

Presentation to Fixed Income Investors

Bank Austria

Vienna, March 2023

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 € 104 bn** (as of 31 December 2022), 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 17.4%** ¹⁾





UniCredit Group



Transformed and positioned to win

A RECORD YEAR, WELL AHEAD OF UNICREDIT UNLOCKED AND PROTECTING THE FUTURE

OUTSTANDING RESULTS ...

RECORD 4Q AND
BEST FULL YEAR
RESULTS



+13%

NET REVENUE, VS FY21

-2%

COST, VS FY21

+279 bps

ORGANIC CAPITAL GENERATION

8

CONSECUTIVE QUARTERS OF Y/Y GROWTH

Ongoing industrial transformation propelling these – and future – results

12.3%

RoTE @13% CET1r

14.9%

CET1,
Post 2022 distribution¹

5.2 bn

NET PROFIT
Post AT1 and Cashes

6.5bn Stated
Net Profit incl.
DTAs and pre
AT1 & Cashes

BEATING

UniCredit Unlocked
2022 and 2024¹
targets across
all KPIs



PROPOSED 2022 DISTRIBUTION

€1.91BN CASH DIVIDEND AND
€3.34BN² SHARE BUYBACK

€5.25bn³

... NOTWITHSTANDING

€1.2bn (NET OF TAX) HEADWINDS &
ACTIONS TAKEN TO SECURE THE FUTURE...

- ✓ FORWARD-LOOKING AND
ADDITIONAL OVERLAYS
Incremental €0.5bn
total (gross of tax) €1.8bn
- ✓ RUSSIA NEGATIVE CONTRIBUTION
TO NET PROFIT €0.2bn
- ✓ ONE-OFF INTEGRATION COSTS
AND INFLATION RELIEF €0.3bn
- ✓ TLTRO CONTRACTUAL CHARGES
AND RELATED IMPACT ON
HEDGING DERIVATIVES €0.2bn

PROTECTING THE FUTURE

AIMING FOR FY23 RESULTS AND
DISTRIBUTION BROADLY IN LINE WITH FY22

All figures related to Group incl. Russia unless otherwise specified

1. 2024 Cost target based on Cost / Income ratio

2. Please refer to the FY22 results press release for additional details on Share Buyback

3. Distribution subject to supervisory and shareholder approvals

Transformed and positioned to win

A RECORD YEAR, WELL AHEAD OF UNICREDIT UNLOCKED AND PROTECTING THE FUTURE

A **structurally improved** bank,
delivering **alpha**

A **stepped up run-rate** across our
three levers, with further upside

All supporting **growing distributions**
while **further strengthening CET1**:
both best-in-class

2021-22
TRANSFORMED

2023-24
WINNING

Continued transformation to unlock further
value from **improved baseline**

Lines of defence strengthened – **equal to 1.2x CoR** – securing in a negative or propelling in a positive future environment

Ensuring confidence in **future results**
and **distributions**

Transformed and positioned to win

A RECORD YEAR, WELL AHEAD OF UNICREDIT UNLOCKED AND PROTECTING THE FUTURE

2021-22
TRANSFORMED

2023-24
WINNING



A STRUCTURALLY IMPROVED BANK

- **Clear vision and strategy:** embedding our principles, values and ESG commitments
- **Industrial and cultural transformation** progressing at pace
- **Quality growth:** underpinned by capital and operational excellence, delivering a step-up in sustainable returns and distributions



DELIVERING OUTSTANDING ALPHA-DRIVEN RESULTS

- **Record 4Q:** eighth consecutive quarter of consistent quality growth
- **Best year in over a decade,** ahead of Unlocked 2024, with organic capital generation still above a record Net Income
- **Results achieved despite** Russia, TLTRO and cost one-offs, and while increasing overlays and provisions



ALL BUSINESSES DELIVERING ACROSS ALL KEY LEVERS

- **Client Solutions:** key engine for quality sustainable revenue (c.45% of Group revenue)
- **Regions:** all above plan
- **ESG:** business volumes above target; continuing to support our communities
- **Russia:** franchise resized and repositioned with significantly reduced exposure at minimum cost

EXECUTION OF STRATEGY ACROSS ALL LEVERS LEADING TO:

40% GROWTH IN DISTRIBUTION¹ TO €5.25BN
+78BPS INCREASE IN ALREADY BEST-IN-CLASS CET1r TO 14.9%²



A strategy to deliver more predictable and higher rated earnings

STRATEGY

UniCredit Unlocked

A structurally improved bank, with a refocused commercial franchise, **quality earnings**, and a refined operating model



CENTERED ON OUR CLIENTS, PURPOSE AND PROFITABILITY

Sustainable profitable growth delivering a positive impact.



EMPOWERED ORGANISATION CONNECTING CLIENTS ACROSS EUROPE

13 banks with unique cross-border positioning.

Unique pan-European footprint with unified client franchise to deliver at scale.
Culture of empowerment: decision-making closer to our clients.



COMPREHENSIVE QUALITY OFFERING MEETING CLIENTS' NEEDS

2 product factories complemented by an ecosystem of best-in-class partners.

Scale effect attracting talent and best-in-class partners, driving growth.
Enabling **integrated** local coverage to outperform peers: punching above their weight.



DIGITAL AND OPERATIONS – “THE CENTRE” – AS KEY ENABLER

Digital and data rationalized - cyber further improved - efficient operations.

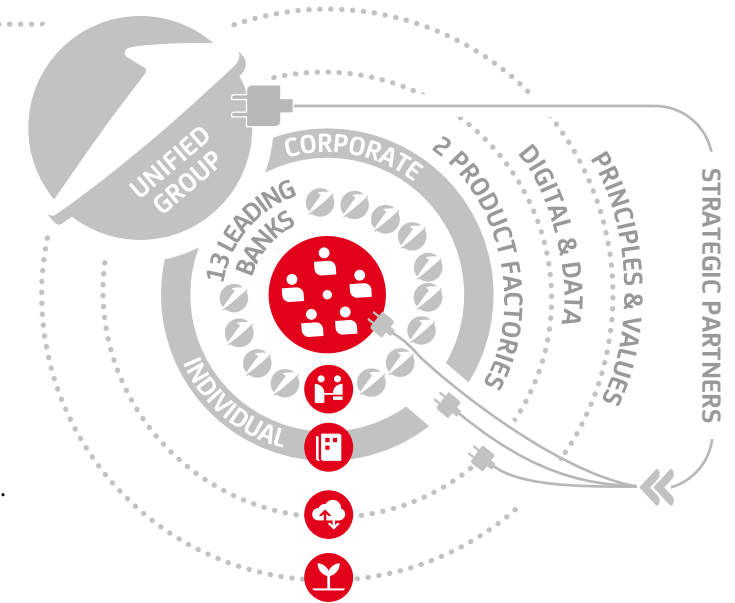
Optimize existing technological machine, reclaiming core competencies.
Simplifying products, processes and operations to streamline delivery to our clients.



A NEW MINDSET TO WIN THE FUTURE

Principles and values unite our people and inspire our communities.

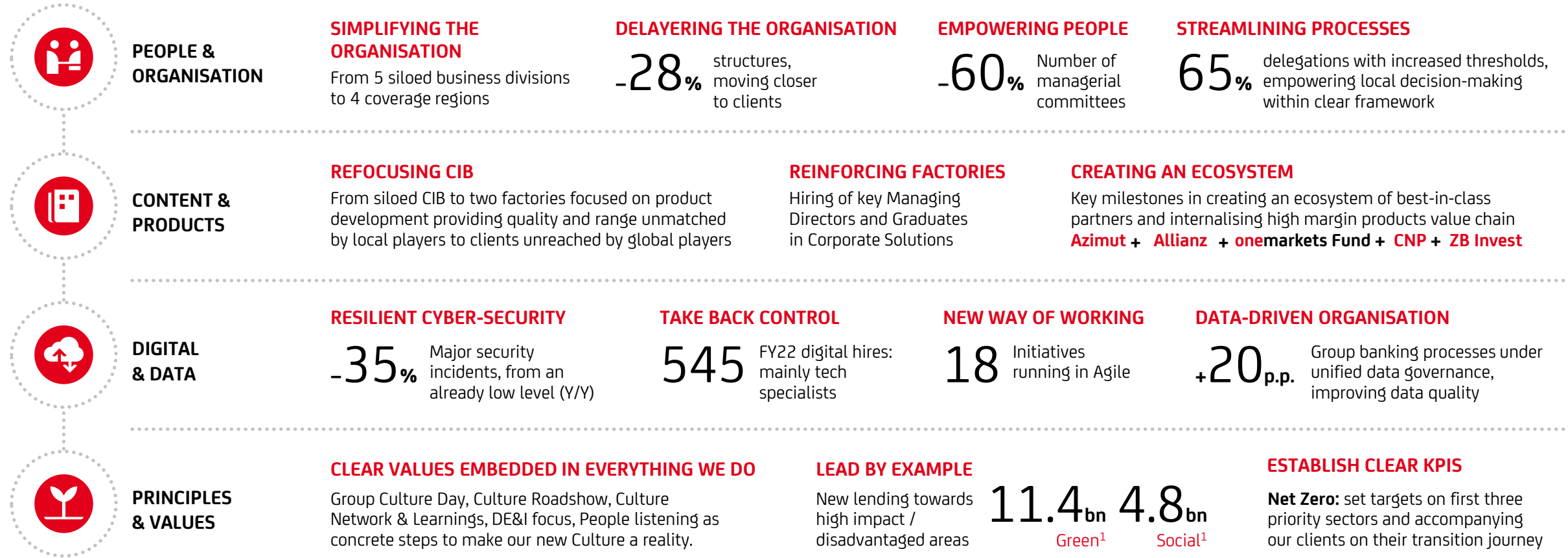
Win, the right way, together: always acting through an entrepreneurial spirit guiding growth.
Lead by example and embed our principles and values and ESG in everything we do



Leverage our solid foundations and implement an industrial transformation: moving from retrenchment to sustainable profitable growth



