rating: Aaa**
- **ECBC Covered Bond Label**)**
- **No foreign currency risk (only EUR exposures in the cover pool)**



^{*)} Contains 2% legal overcollateralisation of the notional amount of the covered bonds, the remaining part is not bound

^{**)} <https://www.coveredbondlabel.com/issuer/60-unicredit-bank-austria-ag>



Public Sector Cover Pool

Parameters of Cover Pool and Issues

Parameters of Cover Pool

Weighted Average Life (in years including Amortization)	9.1
Contracted Weighted Average Life (in years)	14.5
Average Seasoning (in years)	6.8
Total Number of Loans	4,417
Total Number of Debtors	2,120
Total Number of Guarantors	310
Average Volume of Loans (€ million)	1.3
Stake of 10 Biggest Loans	23.9%
Stake of 10 Biggest Guarantors	31.4%
Stake of Bullet Loans	31.3%
Stake of Fixed Interest Loans	58.9%
Average Interest Rate	2.6%
Stake of Defaulted Loans	0.0%
Stake of Loans 90 Days Overdue	0.0%

Liquidity buffer

Covered Liquidity buffer requirement (€ million)	0.0
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Parameters of Issues

Total Number	25
Average Residual Maturity (in years)	2.6

The valuation method for the cover assets is in accordance with § 6 (4) PfandBG

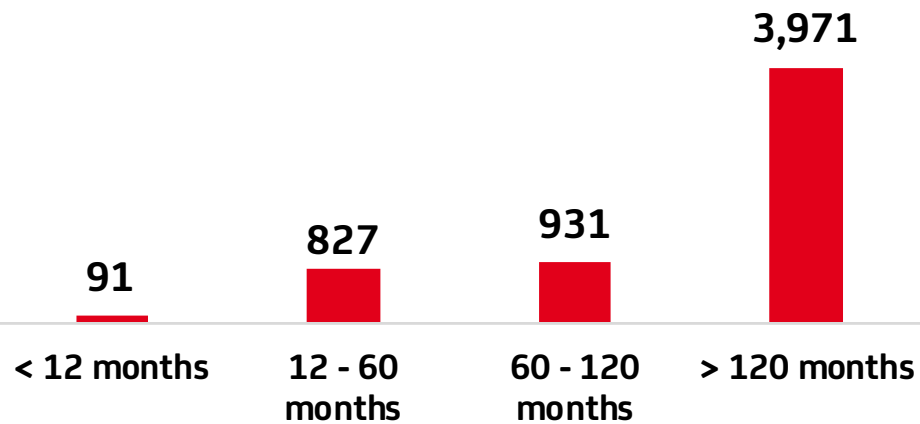


Public Sector Cover Pool

Maturity Structure of Cover Pool and Issues

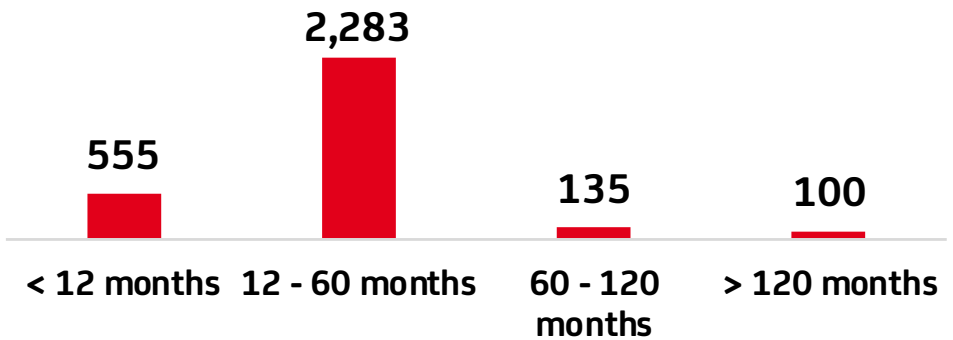
Maturity of assets in the cover pool^{*)}

(€ million)



Maturity of issued covered bonds^{**)}

(€ million)