Selected highlights of our industrial transformation



1. Including ESG-linked lending



Exceeding our ESG and related commitments

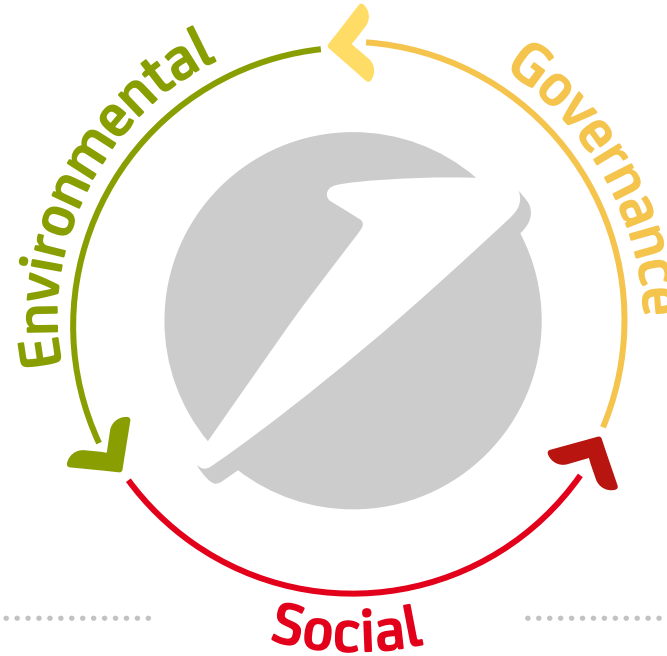
CLIENTS

see Annex for details

- Released **Net Zero 2030** targets on first three priority sectors
- ESG corporate advisory** accelerated
- €11.4bn** new Green lending¹
- €41.5bn** new investment products² and sustainable bonds³
- 3 own green bond** issuances in 2022: €0.5bn Austria, €0.5bn Germany, €1bn Italy
- Sustainable Steel Principles** signed

INNOVATION

- Only bank in the **CEO Alliance for Europe** action tank for a more sustainable and resilient Europe
- Achieved **plastic free** in all buildings in 2022
- First Italian bank in **Finance for Biodiversity Pledge**
- New member of **Ellen MacArthur Foundation**
- First bank to obtain **GRESB scoring** on corporate RE portfolio



ACCOUNTABILITY

- ESG representation** at Group Executive Committee
- Sustainability KPIs** in CEO and Top Management remuneration
- Strong **policy framework** in controversial sectors
- ESG product guidelines** as part of greenwashing prevention framework

DIVERSITY & INCLUSION

- Group Executive Committee:
 - **43%** female
 - **64%** international presence
- €100m** to close gender gap on an equal pay for equal job base during 2022-24
- First EU bank obtaining **EDGE certification** in Austria, Germany and Italy
- First ever **Culture and Diversity Week** in 4Q22 joined by >14k employees

EDUCATION

- 239k financial education** beneficiaries, (e.g., **Banking Academy** in Italy)
- New UC Foundation strategy** to fight school drop-outs and sponsoring research via scholarship

INNOVATION

- New partnerships** to promote culture and social
- >700** start-ups screened in **StartLab '22** edition and focus on ESG for '23 applications
- Culture **roadshows** for employees

SOCIAL

- €4.8bn** social financing¹ via micro-credit, impact financing and lending to disadvantaged areas
- €36.5m** of direct social contribution in 2022

COMMUNITIES

- Launched **“UniCredit for Italy”**, to support clients and communities in uncertain environment
- Support to our people with 2022 extraordinary **inflation relief** across our geographies

1. Including ESG-linked lending

2. Based on Art. 8 and 9 SFDR regulation

3. All regions, including sustainability linked bonds

Leading by example to support our clients in a just and fair transition



Record 4Q22 underpinning UniCredit's best year

2022 RESULTS

In million	4Q22			FY22		
	Group	Y/Y	excl. Russia	Group	FY/FY	excl. Russia
Net Revenue	5,191	+44%	4,735	18,448	+13%	18,072
o/w Fees ¹	1,839	-1%	1,785	7,824	+4%	7,626
o/w NII	3,426	+43%	3,198	10,692	+19%	9,935
Total Costs	-2,474	+0.5%	-2,394	-9,560	-2%	-9,278
GOP	3,246	+65%	2,971	10,782	+32%	9,806
Net Profit²	1,457	+2.2x	1,440	5,227	+48%	5,447
RoTE	11.8%	+6.4p.p.	12.2%	10.7%	+3.4p.p.	11.7%
RoTE @13% CET1r	14.1%	+7.8p.p.	14.7%	12.3%	+3.7p.p.	13.5%
C/I Ratio	43.2%	-12.4p.p.	44.6%	47.0%	-7.5p.p.	48.6%
CET1r, pro-forma for FY22 distribution³				14.9%		

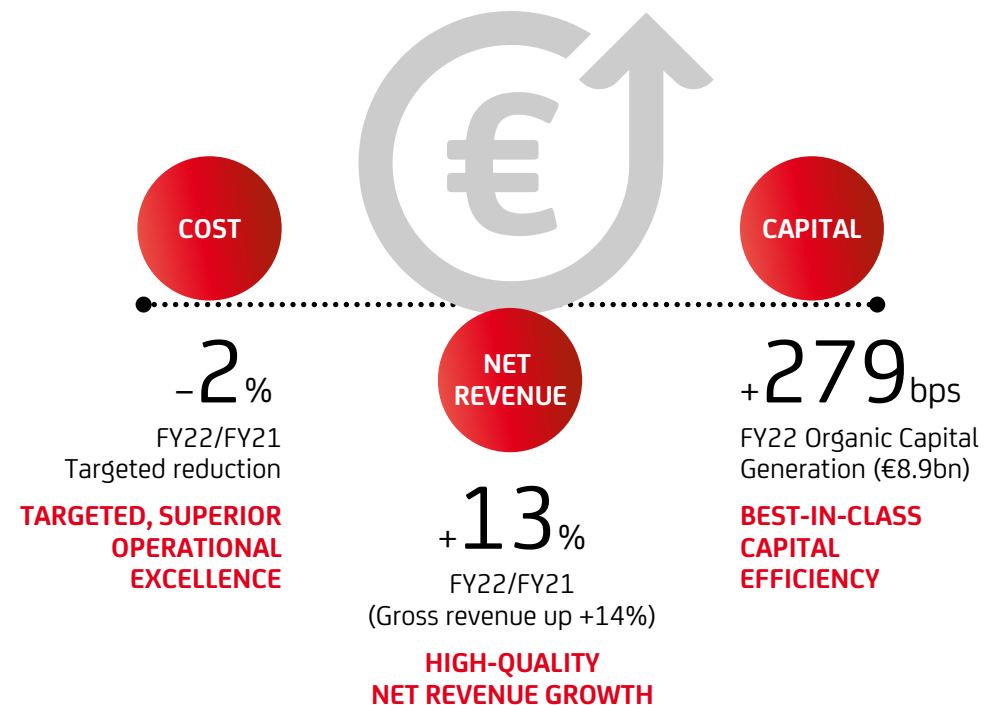
Group including Russia unless otherwise specified

1. Incl. client hedging fees accounted within trading profit

2. Refer to Annex for Net Profit definition

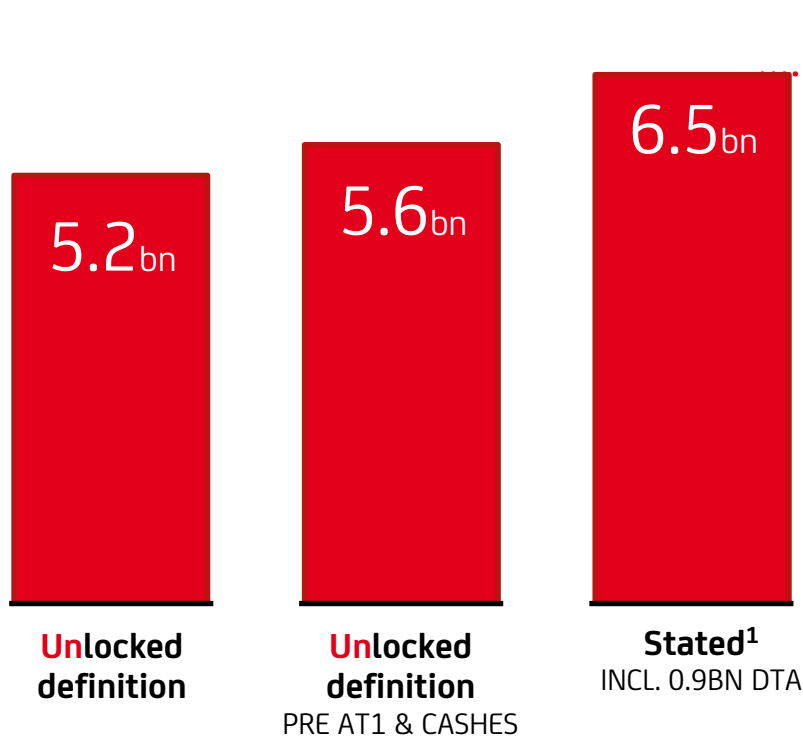
3. Distribution subject to supervisory and shareholder approvals

3 LEVERS LARGELY UNDER MANAGEMENT CONTROL, GIVING CONFIDENCE IN OUR STRATEGY

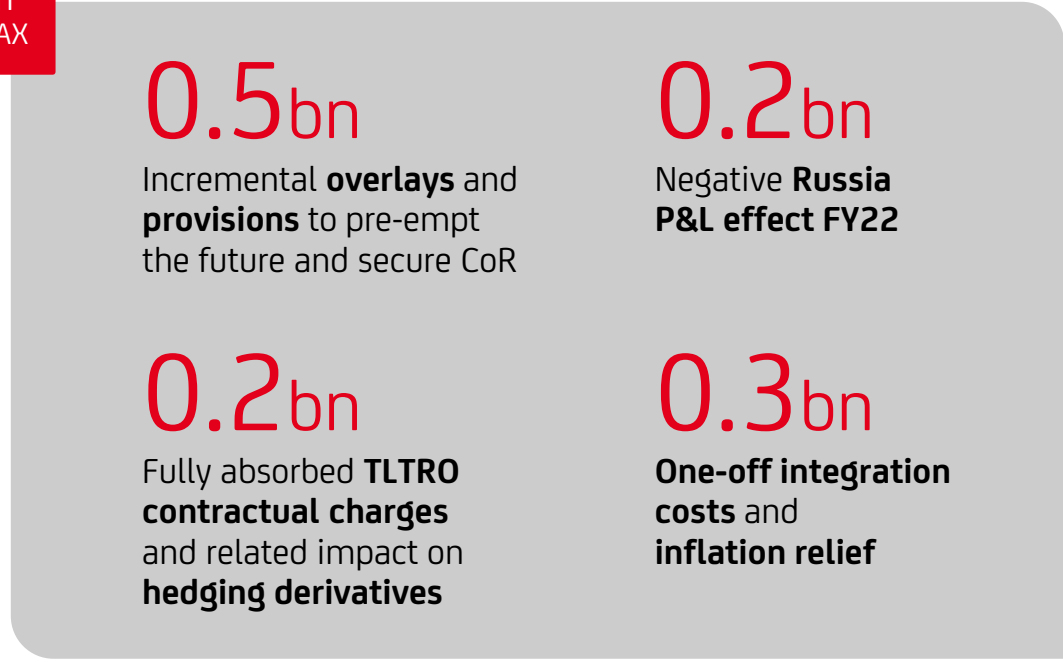


Strengthened lines of defence and absorbed one-offs

RECORD NET PROFIT ACHIEVED



NOTWITHSTANDING HEADWINDS AND ACTIONS TAKEN TO SECURE THE FUTURE



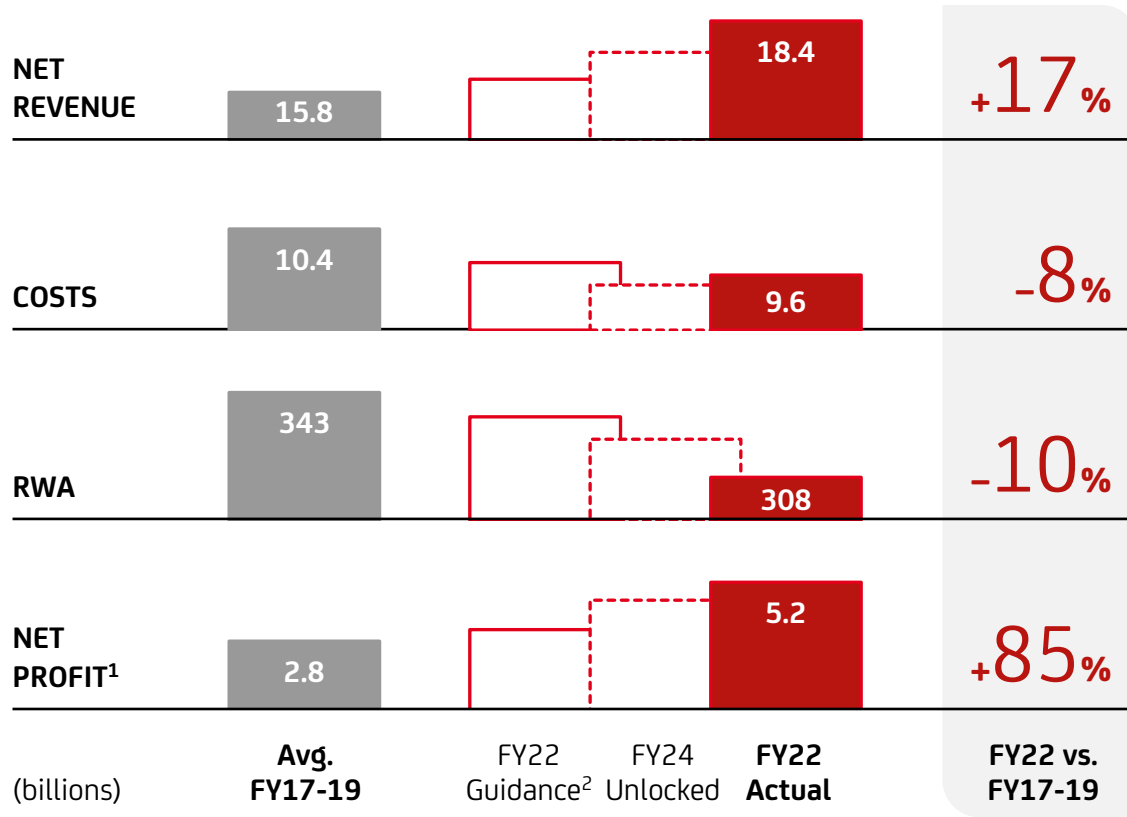
Group including Russia unless otherwise specified

1. Stated Net Profit including 1.2bn headwinds and management actions

Results achieved without shortcuts preparing us to continue to WIN in the future



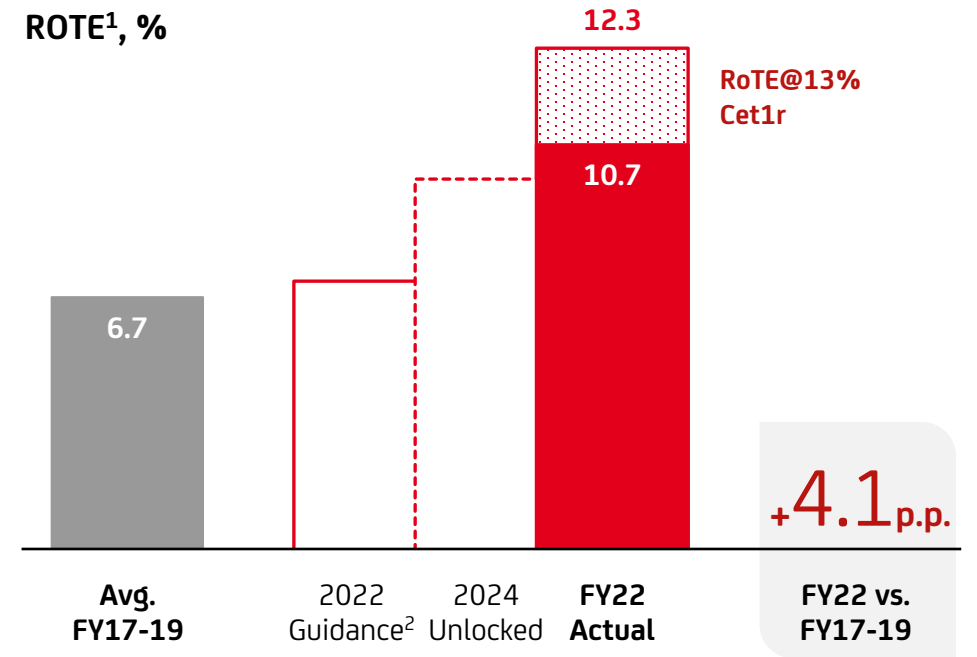
Consistent performance surpassing targets across all levers



2022 OUTPERFORMED

DESPITE RUSSIA EXPOSURE AND PROACTIVELY BUILDING SIZEABLE FORWARD-LOOKING PRUDENTIAL MEASURES

ROTE¹, %



Figures Group including Russia; Avg. FY17-19 based on simple average of recasted figures of Group excluding Turkey and Fineco for comparison purposes; 2024 UniCredit Unlocked figures as presented in December 2021

1. Net Profit and RoTE with UniCredit Unlocked methodology (See Annex)

2. Guidance for UniCredit Group including Russia as communicated in the period from Dec 10th 2021- 1Q22 for all metrics except RWA (FY22 UniCredit Unlocked target); implied RoTE guidance given Net Profit guidance





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**
- **~ 4,900 FTE and 106 branches** in Austria
- **Excellent capital base** (17.4% 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 Baa1/A3 (Moody's) and BBB+ (S&P); Counterparty Ratings at A2 (Moody's) and A- (S&P)

(in € billion)	Dec-22	Dec-21
Total Assets	107.3	118.4
Customer Loans	66.2	67.0
Direct Funding	72.2	74.1
Equity	9.4	8.9
(in € million)	FY22	FY21
Operating income	1,993	1,852
Operating costs	-1,062	-1,139
LLP	-24	-166
Net profit	823	115
Cost / income ratio	53.3%	61.5%
	Dec-22	Dec-21
CET1 capital ratio ¹⁾	17.4%	16.8%
Total capital ratio ¹⁾	21.1%	20.5%
Non-performing exposure ratio	3.2%	3.0%
Coverage ratio	43.8%	48.4%
Cost of risk	4 bp	27 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 106 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**



P&L of Bank Austria Group

Excellent profitability, based on a robust operative performance

Profit & Loss Development

- **Operating income** +8% y/y, with strong net interest, overcompensating lower fee income and trading income
- **Operating costs** -7% lower y/y, due to continued strong cost discipline and further FTE reduction; significant improvement of cost/income ratio to 53.3%
- **Net write-downs of loans** down to € -24m (2021: € -166m)
- **Non-operating items** at € -223m, of which € -107m systemic charges and € -108 impairments re/ 3-Banken Group
- **Income tax:** includes a positive one-off effect with regard to the recognition of deferred tax assets on tax losses carried forward
- **Group Net Profit** at strong € 823m

Bank Austria Group

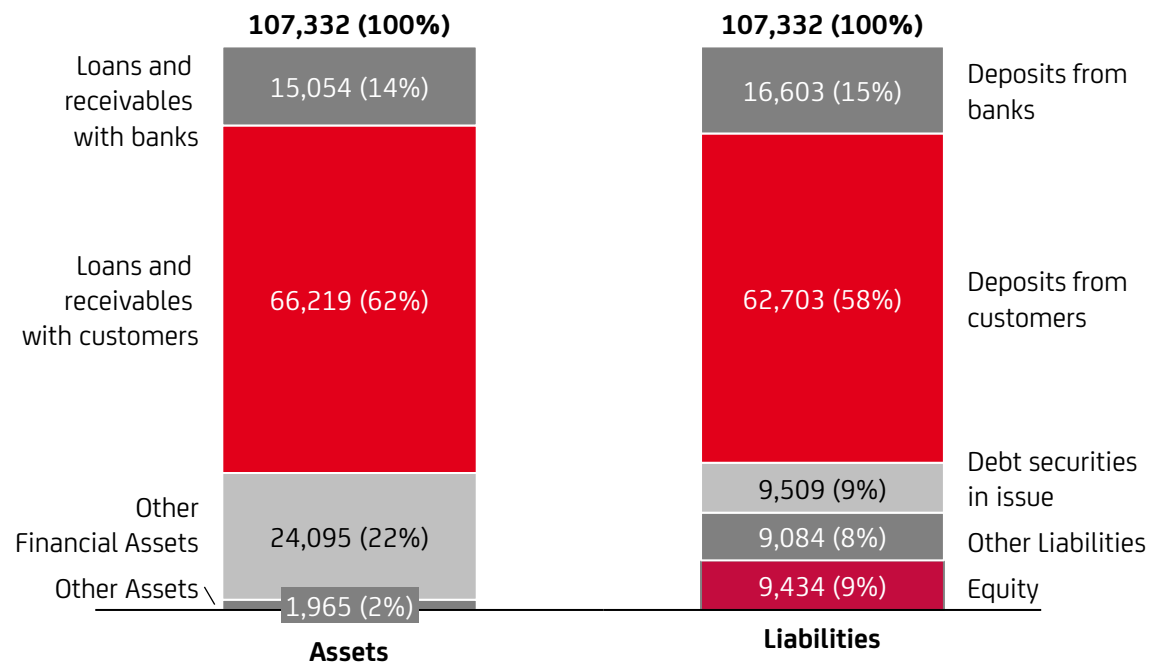
(€ million)

	1-12 2022	1-12 2021	y/y
Operating income	1,993	1,852	7.6%
Operating costs	-1,062	-1,139	-6.8%
Operating profit	930	713	30.5%
Net write-downs of loans	-24	-166	-85.7%
Net operating profit	907	547	65.6%
Non-operating items	-223	-454	-50.9%
Profit (loss) before tax	684	93	>100%
Income tax	139	22	>100%
Group Net Profit	823	115	>100%
Cost/income ratio	53.3%	61.5%	-819 bp