^{*)} Without consideration of the repayment

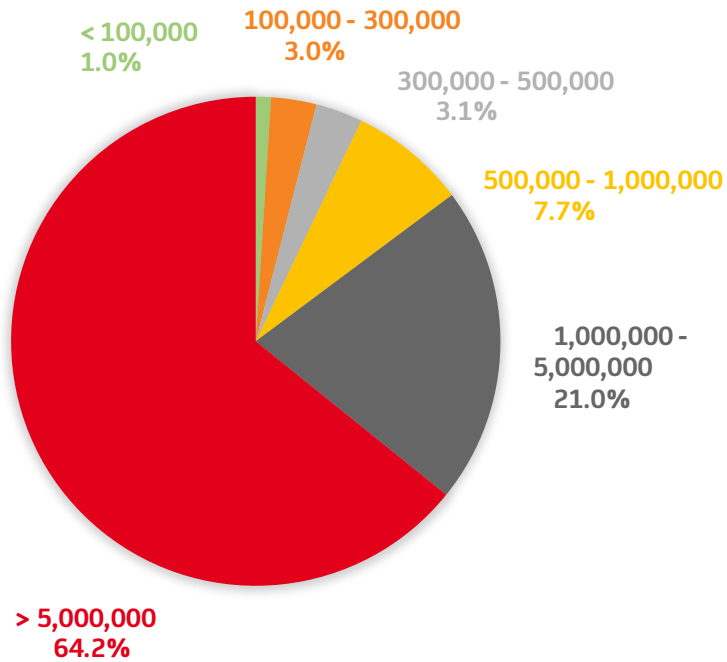
^{**)} A list of Pfandbriefe and covered bonds of UniCredit Bank Austria AG (including the ISINs of all issues and information on the soft/hard bullet structure) can be found on the Covered Bond Label website (<https://www.coveredbondlabel.com/issuer/60-unicredit-bank-austria-ag>). The base prospectus for the EMTN program, including the conditions of a potential postponement of maturity, is available on the UniCredit Bank Austria website (<https://www.bankaustria.at/en/about-us-issues-under-base-prospectuses-base-prospectuses.jsp>). A list of covered bonds with the designation "European Covered Bonds (Premium)" can be found on the website of the Austrian Financial Market Authority (<https://www.fma.gv.at/en/banks/fma-disclosure/other-disclosure-items/>).