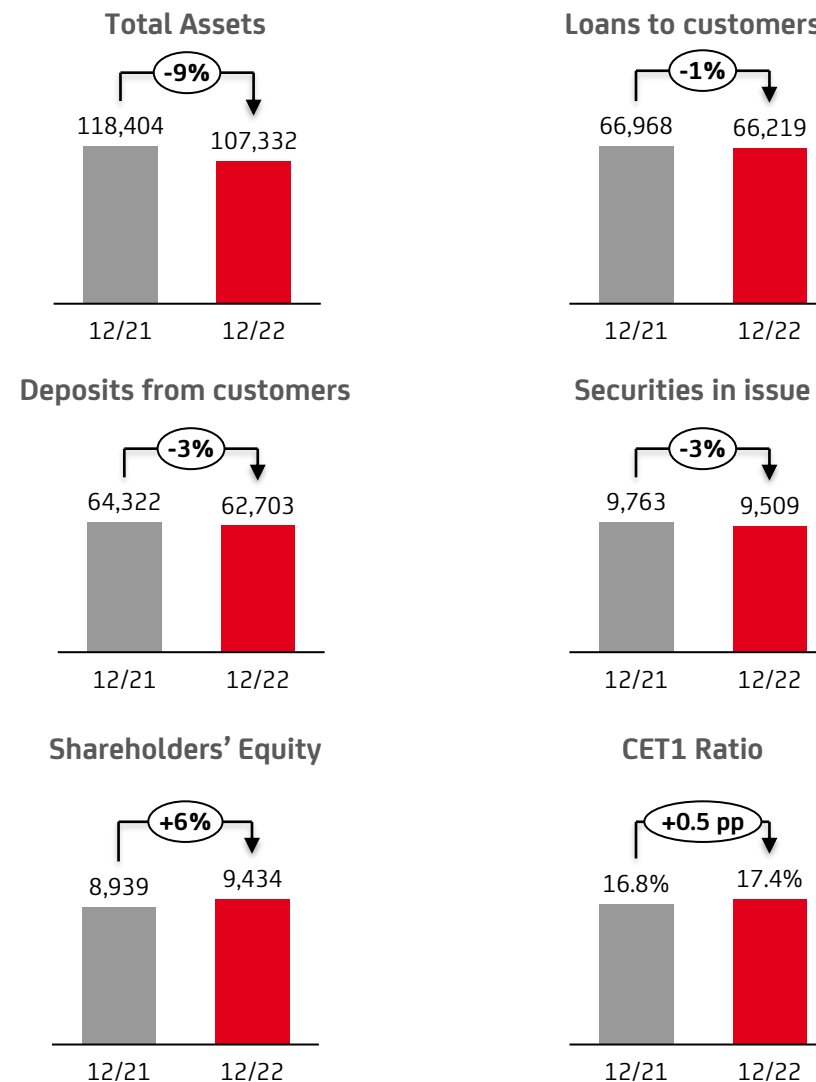


Balance Sheet structure of Bank Austria (as of 31 December 2022)

Balance Sheet (€ m)



Change vs. 31 December 2021



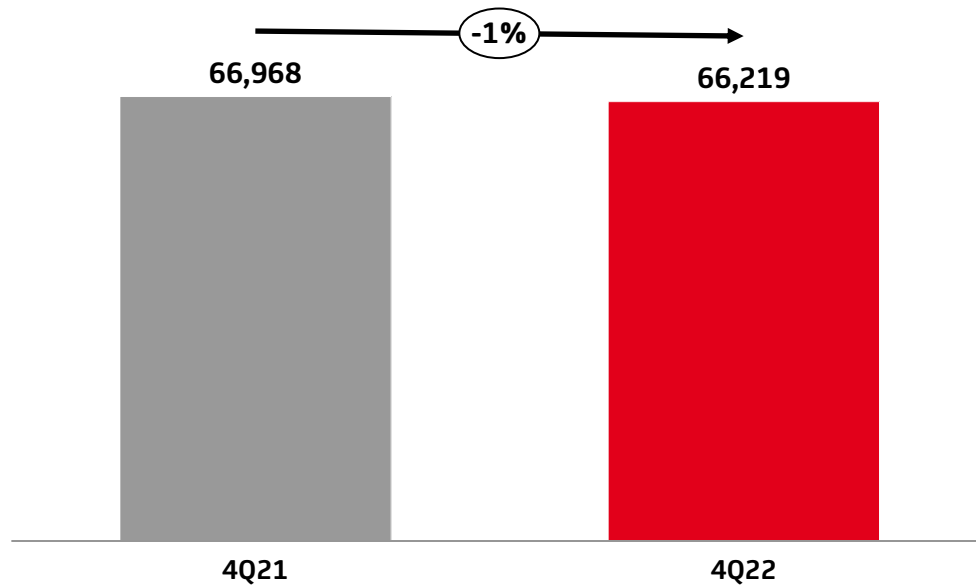
- **Balance sheet** reflects a **classical commercial bank**, with large shares of loans and deposits (see next page)
- **Total assets** down by € -11.1bn to € 107bn, mainly due to repayment of € 10bn of TLTRO in 4Q22
- **Higher capital base** with net equity up at **€ 9.4bn**, mainly due to inclusion of 2022 profit



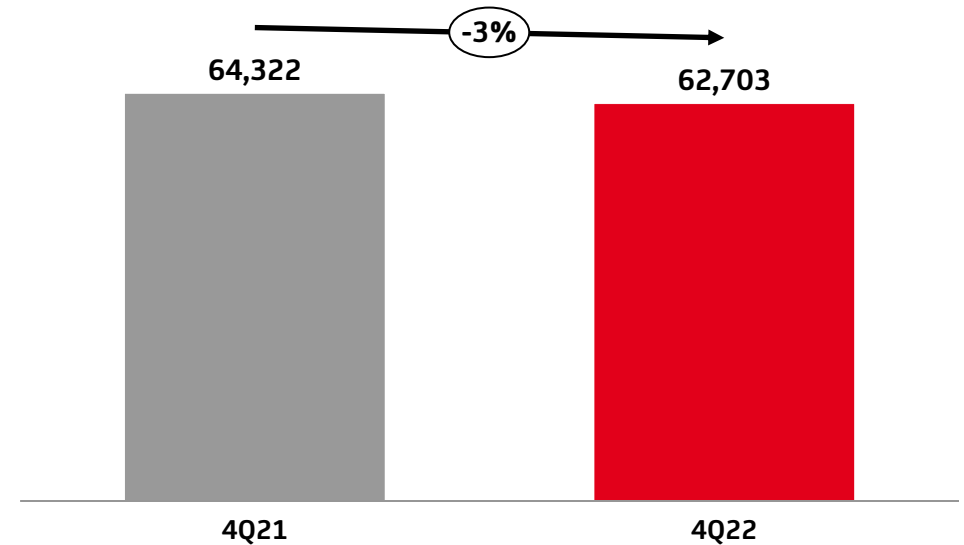
Loans and Deposit Volumes

Well-balanced development of loans and deposits

Loans to Customers (€ m)



Deposits from Customers (€ m)

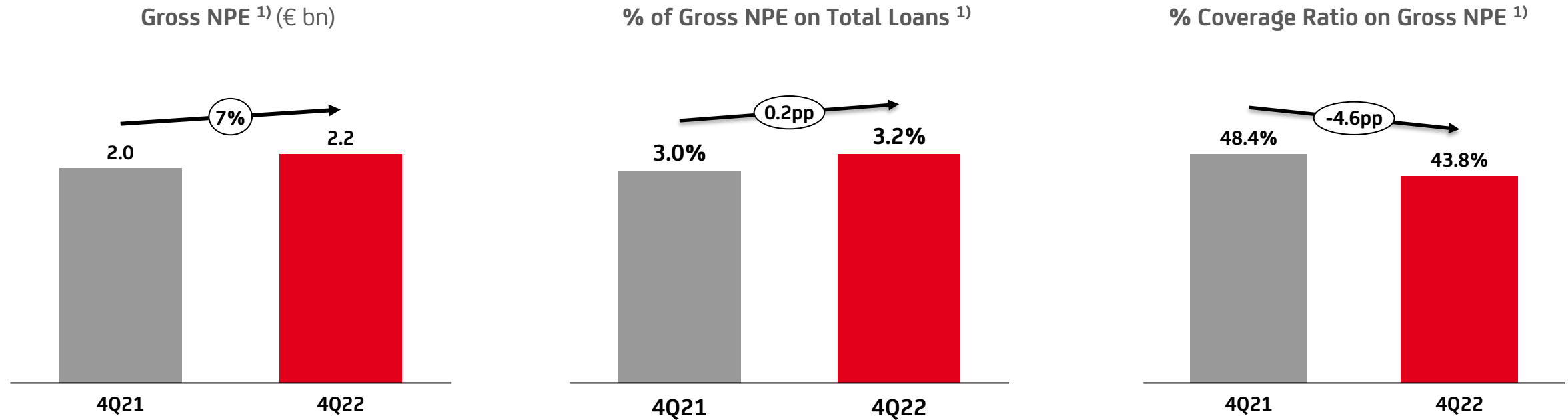


- **Loans to customers** decreased by 1% since YE21, mainly due to lower liquidity needs of corporates – but with a good commercial development in Retail
- **Deposits from customers** decreased by 3% as well, with an increase in Retail and a decrease in Corporates and WM&PB



Asset Quality

Good asset quality KPIs in 2022 (moderate increase)



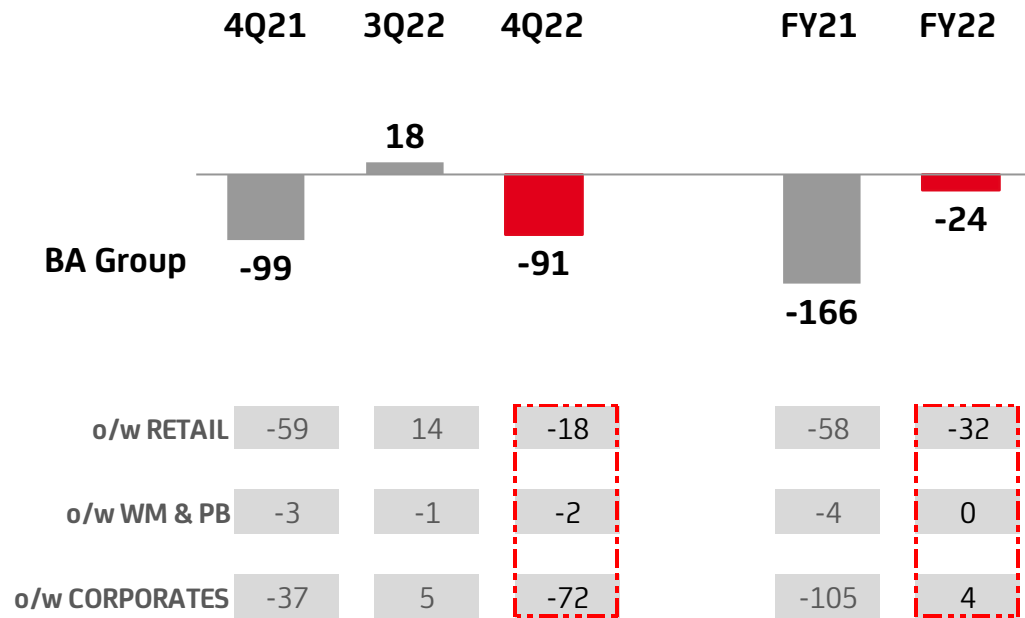
- **NPE portfolio** (gross impaired loans) with a moderate increase of € 0.2bn since year-end 2021, mainly due to the default of some large single positions with low risk (low loss potential due to being largely covered by ECA²⁾ guarantees)
- **NPE Ratio** (gross impaired loans in % of total loans) nearly flat at 3.2%, due to the moderate increase in NPE and stable total loans
- **Coverage Ratio** declined to 43.8%, due to low provisioning of aforementioned ECA-covered positions



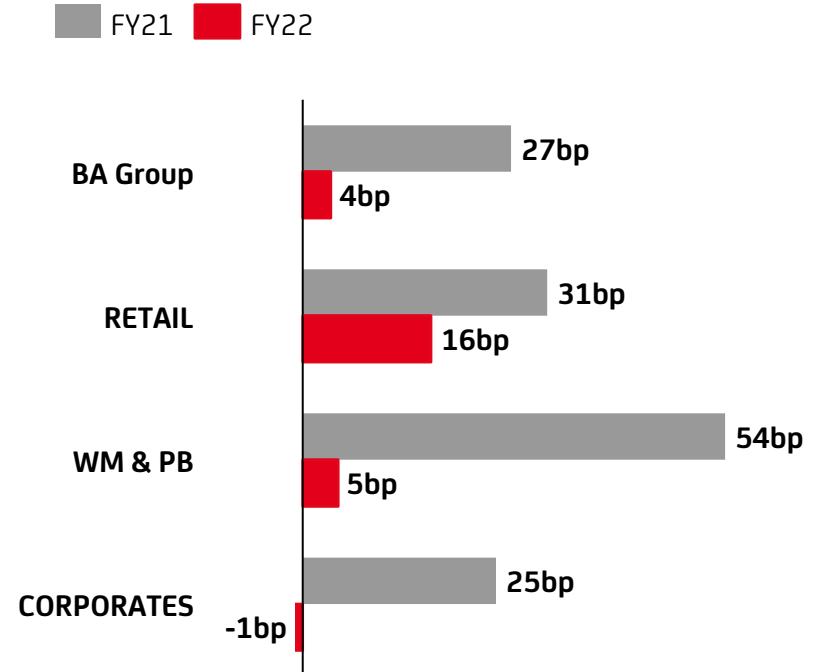
Net Write-Downs on Loans and Cost of Risk

In 2022, low Net Write-Downs and strongly improved Cost of Risk y/y

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



Cost of risk by Segment (basis points)

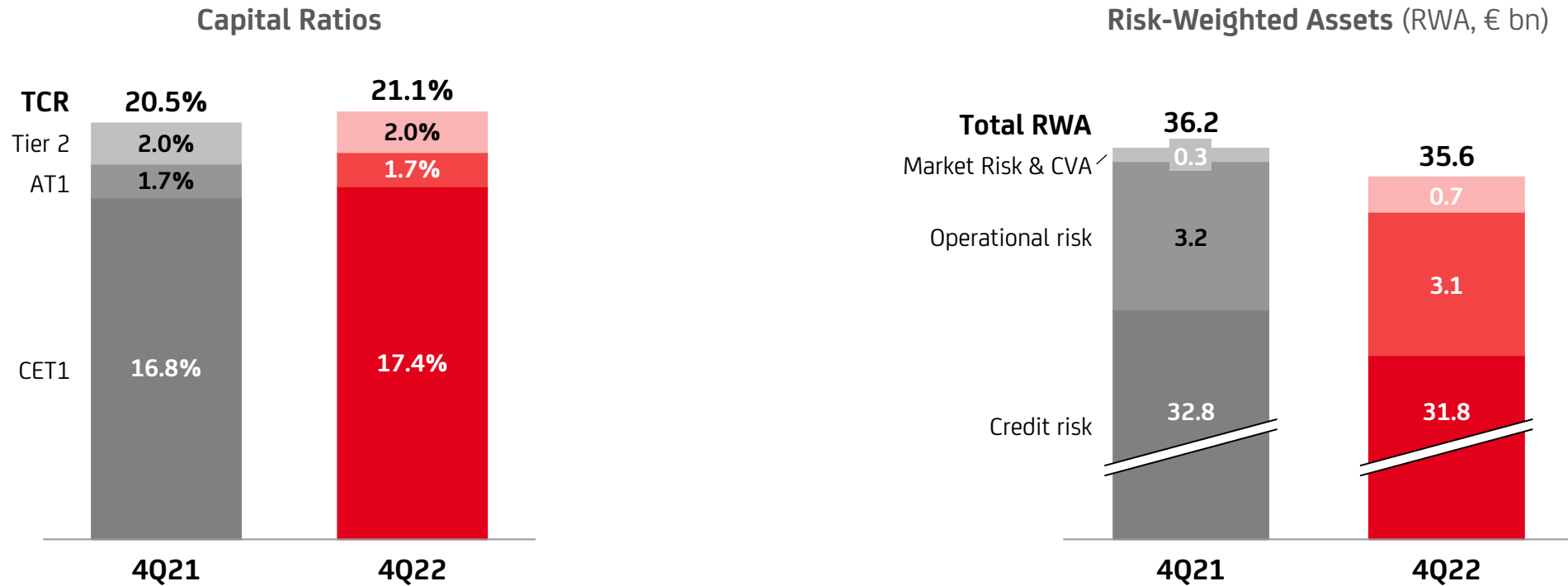


- Net Write-Downs of moderate € -24m in 2022, mainly performing loans in the Retail area, with net write-backs in the Corporates division; strong improvement of Cost of Risk y/y



Capital and RWA – Bank Austria Group, according to IFRS

Further improved capital ratios



- **CET1 (Common Equity Tier 1) Ratio increased clearly to 17.4%**, well above regulatory requirements
- **Total Capital Ratio** at excellent **21.1%**, increase vs. 4Q21 due to lower RWA (see below)
- **Total RWA** decreased by € 0.6bn to **€ 35.6bn**, mainly due to lower credit risk (€ -1bn)
- **Leverage Ratio** at strong **6.0%**; the decrease (year-end 2021: 6.5%) is driven by the end of temporary COVID-19 measures by the ECB





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%)

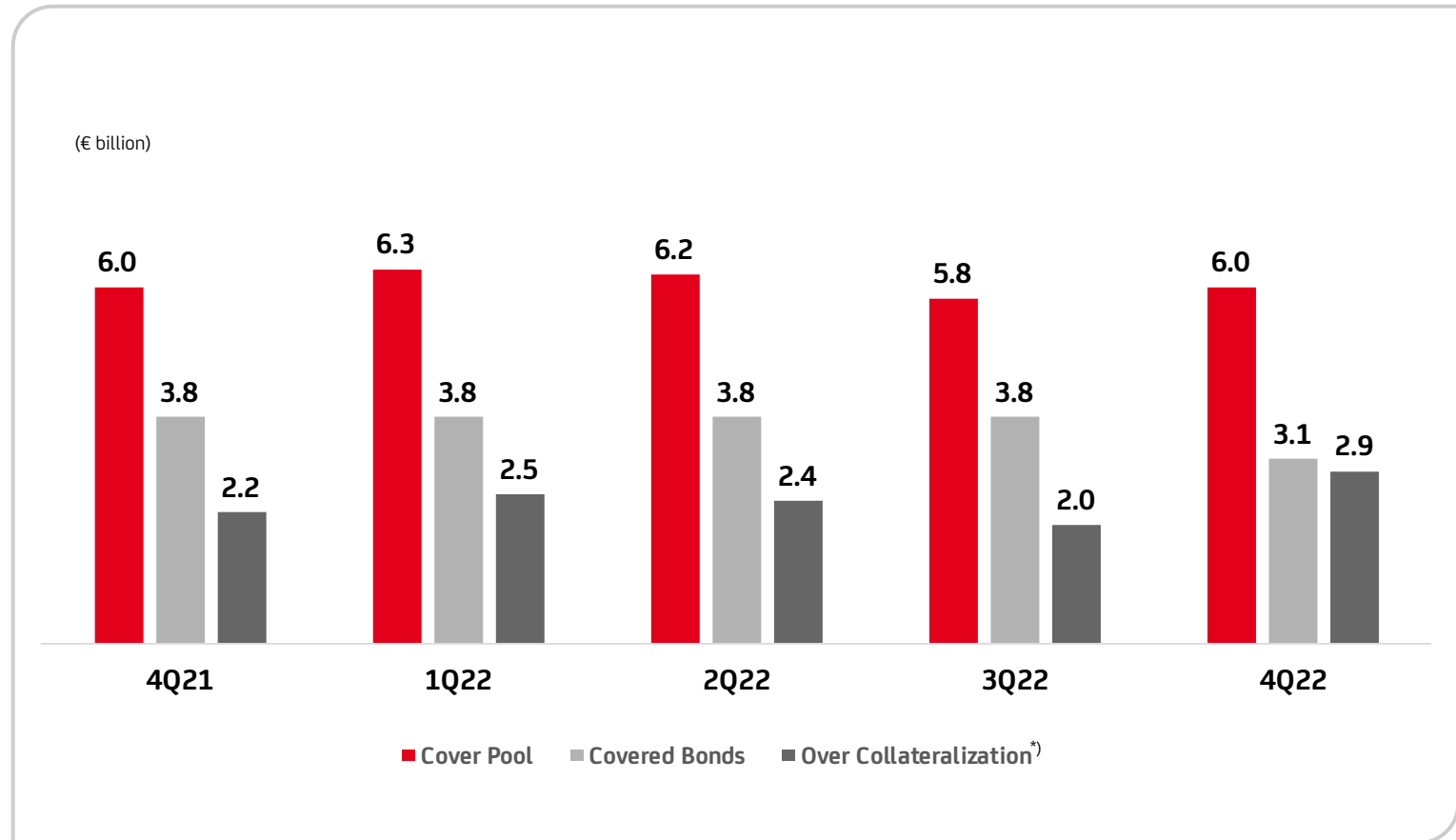


Public Sector Cover Pool

Overview and Yearly Development

Total Value of the Cover Pool (Primary Coverage) as of 31 December 2022 (€-equivalent): 5,990 million