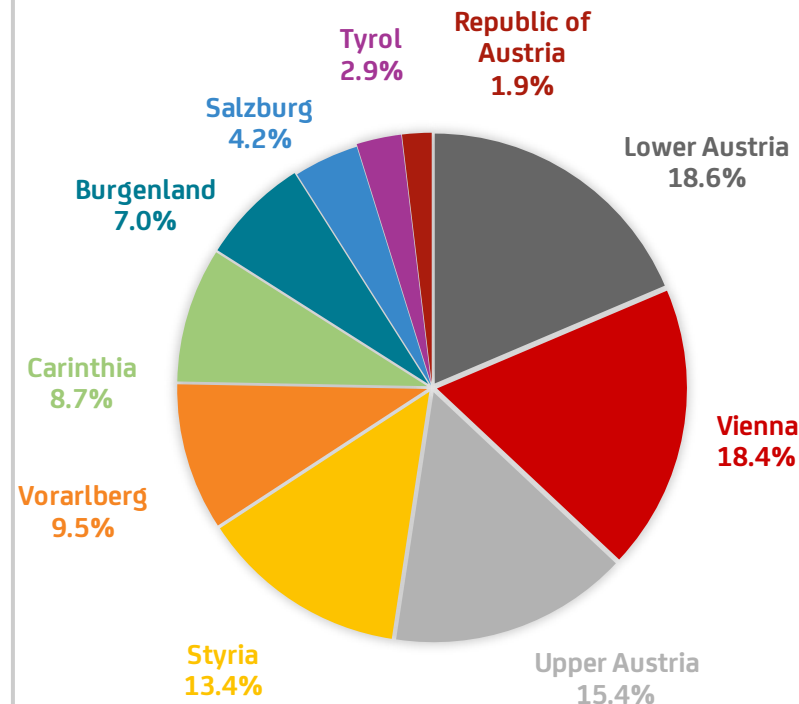
Public Sector Cover Pool

Breakdown of Assets by Size, Region and Type of Debtor / Guarantor

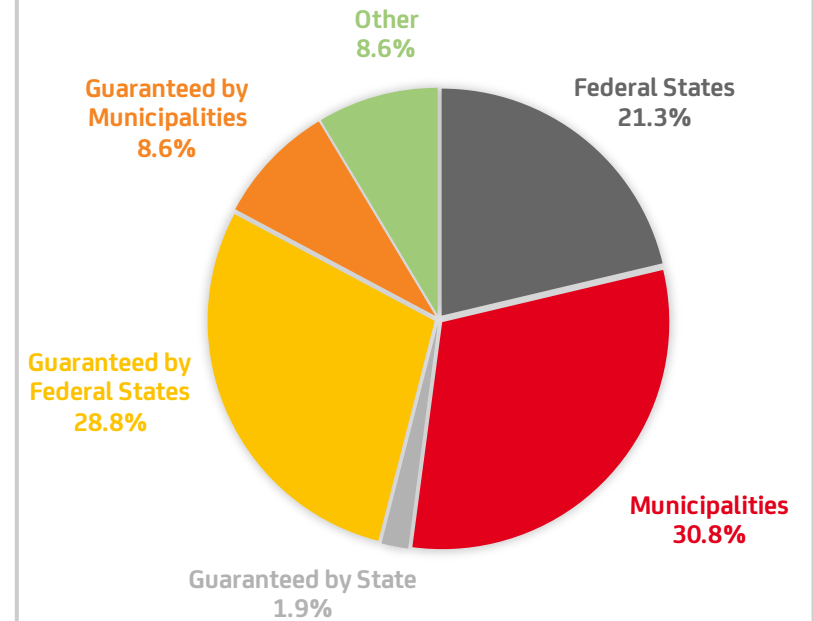
Breakdown by size of assets



Regional Breakdown Austria^{*)}



Breakdown by type of debtor/guarantor



^{*)} Considering Guarantors





5

Annex

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

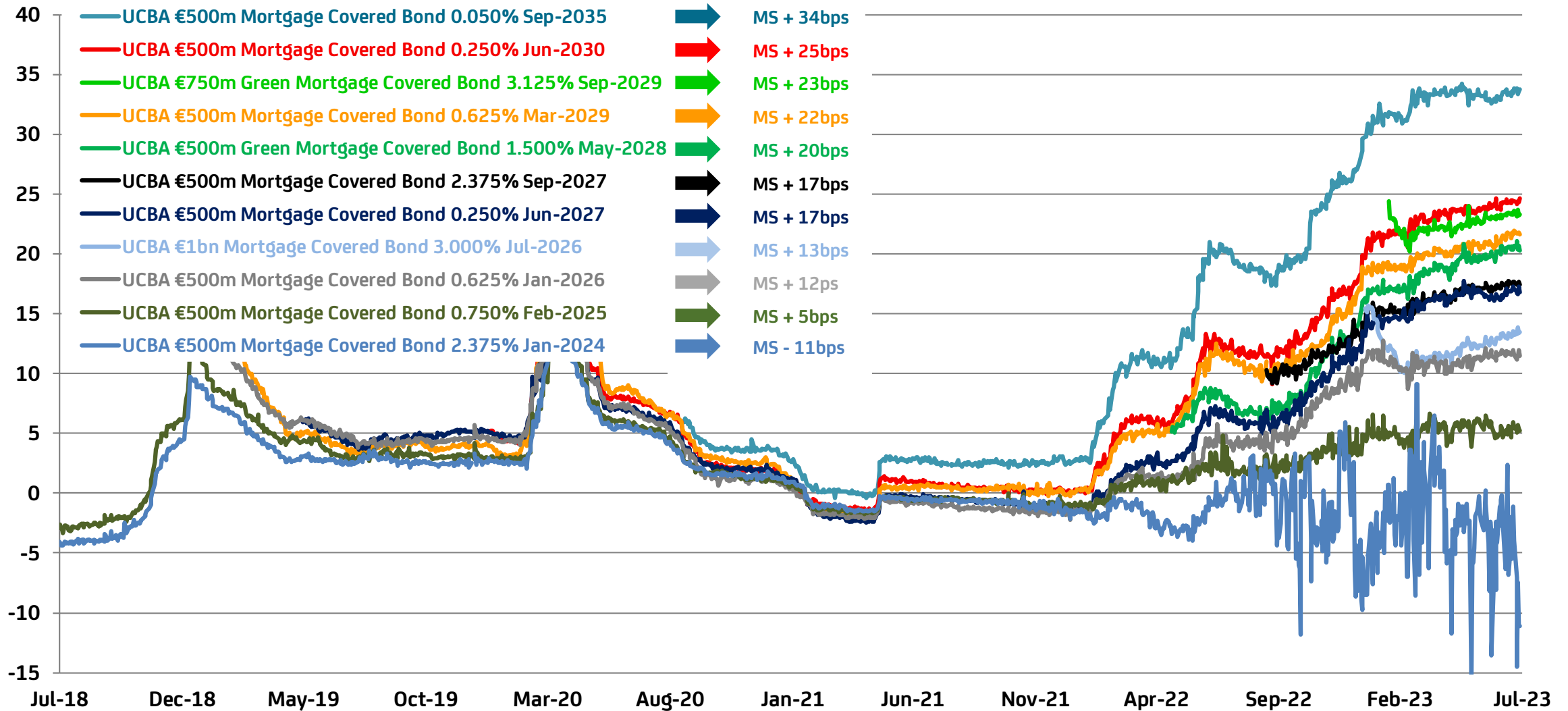


Overview of Bank Austria's outstanding Pfandbrief Benchmark Issues

Type of Pfandbrief	Interest rate	Due date (dd/mm/yyyy)	Volume	Date of issuance	Mid Swap + number of basis points
Green Mortgage Pfandbrief: AT000B049945	3.125%	21/09/2029	€ 750m	Feb. 2023	MS + 26bps
Mortgage Pfandbrief : AT000B049937	3.00%	31/07/2026	€ 1 bn	Jan. 2023	MS + 17bps
Mortgage Pfandbrief: AT000B049929	2.375%	20/09/2027	€ 500m	Sept. 2022	MS + 10bps
Green Mortgage Pfandbrief: AT000B049911	1.50%	24/05/2028	€ 500m	May 2022	MS + 6bps
Mortgage Pfandbrief: AT000B049846	0.05%	21/09/2035	€ 500m	Sept. 2020	MS + 9bps