- thereof in €: 5,295 million (88.4%)
- thereof in CHF: 108 million (1.8%)
- thereof public sector bonds (€-equivalent): 587 million (9.8%)
- Focus on **purely Austrian claims**
- **Moody's-Rating: Aaa**
- **ECBC Covered Bond Label**)**



^{*)} 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)	8.8
Contracted Weighted Average Life (in years)	14.0
Average Seasoning (in years)	7.1
Total Number of Loans	4,670
Total Number of Debtors	2,198
Total Number of Guarantors	421
Average Volume of Loans (€ million)	1.3
Stake of 10 Biggest Loans	22.8%
Stake of 10 Biggest Guarantors	33.0%
Stake of Bullet Loans	32.2%
Stake of Fixed Interest Loans	55.8%
Average Interest Rate	1.6%
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)	3.1
Average Volume (€ million)	122.9

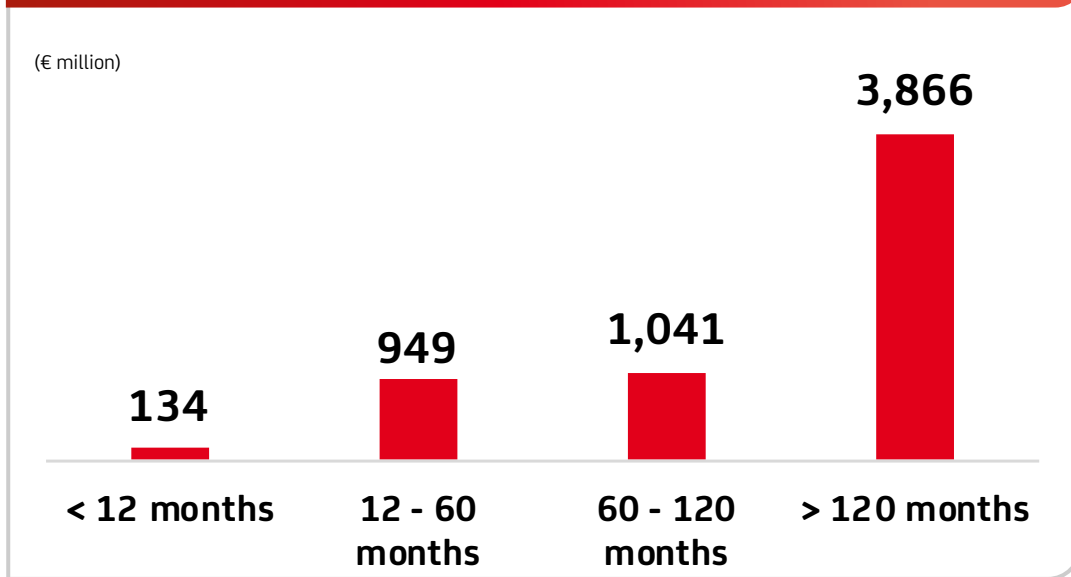
The valuation method for the cover assets is in accordance with § 6 (4) PfandBG



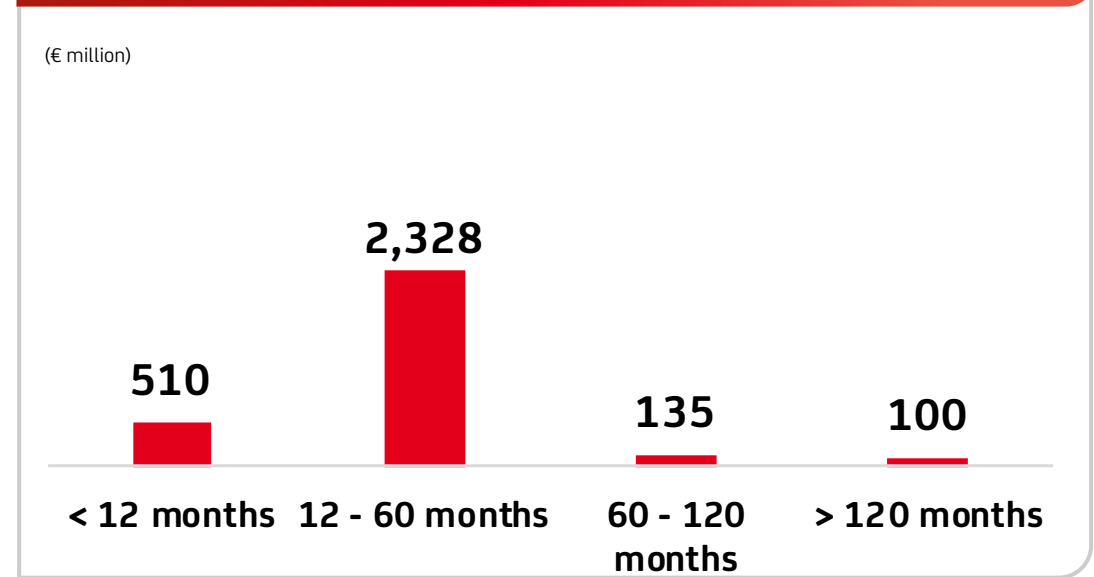
Public Sector Cover Pool

Maturity Structure of Cover Pool and Issues

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



Maturity of issued covered bonds^{**)}



^{*)} Without consideration of the repayment

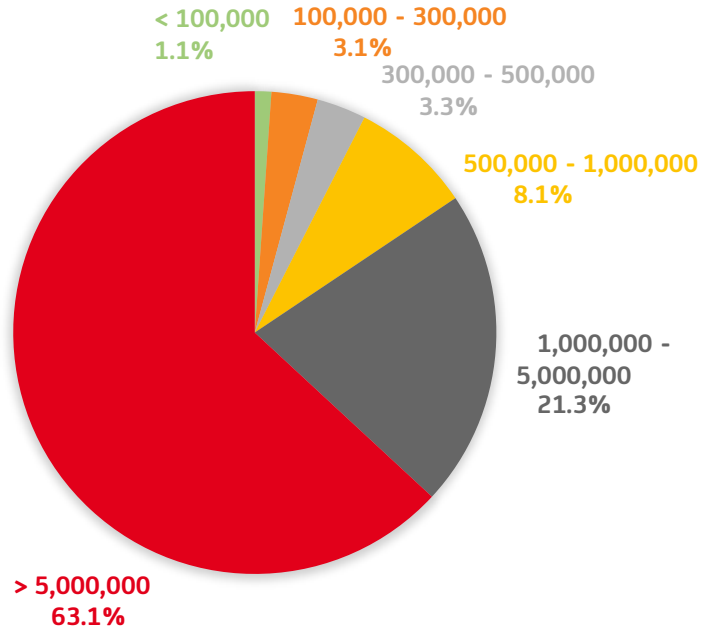
^{**)} A list of Pfandbriefe and covered bonds of UniCredit Bank Austria AG (including the ISINs of all issues and information on the soft/hard bullet structure) can be found on the Covered Bond Label website (<https://www.coveredbondlabel.com/issuer/60-unicredit-bank-austria-ag>). The base prospectus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