Mortgage Pfandbrief: AT000B049796	0.25%	21/06/2030	€ 500m	Jan. 2020	MS + 6bps
Mortgage Pfandbrief: AT000B049788	0.25%	04/06/2027	€ 500m	June 2019	MS + 7bps
Mortgage Pfandbrief: AT000B049754	0.625%	20/03/2029	€ 500m	March 2019	MS + 15bps
Mortgage Pfandbrief: AT000B049739	0.625%	16/01/2026	€ 500m	Jan. 2019	MS + 18bps
Mortgage Pfandbrief: AT000B049572	0.75%	25/02/2025	€ 500m	Feb. 2015	MS + 3bps
Mortgage Pfandbrief: AT000B049465	2.375%	22/01/2024	€ 500m	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/ Deposits	Long-Term/ Senior Unsecured	Short-Term	Subordinated ¹⁾	Counterparty Risk	Long-Term	Short-Term	Subordinated ¹⁾
Bank Austria²⁾	A2	A3 Negative	P-1	Baa3	A1 / P-1	A- / BBB+³⁾	BBB+ Stable	A-2	BBB-	A-	-	-	-
Public Sector Covered Bond	Aaa										-	-	
Mortgage Covered Bond	Aaa										-	-	
UniCredit S.p.A.	Baa1	Baa1 Negative	P-2	Baa3	Baa1 / P-2	BBB	BBB Stable	A-2	BB+	BBB+	BBB Stable	F2	BB+

(as of 1 August 2023)

¹⁾ Subordinated (Lower Tier II)

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 Baa1

³⁾ A- for insured deposits



Austrian Real Estate Market

Overview

- In the **1st half of 2023**, the **investment volume** in Austria was approx. **€ 1.0 billion** (2022 total: € 4.1 billion) – the weakest result over the last 10 years. While some processes initiated in the previous year were still completed in 1Q23, significantly fewer transactions took place in 2Q23, which is mainly due to the increasing interest rates
- The trend of increasing **residential real estate prices** was interrupted in **4Q22**, with prices recording a **downward trend** across Austria **for the first time in a long period**. In **2023**, prices across Austria changed by around **-2.3%** compared to the previous year 2022. Construction costs have risen by a total of about 21% since 2020
- In **2023**, the Austrian economy is in a state of **stagnation** with a **still high inflation rate** and a slightly **rising unemployment rate**. In 2024, however, the economic situation is expected to relax and both indicators are forecasted to decline
- The **further forecast** for the various asset classes has to be regarded in a differentiated manner: In **Office** real estate, the focus will be on **ESG-compliant buildings** with modern space in prime locations. For the Austrian **Logistics** market, the **positive trend** of 2022 **continues**, with a faster stabilization. The **Retail** sector continues to struggle with **hurdles** such as **inflation** and the **loss of purchasing power**, and has been hit hard by the **current wave of insolvencies**. This is driving the growth in **popularity of discounters**, which are expanding their branch network. Furthermore, an **expansion of the entertainment sector** is noticeable. **Hotel** performance has developed positively recently, so that a **full recovery of the hotel market** can be assumed in 2023. Due to still high costs, the trend towards budget/economy hotels and serviced apartments continues. The **Residential** market remains under the impact of **high construction and financing costs, inflation** and the more **restrictive financing policy**, so that many developments are currently on hold



Austrian Real Estate Market

Prices for residential real estate

- The trend of increasing prices for residential real estate was interrupted in the 4Q22, when price increases declined for the first time after a long period. The high interest rate level and stricter lending guidelines will probably lead to a further flattening of the prices
- The **prices for residential real estate declined** slightly in **2Q23**, compared to the previous year in Austria at around -2.3% p.a., in Vienna even at around -3.1%
- In the next few years, construction activity will decrease, the population will continue to grow and the number of one-person-households will increase, which will intensify the pressure on the housing market overall

Source: OeNB, Technical University Vienna, Department für Raumplanung



Austrian Real Estate Market

Investment Property Databank (IPD)

- Prime yields across all asset classes have been risen by an average of around 100 basis points in Austria over the past 12 months and are expected to rise further by the end of the year, albeit to a lesser extent than before
- Another interest rate step by the ECB is currently expected in order to combat the ongoing high inflation rate. Accordingly, further yield adjustments will also be necessary in order to widen the yield gap to the 10-year Austrian Government Bonds and to compensate the higher investment risk in real estate investments
- So far, hardly any distress sales or restructurings have been observed on the market. However, it can be assumed that such scenarios will become more frequent in the short and medium term due to expiring financing and thus – across all asset classes – more supply will come onto the market
- ESG will play a more significant impact in real estate business in the future. – Many investors are willing to pay a price premium for ESG-compliant properties

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

- | | |
|--|-------|
| • Office top yield in 2Q223 | 4.25% |
| • Yield of Austrian Government Bonds (10Y) | 3.16% |
| • Spread | 1.09% |



Austrian Covered Bond Law

Mortgage and Public Sector Covered Bonds

- On 8 July 2022, the **new Covered Bond Law** (*Pfandbriefgesetz - PfandBG*) entered into force in Austria. The Covered Bond Law is based on an EU Directive, which harmonized the rules for Covered Bonds within the EU
- The Covered Bond Law offers investors in Mortgage and Public Covered Bonds a **safety net** by i.a. the following provisions:
 - The issuer has to maintain an **overcollateralization** of at least 2 % of the nominal amount of the Covered Bonds issued at all times
 - The credit institution must at any time maintain a **liquidity buffer**, which covers the net liquidity outflows of the respective Covered Bond Program over the next 180 days
 - Each credit institution, which issues covered bonds, is obligated to appoint an internal or external **Trustee**
 - In case of insolvency of the issuer, the **assets in the Cover Pool are being separated** from the rest of the assets and the holders of Public Covered Bonds or Mortgage Covered Bonds have a preferential claim on the cover assets. A special cover pool administrator will then be appointed to manage the cover pools
- Covered Bonds are declared as **gilt-edged** under Austrian Civil Law



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UniCredit Bank Austria AG, Vienna
as of August 3, 2023