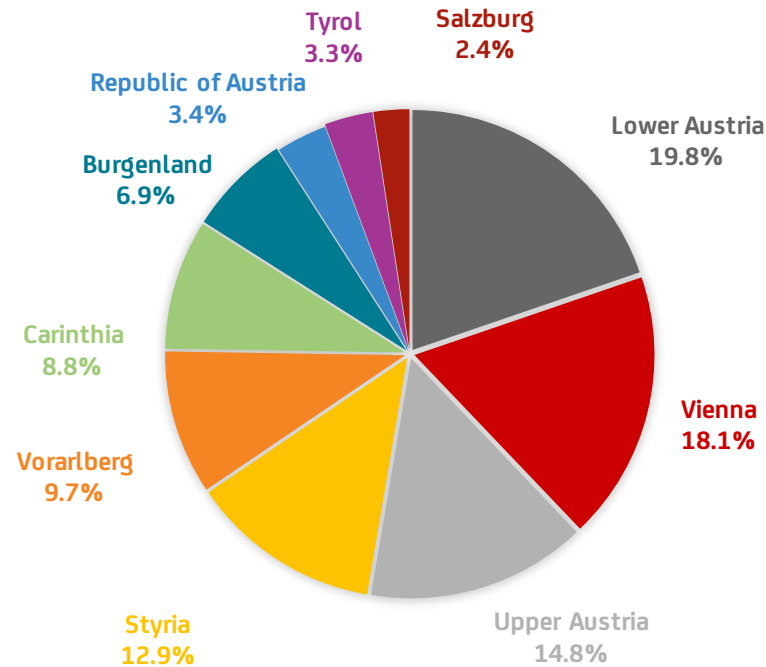
Public Sector Cover Pool

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

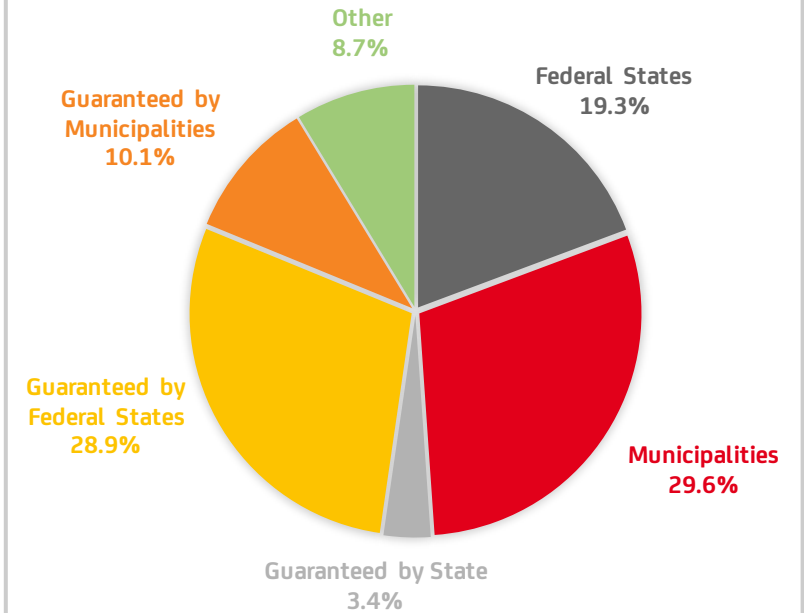
Breakdown by size of assets



Regional Breakdown Austria^{*)}



Breakdown by type of debtor/guarantor



^{*)} Considering Guarantors



Mortgage Cover Pool

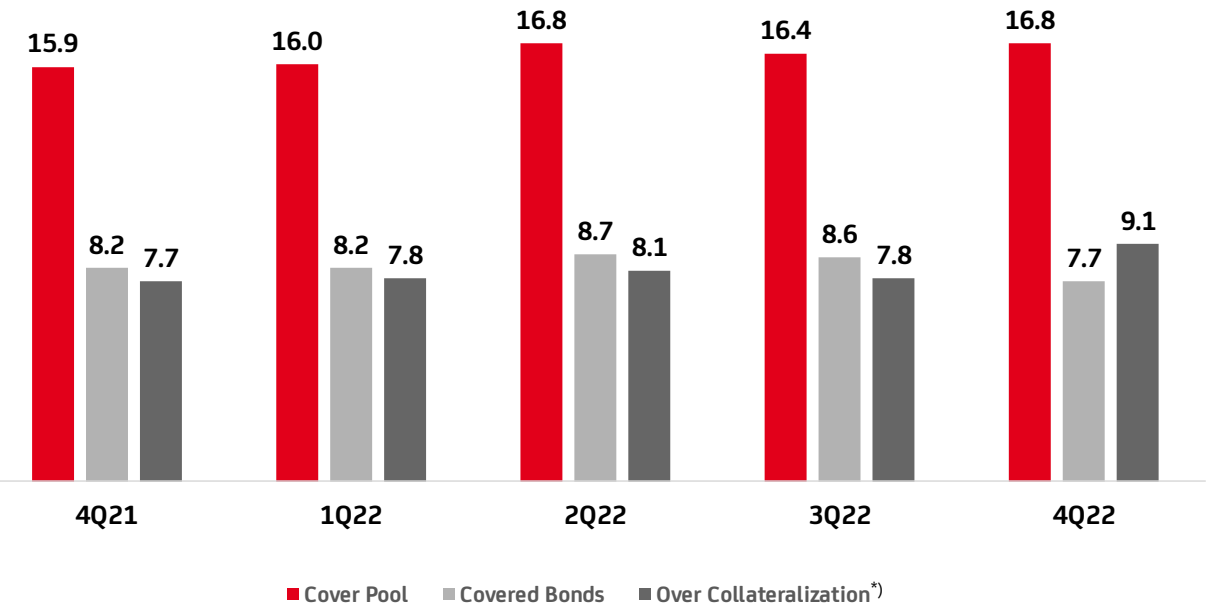
Overview and Yearly development

Total Value of the Cover Pool (Primary Coverage) as of 31 December 2022 (€-equivalent): 16,825 million

- thereof in €: 16,155 million (96.0%)
- thereof in CHF: 660 million (3.9%)
- thereof bonds in €: 10 million (0.1%)

- Focus on **Austrian mortgages**
- **Moody's-Rating: Aaa**
- **ECBC Covered Bond Label^{**}**
- **Decrease of total value of CHF cover assets** over the last six years (4Q16: € 1,498 million – 4Q22: € 660 million; no new CHF assets since 2010)

(€ 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)	10.1
Contracted Weighted Average Life (in years)	17.2
Average Seasoning (in years)	6.0
Total Number of Loans	63,792
Total Number of Debtors	55,596
Total Number of Properties	58,291
Average Volume of Loans (€ million)	0.3
Stake of 10 Biggest Loans	9.2%
Stake of 10 Biggest Debtors	9.8%
Stake of Bullet Loans	18.7%
Stake of Fixed Interest Loans	41.3%
Average Interest Rate	1.9%
Average Loan-to-Value	48.4%
Stake of Defaulted Loans	0.0%
Stake of Loans 90 Days Overdue	0.0%

Liquidity buffer

Covered Liquidity buffer requirement (€ million)	0.0
--	-----

Parameters of Issues

Total Number	71
Average Residual Maturity (in years)	4.2
Average Volume (€ million)	109.1

^{*)} Without bonds

LTV = Loan-to-Value

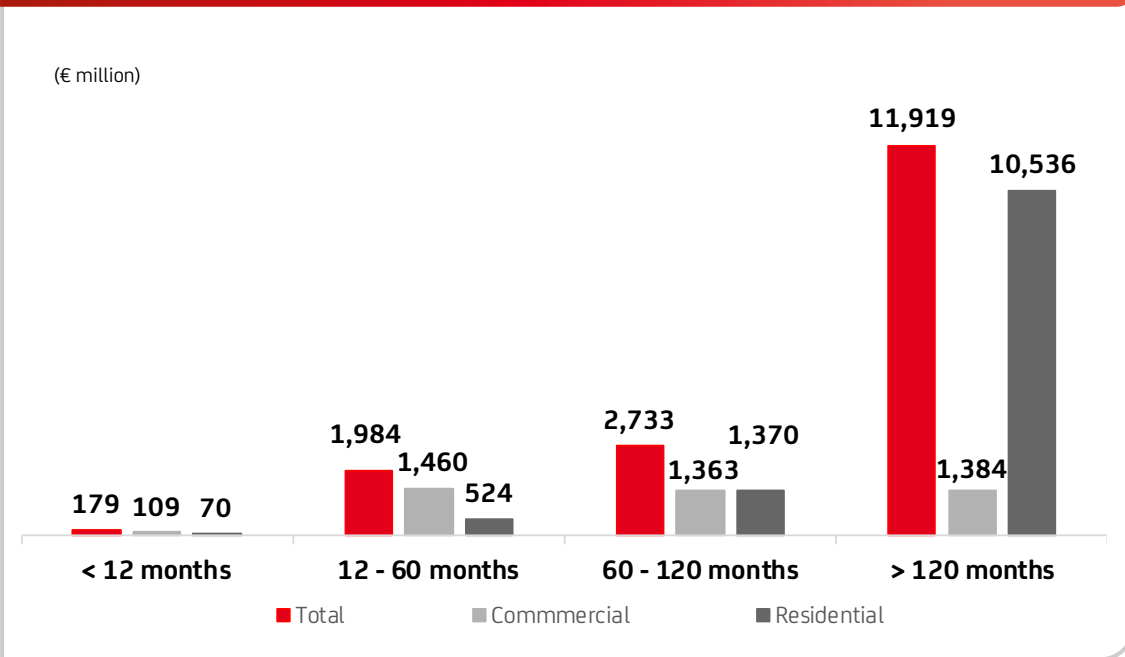
The valuation method for the cover assets is in accordance with § 6 (4) PfandBG



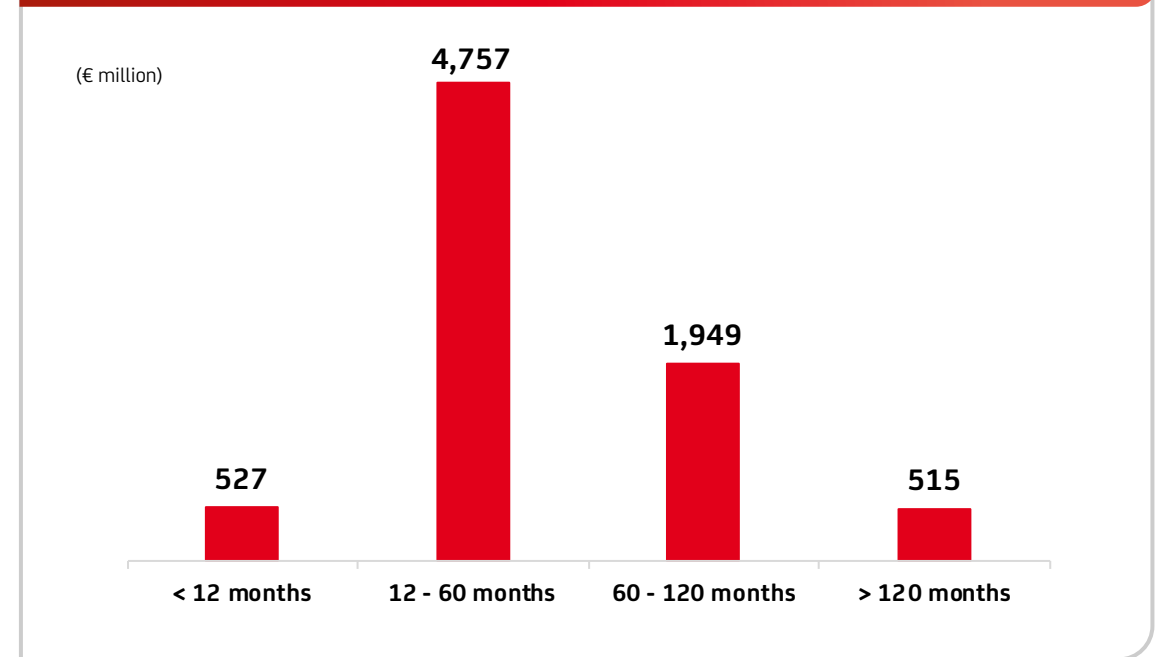
Mortgage Cover Pool

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

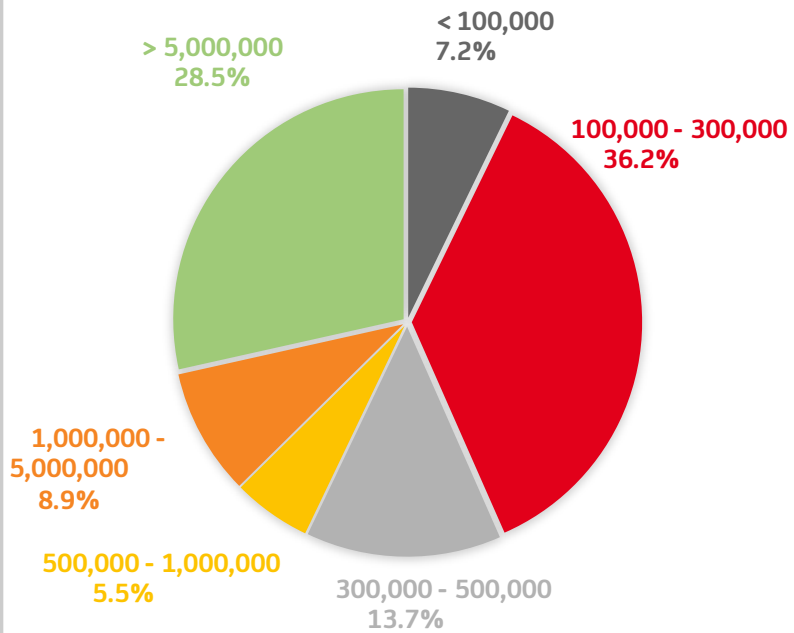
^{**)} A list of Pfandbriefe and covered bonds of UniCredit Bank Austria AG (including the ISINs of all issues and information on the soft/hard bullet structure) can be found on the Covered Bond Label website (<https://www.coveredbondlabel.com/issuer/60-unicredit-bank-austria-ag>). The base prospectus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



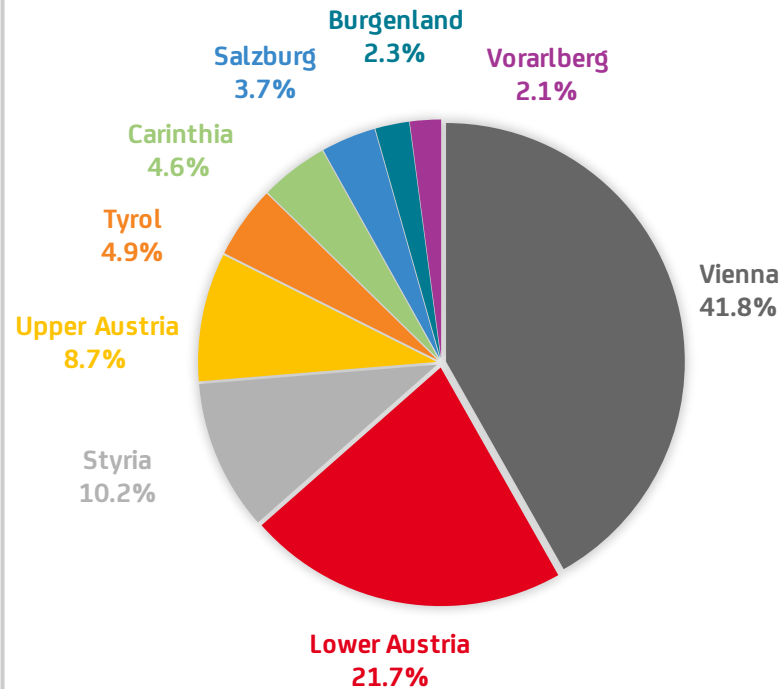
Mortgage Cover Pool

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

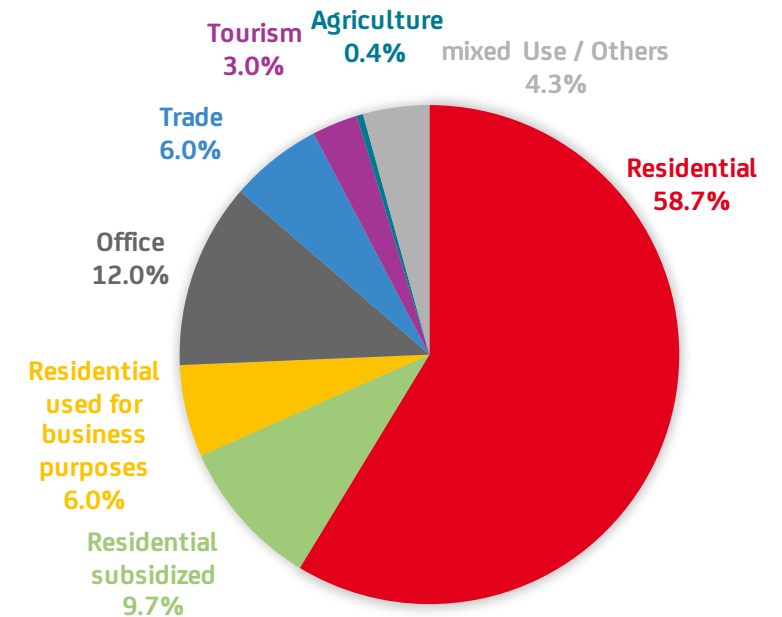
Breakdown by size of assets



Regional Breakdown Austria



Breakdown by type of use



^{*)} Without bonds





5

Annex

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

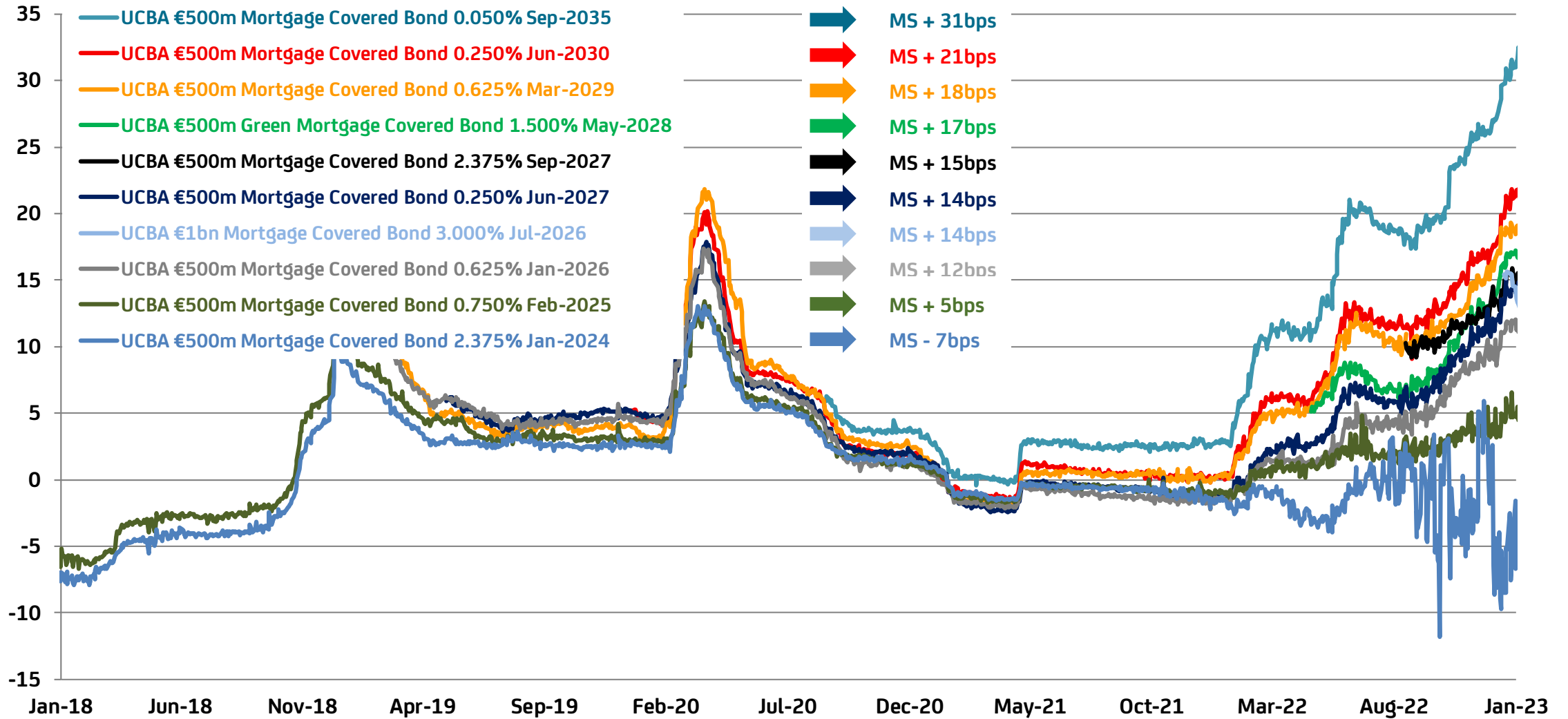


Overview of Bank Austria's outstanding Pfandbrief Benchmark Issues

Type of Pfandbrief	Interest rate	Due date (dd/mm/yyyy)	Volume	Date of issuance	Mid Swap + number of basis points
Green Mortgage Pfandbrief: AT000B049911	3.125%	21/09/2029	€ 750m	Feb. 2023	MS + 26bps
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	Short-Term	Subordinated ¹⁾	Counterparty Risk	Long-Term	Short-Term	Subordinated ¹⁾
Bank Austria ²⁾	A3	Baa1 Negative	P-2	Baa3	A2 / P-1	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 Stable	A-2	BB+	BBB+	BBB Stable	F2	BB+

(as of 24 March 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 Baa2



Austrian Real Estate Market Overview

- **2022**, the **investment volume** in Austria was approx. **€ 4.1 billion** (-13% vs. previous year). Even though the forecast value of € 4.5 billion could not be realized, it is a very solid result in view of the market conditions, which continue to be impacted by economic and political uncertainties, and is still above the 10-year-average
- The focus was again on the asset classes **Residential** with 27%, **Office** with 26% and **Logistics** with 16% of the total investment volume
- The change in interest rate policy resulting from the high inflation rate has caused increasing restraint on the Austrian real estate market, which has intensified in the second half of 2022. Many investors have adopted a wait-and-see attitude
- The trend of rising **residential real estate prices** was interrupted in the **4th quarter of 2022**, with prices registering a **downward trend** across Austria in comparison with the previous quarter **for the first time in a long period** (-2%). For **2022 in total**, prices increased by **+10.3%** Austria-wide compared with the previous year 2021. Construction costs have risen by a total of about 21% since 2020
- In 2023, the Austrian economy is facing a recession. While the inflation rate is expected to stabilize again and unemployment to develop stably, an overall economic downturn is forecasted
- The **further development** of real estate prices in 2023 has to be regarded in a differentiated manner due to the noticeable rise in interest rates, the credit policy restrictions, and the Russia-Ukraine war. In **Office** real estate, the focus will be on **ESG-compliant buildings** with modern space in prime locations. In the **Retail** sector, further **optimization of space** will take place, and the **winners** will primarily be **A-locations** and **good local supply locations**. For the Austrian **Logistics** market, the **positive tendency** of 2022 **continues**, with prime yields of 4.4% at year-end (vs. 2021 +0,6%). The city **Hotel** industry is still struggling with occupancy, which remains below 2019 levels. The **trend** is towards **mixed-use buildings** (serviced apartments). The **Residential** market is impacted by **rising interest rates, inflation**, and the more **restrictive financing policy**. Strategic challenges such as **ESG** and **construction costs** are also influencing market activities



Austrian Real Estate Market

Prices for residential real estate

- The trend of increasing prices was interrupted in the 4th quarter of 2022, when price increases declined for the first time after a long period. After a slight increase of 0.3% in the 3rd quarter of 2022, the prices nationwide fell by 2%. Higher interest rates and stricter lending guidelines for loans are likely to lead to a further flattening of real estate prices
- In 2022, compared with the previous year, in Austria (excluding Vienna) Residential property prices developed slightly stronger, at around +10.8%, than in Vienna, at around +9,7%

Source: OeNB, Technical University Vienna, Department für Raumplanung



Austrian Real Estate Market

Investment Property Databank (IPD)

- The adjusted interest rate policy has triggered a repricing process that has led to rising yields in all asset classes, some of which are now up to 80 basis points higher than in the 4th quarter of 2021
- As long as the yields achievable with real estate are attractive in comparison with alternative investments such as government bonds, real estate will remain in demand. However, the outlook for continued interest rate increases is slowing investment appetite to a certain extent. The 1st half of 2023 will be even more tempered, but the situation is expected to improve in the 2nd half of 2023
- 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 2021 | 3.90% |
| • Yield of Austrian Government Bonds (10Y) | 3.16% |
| • Spread | 0.74% |



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 March 24, 2023

